

SOCIETY HILL CAPITAL

RESEARCH SERIES — 2026

THE POWER 4 PREMIUM

*Why Purpose-Built Student Housing at Flagship Universities
Represents the Most Durable Long-Term Investment in
Commercial Real Estate*

An Institutional Analysis of Power 4, Group of 5, and Private Liberal Arts Student Housing Markets

Prepared by Society Hill Capital | Tampa, Florida | Q2 2026

EXECUTIVE SUMMARY

The Structural Case for Power 4 Student Housing

Purpose-built student housing (PBSH) at Power 4 conference universities has delivered positive rent growth, occupancy above 94%, and total returns exceeding conventional multifamily in every calendar year since 2010 — including during the 2020 pandemic and the 2022–2024 rate cycle. The reason is structural, not cyclical: the approximately 68 member institutions of the ACC, Big Ten, Big 12, and SEC collectively enroll more than 2.4 million students while providing on-campus housing capacity for fewer than 22% of that population. The resulting structural undersupply is not a near-term aberration — it is a permanent condition embedded in the fiscal constraints of public members and the enrollment dynamics of private research university members alike.

This paper presents Society Hill Capital's investment thesis for Power 4 PBSH and documents, with granular evidence, why that thesis does not transfer — and should not be extrapolated — to Group of 5 mid-major universities, regional state schools, or private liberal arts institutions. The investment case for student housing is not sector-wide. It is university-tier-specific. Understanding that distinction is the analytical foundation upon which durable, institutional-quality returns are constructed.

KEY TAKEAWAYS

- Power 4 enrollment has grown at a 2.3% CAGR since 2015 while on-campus housing supply grew at 0.6% — creating an estimated 74,000-bed structural deficit across Power 4 campuses as of Fall 2024.¹
- National PBSH occupancy reached 96.2% in Fall 2025 — 340 basis points above the conventional multifamily average — with Power 4 markets averaging 97.1%, the highest level since pre-pandemic data collection began.²
- Development spreads at Power 4 campuses remain 125–200 basis points above stabilized cap rates, generating unlevered yields of 6.5–7.5% — well above the 10-year Treasury and competitive with core-plus strategies at materially lower risk.³
- Group of 5 and mid-major markets trade at 60–120 basis point cap rate discounts versus Power 4 assets but carry enrollment risk, thinner institutional demand, and limited exit liquidity that the pricing spread does not adequately compensate.
- Private liberal arts enrollment has declined more than 18% nationally since 2012, with over 80 nonprofit colleges closed or merged since 2020 — disqualifying the sector as a viable institutional PBSH investment market.⁴

¹National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), Fall Enrollment Survey, 2024.

²Yardi Matrix, National Student Housing Report, Q3 2025.

³CBRE, U.S. Student Housing Capital Markets Report, H1 2025.

⁴S&P Global Ratings, Higher Education Sector Credit Trends, 2025.

