



Navigating the Evolving Student Housing Sector

How has Landmark evolved as a firm since inception?

Since our founding in 2004 in Athens, Ga., Landmark has become one of the largest vertically integrated developers, acquirers, owners and managers of purpose-built student housing across the U.S. We've been able to grow our platform organically during the past two decades, evolving from a merchant developer to an institutional investment management platform. An important component of that evolution has been our focus on urban-infill, pedestrian-to-campus student housing communities, where long-term ownership has become increasingly important to us, given the generational sites and projects we've been able to build. Through that strategy, we've assembled a best-in-class portfolio of communities in fortress locations at Tier 1 universities nationwide. We have also grown and diversified our investment strategies by launching an acquisitions platform in 2019, a build-to-rent development platform in 2021, and a U.K. student housing platform earlier this year. To date, we have invested in more than 120 rental projects totaling nearly \$14.5 billion. Landmark now has one of the largest corporate teams dedicated to student housing in the United States and employs more than 1,400 team members across development, acquisitions, construction, property management and investment management, allowing us to effectively manage our portfolio of approximately 72,000 beds and \$14 billion in AUM.

What does vertical integration mean to Landmark, and why is it so important for student housing specifically?

At Landmark, we've tried to internalize every aspect of the real estate value chain to give us more control over our developments and resident experience. Not only do we have our own property management team and development management team, but we've also built a best-in-class 220-person construction team that allows us to act as general contractors on almost everything we develop. The biggest risk to a successful development project in student housing is an on-time delivery because of the leasing cycle that follows the academic year. Being a general contractor gives us significantly more control and alignment, which has been borne out in our results. In 2023, we tracked that only 54 percent of new student housing beds delivered on time, whereas Landmark's construction team delivered 100 percent of its eight projects on time. During the past several years, through COVID and the subsequent supply-chain disruption, our construction team proved even more valuable than we originally anticipated, and we've solved key challenges like buying cement trucks when a market runs short or moving construction teams from one market to another when labor has gotten too tight.

Our construction team also gives us several other adjacent benefits, such as precise real-time pricing guidance on specific project designs that we can iterate on, allowing us to act quickly and with conviction when dealing with land sellers. We also have real-time insight into replacement cost at a very granular level, which gives us significant competitive advantages on the acquisition side.

On the property operations side, having a team of more than 1,000 Landmark professionals managing more than 72,000 beds gives us unique alignment with our investors and unparalleled data to make better decisions, both with respect to new investments, as well as ongoing operations. We've structured our property management platform with a significant centralized corporate team that's integrated into our investment and asset management teams to ensure streamlined communication and swift decision making, which is critical over the course of an annual leasing cycle in student housing. We continue to become more sophisticated about harvesting and organizing our data to allow us to increase our use of technology and analytics to understand resident behavior, property performance and market trends, which has had a direct impact on our outperformance.

(1) AUM includes owned land sites carried at fully stabilized development value.

(2) Data as of Dec. 31, 2023. Portfolio metrics based on weighted average figures by number of beds.

Interview with:
J. WESLEY ROGERS
Co-Founder & CEO



2004
LANDMARK FOUNDING

1,400+
EMPLOYEES FIRMWIDE

\$14 billion
ASSETS UNDER
MANAGEMENT¹

7.4%
AY 21/22 — AY 24/25
RENT GROWTH
CAGR²

116
PROPERTIES UNDER
MANAGEMENT
(~ 72,000 BEDS)

#1
DEVELOPER OF STUDENT
HOUSING IN U.S.
IN 6 OF PAST 7 YEARS

TOP 10
PROPERTY MANAGER
IN U.S.

99%
RESIDENT SATISFACTION
IN FALL 2023

What do you attribute to student housing's recent strong performance?

