

Australia Living Sectors *Market Insights*



April 2026



Overview

In the April edition of Living Sectors Market Insights, we explore the impact of Australia's ageing population on housing demand and typologies, including the rise of the Silver Renter. We also outline key developments across Build-to-Rent (BTR), Co-living and Purpose-Built Student Accommodation (PBSA).

Living Sectors at a glance

Build-to-Rent & Co-living: Institutional BTR markets are on the cusp of unlocking core investors, with rents continuing to achieve a consistent premium (15% - 25%) to comparable new Built-to-Sell (BTS) apartments. This is re-affirming tenant demand for professional management, amenities and tenure security. Meanwhile, delivery risk has risen due to uncommitted capital for developments in the pipeline, signaling a shift to disciplined expansion where pricing power depends on funding certainty, execution and market selection.

Seniors Living: Ageing demographics and relative affordability continue to support the sector, with national supply expected to near 290,000 dwellings over the next five years. Queensland and New South Wales are gaining share through stronger delivery in coastal and lifestyle markets where retirement product is tapping into the pricing sweet-spot under median house prices, reinforcing the appeal to downsizers.

Purpose-Built Student Accommodation: International student demand heading further into 2026 remains uncertain, with confirmed enrolments well below allocation limits, indicating demand is tracking beneath policy settings. PBSA supply growth is limited in the near term and market outcomes will be driven less by new stock and more by visa processing, policy settings and the conversion of applications into commencements.

What's Next?

- Investment and consolidation in Seniors Living are expected to continue through 2026, driven by strong long-term fundamentals as national providers scale up to deliver quality care, technology-enabled and innovative services, and more diverse accommodation and care models.
- Momentum continues to build behind modern methods of construction, particularly modular, as the sector responds to cost pressures, labour constraints and the need for faster delivery. Modular approaches are gaining traction across residential and social infrastructure projects, supported by improved quality outcomes and growing confidence among developers and investors.
- Rising inner-city land values in Sydney, and increasingly Melbourne, are supporting growing interest in co-living, underpinned by more favourable cost-revenue dynamics than standard BTR. New co-living models are emerging, with proponents differentiating their approaches to suit specific locations and markets.



Market Spotlight

Housing an Ageing Nation: Demand Shifts and the Rise of the Silver Renter

Australia's residential market is changing in ways that go well beyond short-term supply pressures. It's more than a numbers game. It's also about alignment of typologies to suit our household structure, and tenure models that enhance how we want to live.

We are living longer, healthier lives and increasingly prioritising housing that provides flexibility and experience – both direct and indirect. Purchasing is also becoming less attainable and attractable, evidenced-by shrinking home ownership rates with the average age of first home buyers rising and more retirees seeking to unlock equity but retain their quality of life via renting.

Whilst there are many changes occurring across Australia's residential market, in this Market Spotlight, we focus on those who are in the Seniors Living segment. There is a spectrum of various housing options available within this segment, broadly comprising retirement living (44%), aged care (42%) and communities (14%).

Australia's ageing population is changing not just the scale of demand for Seniors Living, but the way people want to live as they age. Each segment offers developers the opportunity to deliver a distinct range of housing types as the Seniors Living market continues to evolve.



6.5m

Residents aged 65+ by 2036

Up 1.4m residents from 2026



82%

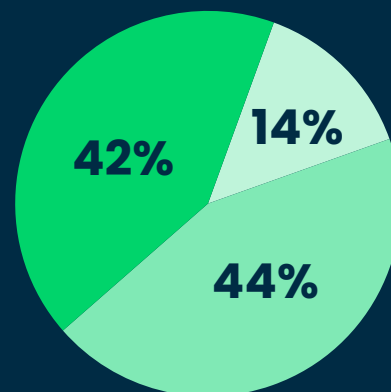
Of 65+ are owner occupiers

Down from 84% in 2011

Source : ABS Census 2021, Urbis analysis

Seniors Living Segments 2026

■ Communities ■ Retirement Living ■ Aged Care



Source: Urbis



“Australia’s rental market is expanding to support a wider range of households across more stages of life, creating new opportunities to support households as their needs evolve.”