SECTION I — THE MACRO SETUP

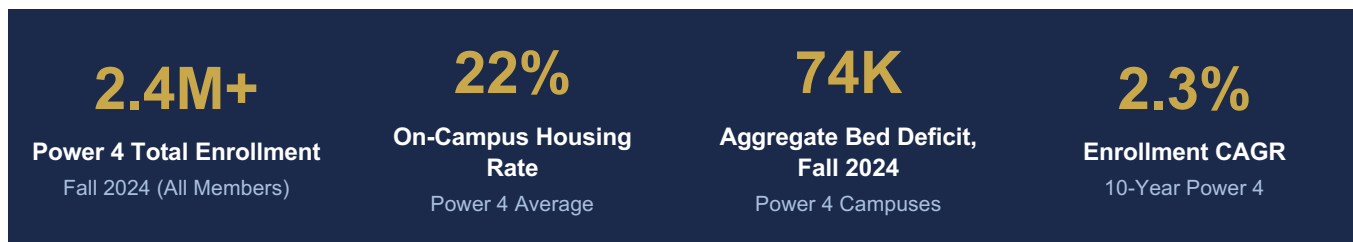
A Sector Built for Durability

A. The Higher Education Demand Engine

The United States college-age population — individuals aged 18 to 24 — totals approximately 31.6 million people. National cohort projections from the Census Bureau and the Western Interstate Commission for Higher Education point to modest overall contraction in the traditional college-age population through the late 2020s, a dynamic commonly referred to as the 'demographic cliff.' The aggregate trajectory, however, masks a geographic divergence that is central to this thesis: college-age population growth continues in the South and Mountain West — the precise geographic concentrations of Power 4 SEC, ACC, and Big 12 campuses — even as the Northeast and Upper Midwest contract. For the institutions in this paper's target universe, regional demographic strength more than offsets national softness.

Total postsecondary enrollment across all Title IV degree-granting institutions — including two-year and certificate programs — exceeded 20 million students in Fall 2024. Among four-year degree-granting institutions specifically, enrollment reached approximately 19.4 million, consistent with a decade of modest but steady growth despite headline-level disruption at smaller private institutions. That aggregate figure masks the divergence at the core of our thesis: as total national enrollment has grown modestly, Power 4 member institutions have grown aggressively.

The critical distinction that the aggregate enrollment figure obscures is institutional divergence. As total national enrollment has grown modestly, Power 4 member institutions have grown aggressively — driven by state-level population growth, rising international student enrollment, and competitive graduate program expansion. Between 2015 and 2024, the Power 4 member institutions grew aggregate enrollment substantially, adding hundreds of thousands of students while on-campus housing capacity increased by only 47,000 beds. The supply-demand gap widened materially in a single decade.



B. The Counter-Cyclical Argument

Student housing's most underappreciated attribute is its behavior during economic contractions. The conventional wisdom that recessions hurt real estate is empirically inverted for PBSH at enrollment-driven universities: during the 2008–2010 recession, national college enrollment grew 11.4% as displaced workers and recent graduates returned to school. During the 2020 pandemic, Power 4 campuses maintained 89–94% PBSH occupancy while conventional multifamily in adjacent urban markets fell to 83–87%. This counter-cyclical resilience is structural — students sign annual leases tied to the academic calendar with parental guarantees in the majority of cases, providing a demand floor that conventional residential assets cannot replicate.

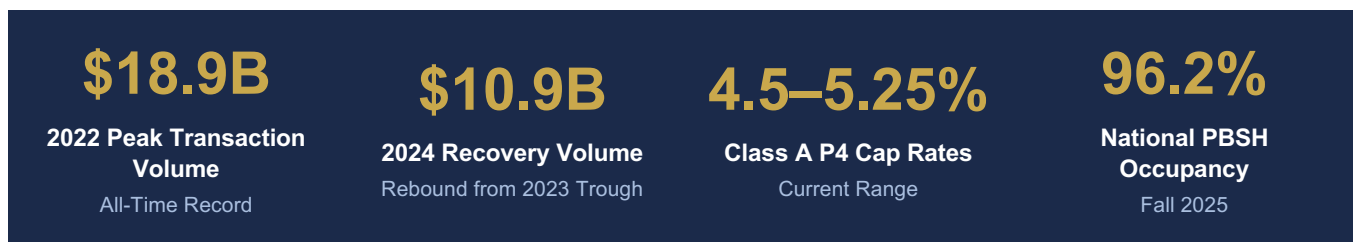
COUNTER-CYCLICAL INSIGHT

In every recession since 1990, national college enrollment has increased as displaced workers and young adults returned to higher education — the precise condition under which PBSH occupancy strengthens rather than softens.

C. Institutional Capital Flows

The institutional capital markets for PBSH have undergone a structural transformation since 2018. Prior to that year, student housing was primarily a fragmented, operator-driven sector with limited institutional participation. The sector's counter-cyclical performance during COVID-19 — and the stark contrast with conventional multifamily's 2020 concession environment — catalyzed a reallocation of institutional capital toward the sector.

