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## Why Student Housing Could Rebound for Spring

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Student housing could rebound quickly in the spring semester, if universities are able to reopen, that is. Student housing investor **Fred Pierce** is confident that will happen once the election ends, regardless of the outcome.

As a result, he is preparing for a rebound in the spring and next fall, and he is continuing to be an active buyer.

“The spring will be interesting,” Pierce, principal and founder of **Pierce Properties**, tells *GlobeSt.com*. “During the pandemic, there has been a clear political delineation with states with Republican Governors pushing for more aggressive re-opening of businesses and schools, while states with Democratic Governors have done the opposite. In my opinion, this is heavily influenced by the Democrats belief that keeping the economy shut down will benefit Joe Biden’s election prospects, while Republicans believe a recovering economy will bolster the re-election of the President.”

Within Pierce’s view of the market, he expects the reopening to move quickly after the election.

“I expect that following the November election—irrespective of the outcome—the partisan posturing surrounding the re-opening of the economy will dissipate and there will be a unified effort regarding re-opening. This will benefit schools and universities,” he says.

In the fall semester, Pierce continued to see strong occupancy in his portfolio, but he expects that more students will begin to return to school in the spring. “I expect that many of those few students who elected to study from home in the fall, perhaps 3% to 5% of students, will return to college in the spring and that some universities will pivot to offering more courses in-person,” he says.

In addition, international students will likely also return to campus, again augmenting demand.



*Once the election ends, the reopening of the economy to speed up to the benefit of university systems, according to one student housing investor.*

“There may also be an influx of international students in the spring who have had issues with travel restrictions and obtaining visas precluding their coming this fall, as well as some made decisions to stay in their home countries when the Federal Government announced they would revoke visas for international students whose classes were entirely online (since rescinded). Thus, we are expecting more spring move-ins in 2021 than in most years,” says Pierce. Pierce’s outlook has also made him bullish on new investment opportunities. He is an active buyer, although financing has been a challenge.

“We are actively pursuing new acquisitions in 2020, but the capital markets—both debt and equity—are demonstrating caution, so the volume of transactions for the remainder of the year will most definitely be slower than in years past,” says Pierce.

“That being said, during the pandemic we did close the sale of a student housing project and also acquired a portfolio in excess of \$100 million. The agencies are currently only lending to existing borrowers and only on properties leased at 90% or higher. That will be an advantage for us as a current borrower.”