Australia Living Sectors

Market Insights

November 2026







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Overview

Living Sectors Market Insights is based on rigorous economic and market analysis, helping unlock the investment and development potential of places, portfolios and regions.

About this report

Living Sectors Market Insights is our review of Australia's BTR, Co-living and Purpose-Built Student Accommodation (PBSA) markets. Each edition is informed by our work across capital flows, supply, rents and policy, combining Urbis project-level data with a spotlight on a theme shaping the sector.

What to look out for

BTR gets personal.
Resident experience and smarter amenity choices are shaping performance.

Co-living scales up.
The pipeline is shifting from boutique schemes to larger projects with institutional appeal.

Capital makes its move.
International partnerships and major deals signal growing investment activity in the institutionalising BTR sector.

Seniors housing in focus.
Undersupply and demographic demand are drawing capital to land lease communities.

New routes to delivery.
Planning reform and modern construction methods could bring more homes to market.

Market Spotlight
Australia's PBSA sector comes of age

"The opportunity lies in turning sustained interest into viable projects that meet local demand and give students better value."

Where to next? – page 11

~ 139,000 beds
Australia's PBSA supply in 2026, nearly double the level in 2014.

7.3 students per bed
Full-time, on-campus university students for every existing PBSA bed nationally.

~ 18,000 beds
New PBSA supply underway nationally, despite construction and financing challenges.

Sources: Urbis Student Accommodation Benchmarks, 2026 and Dept of Education (Aus) data



Market Spotlight

Australia's PBSA sector comes of age

Australia's purpose-built student accommodation (PBSA) sector has nearly doubled in size since 2014, supported by international student demand and private capital. For investors, this growth marks the emergence of a larger, more established asset class.

International demand drives expansion

Between 2014 and 2020, international higher education enrolments rose 41% to 489,000, while PBSA supply increased from around 70,000 to 109,000 beds. Private providers responded to this demand, delivering more than two-thirds of the additional beds.

The post-pandemic rebound reinforced this growth. International enrolments reached a record 589,000 in 2024, 13% above their 2019 peak. Development continued alongside this recovery, taking national PBSA supply to around 139,000 beds in 2026, up 28% since 2020.

Private capital reshapes the sector

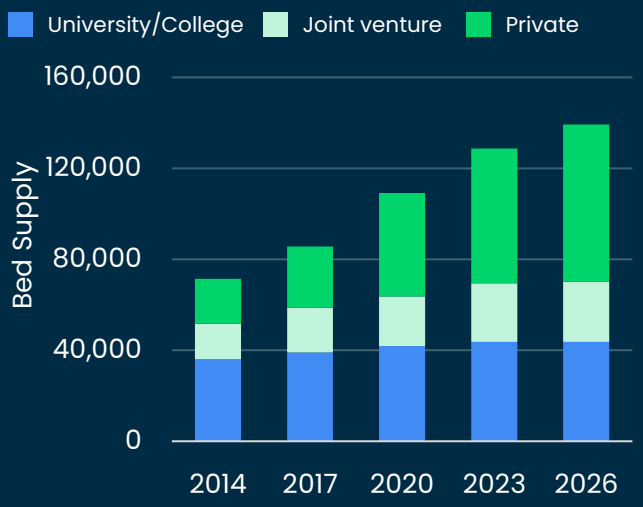
Private investment has accounted for 73% of new supply since 2014, rising to 89% when including joint ventures with universities. This investment has shifted the sector from predominantly university-owned accommodation on campus towards privately owned towers off campus. Major global investors have helped fund the expansion through operators such as Scape, Iglu, Unilodge, CLV, Yugo, Greystar and Wee Hur, amongst others.

Opportunity awaits

International education remains central to the sector's long-term outlook. As Australia's fourth-largest export sector, it was **worth approximately $53.6 billion in 2024–25.**

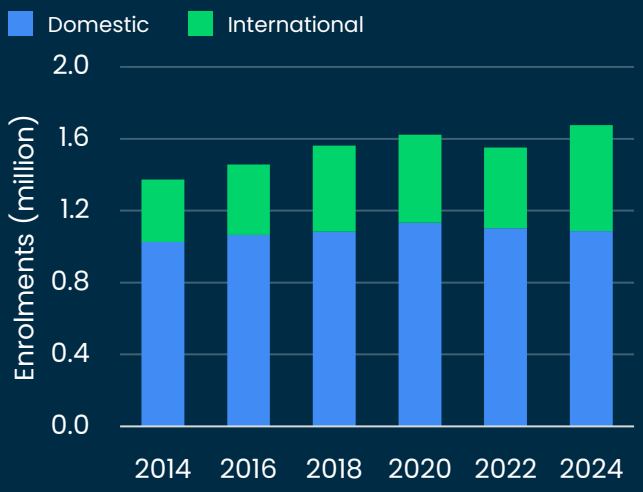
Despite the expansion in supply, **Australia has around 7.3 full-time, on-campus university students per existing PBSA bed**, according to the Urbis Student Accommodation Benchmarks 2026. This ratio has declined over time, though occupancy has remained strong as new stock is absorbed by the market. The ratio remains well above those in the UK and USA, pointing to opportunities in select markets to accommodate more international students, provided the sector can deliver accessible price points.