Harry Scott, Associate Director, Residential

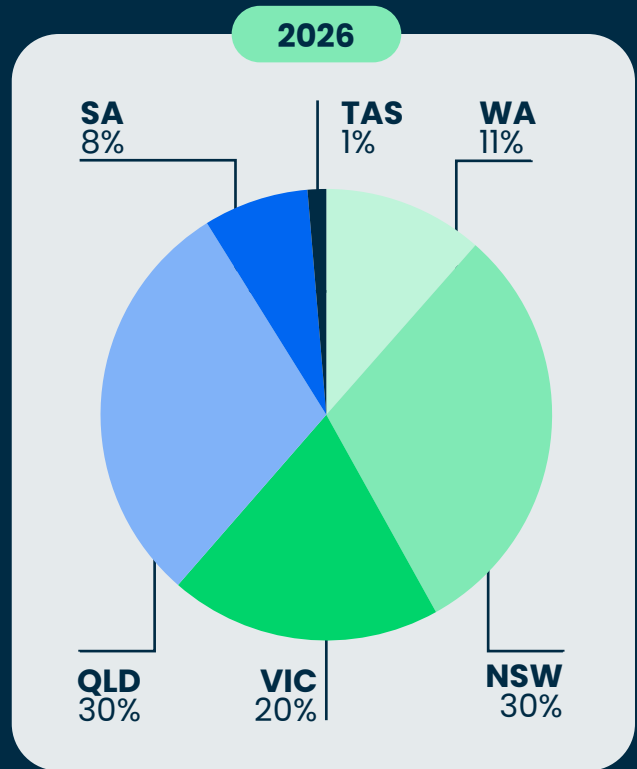
Demographic momentum and relative affordability continue to underpin the Seniors Living sector, with supply growth increasingly concentrated along the eastern seaboard.

National supply continues to rise in line with ageing demographics, with stock projected to approach 290,000 over the next five years.

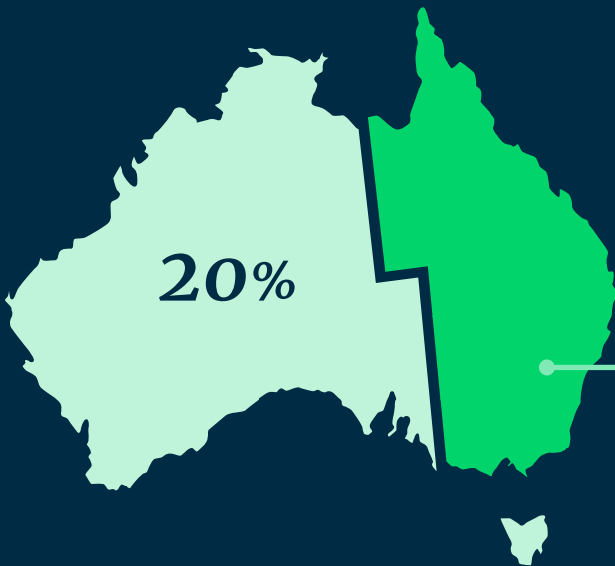
Queensland and New South Wales have increased their share of national supply, reflecting stronger delivery momentum in coastal and lifestyle-driven markets.

Victoria and Western Australia have seen a modest reduction in relative share, indicating comparatively slower pipeline growth.

