URBIS

STUDENT ACCOMMODATION

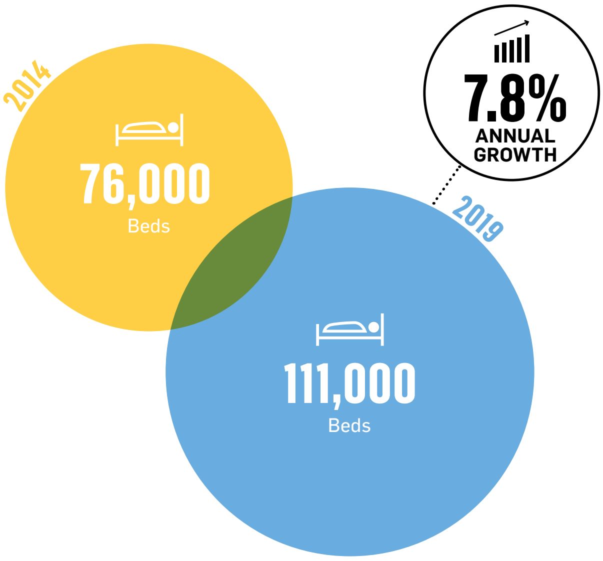
AUSTRALIAN SUPPLY SNAPSHOT

The Australian higher education sector is in a time of major growth, with enrolments increasing year on year. In response, the demand for Purpose Built Student Accommodation (PBSA) has grown, and continues to grow across the nation.

At Urbis our understanding of student accommodation is unparalleled, based on more than a decade of experience and over 120 discrete projects. Our depth of knowledge and extensive data sets work together in, helping you make the right decisions in this emerging asset class.

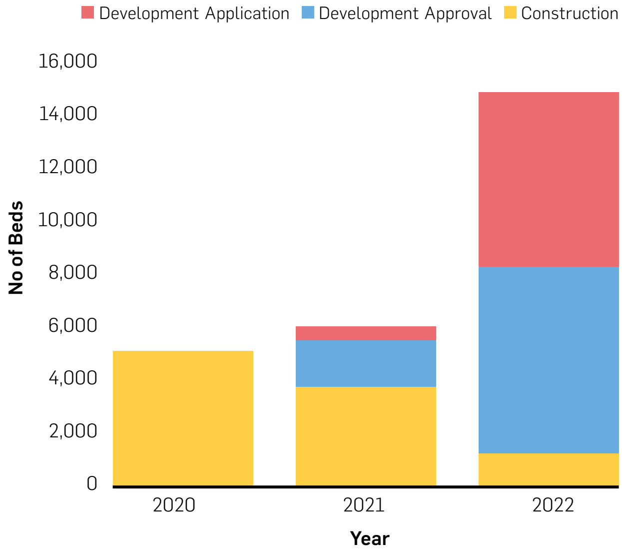
HISTORIC SUPPLY 2014 - 2019

There have been approximately **35,000** new PBSA beds completed in Australia over the last five years at an annual growth rate of **7.8%**. This growth rate has been exceeded by the growth in international higher education students in Australia (12.2% per annum).



FUTURE SUPPLY 2020 - 2022

There is an estimated **25,000** student accommodation beds in the pipeline ranging from development application through to construction. The majority of beds are in the planning phase with uncertainty regarding if and when they will proceed.