Existing National PBSA Supply by Segment



Source: Urbis Student Accommodation Benchmarks

Higher Education Enrolment Growth



Source: Department of Education

> *"Australia's international education appeal is a solid opening for investors ready to back the next generation of student housing."*
>
> – Alex Stuart, Director, Urbis

Market Spotlight

Australia's PBSA sector comes of age

Strong demand, constrained delivery

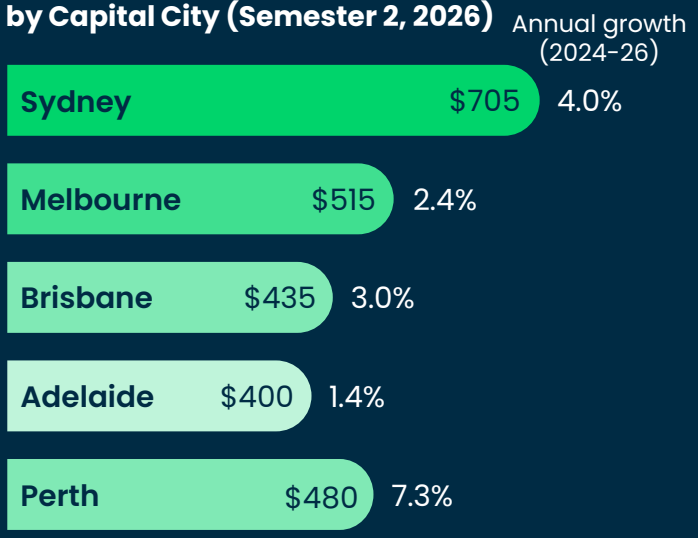
Australia's PBSA market continues to be underpinned by robust demand fundamentals, with high occupancy rates and rental growth remaining relatively strong despite increasing policy uncertainty around international student numbers and migration settings.

Nationally, rising construction costs, financing constraints and planning challenges are putting pressure on project feasibility. Despite these headwinds, around 18,000 beds are under construction across Australia, reflecting continued confidence in the sector's long-term fundamentals.

Within this national picture, local conditions tell different stories. Some university catchments such as Monash University remain undersupplied, while others face stronger competition. Rental trends also vary. Perth recorded the strongest year-on-year growth over the last two years. Sydney continues to command the highest weekly rents, but growth is beginning to moderate as affordability pressures intensify.

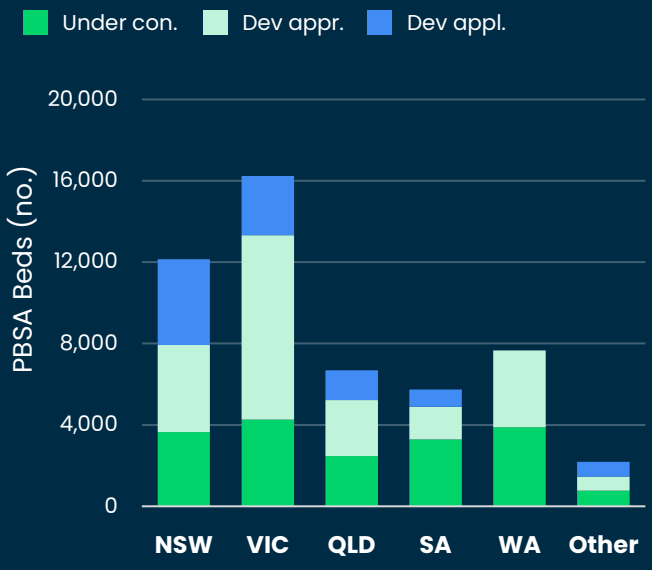
Forward investment indicators, including development applications and approvals, remain concentrated in Victoria and New South Wales. Their market scale and large international student populations continue to attract the largest share of new capital, even as construction and financing challenges make delivery more difficult. These pressures will continue to be faced by new projects progressing to construction, with new supply also increasing competition. Success will be determined by understanding local market fundamentals and positioning projects to address gaps.

Average Private Facility Weekly Rent by Capital City (Semester 2, 2026)



Source: Urbis Student Accommodation Benchmarks

PBSA Pipeline (as at October 2026)



Source: Urbis Student Accommodation Benchmarks

Explore the latest insights

Purpose-Built Student Accommodation Benchmarks

Read here

Market Spotlight

Australia's PBSA sector comes of age

Student choice is becoming more complex

Students' decisions about accommodation are increasingly shaped by a balance between location, convenience and value, which challenges providers to supply stock that meets this ideal mix. For example, while proximity to campus remains a key demand driver, students are also seeking accommodation that supports both their academic focus and daily lifestyle. However, with online learning having transformed the sector, students spend less time on campus, making it key to understand the new complexity underpinning their preference.

The two key questions that must be answered

Students consistently prioritise two key aspects of accommodation: where is it, and is it safe? While this seems deceptively simple, delivering professionally managed accommodation that meets the needs of the target market, and is viable, is complex. Providers must carefully configure developments that are appealing to students in multiple ways, enabling them to thrive as they live away from home for the first time. This configuration can vary greatly by location, institution, cohort and site.