Seniors Living Supply

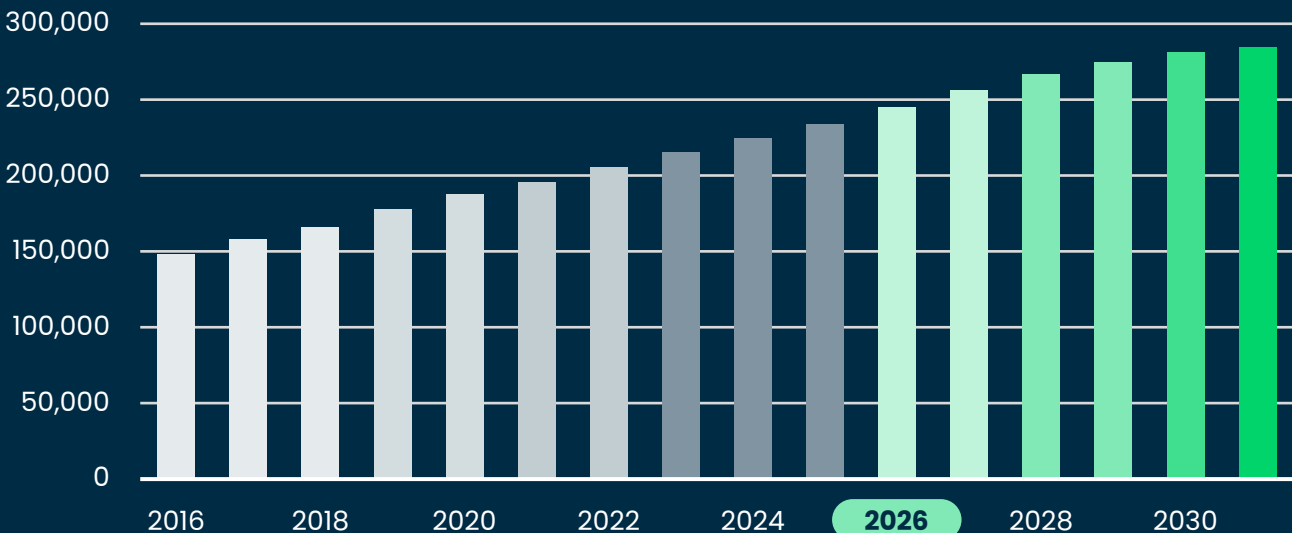


Source: Urbis



80% of supply is within QLD, NSW and VIC

Seniors Living Supply



Source: Urbis Retirement Database

Seniors

A Growing Force for Change and Opportunity

Across Australia, the seniors' housing market is shifting away from a single, linear pathway and toward a broader mix of housing and care options that respond to changing preferences, costs and care needs. This means there are new opportunities emerging for developers and investors to tap into. Here are some of the key trends we are seeing emerge, which warrant further examination.

Limited aged care pipeline and emergence of home care

Aged care, once a core pillar of the sector, is now widely viewed as the most challenged. Following the Royal Commission into Aged Care and subsequent legislative changes, many providers see the sector as increasingly unviable due to higher compliance obligations.

At the same time, home care has emerged as a compelling alternative, enabling older Australians to remain in their own homes for longer. Subsequently, they remain independent, connected and in control of their daily lives while receiving support that can be tailored to their needs. This has reshaped retirement living models, with operators responding by acquiring home care businesses, embedding care services within retirement villages, or developing integrated models that allow residents to age in place.

The rise of the Silver Renter

Australia's ageing population will continue to underpin demand in traditional Seniors Living markets, while also becoming an increasingly significant driver of rental demand over the next decade.

As older households reassess their housing needs, downsizing is becoming more prevalent, supporting demand for a broader range of housing options beyond established ownership-led models.

At the same time, a generational shift within the seniors cohort is giving rise to a distinct sub-market of older renters. Many older Australians are living longer and, in many cases, hold considerable wealth in their homes, enabling greater choice in how and where they live. There are also options for eligible residents to seek Commonwealth Rent Assistance to cover accommodation costs in many seniors living arrangements.

For a growing number, renting provides an attractive alternative, offering flexibility, reduced maintenance and access to amenity-rich locations close to services, healthcare and social connection.

These trends are emerging against a backdrop of historically low rental vacancy rates, currently around 1.2 per cent, highlighting the scale of unmet demand and reinforcing the need for new housing typologies specifically designed to meet the preferences of older renters.



18%

Of 65+ are renting

⬆️ Up from 16% in 2011



+100k

65+ renter households

⬆️ by 2036

Enabling a Broader Renter-Base: A Key Investment Opportunity

These shifts point to a structurally deeper and more diverse rental market. Demand is broadening beyond younger households, to include older, financially secure renters seeking quality, certainty and community.

International markets show that well-designed rental communities for older residents can deliver strong performance when they prioritise liveability, service and social infrastructure.

For developers and investors, success will hinge on understanding how people want to live, not just where – designing homes and neighbourhoods that support independence, connection and choice in a rental market that is increasingly permanent rather than transitional.



Humanitas (Netherlands) combines age-friendly rental housing with shared amenities, on-site services and strong links to surrounding neighbourhoods.



Greystar (USA) is delivering rental communities targeted at over 55's that sit between conventional apartments and retirement living.



Lifestyle Communities (Australia) delivers communities offering a range of price points. Homes are generally detached/townhouse product and include smaller 1-bed options.



Community Housing Limited (Australia) and joint venture partners are delivering affordable, low-maintenance rental housing for seniors, filling the gap between social housing and the private rental market.



Value-Led Growth in Retirement Living Markets

Affordable Entry, Premium Product Appeal

Retirees continue to be attracted to key markets offering new retirement product at relatively affordable price points. Two examples of this are Yeppoon and Port Macquarie where traditional Retirement Living continues to trade at a meaningful discount to the local housing sale price median, -49% and -27% respectively. This is an attractive proposition for downsizers seeking both lifestyle and financial certainty.

