

Student housing update

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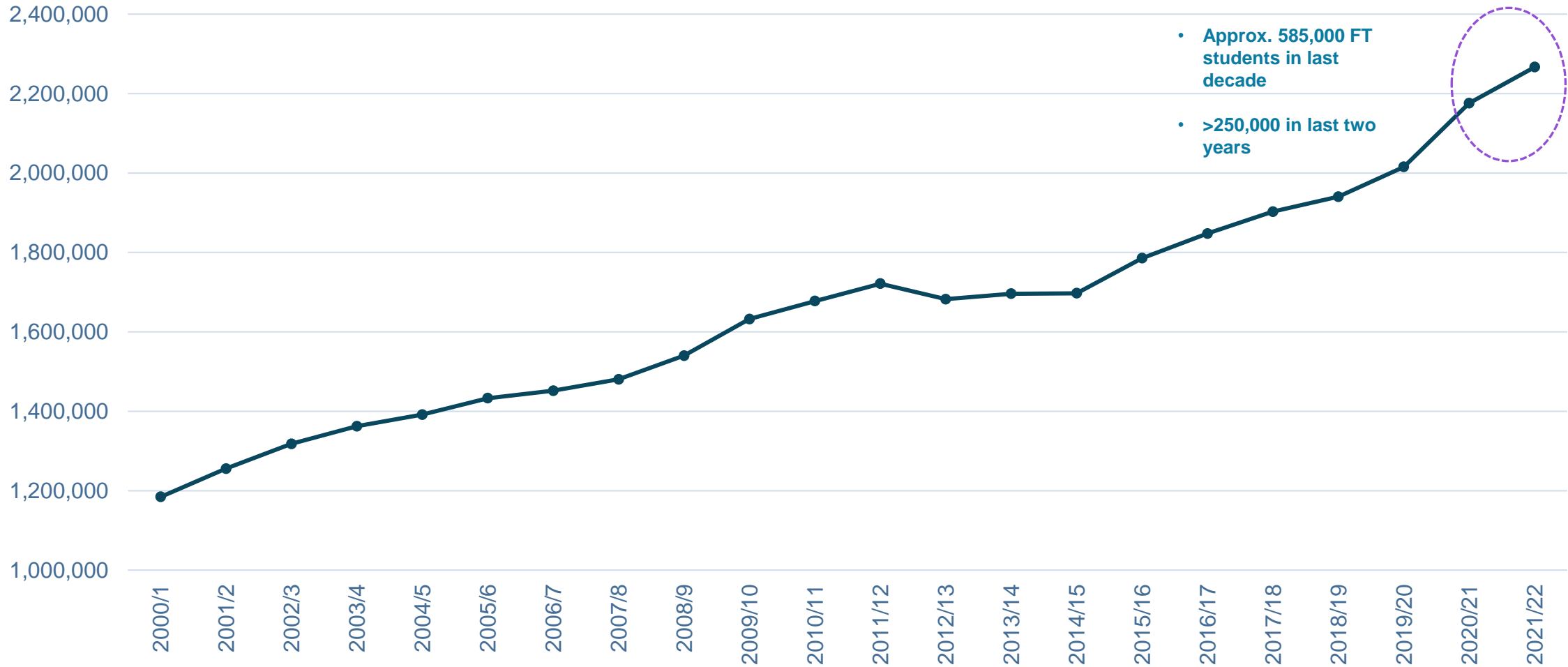
 **JLL** SEE A BRIGHTER WAY