Creating convenience

Our analysis consistently shows that access to public transport, retail, food and beverage, entertainment, recreation and employment significantly enhances the attractiveness of accommodation. The Department of Education estimates about 80% of domestic bachelor's degree students work a part-time job while studying. When planning a development, the importance of thoroughly vetting the opportunity to ensure strong investment outcomes cannot be overstated. What seems like a viable PBSA site may not hold up against demand analysis and feasibility testing.

The affordability crunch

As students are becoming more price-conscious, they are driving demand for accommodation that balances factors like location, safety and amenity with cost. Proximity remains important, but data indicates students are increasingly willing to trade proximity to campus for affordability, with the key caveat that the more affordable site is well connected to campus via public transport. This is evident in Sydney where high land values in Inner Sydney and site scarcity are pushing new development into suburban markets. This trend is anticipated to continue as major rail projects progress in Sydney and Melbourne, influencing PBSA site selection.



Location matters

Students seek accommodation that minimises travel time to campus and offers safe, convenient access to employment and amenities.

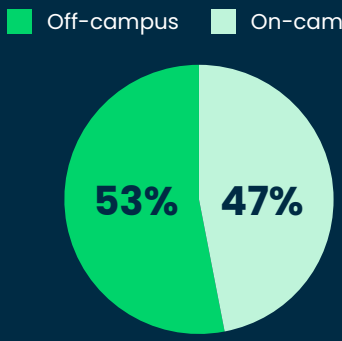
Convenience drives choice

Access to transport, retail, services and jobs enhances the attractiveness of a PBSA asset and supports student lifestyle.

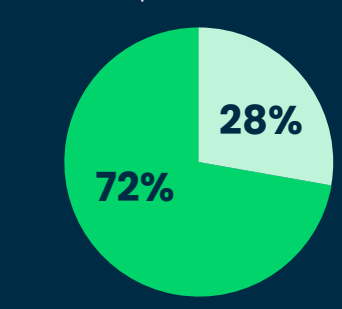
Value is critical

Affordability is increasingly shaping decision-making, driving demand towards competitively priced products.

Existing PBSA supply (2026)



Proposed PBSA supply (2026)



Source: Urbis Student Accommodation Benchmarks

Market Spotlight

Australia's PBSA sector comes of age

Premium living and the affordability divide

PBSA has evolved beyond simply providing accommodation. It's increasingly being designed as a living experience, with operators recognising that students seek community, wellbeing and convenience. As the sector progresses, two distinct delivery models have emerged, reflecting differing objectives between private operators and university-affiliated providers.

Private operators prioritise privacy and lifestyle

Private sector operators have increasingly shifted towards self-contained living, with studio and one-bedroom apartments accounting for over half of beds within surveyed facilities, and around 80% of projects in the pipeline. This reflects growing demand from students, particularly international cohorts, for greater privacy, independence and premium living environments. Studios also reflect the highest rent per sq.m (41% higher than 4-bedroom apartments), making them attractive from a feasibility perspective.

To support this positioning, private operators typically provide a broader range of lifestyle-focused amenities such as gyms, cinema rooms and rooftop terraces. This allows them to differentiate their product, enhance the resident experience and support premium rental pricing.

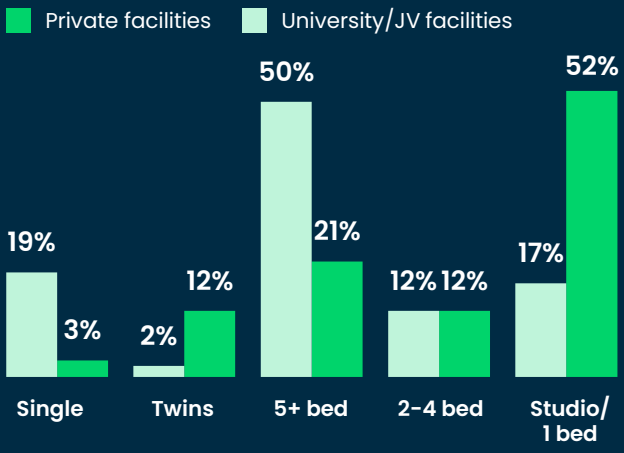
Universities prioritise affordability and community

University and joint venture accommodation remains heavily weighted towards shared living arrangements, with 5+ bed apartments and college-style formats comprising most of the supply. This approach enables universities to maximise housing capacity and provide accommodation at more affordable price points, while fostering social interaction and community formation.

Amenity provision within university-operated accommodation generally centres on communal spaces that support student engagement, such as student lounges, shared kitchens, sporting and outdoor gathering areas, rather than lifestyle-oriented amenities commonly found in the private market. This also reflects the ability to leverage facilities already on the campus.

The challenge for investors is to assess local drivers, identifying markets with room to grow and resilient demand, as well as determining which delivery model best realises potential. During the development feasibility process, it becomes paramount to test the mix of rooms that optimises rent per bed and retains high occupancy. Universities are likely to continue focusing on shared accommodation with the inclusion of ensuite bedrooms to provide more privacy (and value). Finding the ideal combination to sustain occupancy and rental growth while meeting customer value expectations is the key to unlocking opportunity.