Meanwhile, Land Lease product is reshaping the competitive landscape. Both Port Macquarie and Yeppoon remain below the median, yet developers are increasingly positioning Land Lease communities at higher price points than some of the respective Retirement product, reflecting improved design, amenity and overall product quality. The staged delivery model typical of Land Lease projects also reduces upfront construction costs and financial risk, supporting feasibility in a cost-sensitive market.

Notably, the price gap between Land Lease and traditional Retirement Living is narrowing. Higher build standards, contemporary design and enhanced amenity are lifting expectations across the sector, yet demand remains strong. Buyers continue to recognise the strength of the overall value proposition.

These trends reflect evolving senior preferences. Downsizers remain quality-conscious, but their priorities have shifted. Today's seniors seek modern, high-end finishes and thoughtfully designed homes that feel like an upgrade rather than a compromise, while remaining within manageable cost parameters. Lifestyle integration, community connection, security and proximity to services now sit at the forefront of decision-making.

This emphasis on lifestyle value helps explain why people are willing to pay more here, even though the broader market is seeing some price moderation.

Seniors Living

Relative affordability

Land Lease		Retirement	
Median New sale price	Discount to 2025 LGA House median sale price	Median New sale price	Discount to 2025 LGA House median sale price
Yeppoon (QLD)			
\$590,000	-11%	\$338,000	-49%
Port Macquarie (NSW)*			
\$835,000	-13%	\$700,000	-27%

Source: Pricefinder; Realestate.com.au

Note: The new median sale price has been derived from current listings of new-build dwellings on the market. *Port Macquarie, Newcastle and Lake Macquarie regions have been included in the analysis.

Case Study highlights

These case studies highlight how developers and operators are aligning product, tenure and care offerings with preferences, creating new investment opportunities across the Seniors Living continuum.

Aura Holdings

Aura Holdings has partnered with suburban golf courses such as Indooroopilly Golf Club and McLeod Country Golf Club to deliver a high-end residential retirement living offer that complements the surrounding landscape and lifestyle amenity. These projects focus on premium homes positioned to maximise views, natural light, and privacy. Through carefully considered architecture, refined material palettes, and strong landscape integration, the developments enhance the golf course setting rather than compete with it, creating aspirational living environments aligned with the green, open-space aspects of the sites.



Source: Aura Holdings



Source: Villages.com

Eureka Group Holdings

Eureka Group Holdings has traditionally focused on providing affordable rental accommodation for seniors, targeting some of the most vulnerable members of the community. The company has established a strong presence in regional areas across Australia, where demand for low-cost, age-appropriate housing is high and supply is often constrained. Recently, Eureka has broadened its strategy beyond seniors housing to include all-ages rental accommodation, responding to rising housing affordability pressures and the growing demand for community-based rental living.

Home Care Integration

We have seen an emerging trend of retirement living and aged care operators acquiring home care providers to reach more of the seniors' market by providing an integrated offer. Groups such as Australian Unity and Regis Healthcare are part of this shift. Australian Unity's 2024 acquisition of myHomecare now makes it one of Australia's largest home care providers. Meanwhile, Regis recently acquired BodeWell Community Care to grow its home care footprint and respond to rising demand for care within its existing communities. These deals reflect operators positioning to cater for Australia's ageing population and policy reforms, encouraging more care to be delivered in the home rather than in institutional settings.



Source: Australian Unity

Finger on the pulse

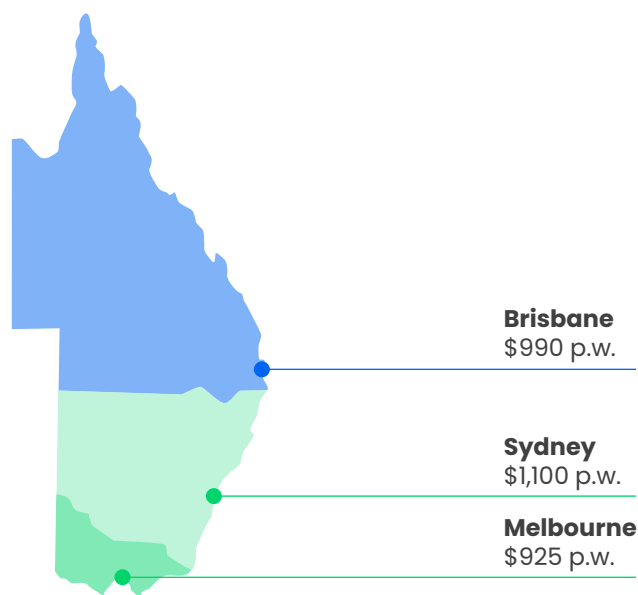
Build-to-Rent and Co-living

Institutional rental product continues to demonstrate value, with BTR product consistently achieving material premiums to new Build-to-Sell (BTS) apartment investor product.