Student Demand

Recent surge driven by international and postgraduate students

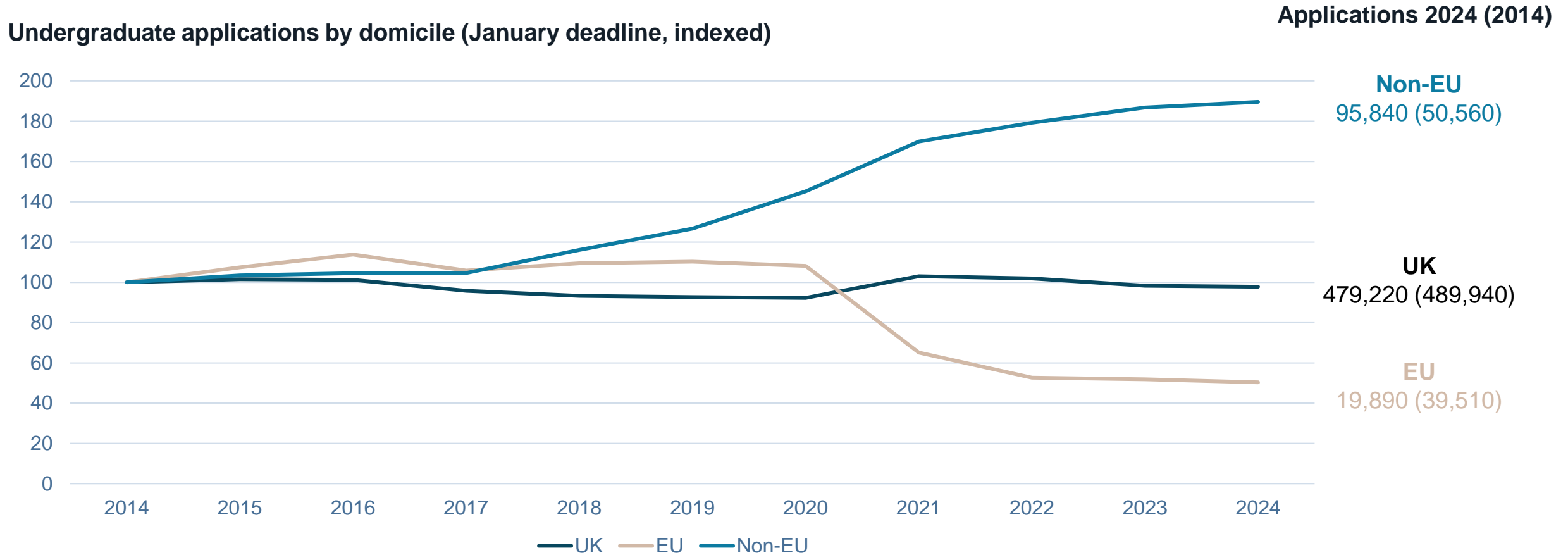
FT demand historic trend



Source: HESA

Applications

Overseas undergraduate applications have risen 28% since 2014, led by non-EU students, and continued to rise marginally y-o-y as at the Jan 2024 deadline