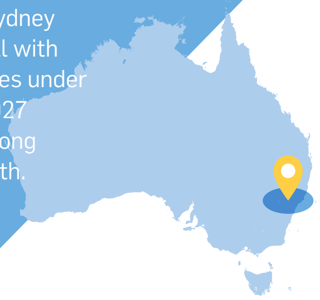


Source: Urbis; Cordell Connect

NATIONAL OVERVIEW

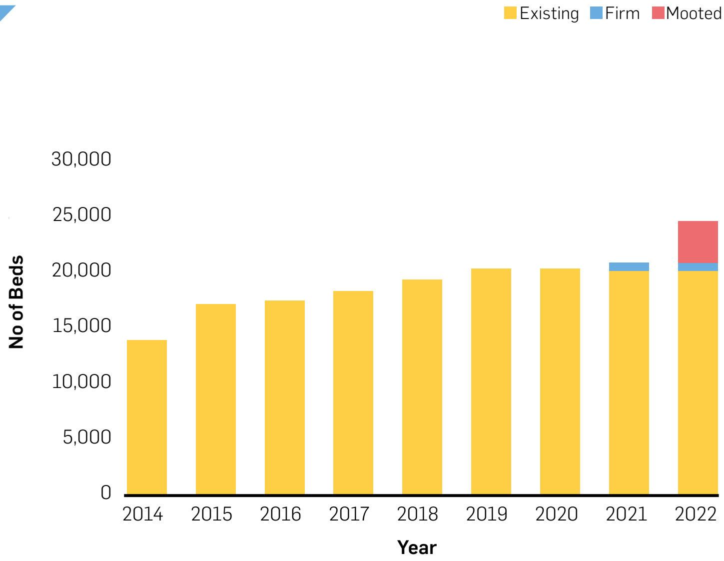
SYDNEY

The pipeline in Sydney is relatively small with only three facilities under construction (1,027 beds) despite strong enrollment growth.



LARGEST PROPOSED FACILITIES

- Macquarie University (1,000 Beds)
- Pemulwuy Project, Redfern (596 Beds)
- Wee Hur Redfern (488 Beds)

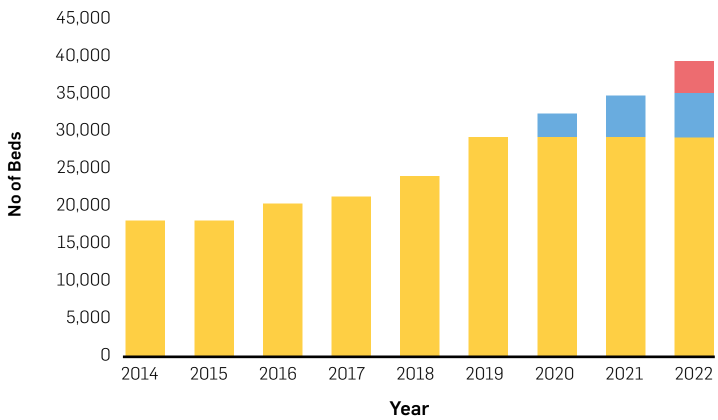


MELBOURNE

Almost half of new PBSA beds opening nationally in 2019 were in Melbourne (eight facilities with 4,850 beds).

LARGEST PROPOSED FACILITIES

- Wee Hur Melbourne (900 Beds)
- Scape Parkville (876 Beds)
- Scape Carlton (753 Beds)

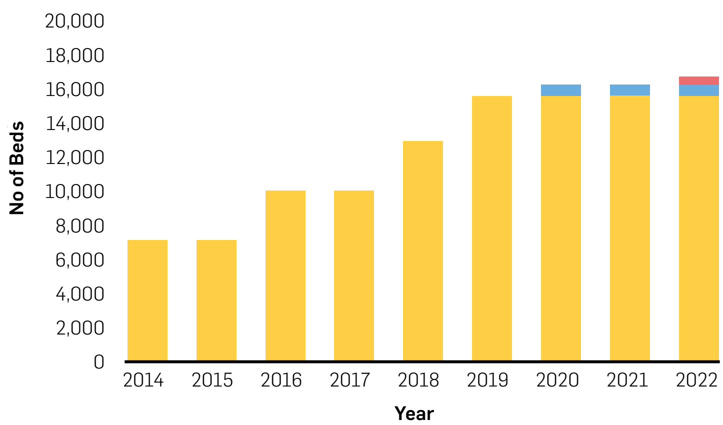


BRISBANE

Bed supply in Brisbane has more than doubled over the last five years fuelled by Government incentives, resulting in some vacancy across the market.