- BTR rents continue to command a clear premium to new BTS rental stock, with a 15-25% uplift observed across the eastern seaboard, on a like-for-like 2-bed basis. The strongest pricing differential is evident in Sydney and Melbourne, with Brisbane recording a more moderate but still material premium. This reflects tenant willingness to pay for professionally managed product, amenity provision and greater tenure security.
- Supply remains concentrated in the eastern capitals, with Melbourne and Sydney now operating at meaningful scale, and Brisbane continuing to expand.
- Pipeline delivery uncertainty is increasingly evident. A material share of proposed supply in several markets remains without committed capital, suggesting potential delays and reinforcing the importance of funding certainty in shaping near-term completions.
- The sector is transitioning towards a more disciplined expansion phase with pricing power intact, but increasingly contingent on capital deployment, project execution and market selection.
- A fresh take on co-living is on the horizon with Investa launching their first purpose-built Studio Living project under Development Approval in Sydney.

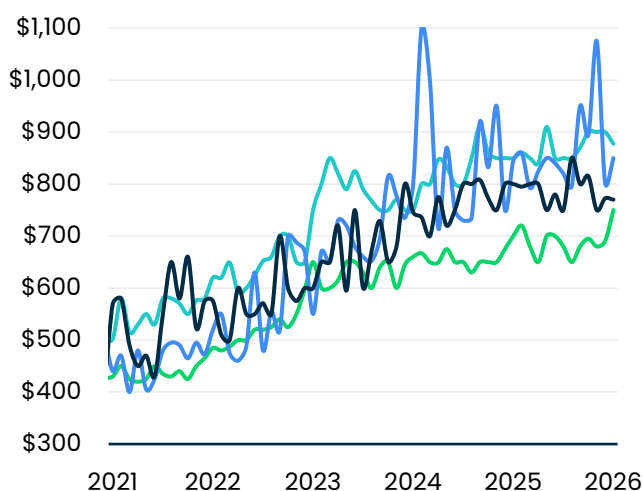
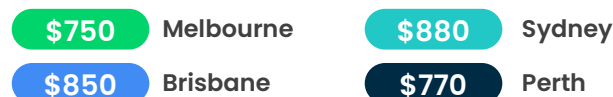
BTR – Rents