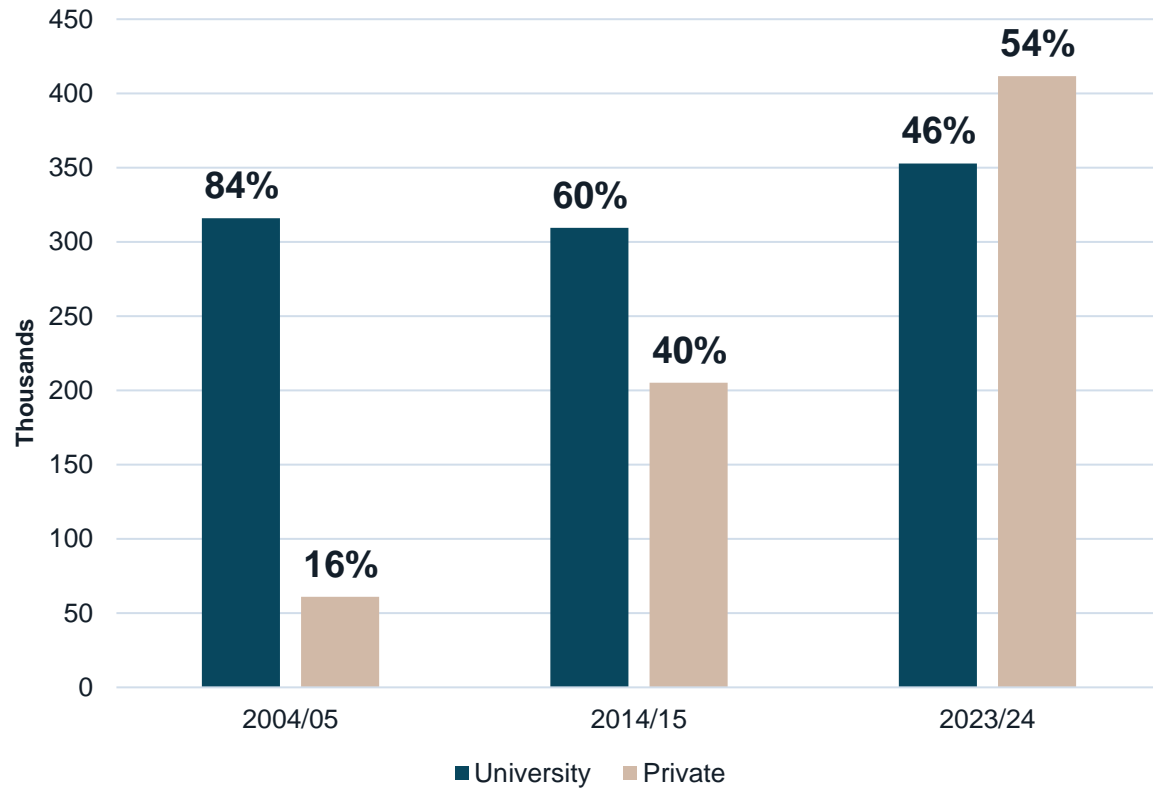


Source: JLL, UCAS

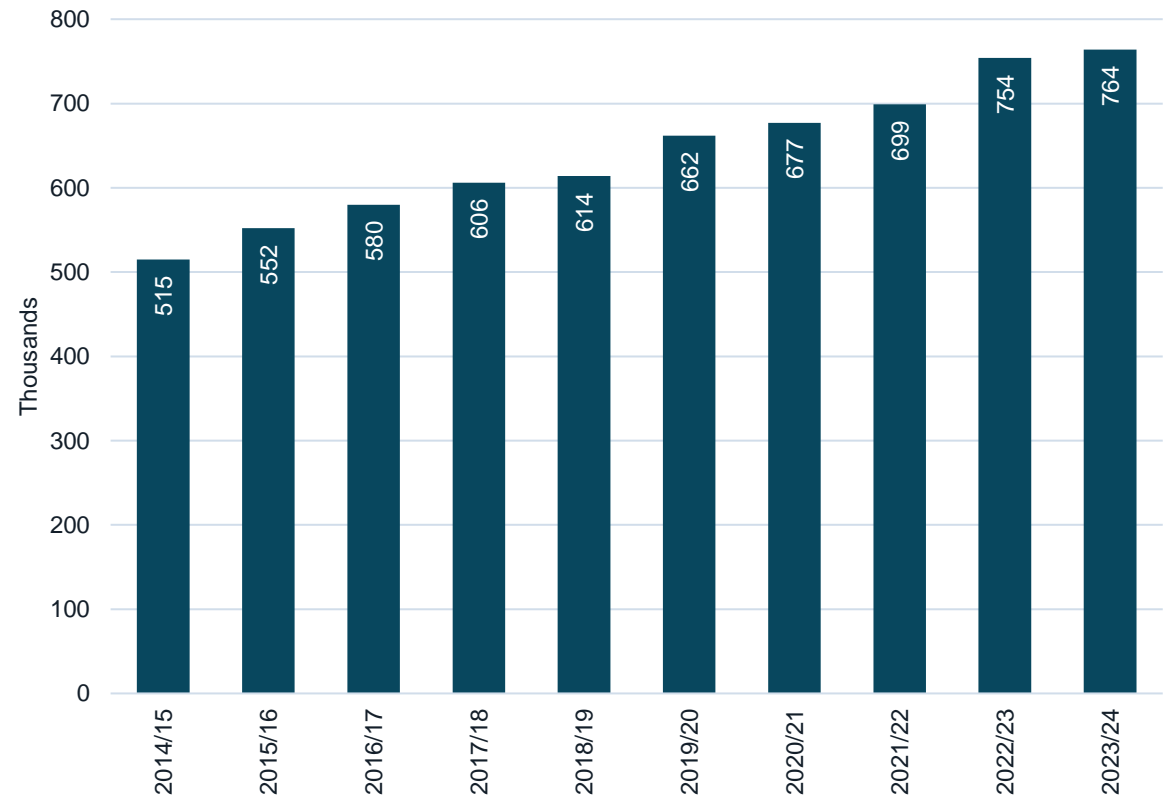
Where are they going to live? The market is changing

Privately-owned halls now comprise more than half of the sector – these are typically newer and more energy efficient

Supply by type



Growth over time (all beds)



Source: JLL

Pressure points emerging

PBSA unable to cope with scale of demand growth in some markets, likely more to follow