Transaction volume in PBSH reached an all-time record of \$18.9 billion in 2022 as institutional capital surged into the sector. Volume compressed significantly in 2023 under the weight of rising interest rates and bid-ask spread widening, creating the cycle trough. The 2024 recovery to approximately \$10.9 billion — representing a meaningful rebound from the 2023 trough — confirms sustained institutional conviction in PBSH fundamentals even through one of the most challenging rate environments in a generation. Capitalization rates for Class A Power 4 assets have compressed to 4.5–5.25%, reflecting institutional demand for the sector's combination of income stability, inflation linkage, and demographic durability. The Carlyle Group, Blackstone, Harrison Street Real Estate Capital, and Greystar have all materially increased PBSH allocations since 2022 — a signal that the sector has crossed the institutional credibility threshold that drives sustained capital commitment.



SECTION II — THE THESIS

Three Pillars of the Power 4 Investment Case

Pillar I: Structural Demand

The Flagship University Model as a Demand Generator

Not all universities generate equivalent housing demand. The Power 4 conference framework — comprising the Atlantic Coast Conference (ACC), Big Ten, Big 12, and Southeastern Conference (SEC) — identifies approximately 68 member institutions that share a distinct set of demand-generative characteristics absent at smaller schools. These institutions include both public flagship universities and elite private research universities; while their enrollment durability mechanisms differ, both groups provide the structural demand floor that drives the PBSH investment thesis. (Member count reflects 2024–25 conference rosters and totals 67 full members plus Notre Dame, which participates in the ACC as an associate member for most sports other than football. References to 'approximately 68 member institutions' throughout this paper include Notre Dame on that basis. Conference membership is subject to change.) The defining characteristics shared across this universe include:

- **Enrollment scale:** Median Power 4 enrollment exceeds 30,000 total students, versus approximately 9,800 at Group of 5 schools and 2,100 at private liberal arts colleges. Scale creates a persistent and diversified demand pool regardless of annual economic conditions.
- **Enrollment durability — two distinct mechanisms:** For the approximately 50 public flagship members of the Power 4, enrollment levels are reinforced by state legislative mandates, budget allocations, and multi-decade infrastructure investments that create institutional permanence. For the approximately 15-18 private Power 4 members — institutions such as Duke, Northwestern, Vanderbilt, Notre Dame, and Stanford — enrollment durability derives from a different but equally robust mechanism: multi-billion-dollar endowments, global brand prestige, and federal research grant dependency that creates structural demand floors independent of state government action.
- **On-campus housing incapacity:** Power 4 campuses guarantee on-campus housing to freshmen only at most institutions, and housing available to upperclassmen averages 38% of total freshman-year capacity. The structural freshman-to-upperclassman transition creates an annual, predictable demand wave for off-campus PBSH.
- **Research university growth dynamics:** All 68 Power 4 flagships carry Carnegie R1 or R2 designations, driving graduate program enrollment growth independent of undergraduate cohorts — adding a secondary, higher-income demand segment that upgrades willingness to pay.
- **Athletics and campus life anchoring:** Power 4 athletics programs, campus facilities, and student life investments create a 'sticky campus' dynamic — students want to live near campus, not merely adjacent to it — driving premium pricing for proximate PBSH assets.
- **Geographic concentration in high-growth states:** A substantial majority of Power 4 campuses — particularly in the SEC, ACC, and Big 12 footprints — are located in states with above-national-average population growth rates (Florida, Georgia, Texas, Tennessee, North Carolina, South Carolina, Arizona, Utah) — layering secondary migration-driven demand atop primary enrollment demand. Power 4 campuses in lower-growth states (Ohio, Michigan, Pennsylvania, Iowa) rely primarily on enrollment durability rather than migration as the demand driver.