Room mix by provider



Amenities by provider

Amenity	Private Facilities (% of projects)	University/JV Facilities (% of projects)
BBQ	93%	93%
Communal Kitchen	77%	82%
Cinema Room	83%	45%
Sports Court	7%	32%
Library	50%	23%
Gym	86%	19%
Rooftop Area	63%	17%

Note: data as at October 2026.
Source: Urbis Student Accommodation Benchmarks

Market Spotlight

Australia's PBSA sector comes of age

The precinct value of student housing

PBSA is increasingly being incorporated into mixed-use developments as part of broader urban renewal initiatives. This follows global trends of increased mixed-use developments that include PBSA in student cities.

By introducing a stable and vibrant student population, PBSA can support retail, hospitality and community uses, contributing to the broader community and economy. The inclusion of PBSA also supports housing diversity by complementing build-to-sell apartments, build-to-rent and affordable housing rentals.

The increasing integration of PBSA within mixed-use developments reflects its role as both a housing and place-making outcome. For governments, it provides a mechanism to accommodate student demand within established urban areas while supporting housing diversity objectives.

Delivery is often facilitated through partnerships between major residential developers and specialist PBSA operators, enabling student accommodation to be integrated within larger planned precincts alongside residential, commercial, retail and public domain uses. These partnerships allow developers to access an additional residential product while leveraging the operational expertise of specialist PBSA providers.

As competition for development sites intensifies, PBSA is likely to become an increasingly important component of mixed-use precincts, particularly in locations where developers are seeking to support retail, commercial and public domain outcomes through a larger and more diverse resident population.

Can PBSA boost the viability of mixed-use?

- ✓ **Diversify and front-load income streams**
- ✓ **Support the activation of ground-floor retail and public spaces**
- ✓ **Broaden the range of uses within large-scale projects**
- ✓ **Boost the night-time economy**

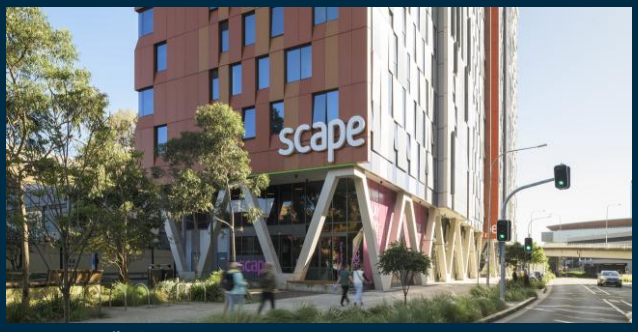


Image credit: Scape

Darling Square, part of Scape by The Living Company's Sydney portfolio, provides 1,300 student beds within Lendlease's Darling Square precinct, alongside residential, retail and commercial uses. The inclusion of student accommodation helped create a vibrant 24/7 precinct and shaped the mix of multicultural dining establishments.



Image credit: Iglu

Waterloo Metro Quarter in Sydney integrates 474 PBSA beds within a major transit-oriented precinct, alongside residential, affordable housing, retail and public open space. It is being delivered by a joint venture between John Holland and Mirvac, with Iglu owning the PBSA building. The student accommodation was the first tower delivered to activate the precinct.



Image credit: Scape

Scape will bring 1,150 student beds to **Gurrowa Place** in Melbourne, a $1.7 billion mixed-use redevelopment on the southern edge of Queen Victoria Market. Delivered by Lendlease in partnership with Scape and the City of Melbourne, the 3.2-hectare precinct will also include build-to-rent, affordable housing, office, retail and public open space.

Market Spotlight

Australia's PBSA sector comes of age

Universities take charge of delivery

Over the past decade, universities have often used joint ventures (JVs) with private investors, developers or operators to deliver university-branded accommodation. These partnerships expand supply while preserving capital, sharing development risk and retaining strategic influence. Universities typically retain land ownership, granting JV partners a long-term lease or concession.

Today, universities are under increasing pressure to facilitate the delivery of their own PBSA as:

- governments link international enrolment allocations to accommodation provision
- housing affordability challenges continue
- universities need to maintain their competitiveness in attracting and retaining students
- PBSA plays a role in ensuring on-campus vibrancy.

These pressures are accelerating university development. Just two major projects delivered 1,051 beds between 2024 and 2026, compared with six facilities totalling 3,366 beds now under construction and due in 2027–2028.

For example, Campus Living Villages (CLV) has partnered with Griffith University (Gold Coast Campus) and is working with Charles Darwin University to develop on-campus accommodation, with CLV leading the development and operation of the facilities.

The last major project delivered solely by a university was the University of Queensland's Kev Carmody House in 2022. Universities are increasingly delivering accommodation independently, with no JV partner on five of the six pipeline projects currently under construction. Direct delivery enables universities to retain full control, capture all financial returns and more closely align accommodation with the student experience.

Some universities also take headleases over private facilities to add beds while planning their own developments, as the University of Sydney has done at UniLodge Kensington.

Universities are taking charge of where students live, combining their own developments with private partnerships and leasing. To keep pace with enrolment demand, the next step is finding the right mix of sites, partners and delivery models to close the supply gap.