2 Bed Average



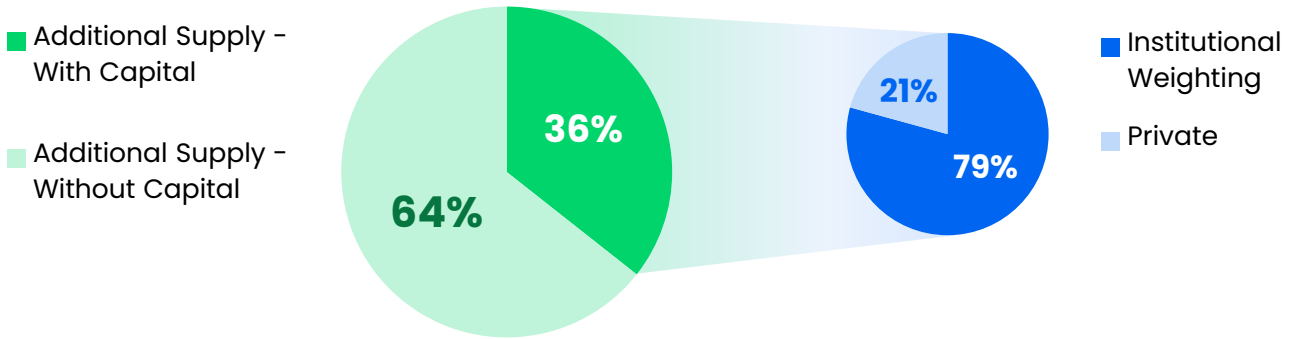
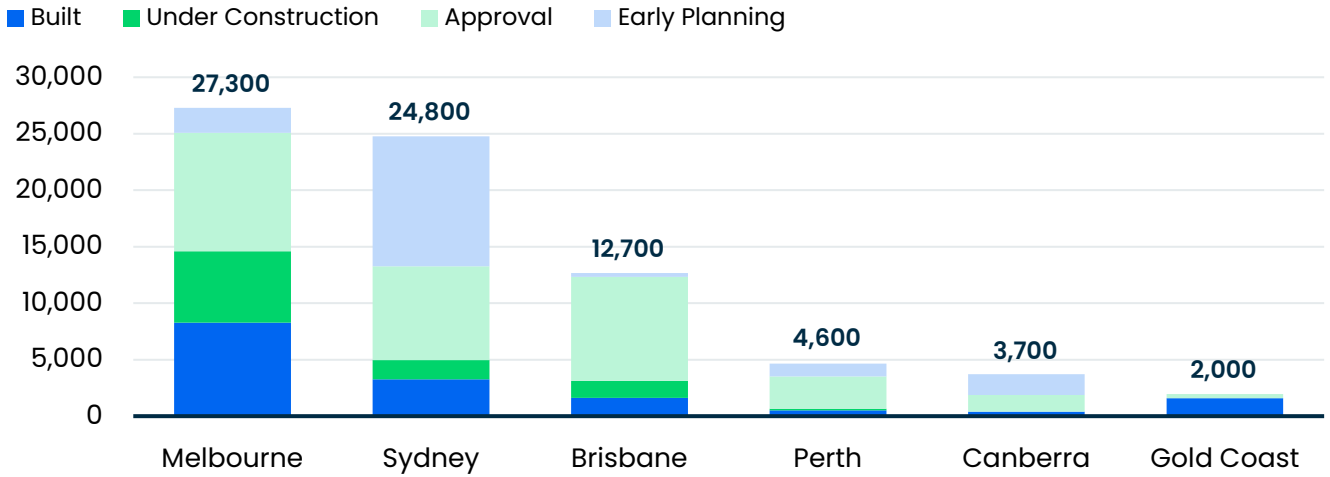
*Note: Brisbane and Sydney evidence limited for 2-bed, 2-bath product
Source: Urbis Rental Intelligence*

BTS – New Apartment Rents



*Note: 2-bed, 2-bath rent shown
Source: Pricerfinder, Urbis Rental Intelligence*

BTR and Co-living supply



Source: Cordell, Urbis Apartment Essentials



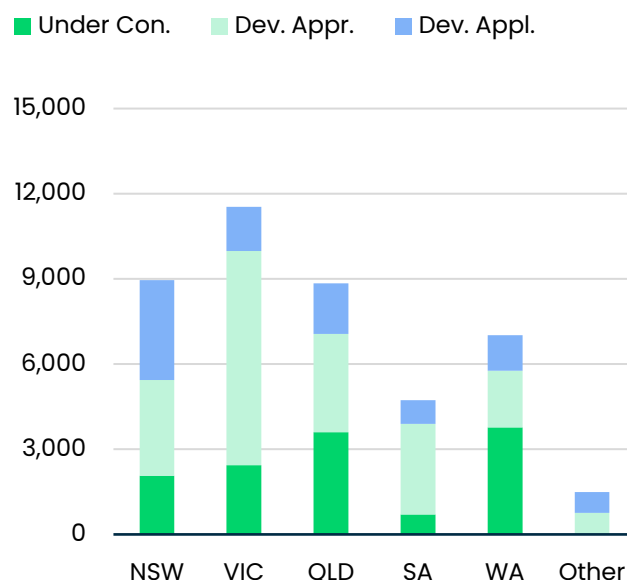
Finger on the pulse

PBSA

International student market settings remain fluid heading deeper into 2026, with allocation capacity sitting well above the number of students currently approved to start studying. This gap continues to create uncertainty around how much demand will materialise in 2026.

- The Government increased the allocation of New Overseas Student Commencements (NOSCs) to public universities across Australia to 161,500 in 2026. However, as of March 27 only 80,400 visas have been approved leaving a lot of room for growth.
- Visa and policy settings remain an important driver for international student demand. Increased visa fees, processing timeframes and policy signals are increasing uncertainty and negatively impacting demand. With an uncertain global outlook, it is critical that the Government foster stability so that Australia remains an attractive destination for international students.
- Semester 1 completions have been focused within established Sydney education precincts, and new delivery is unlikely to materially shift market conditions in the near term.
- Across Australia, there are 42,570 beds in the pipeline from development application to construction. Of these, 12,570 beds are under construction with the majority located in Brisbane and Perth.