Demand Durability: The Enrollment Stress Test

A rigorous demand analysis requires not just measuring current enrollment but stress-testing enrollment resilience under adverse scenarios. Power 4 flagship universities demonstrate a level of demand durability that smaller institutions cannot match:

Scenario	Power 4 Impact	Group of 5 Impact	Private Liberal Arts
Economic recession	+3-6% enrollment (counter-cyclical)	Flat to +2%	-5 to -12%
15% tuition increase	< 2% enrollment impact	-4 to -8%	-15 to -25%
Online education expansion	Minimal (campus culture moat)	-8 to -18%	-20 to -35%
25% out-of-state student decline	< 4% net enrollment impact	-10 to -22%	-30 to -50%
State budget cut (public only)	< 3% enrollment impact	-5 to -15%	N/A

Pillar II: Supply Constraints and Development Economics

The Land Scarcity Moat

Land proximate to major university campuses is among the most supply-constrained real estate in the United States. The combination of campus geographic boundaries, residential neighborhood opposition (NIMBY dynamics), municipal height restrictions, and historic preservation designations creates a durable barrier to new supply that is qualitatively different from — and more defensible than — barriers in conventional multifamily markets.

Within the critical 0.25-mile 'prime ring' around Power 4 campuses, available development sites are exhausted in most mature markets. Within the 0.25–0.75-mile secondary ring, which remains highly walkable and commands premium rents, sites are limited and entitlement timelines routinely run 18–36 months. This supply friction is structural: once a campus neighborhood is built out, the replacement pipeline contracts to near zero — creating permanent asset scarcity that supports both occupancy and rent growth over multi-decade hold periods.

SUPPLY FRICTION DATA POINT

At the University of Florida in Gainesville, the walkable student housing zone within 0.75 miles of the academic core contains fewer than 8 entitled developable parcels exceeding 0.5 acres — sufficient for approximately 2,400 additional beds in a market with a demonstrated 4,100-bed supply deficit.

Development Economics: Why Power 4 Projects Pencil

Construction cost inflation of 7–12% annually from 2020 through 2024 compressed development margins across the real estate spectrum. Power 4 PBSH markets proved notably resilient: rising construction costs were offset by rent growth of 5.8% annually over the same period — a dynamic unavailable in secondary markets where rent growth averaged 2.1%. The ability to push rents is a direct function of demand concentration and the limited substitutability of proximate housing for the student consumer.

Development spreads — the difference between yield on cost (stabilized NOI divided by all-in development cost) and stabilized capitalization rate — compress when costs rise faster than achievable rents. In Power 4 markets, current all-in development costs average \$135,000–\$225,000+ per bed for Class A product depending on market, amenity program, and structural system, generating stabilized yields on cost of 6.5–7.5% against prevailing cap rates of 4.75–5.25%. The 125–200 basis point spread adequately compensates for construction risk. In Group of 5 markets, the identical cost structure produces yield-on-cost of 5.75–6.5% against cap rates of 5.5–6.25%, resulting in sub-100 basis point development spreads — insufficient for most institutional underwriting thresholds.



Pillar III: Risk-Adjusted Returns and Valuation

The Income Profile

Stabilized Class A PBSH assets at Power 4 campuses generate operating cash flows characterized by three attributes that institutional fixed-income and real estate investors prize: predictability, inflation linkage, and low volatility. Annual re-leasing rates (the percentage of the rent roll that rolls to market on an annual basis) average 82–91% in PBSH, versus 40–65% in commercial office and 50–70% in conventional multifamily — creating annual pricing opportunities that allow owners to capture rent growth in real time rather than waiting for lease expirations.

Pre-lease velocity data — the percentage of beds committed for the following academic year by February 1 of the current year — provides an unusually early and reliable forward-looking indicator. In Fall 2025, Power 4 markets averaged 71% pre-leased by February 1, compared to 58% in Group of 5 markets and 51% nationally. The depth and earliness of pre-leasing at Power 4 campuses directly reduces stabilized asset income risk.