> ***"Universities are increasingly delivering projects themselves, though JV models remain attractive for those needing private sector assistance."***
>
> – Clinton Ostwald, Partner, Urbis

PBSA Projects Recently Delivered or Under Construction by Universities

University	Facility Name	Delivery	Opening Year	Beds
University of Queensland (UQ)	Kev Carmody House	University	2022	610
Charles Sturt University	Hastings Village	JV with Cambridge RE Partners	2024	592
Griffith University	GU Village Southport	JV with CLV	2026	459
Monash University	Larkins Hall	University	2027	252
University of Newcastle	Muloobinba House	University	2027	445
UQ	UQ Walcott Street	University	2027	1,018
Charles Darwin University (CDU)	CDU Village Darwin CBD	JV with CLV	2028	357
University of Western Australia	Nedlands PBSA	University	2028	844
University of Newcastle	Callaghan PBSA	University	2028	450

Source: Urbis Student Accommodation Benchmarks

Market Spotlight

Australia's PBSA sector comes of age

Office conversions hinge on feasibility

The conversion of office buildings to PBSA is emerging as a viable delivery pathway in markets where structural changes to workplace demand have created challenges for older commercial assets.

Elevated office vacancy rates, hybrid working arrangements and reduced demand for secondary office stock have prompted owners to consider alternative uses for underperforming buildings. Many office buildings are also located within established CBDs and activity centres, providing direct access to universities, public transport, employment and retail amenity. This aligns with student demand, creating opportunities to repurpose these assets into PBSA.

Weighing it up – office conversions

Pros

- **Lower environmental impact** through less demolition waste and embodied carbon.
- Potentially **faster delivery** by reusing structures, foundations and services.
- **Longer asset life** for ageing office buildings.

Cons

- **Layout constraints** from deep floorplates and limited natural light.
- **Costly upgrades** to ageing systems and layouts to meet building standards and student needs.
- **Variable feasibility** as not all buildings are suitable or financially viable.

Whilst these conversions do pose challenges, more projects are being proposed, including Frasers Property's Sydney CBD conversion and Western Sydney University's partnership with Holdmark in Parramatta. Office-to-PBSA conversions are expected to play an increasingly important role in delivering accommodation supply within established urban locations. A rigorous focus on feasibility will help mitigate risk and strengthen investment confidence.



Image credit: Marquette Properties

UniLodge Brisbane City was delivered by Dexus and Marquette Properties through the adaptive reuse of a former CBD office tower, providing 1,182 student beds within walking distance of Queensland University of Technology and Griffith University's future CBD campus. The 26-storey tower features a range of self-contained studios, shared apartments and resident amenities including a gym, outdoor pool and music rooms. Converting the commercial floorplate presented design challenges and opportunities, particularly around floorplate depth, natural light access, existing services and strict building code compliance for residential reclassification. However, leveraging the existing superstructure and modular bathrooms allowed the project to be completed 8 months ahead of schedule.



Image credit: Campus Perth

Campus Perth transformed the former 1970s Telstra headquarters into a 916-bed student accommodation development featuring a vibrant ground-floor retail hub and a 296-bed. The project successfully leveraged the existing building structure to accelerate delivery, reduce embodied carbon and maximise accommodation yield through a four-storey rooftop extension. However, adapting an ageing office building for student living presented challenges, including accommodating the rooftop expansion and upgrading outdated building services to meet contemporary residential standards.

Market Spotlight

Australia's PBSA sector comes of age

Where to next?

Australia's PBSA sector has come of age, supported by student demand and institutional investment. Its next chapter hinges on delivering affordable accommodation while navigating policy uncertainty and rising development costs. Here is how we see the sector playing out over the medium term.

Living costs and housing affordability will continue to challenge students, driving demand for more affordable accommodation. We can learn from other markets where intervention and innovative operating models are delivering affordable student accommodation to respond to these dynamics. The Netherlands has demonstrated how government intervention and less labour-intensive operating models can improve affordability.

Private capital, including university partnerships, has an established role in meeting Australia's student accommodation demand. For investors and fund managers, the focus is where further investment can meet local demand and deliver attractive returns. National growth sets the context, but each opportunity requires careful assessment of competing supply, operating performance and delivery costs.

Migration policy will remain a key issue ahead of the 2028 federal election, with new international visas likely to remain effectively capped and approvals closely monitored. PBSA supply will influence future caps, encouraging further university-led development.

While there's been some domestic capital investment in PBSA, such as the Future Fund investing in Greystar's acquisition of the Wee Hur portfolio in 2024, it has remained limited. We anticipate greater domestic investment as Australia's Living Sectors mature.

Strong international investor appetite, despite political uncertainty and construction costs, will continue to sustain capital flows from Asia, Europe and North America.

More student accommodation developers and operators are expanding into co-living and build-to-rent, driving co-living projects that target students while retaining flexibility to accommodate other residents.

Universities, mixed-use precincts and suitable office conversions offer new routes to supply. For investors and developers, the opportunity lies in turning sustained interest into viable projects that meet local demand and give students better value.

The demand is clear, but what will it take to deliver the next generation of affordable, viable and resilient student accommodation?

Our living sector specialists can help identify where opportunity is strongest, which delivery and partnership models are best suited, and how projects can move from market interest to investment-ready solutions.



Finger on the pulse

BTR

Operating capability is the most important driver of BTR performance. Owners use both specialist third-party and in-house management models, with institutionally owned assets more commonly managed in-house.

Scale appears to have some influence on choice of management model, with integrated operators skewed slightly more towards smaller projects (51% are fewer than 200 units), compared to outsourced management (42%).