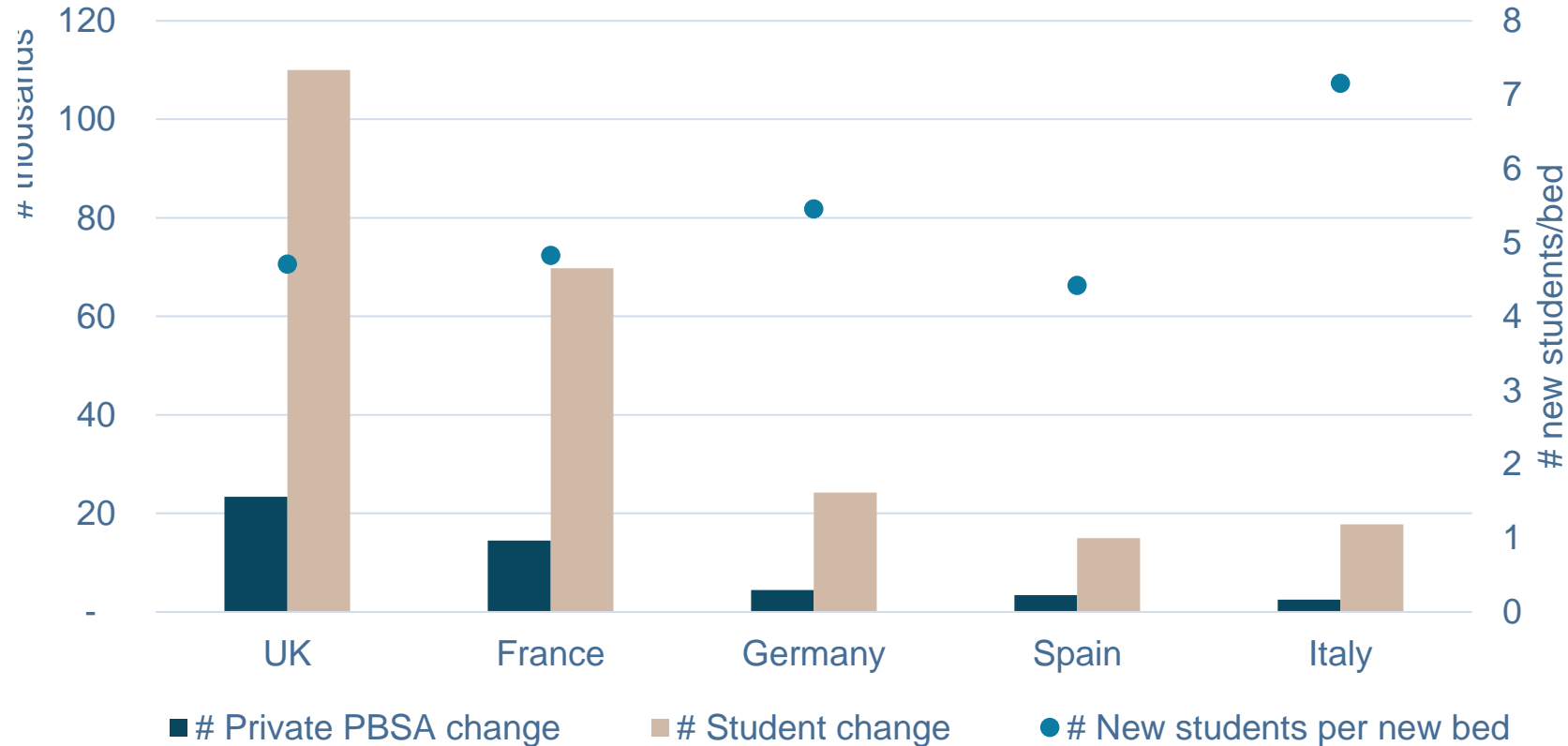
Changes to demand and supply 2019/20 to 2021/22

City	UK change %	International change %	Postgraduate change %	Total demand change %	Total demand change #	PBSA change units	Demand to supply ratio
London	12.5%	24.9%	31.0%	17.2%	59,190	1,511	39
Glasgow	10.8%	45.5%	53.7%	20.3%	13,085	727	18
Manchester	10.6%	27.3%	27.7%	14.5%	12,180	3,177	4
Canterbury	47.0%	-9.0%	7.9%	38.0%	10,135	205	49
Bristol	11.1%	44.2%	47.5%	18.5%	9,270	1,075	9
Leeds	12.6%	16.2%	12.0%	13.3%	8,065	1,729	5
Nottingham	14.0%	6.9%	10.7%	12.5%	8,015	2,780	3
Belfast	5.5%	106.2%	76.5%	20.7%	7,615	2,410	3
Norwich	18.6%	18.8%	45.2%	18.6%	7,435	613	12
Edinburgh	9.2%	19.3%	24.8%	12.8%	7,425	344	22
UK	8.9%	22.7%	33.2%	12.4%	250,692	37,510	7