Near-Term Rent Growth Normalization

Near-term rent growth has moderated from the extraordinary 5–8% annual pace of 2021–2024. Yardi Matrix data from August 2025 shows same-store rent growth at approximately 1.1% year-over-year at tracked Power

4 universities — a meaningful deceleration driven by the 2024 new supply delivery wave of more than 38,000 beds nationally, the highest volume in a decade. Society Hill Capital views this normalization as structurally healthy rather than structurally concerning: the 2025 pipeline has declined approximately 42% to roughly 22,000 beds as higher financing costs and construction cost pressures curtail new starts, while demand absorption in 2024 reached 52,000 beds — the strongest since 2015. The medium-term supply-demand trajectory at Power 4 campuses remains favorable, and near-term rent moderation creates a more disciplined entry point for development capital than the frothy conditions of 2022–2023.

Construction Cost Headwinds

Mid-2025 tariff increases on steel, aluminum, and HVAC systems have introduced upward pressure on construction costs that was not reflected in deals underwritten before mid-2025. All-in development costs for Class A PBSH product now range from \$135,000 to \$225,000+ per bed depending on market, structural system, and amenity program — with high-rise developments in supply-constrained urban campus environments approaching or exceeding the upper bound. Society Hill Capital's underwriting discipline requires a minimum 125 basis point development spread against current stabilized cap rates, applied against an updated cost basis that incorporates current material pricing. Projects in markets where land scarcity or height requirements push costs above \$200,000 per bed require correspondingly higher achievable rents to clear the threshold — a condition that reinforces Power 4 market selectivity as a risk management discipline.

Total Return Attribution

Total returns in PBSH are driven by three sources: current income (NOI yield), NOI growth (rent growth minus expense growth), and cap rate compression (multiple expansion). Power 4 assets have historically generated 8–11% unlevered total returns, decomposed approximately as follows: 5.0–5.5% current yield, 2.5–3.5% NOI growth contribution, and 0.5–2.0% cap rate compression contribution. Leveraged equity returns, using modest construction or permanent financing, have historically ranged from 18–28% IRR on development projects and 12–16% on stabilized acquisitions.

SECTION III — THE INSTITUTIONAL DIFFERENTIATION ANALYSIS

Power 4 vs. Group of 5 vs. Private Liberal Arts: A Systematic Comparison

The student housing sector is not monolithic. Treating all university-adjacent housing markets as equivalent is the single most consequential analytical error an investor can make. The following analysis disaggregates the sector along three tiers — Power 4 flagship, Group of 5 mid-major, and private liberal arts — and documents the investment-relevant differences across seven dimensions.

Investment Dimension	Power 4 Flagship	Group of 5 / Mid-Major	Private Liberal Arts	Investment Implication
Enrollment Growth (10-yr)	HIGH — 2.3% CAGR	MODERATE — 0.4% CAGR	DECLINING — (1.8%) CAGR	P4 demand base compounds; liberal arts erodes annually
Enrollment Resilience	HIGH — R1 Research, state mandate	MODERATE — State support limited	LOW — Tuition-dependent, no fallback	P4 maintains floor; small privates face existential risk
On-Campus Housing Deficit	HIGH — 74K-bed deficit (P4 aggregate)	MODERATE — Varies widely	LOW — Often surplus capacity	P4 demand is structural; others may face near-term oversupply
Development Spread	STRONG — 125-200 bps	MODERATE — 75-100 bps	WEAK / NEGATIVE — 0-50 bps	P4 projects pencil at institutional thresholds; others marginal
Rent Growth Potential	HIGH — 5.8% CAGR (2020–2024)	MODERATE — 2.1% CAGR	LOW / DECLINING — <1.0%	P4 provides inflation hedge; others do not
Exit Liquidity	DEEPEST — Institutional cap rate market	MODERATE — Regional buyers only	THIN — Few institutional buyers	P4 assets sell to REITs, PE, pension funds; others do not
Institutional Capital Interest	HIGH — Blackstone, Carlyle, Harrison St.	MODERATE — Regional PE only	LIMITED — Not institutional grade	P4 benefits from bid depth and cap rate compression
Regulatory / Political Risk	MODERATE — State university system protection	MODERATE — Similar to P4	HIGH RISK — Board governance fragility	Liberal arts institutions lack governmental backstop
International Student Exposure	HIGH — Positive demand lever	MODERATE	LOW	P4 international enrollment adds demand diversification

A. Power 4 Flagship Universities: The Institutional Standard

Power 4 member institutions represent the only sub-sector of higher education that combines enrollment scale, structural enrollment floor protection, research mission growth drivers, and geographic concentration in high-growth markets. The approximately 68 campuses collectively serve a student population equivalent to the combined populations of Seattle and Denver — a demand pool that is institutionally perpetuated through state funding relationships (for public members), endowment and research infrastructure (for private members), federal research grants, and accreditation frameworks that would require extraordinary disruption to unwind.