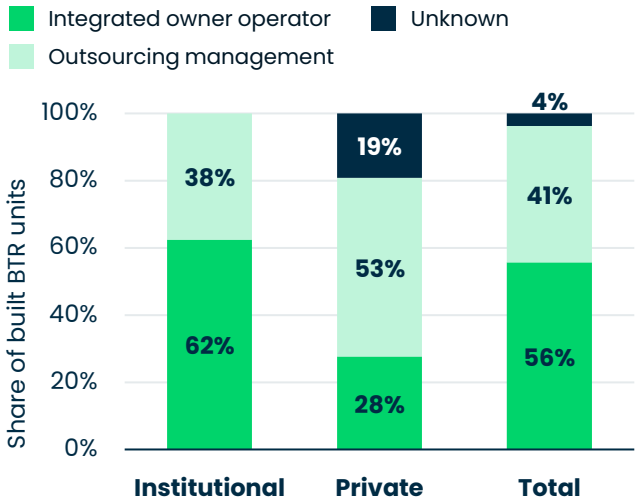
Across both models, resident experience, brand and operating efficiency contribute directly to asset performance.

As portfolios scale and mature, owners will continue to assess which operating model best meets their needs, including partnerships with specialist third-party operators. Operating platform strength and resident experience will therefore likely define the next phase of the sector.

Early results from stabilised assets provide valuable insights and help inform the next generation of projects. Our key observations include:

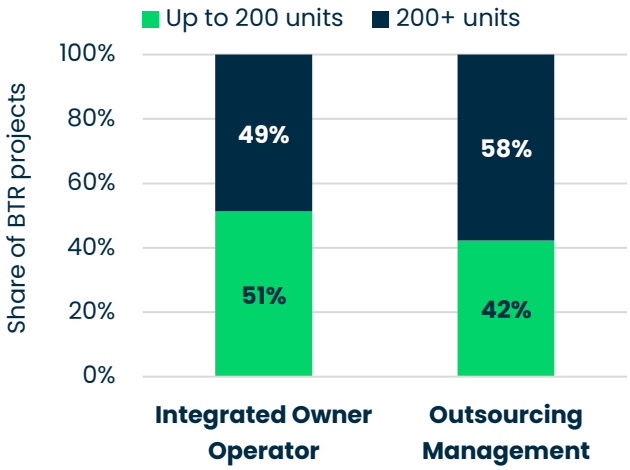
- **Amenity quality over quantity.** Successful projects align amenities with tenant expectations and operating costs rather than maximising communal space. Importantly, tenant preferences can vary by location.
- **Gyms, co-working spaces and podcast rooms are among the most used amenities**.
- **Leasing performance has been strong**, with some assets achieving up to 60 leases per month and reaching stabilised occupancy in under 12 months, but early leasing incentives remain common.
- **A distinct BTR customer base is emerging** with residents increasingly moving between BTR projects. Resident retention and customer experience are key competitive advantages.
- **Affordable housing management is proving challenging**, with difficulties identifying and converting eligible households into residents.
- **Designing for long-term operating performance**. Durable materials and efficient layouts can reduce ongoing maintenance and running costs, making whole-of-life performance an even more important consideration than upfront development costs.

BTR units by management and owner type, built projects, Oct 2026



Source: Urbis Apartment Essentials

BTR projects by management type, built projects, Oct 2026



Source: Urbis Apartment Essentials
Note: excludes projects where management type is unknown.

> *"The next wave of BTR assets will need greater focus on size, configuration and tenant-focused amenity, the factors driving operating efficiency today."*
>
> – Mark Dawson, Partner, Urbis

Finger on the pulse
Co-living

Co-living presents an attractive next phase for the institutional rental sector.

Australia's co-living sector continues to build momentum, particularly in Sydney and increasingly across Melbourne and other major cities. The development pipeline reflects a transition from proof-of-concept towards greater scale and institutional relevance. A clear and flexible planning pathway in Melbourne will be key to creating a similar growth trajectory to Sydney.

Notably, delivered co-living stock is concentrated with a small number of operators, led by UKO (36%), followed by The Switch (28%) and Together Co-Living (10%).

While the first wave of completed and under-construction projects has largely comprised boutique developments of 20-50 rooms, the next generation of projects progressing through planning and approvals is increasingly characterised by schemes exceeding 100 rooms.

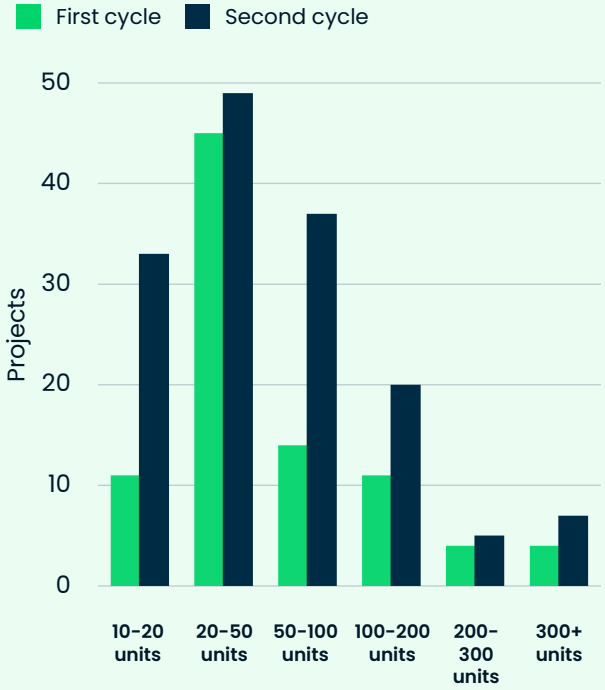
This signals growing confidence among developers, capital partners and operators in the sector's long-term viability. Larger projects can provide management efficiencies, support dedicated operating platforms, and deliver the scale increasingly sought by institutional investors.