Source: JLL, HESA

Not just a UK issue

New private beds v new students by country (2018-2022 average)



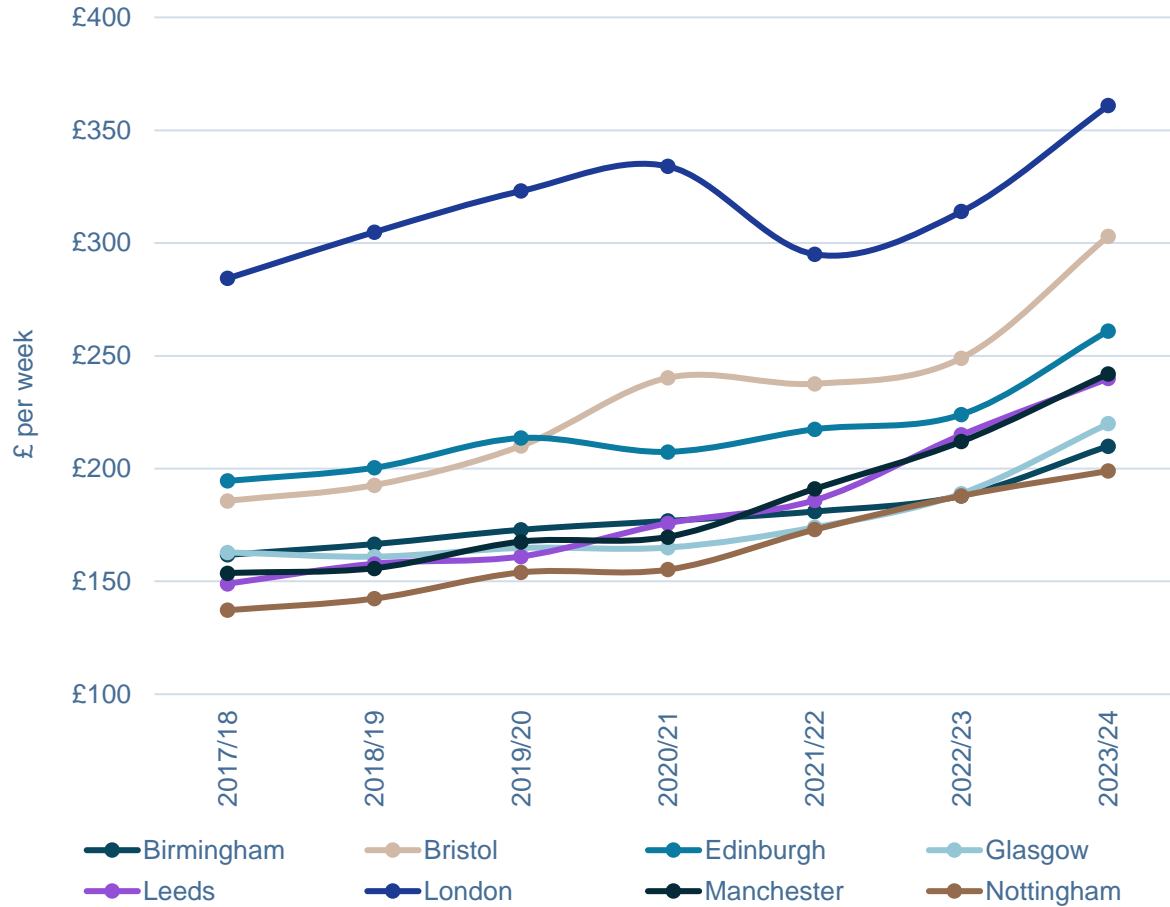
10%
Increase in European student numbers by 2030

3.2m
Unmet demand for student beds by 2030 (Europe)