LARGEST PROPOSED FACILITIES

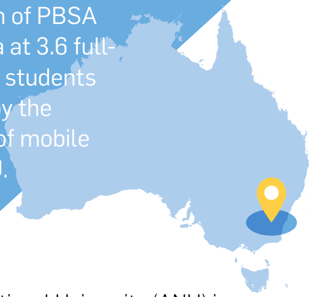
- 25-29 Archer Street, Toowong (595 Beds)
- Scape South Brisbane – Stage 2 (479 Beds)
- 487 Boundary Street, Spring Hill (248 Beds)



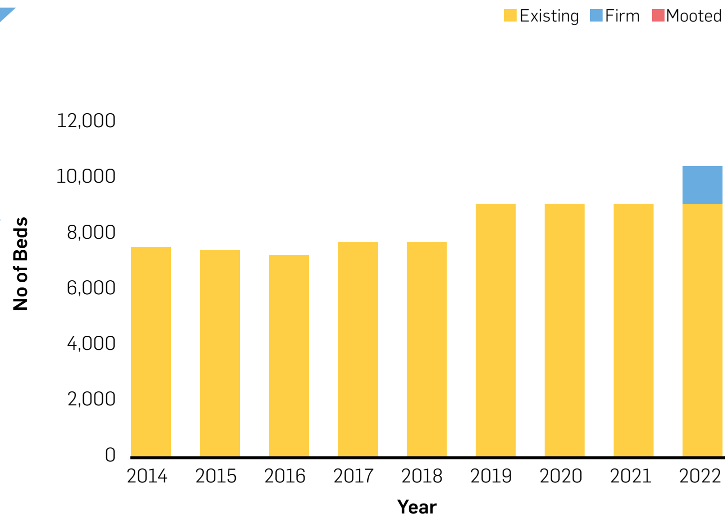
Existing - beds open and available for occupation on Semester 1 2019;
Firm - beds that are either under construction or have a committed contract completion date;
Mooted - proposed projects with no firm or guaranteed delivery schedule, e.g. yet to receive development approval or development finance.

CANBERRA

Canberra currently has the highest provision of PBSA beds in Australia at 3.6 full-time on-campus students per bed, driven by the high proportion of mobile students at ANU.

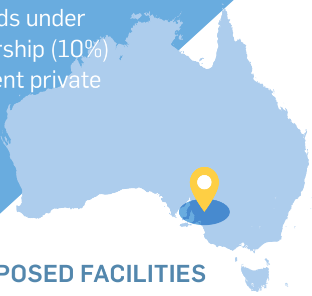


The Australian National University (ANU) is planning for their 'SA8' development comprising 900 beds anticipated to open in 2022.



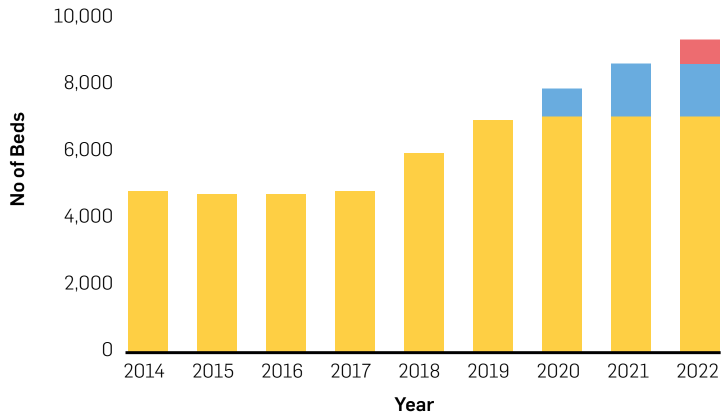
ADELAIDE

Adelaide has the lowest proportion of beds under university ownership (10%) highlighting recent private sector activity.