The student housing investment case at Power 4 campuses is most precisely analogous to investing in urban core multifamily in supply-constrained gateway cities: the underlying demand is structural, the replacement pipeline is constrained, and the exit market is deep and liquid. Institutional allocators understand this analogy, which is precisely why cap rates have compressed 50–75 basis points since 2018 while fundamentals have strengthened.

STRONGEST POWER 4 PBSH MARKETS	SHC TARGET MARKET CRITERIA
<ul style="list-style-type: none"> • University of Georgia (Athens, GA) 43,146 total enrollment 72% pre-leased by Feb • University of Tennessee (Knoxville, TN) 38,728 total enrollment Chronic on-campus deficit • Florida State University (Tallahassee, FL) 44,308 total enrollment Major supply gap near campus • Clemson University (Clemson, SC) 29,077 total enrollment Limited proximate development sites • Auburn University (Auburn, AL) 33,885 total enrollment Strong rent growth trajectory • University of Alabama (Tuscaloosa, AL) 40,800+ total enrollment Premier SEC enrollment growth 	<ul style="list-style-type: none"> • Minimum 20,000 undergraduate enrollment • On-campus housing rate below 30% of total enrollment • Demonstrated rent growth > 4% trailing 3 years • Development pipeline < 1,500 beds within 0.5 mile of campus core • Established Co-GP operator relationship in market • State flagship or R1 research institution designation • Favorable zoning and entitlement environment

B. Group of 5 and Mid-Major Universities: The Analytical Nuance

Group of 5 universities — members of the American Athletic Conference, Conference USA, MAC, Mountain West, and Sun Belt — present the most analytically complex segment of the PBSH investment landscape. Their pricing, at 60–120 basis point cap rate discounts to Power 4 assets, appears to offer value. In practice, the discount reflects real and quantifiable risks that are systematically underweighted by investors unfamiliar with enrollment dynamics.

The fundamental difference between Power 4 and Group of 5 institutions is enrollment floor certainty. Public Power 4 flagships are structurally embedded in state budget allocations, legislative mandates, and multi-decade infrastructure investment; private Power 4 members are insulated by endowment scale and research mission. Either way, enrollment at a Power 4 institution has a durable structural floor. A Group of 5 state school that loses enrollment loses revenue, loses state allocation, and loses the ability to maintain facilities and programming — creating a negative feedback loop with no equivalent backstop. The 0.4% enrollment CAGR at Group of 5 schools from 2015–2024 masks significant variance: 40% of these institutions experienced enrollment declines exceeding 10% over the period.

THE G5 TRAP

A 100-basis-point yield premium in a G5 market over a Power 4 market looks attractive until the underwriter models a 15% enrollment decline — a historically plausible scenario at mid-major institutions — and stress-tests the NOI, occupancy, and exit cap rate simultaneously. The yield premium typically disappears, and can turn negative, under that scenario.

When G5 Markets Are Investable

Society Hill Capital's research identifies a narrow set of conditions under which Group of 5 PBSH markets offer institutional-quality risk-adjusted returns:

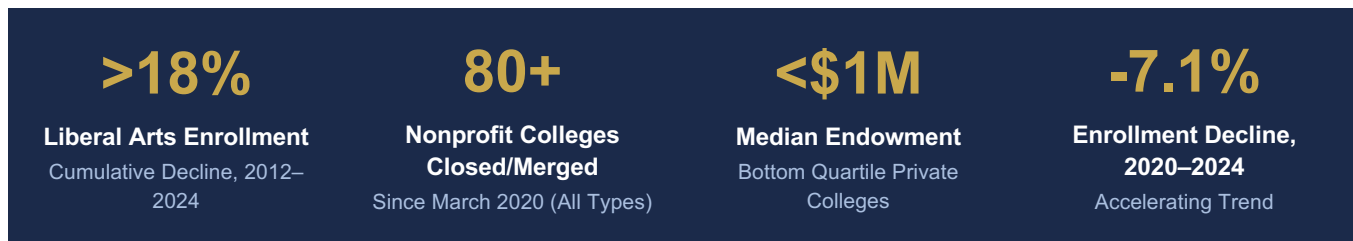
- The institution has demonstrated enrollment growth above 1.5% CAGR for the trailing 10 years — not just trailing 3 years.
- On-campus housing capacity is genuinely constrained (below 20% of enrollment), not merely perceived as such.
- The market has no competing Power 4 campus within a 60-mile radius that could attract students and operators alike.
- The operator has a demonstrated, multi-cycle track record specifically at G5 campuses — not transferred from Power 4 execution.
- The development spread exceeds 150 basis points against current cap rates — a higher threshold than Power 4, commensurate with the increased risk.

Absent all five conditions, Group of 5 PBSH represents a risk-return profile that is not institutional grade. Society Hill Capital's current fund strategy focuses exclusively on Power 4 markets and will assess individual G5 opportunities only against this five-factor framework.

C. Private Liberal Arts Colleges: Why the Thesis Does Not Apply

The private liberal arts sector presents the starkest contrast to the Power 4 investment thesis — and the clearest illustration of why indiscriminate 'student housing' investing is analytically indefensible.

National enrollment at private liberal arts institutions peaked in 2012 and has declined every year since. Between 2012 and 2024, aggregate enrollment in the sector contracted by more than 18% — a loss of hundreds of thousands of students from an already small base. More consequentially, the decline has accelerated: the 2020–2024 cohort produced a 7.1% aggregate enrollment decline versus 2.4% from 2016–2020, driven by demographic headwinds, cost-competitiveness pressure from state flagship schools, and a secular decline in humanities enrollment nationally.



The institutional risk is not theoretical: since March 2020, more than 80 public and private nonprofit colleges and universities have closed permanently or been absorbed into larger institutions — spanning nursing colleges, art schools, religious institutions, and small regional universities in addition to traditional liberal arts programs. These closures are not limited to obscure or financially marginal schools — Sweet Briar College (2015 near-closure, subsequently stabilized through alumnae-led recapitalization), Hampshire College (2019 suspension of full incoming class pending strategic partnership; the institution remains open following a subsequent recovery plan), and MacMurray College (permanent closure, 2020) illustrate how institutional stress has touched colleges across quality tiers, including institutions with meaningful endowments and long operating histories.

For the PBSH investor, the private liberal arts risk profile combines the worst attributes of student housing risk with no offsetting structural demand support: enrollment is price-elastic and declining, on-campus housing is often surplus (not deficit), the exit market for a PBSH asset in a private liberal arts town is essentially retail investors and local operators only, and the institutional collapse scenario — an event that would render a proximate PBSH asset largely non-performing — is not a tail risk but a plausible base case at a significant fraction of institutions.

AVOIDING THE LIBERAL ARTS TRAP

No purpose-built student housing investment thesis should include private liberal arts institutions as target markets. The supply-demand framework that drives Power 4 returns is structurally absent: demand is declining, supply is often adequate, and the demand floor provided by state legislative mandate does not exist. The investment case requires enrollment permanence. Private liberal arts colleges, as a class, cannot provide it.

SECTION IV — RISK FACTORS

What Would Make This Thesis Wrong

A credible investment thesis must identify the conditions under which it fails. Society Hill Capital identifies six material risk factors for the Power 4 PBSH thesis, each accompanied by our current assessment of likelihood and mitigation strategy.