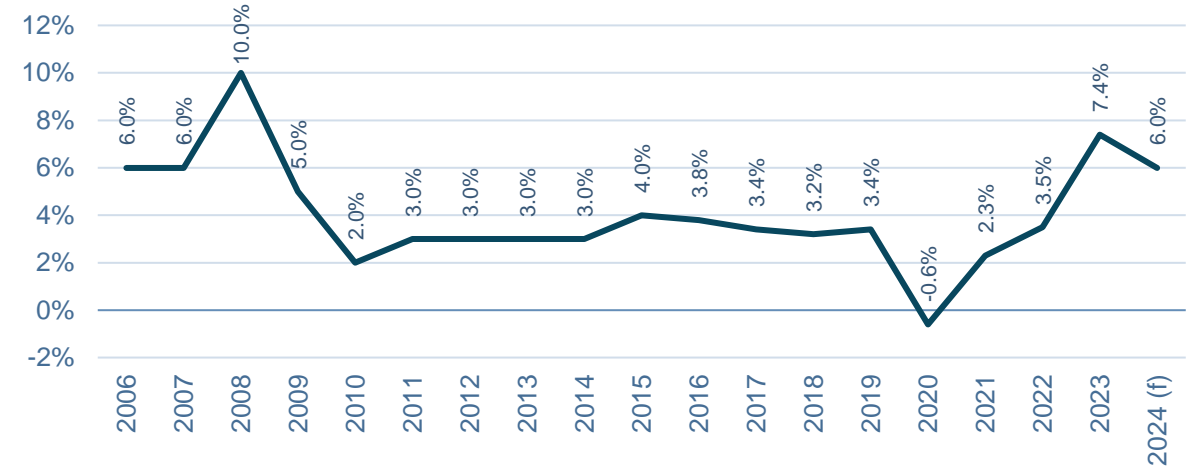
Source: JLL, UCAS

Rental growth | Major university cities have topped £200 per week

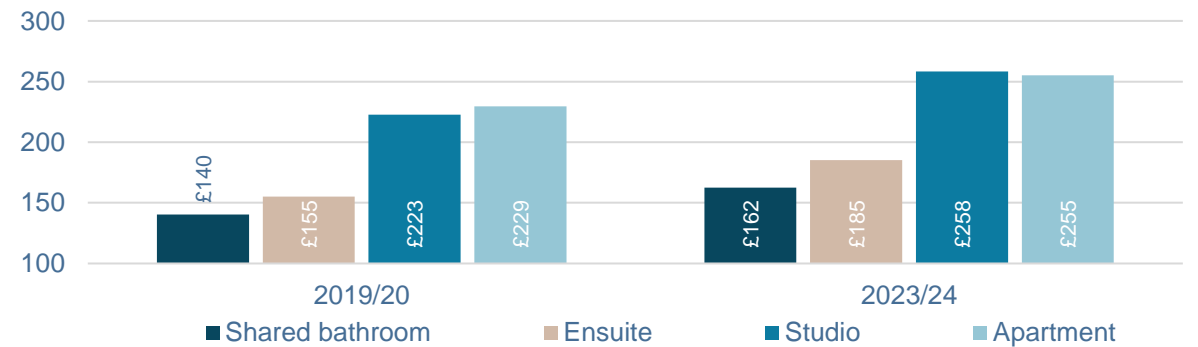
Rental growth in top UK cities



Rental growth (Unite)



Average rent (£ pw)