LARGEST PROPOSED FACILITIES

- Wee Hur – Waymouth Street (813 Beds)
- Wee Hur – Gray Street (772 Beds)
- GSA North Terrace (687 Beds)

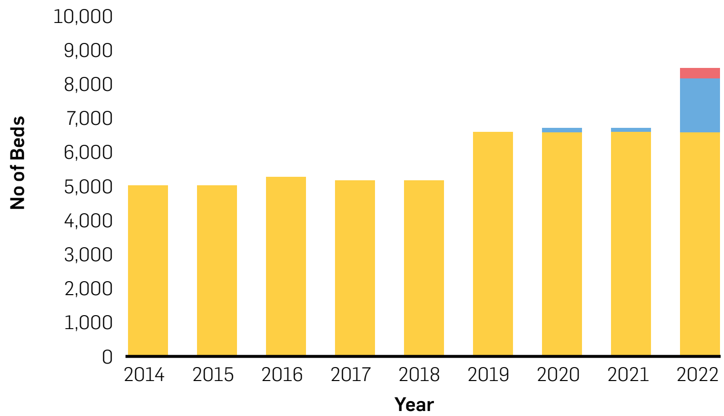


PERTH

Bed supply in Perth has benefited from NRAS with 1,139 beds (18%) funded under the scheme.

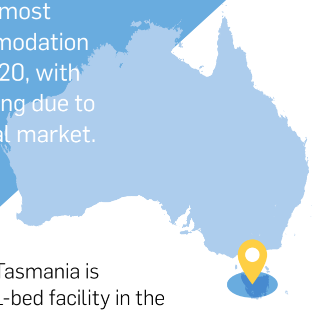
LARGEST FACILITIES

- Curtin University (1,000 Beds)
- 325 Wellington Street, Perth (713 Beds)
- 561 Wellington Street, Perth (433 Beds)

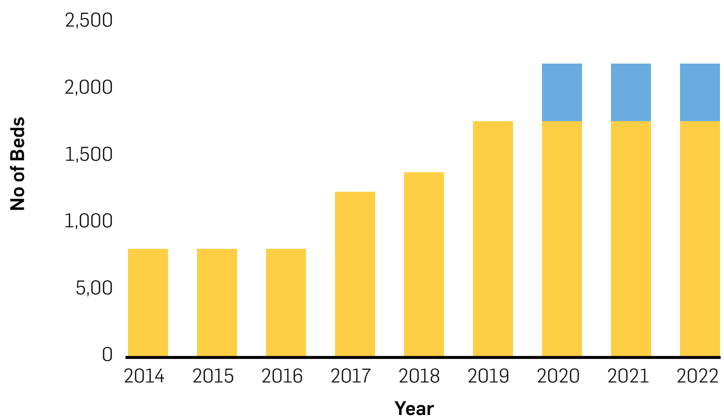


HOBART

The University of Tasmania will almost triple its accommodation from 2016 to 2020, with demand increasing due to a tight residential market.



The University of Tasmania is constructing a 421-bed facility in the Hobart CBD to be opened in 2020.



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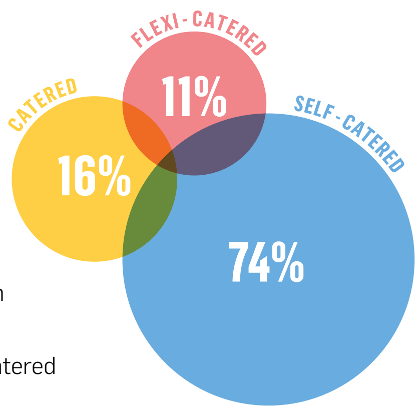
STUDENT ACCOMMODATION TRENDS

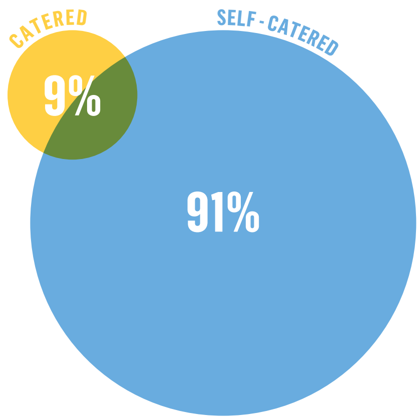
CATERING

- There is a move away from catering with students looking for independence, flexibility and affordability of self-catered accommodation
- 9% of new beds in 2019 were catered. These were Bruce Hall and Wright Hall at ANU that were funded through philanthropy
- No new facilities in 2019 were flexi-catered