Future Supply Pipeline - No. Beds by Stage



Note: As at March 2026.
Source: Urbis Student Accommodation Benchmarks

New Supply Coming Online

Opened Semester 1, 2026

Facility	Suburb	Beds
Iglu Waterloo	Waterloo (NSW)	474
Scape Ascot	Kensington (NSW)	152
EPIISOD Macquarie Park	Macquarie Park (NSW)	732
UniLodge Perth Central	Perth CBD (WA)	736

Source: Urbis Student Accommodation Benchmarks

2026 Public University NOSC

	Indicative allocation	Visa Approvals	Capacity yet to fill
No. of students	161,500	80,400	81,100

Note: As at March 27, 2026.
Source: PRISMS; Urbis

Market movements

Major Transactions



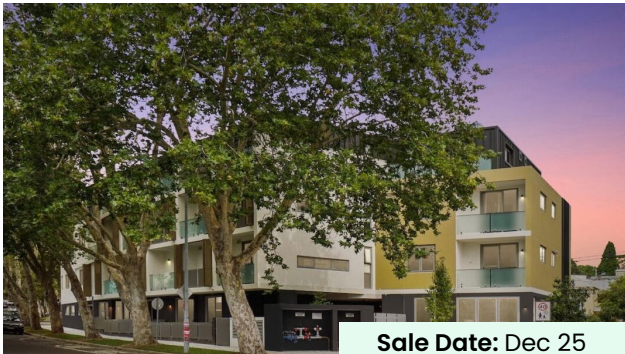
Lincoln Place \$1 billion portfolio anticipated to hit the market this year.

Lincoln Place has a 26-site eastern seaboard portfolio that it is expected to take to market this year.



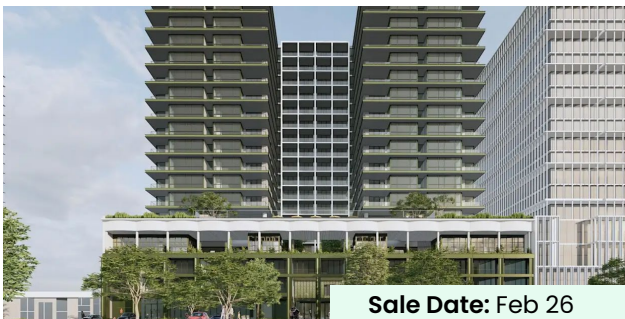
Mitsubishi Estate Asia sell-down of \$1.7 billion stake in Mirvac's Liv portfolio to Australian Retirement Trust.

The sell-down forms part of the group's focus on development returns, supporting delivery of new projects before redeploying capital.



Affordable Habits sets new co-living record at \$581,000 a key.

The sale of 142 Carillon Avenue, Newtown, co-living asset for \$21.5 million sets a new record for co-living assets on a per key basis.



Local acquires \$370m BTR site in South Melbourne.

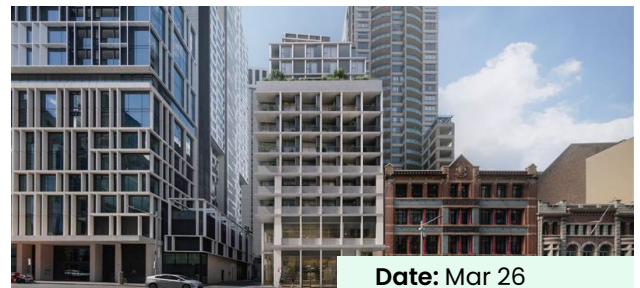
The acquisition of 15-37 Bank Street forms part of the group's \$1.5 billion national target for rental homes; bringing their portfolio up to 4,000 units, including 2,100+ operational units.

Major Approvals



The Living Company (Scape/Aveo) secures Marrickville Timberyards \$1.5b BTR approval.

Delivering 1,166 BTR dwellings, including 100 affordable housing dwellings, a range of retail, commercial and community spaces, and 10,000+ sq.m of public open space. Stage 1 includes 661 dwellings and is expected to complete in late 2028.



Investa secures DA approval for 140 Elizabeth Street Sydney Studio Living project.

Delivering 251 studio apartments with integrated community uses and shared amenity. Construction is anticipated to begin in 2027.