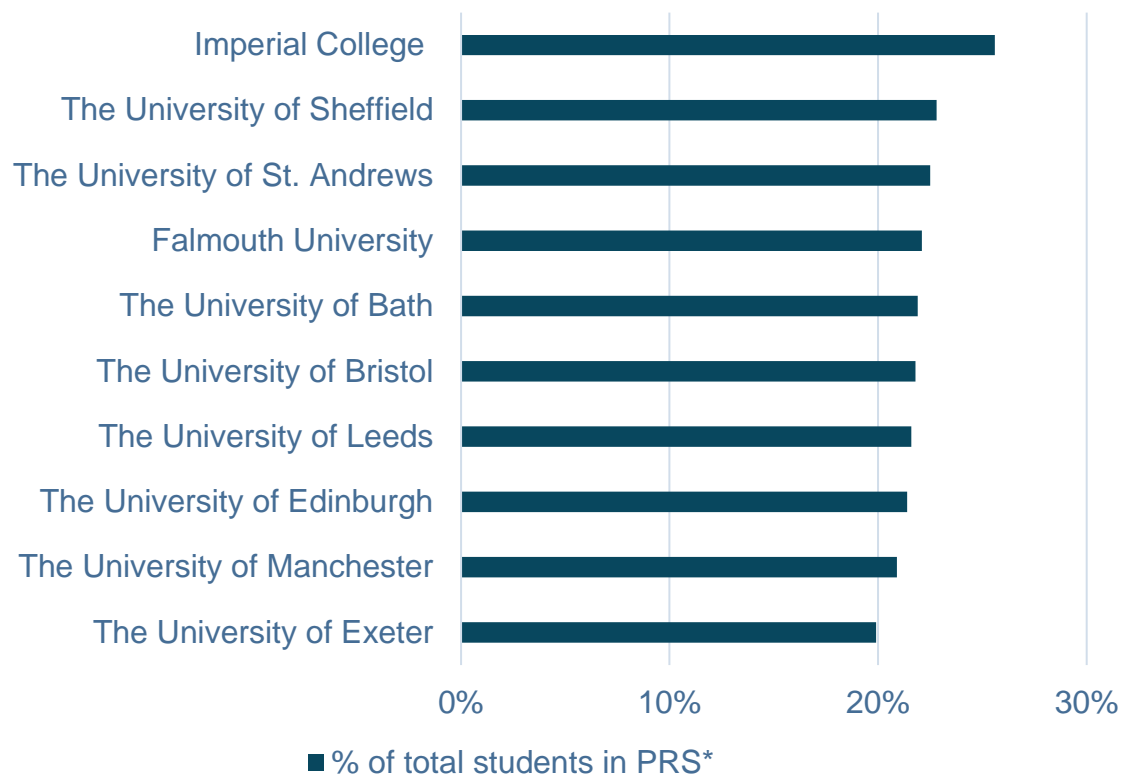
Source: JLL, Student Crowd



Students in PRS

Lack of student housing has wider implications for the market

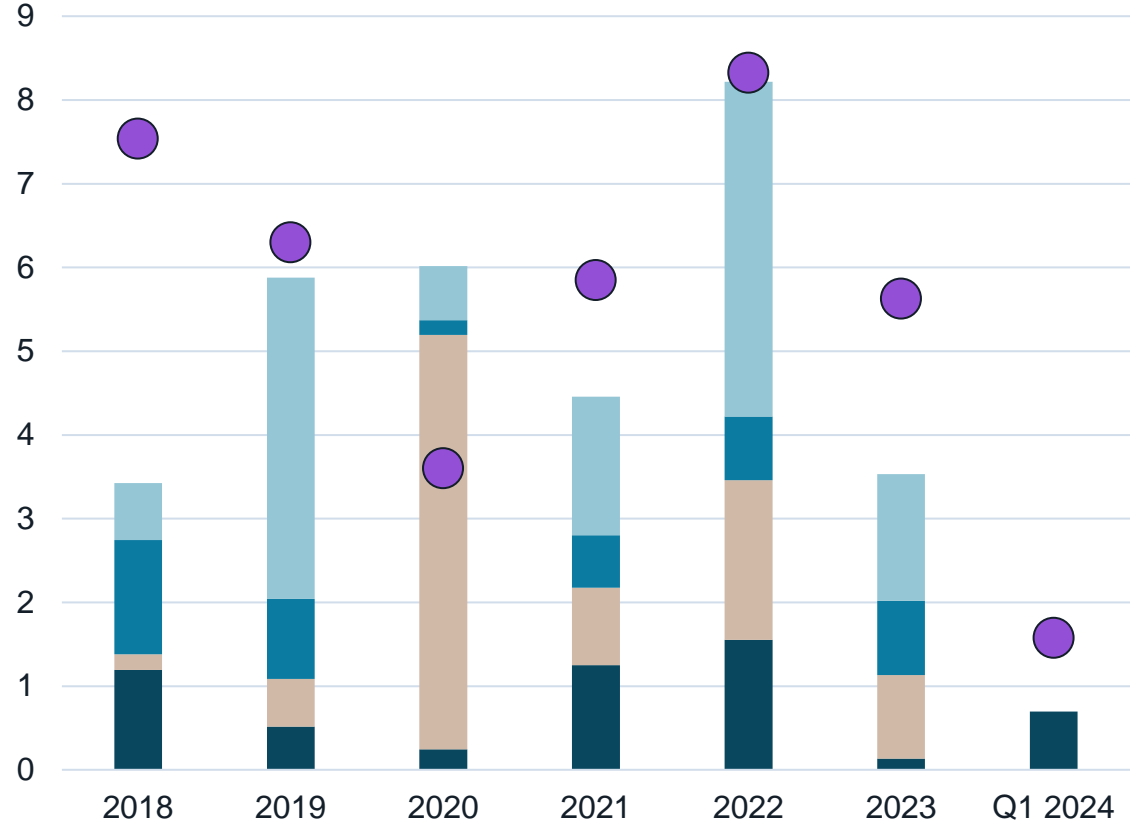
Top 10 – Universities with the highest % of students in PRS