ALL BEDS



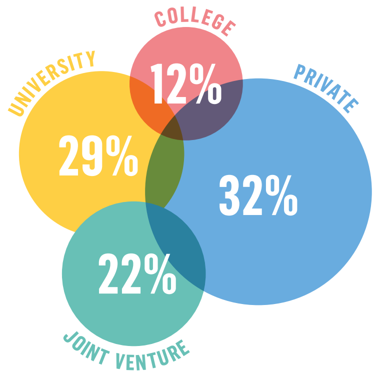
BEDS OPENING IN 2019



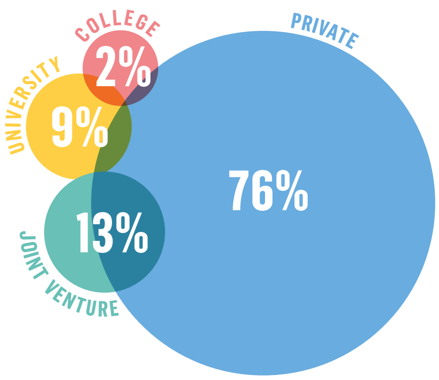
OWNERSHIP

- Around 90% of new beds are funded privately (either independently or in joint venture with a university)
- Independent Colleges that have generally appealed to domestic students are experiencing challenges as a result of the drought and changing student preferences are contributing less to new supply

ALL BEDS



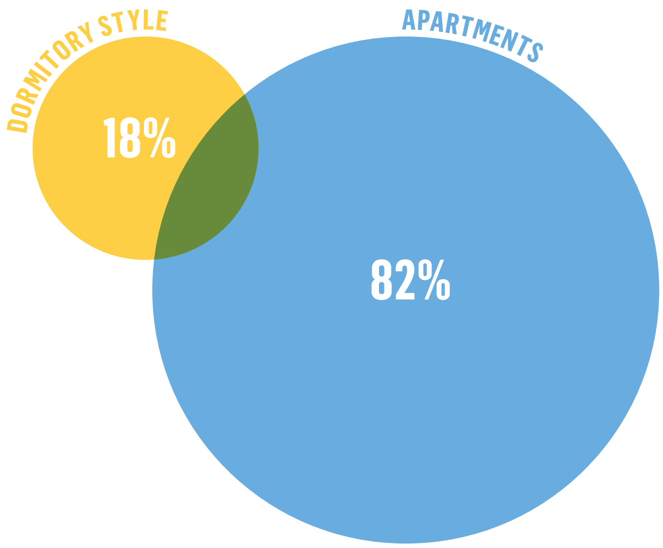
BEDS OPENING IN 2019



ACCOMMODATION TYPE

- The majority of accommodation being delivered is apartments comprising a mix of single studios and shared apartments
- Universities are developing dormitory style accommodation with single bedrooms and communal bathrooms and common spaces
- Housing affordability continues to be a challenge for students, with shared apartments and dormitory style accommodation increasingly focused on affordably

BEDS OPENING IN 2019



OUR STUDENT ACCOMMODATION SPECIALISTS

Urbis' Property Economics and Research team has over 40 years experience in providing economic advice in all sectors of the property market.

Urbis has unrivaled experience in student accommodation advisory, having provided advice on the development of student accommodation services at 40 Universities and over 50 campuses across Australia and New Zealand. Our analysis is informed by our proprietary rent and occupancy databases for all PBSA in Australia and New Zealand. Our project experience in both established and emerging markets honing our in-house modelling techniques to deliver dependable forecasts, valuations, masterplans and town planning outcomes. Urbis also understands the nuances of student accommodation operation and pastoral care; we regularly conduct surveys and consumer research with potential students for university clients that enables strong benchmarking.

Get in touch with our student accommodation experts to find out more about opportunities in the market.

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