Looking Ahead

What's next for the Living Sectors?

Social and Affordable Housing Push

The release of the Housing Australia Future Fund Round 3 EOI was met with strong interest from the industry, with key funding streams seeing a waitlist develop within weeks. Housing Australia's clear focus on projects that will complete before June 2029 will drive development in the short-term and the successful delivery of the program should set the groundwork for future funding initiatives.

Low Impact



Investment and Consolidation in Seniors Living

A focus of capital into the Seniors Living space is expected to continue throughout 2026, supported by strong long-term fundamentals and the need for scale to deliver quality care and innovative services. This consolidation is expected to persist as national providers leverage economies of scale to invest in technology, a variety of care models and diversified accommodation and tenure types.

Medium Impact



Embracing Modern Methods of Construction

Australia's construction industry has a productivity problem. Residential construction productivity has declined by 40% over the last 30 years. Countries like Sweden, Singapore and Japan, where off-site construction is well utilised, provide an insight into how embracing technology can provide faster, cheaper, high-quality housing. Australia is well-positioned to catch up, with momentum in the sector building.

High Impact



Increasing interest in Co-living

In Sydney, and increasingly in Melbourne, co-living is gaining attention as inner-city land values continue to rise. Interest is being driven by the model's stronger cost-revenue outcomes (versus BTR), particularly on tight urban sites. As a result, co-living is emerging as a practical response to the economics of developing in high-value locations.

Low Impact



Around the grounds



Dylan Gray
Director,
Melbourne

Build-to-Rent

The approved BTR pipeline is deeper than it is deliverable. For developers and investors, this creates a more competitive environment for capital-ready projects, with less risk of near-term oversupply than headline figures imply. Only the most feasible and well-capitalised projects will progress to delivery. More broadly, it reinforces that delivery will be phased and selective, supporting rental growth and asset performance in stabilised portfolios.



Michael Cattoni
Director,
Brisbane

Seniors Living

The Seniors Living sector is running at three speeds. Overall, the sector is not keeping pace with Australia's growing over-65 demand. Aged care is proving more challenging and slower. Yet retirement living is continuing with good growth. Meanwhile, communities are the primary growth area, offering a more affordable downsizing option and faster delivery timeframes that allow supply to scale quickly and absorb unmet demand, also tapping into the 55+ cohort.



Belinda Thomas
Associate Director,
Sydney

Aged Care

The focus on village renewal creates a clear opportunity for the Aged Care sector to influence how ageing villages are redeveloped to better meet contemporary care, accessibility and operational needs. Many villages are approximately 40 years old and no longer align with current standards or resident expectations, limiting providers' ability to adapt services and improve outcomes. While governments have expressed interest, they face limited capacity to advance reform before upcoming elections. This creates space for coordinated sector advocacy, evidence building and positioning renewal as an early priority for the next government cycle.



Billy Rebakis
Director,
Melbourne

Co-living

We are seeing increasing client interest in co-living in Victoria over the past 12 months. While some planning uncertainty remains, capital is viewing Victoria as an opportunity for first-mover advantage. Strong population growth, solid capital growth and smaller household sizes support co-living as an attractive housing option. Planning policy generally supports this use, particularly through adaptive re-use and smaller sites. As seen with student accommodation's growth over the past decade, co-living has similar potential to expand into a viable studio living sector.

How we help navigate the *Living Sectors*

At Urbis, we are dedicated to supporting you with a proven track record in advising on a wide range of Living Sectors projects and investments across Australia.

Our expertise spans various sizes, complexities, and delivery models, ensuring that we provide you with data-driven recommendations based on robust evidence, credible feasibility and financial assumptions, and extensive planning expertise, backed by over 60 years of project advocacy.

Our deep understanding of housing policy and the pressing issues facing Australia today, allows us to navigate the complexities of housing development with precision and foresight.

With our national reach and a broad cross-section of specialist skillsets, we offer a holistic and integrated service that is both agile and collaborative, ensuring we can adapt to your evolving needs.

Whether you are focused on Living Sectors, Social and Affordable Housing or Greenfield developments, we are committed to delivering impactful, sustainable housing solutions that benefit communities across the country.

We will partner with you to create vibrant, resilient communities that stand the test of time.

900

Professional staff

8

Offices internationally

60⁺

Years experience

Connect with our *Living Sectors experts*

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**Shaping cities
and communities
for a better future.**