As the sector matures, co-living is increasingly being considered alongside BTR and PBSA, as a viable, growing and comparatively undercapitalised market segment.

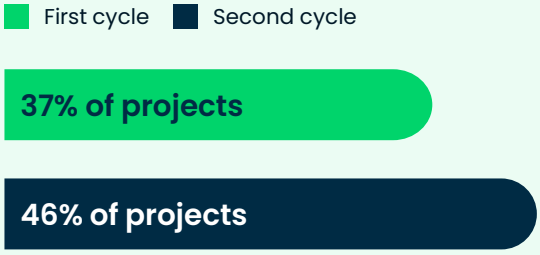
Larger projects in the pipeline include:

- 140 Cope Street, Waterloo: 500 units; and
- 25-26 Constance Street, Fortitude Valley: 312 units.

Co-Living Pipeline*, Oct 2026



Co-Living Pipeline*, 50+ units



Source: Urbis Apartment Essentials
** First cycle – built/under construction*
Second cycle – development approval/application/early planning

80% of pipeline is in Sydney
Plus 63% of operational stock

4,460 rooms
Co-living rooms operating nationally (2026)**

74% of current stock run by 3 operators
Highlighting the growing scale of established co-living platforms

*Source: Urbis Research. **We consider some buildings (such as The Switch) as both PBSA and Co-Living, as they are marketed as Co-Living, but the majority of tenants are students.*

Market movements

Transaction activity across the living sectors has increased, reflecting capital recycling, the continued entry of new international investors and projects progressing through the development process. Strong performance is underpinned by ongoing population and rental growth.

Major transactions



September 2026

Image credit: Scape

State Library Exchange Partnership acquires Melbourne's landmark over-station student development.

The partnership, backed by Core Fund, a Malaysian pension fund, Bouwinvest and has acquired the project above State Library Station on a forward-funded basis. RMIT has leased all c.12,000 sqm of commercial space for 15 years. The tower will deliver more than 1,400 student beds, with completion due in 2029. About 400 sqm of street-level retail will overlook the station entrance.



September 2026

Image credit: Novus

Novus partners with Japanese consortium comprising Kanden, JOIN and Cosmos to deliver a $350m BTR project in Epping, Sydney.

A campus-style development delivering 310 apartments and 1,300 sq.m of indoor amenity. The project is Novus's fourth in Sydney and second partnership with Kanden.

It also represents Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) and Cosmos's first BTR project in Australia.



September 2026

Image credit: Scape

Scape by The Living Company acquires Boston University's 165-bed Chippendale student accommodation building for $72.5m.

The asset has until now been reserved for Boston University students studying in Sydney, but The Living Company will refurbish and open it up to the broader student market.

Major approvals



September 2026

Image credit: Cosgrove Group

Cosgrove Group secures approval for 299-unit Annandale BTR development.

The $122m, 23-storey scheme will include 584 sq.m of ground-floor retail and allocate 10% of residential floor area to affordable housing. Completion is expected in 2029.

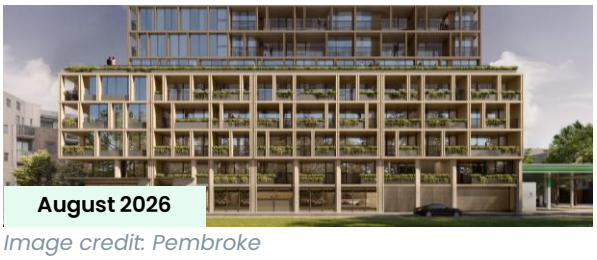


September 2026

Image credit: Plus Studio and Howells

Plus Studio and Howells secure approval for 246-apartment BTR project in Scarborough, Perth.

The 26-storey scheme at 200 West Coast Highway will deliver 209 market-rate apartments and 37 affordable homes for eligible WA key workers, 250m from Scarborough Beach.



August 2026

Image credit: Pembroke

Pembroke secures approval for Young & Argyle 210-apartment BTR project in Fitzroy.

The project is expected to commence construction in early 2027 and expands upon Pembroke's global portfolio of BTR assets.