The exceptionally strong operating performance we've seen during the past few years can be attributed to persistent and resilient enrollment growth at the top public universities that continues to exceed new supply. Despite headlines about overall stagnation in enrollment at U.S. universities, we continue to see the top public universities able to grow their enrollment given the compelling value proposition they deliver for students. By any number of metrics, the top universities have grown enrollment at the expense of the broader universe of colleges and universities across the United States.

At the same time, new supply has been constrained due to a number of factors, including a challenging capital markets environment, an increasingly difficult landscape for finding and executing on high-quality sites in the best markets, and a shortage of well-capitalized developers that have the ability to execute on such sites.

Given our development footprint and the visibility it gives us into new construction starts, we have high conviction that the sector will generate outsized rent growth for at least the next two to three years.

What is Landmark's approach to market selection, and how has that changed over time?

Among the more than 6,000 colleges and universities in the United States, we're generally focused on the top 200 schools. These include publicly chartered universities and select private schools with sufficiently large enrollment and off campus housing demand. From that universe, we have a number of key metrics we look at, such as school ranking, acceptance rate, affluence of the student population, and historical and projected enrollment growth. We then layer on real estate factors like barriers to entry, whether due to geography, topography or zoning and entitlements.

Recently, we've seen compelling opportunities in "second-tier" state universities due to heightened competition at flagship institutions. For instance, the University of Georgia has seen a 47 percent rise in applicants over the past five years, which has led to an 8 percent drop in its acceptance rate. As a result, institutions like Kennesaw State University and Georgia State University have experienced substantial enrollment growth, presenting attractive investment opportunities in these markets. We've seen similar trends across many high-growth states, such as Florida, Texas and North Carolina, as well.

How do you view the correlation between multifamily and student housing?

We often get asked this question, especially given multifamily's recently elevated supply and weaker rent growth. The short answer is that in the vast majority of our markets, we see very little correlation, which we attribute to several factors: (i) purpose-built student housing caters

directly to students, including leasing by the bed, bed-bath parity, fully furnished units, and amenity spaces designed specifically for the college experience; (ii) students typically prefer to live with friends and closer to campus, making properties more than two to three miles from campus or with more conventional floor plans less competitive; and (iii), very different from multifamily, new supply in student housing has been below the long-term average and expected to decrease further, for reasons we discussed before. As a result, we've generated a high single-digit rent growth CAGR over the past three years across our portfolio.

Another focal point for investors is the cap rate spread between multifamily and student housing. Given strong capital interest and operating fundamentals in student housing, we are seeing student housing cap rates approach those of multifamily. However, given that a cap rate factors in an implied cash flow growth rate, the significantly higher growth rate offered by student housing implies a higher unlevered cost of capital, which we think is very attractive, especially given the historical resilience of the asset class.

What other growth initiatives has Landmark been focused on recently?

During the past several years, we've identified a few different ways to leverage the in-house capabilities that we've developed and honed over two decades that have made us so successful in our core business.

A good example is in the single-family build-to-rent (BTR) sector. We were not unique in identifying an asset class supported by favorable long-term demographics, secular preference shifts, and a lack of high-quality institutional sponsors, but what we think separates us is our two decades of developing and operating low-density cottage-style student housing, a product very similar to BTR and in many ways more similar to BTR than traditional multifamily. In 2021 we stood up our BTR platform and have developed our first iteration of projects. We think the opportunity is becoming increasingly attractive, and our pipeline has really evolved during the past six to 12 months, where we expect to be significantly more active in 2025.

As a more recent example, earlier this year, we launched our expansion into the United Kingdom and Ireland. We've been studying the U.K. student housing market for quite some time and have been attracted to its similarities to where the U.S. market was eight to 10 years ago, with low provision rates, a lack of high-quality product, and strong and resilient demand. With the capital markets disruption during the past couple of years, we saw an attractive entry point both with respect to asset repricing, as well as the ability to attract talent and build a first-class team. We've made several key senior hires in London and have already begun to build an attractive pipeline of opportunities.

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