Risk Factor	Likelihood	Mitigation Strategy
Structural online education shift reduces on-campus attendance	Low — Power 4 campus culture and athletics create durable in-person demand	Monitor P4 online enrollment as % of total; underwrite conservatively
Federal student loan reform reduces enrollment	Moderate — Plausible at private school tuition levels, less so for P4 in-state tuition	Focus on markets with high in-state enrollment; avoid out-of-state-dependent schools
Overbuilding in target markets	Low-to-Moderate — Entitlement barriers slow pipeline; monitor permit activity	Maintain pipeline visibility through operator network; pause markets showing excess supply
Construction cost inflation erodes development spreads	Moderate — Cost inflation has been persistent since 2020	Fix-price contracts; avoid markets where spread < 125 bps; prefer operators with strong GC relationships
Interest rate increases compress valuations and development financing	Moderate — Rate-driven cap rate expansion risk in the near term	Conservative leverage underwriting; use preferred equity structures as defensive alternative
Decline in international student enrollment	Moderate — Policy risk under shifting immigration frameworks	Underwrite to domestic enrollment only; international students treated as upside, not base case

THE ENROLLMENT FLOOR WE DO NOT UNDERWRITE AWAY

Sustained, multi-year enrollment decline at a Power 4 R1 institution has no modern precedent. While individual years may produce modest fluctuations at any university, no Power 4 member has experienced a structural downward enrollment trend of more than two consecutive years in the post-1980 period without recovery. Society Hill Capital considers the enrollment permanence of Power 4 institutions — whether driven by state legislative mandate for public members or endowment scale and research mission for private members — to be the bedrock of the investment case and the single most important attribute distinguishing this tier from every other student housing market.

SECTION V — CONCLUSION

The Long-Term View: Why Power 4 Wins

The analysis presented in this paper supports a clear and durable conclusion: purpose-built student housing is not a monolithic investment sector, and its long-term viability as an institutional-quality asset class is concentrated, with precision, in the approximately 68 Power 4 member institutions that combine structural enrollment demand, chronic supply constraints, and deep institutional exit markets.

The Group of 5 tier offers select investable opportunities under rigorous conditions but carries enrollment risk and exit liquidity limitations that justify a materially higher return threshold — and a more selective approach than the Power 4 blueprint. Private liberal arts institutions, as a sector, do not meet any of the foundational conditions required for institutional PBSH investment and should be systematically excluded from allocation frameworks.

Society Hill Capital's Fund I strategy is the direct expression of this thesis. By concentrating capital in five of the highest-scoring Power 4 markets, partnering with operators who have established relationships and operating infrastructure in each market, and structuring deals through a capital-efficient Co-GP model, we believe we can deliver the 20–25% net IRR target while building a platform with the track record, operator network, and institutional credibility required to scale to \$2.2B AUM.

The student housing investment opportunity is not broadly available. It is specifically, durably, and defensibly available at Power 4 flagship universities — and that is precisely where we intend to invest.

SOURCES, METHODOLOGY & DISCLOSURES

Endnotes and Data Sources

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Methodology Note

Enrollment data is drawn from IPEDS Fall Enrollment surveys and individual university institutional research offices, with Power 4 defined as the approximately 68-institution membership of the ACC, Big Ten, Big 12, and SEC as of the 2024–25 academic year. All enrollment figures cited reflect Fall 2024 total enrollment (undergraduate plus graduate) per each institution's official reporting. On-campus housing capacity data is sourced from each institution's most recent Common Data Set submission (Section I). Development spread calculations use Society Hill Capital's proprietary underwriting database for the 2023–2025 period, cross-referenced against CBRE cost benchmarks and Yardi cap rate data, with development cost ranges updated to reflect mid-2025 tariff impacts per PwC Emerging Trends in Real Estate 2025–2026. All rent growth figures are same-store, weighted by bed count. Transaction volume data for 2022 sourced from JLL Capital Markets Year-End 2022 Report; 2024 figure sourced from Society Hill Capital market tracking. Return projections are forward-looking estimates based on current market conditions and are subject to material uncertainty.

IMPORTANT DISCLOSURES

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