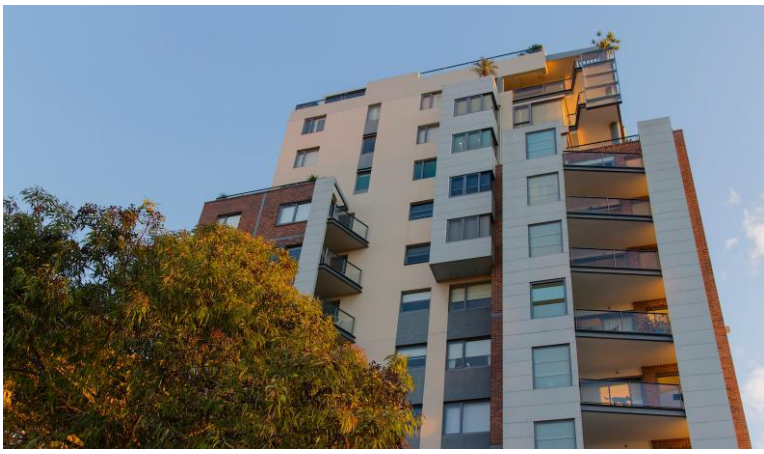
Looking ahead

What's next for the living sectors?

2027: The stability of instability

As we move into 2027, uncertainty will remain a defining market feature. PBSA's long-term fundamentals remain strong, but performance will depend on local supply conditions, affordability and international student policy. BTR and affordable housing continue to attract long-term capital, while demographic demand supports seniors living and modern methods of construction offer opportunities to improve delivery. Across the living sectors, success will depend on translating investor interest into viable projects that meet local housing needs.

High Impact





Political narrative: Migration, tax and investment

Policy will remain a key driver of living sectors in 2027. Migration settings will continue to shape demand for PBSA, BTR and rental housing generally, while tax, planning and investment policies influence project feasibility and capital flows. As governments balance housing affordability with economic growth, developers and investors will need to navigate an increasingly complex policy landscape where regulatory shifts can have significant market impacts.

High Impact

BTR tenants voting with their feet

As the BTR market matures, tenants will have greater choice and become more selective about where they live. Operators will increasingly compete on customer experience, amenities, service quality and flexibility, rather than location alone. Strong retention strategies and a clear value proposition will be critical as renters compare assets and seek the best combination of lifestyle, convenience and affordability.

Medium Impact





Land lease movers and shakers

The land lease sector is attracting growing interest from global capital, driving consolidation and investment. From major recapitalisation and divestment plays to acquisitions and takeover offers, there is significant confidence and competition in the sector to tap into the long-term growth outlook. Backed by an ageing population, housing affordability pressures and resilient returns, competition is expected to intensify through 2027.

Medium Impact

Around the grounds



Chehade Sakr
Partner, Sydney

Build-to-Rent

Australia's BTR sector is likely to see greater differentiation between premium and mid-market product, with rental ceilings playing an increasingly important role in shaping future development. While premium projects can achieve higher rents, affordability may limit the depth of demand, whereas mid-market offerings have the potential to appeal to a broader renter base but face tighter feasibility constraints. This may lead to a greater focus on efficient design, well-targeted amenity and locations that balance affordability with connectivity. From a valuation perspective, the challenge will be finding the right balance between achievable rents, tenant demand and development costs to support sustainable investment returns.



Tiffany Allen
Director, Perth

Modern Methods of Construction

Modern Methods of Construction (MMC) is no longer a niche or experimental approach. The sector is rapidly moving from innovation to mainstream delivery, sustained by supply targets, government support and the need to address labour shortages and productivity challenges. For Living Sectors, MMC offers a pathway to faster delivery, greater cost certainty and scalable housing production. Looking ahead, national certification frameworks and planning reforms aim to accelerate adoption and position MMC as a key enabler of housing delivery at scale.



Billy Rebakis
Director, Melbourne

Planning

Planning reform is now one of the strongest enablers of living sectors growth across Australia. Governments are accelerating housing delivery through Transit-Oriented Development (TOD) programs, inclusionary zoning and precinct-based planning, while increasingly recognising institutional housing models such as BTR, co-living and PBSA. Importantly, this has allowed for yields to be pushed on well-located sites.

The focus is shifting from simply approving projects to creating planning certainty and delivery pathways that attract capital, improve feasibility and bring new housing to market faster. With this, governments have an expectation of design excellence and affordable housing considerations.



Michael Cattoni
Partner, Brisbane

Seniors Living

Australia's seniors housing market remains very strong. This is driven by rapid population ageing, high occupancy rates and persistent undersupply. Development applications for land lease communities have been particularly active, but much of this potential supply pipeline is yet to be delivered.

Over the past quarter, major reforms in several states have strengthened consumer protections, disclosure requirements and exit entitlement provisions for retirement village residents. This requires developers and operators to factor these additional obligations into project feasibility and delivery.

How we can help you navigate the *Living Sectors*

We have deep, first-hand knowledge of the Living Sectors because we've helped our clients shape them by advising on projects and investments in every market across Australia.

Most of the projects and transactions in this report are ones we've worked on. Seeing a project from every angle, and often across its whole lifecycle, is what sharpens our advice. We deliver evidence-led recommendations, feasibility and financial assumptions that stand up to scrutiny, combined with housing policy, planning and advocacy expertise built over 60 years.

We bring together economics, planning, design, valuations and transactions expertise in response to your needs. One team, one integrated view, moving at the pace your decisions demand so you can progress with confidence.

From BTR, Co-living and PBSA, to social and affordable housing, infill and greenfield, we turn complex housing issues into places that work – commercially, and for the communities they serve.

With so much change underway, now is the time to pressure-test your strategy. Share with us your next site, portfolio or investment decision and we'll tell you what it means for your pipeline.

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