Source: JLL, HESA

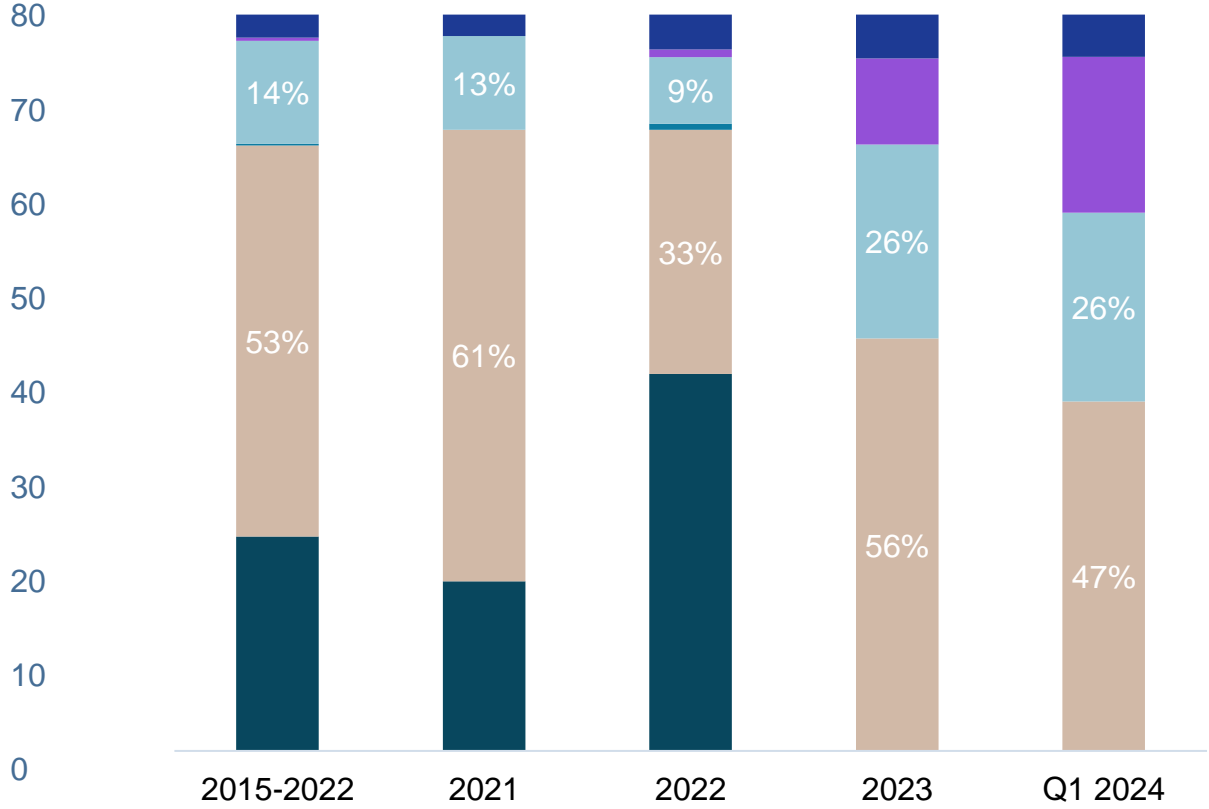
Investment in future assets outweighs standing stock in Q1

Investment volume (£bn)



£695m
in Q1

Investment by deal type



- M&A
- Investment
- Forward purchase
- Forward funding
- Development/FF JV
- Land

Source: JLL



Investment growth hotspots

London, Manchester and Glasgow in top 5 for best PBSA investment opportunity, with Manchester top 3 of 40 in Europe for demand.

- The most mature and liquid PBSA market
- Largest number of students (500k) and international students (40%) with high historic growth
- Largest PBSA unmet demand (>150k)
- High rental growth but affordability concerns

