

Australia Living Sectors *Market Insights*



November 2025



Overview

In this edition of *Living Sectors Market Insights*, we explore how retail assets may be unlocked for greater opportunity through the living sectors and outline key developments across Build-to-Rent (BTR), Co-Living, Purpose-Built Student Accommodation (PBSA), and Seniors Living.

Living Sectors at a glance

Build-to-Rent & Co-Living: Around 50 projects are now in operation nationally, demonstrating strong lease-up performance, supporting occupancy above 90%, and continued international capital interest; low vacancy and limited new supply is expected to keep upward pressure on rents.

Seniors Living: Over 50,000 independent living units delivered in the past decade, with QLD and NSW dominating supply; institutional investment is growing, supported by the roll-out of more affordable, well-located Land Lease Communities.

Purpose-Built Student Accommodation: National occupancy remains strong in Semester 2, 2025, while Perth leads rental growth at 13% due to an undersupply. Nationally the pipeline includes 40,000-beds and 7,500 completions projected for 2027.

What's Next?

Specialist living sectors are attracting strong capital interest, with stabilised BTR assets and major seniors living transactions reinforcing investor confidence; limited near-term supply is likely to sustain demand and rental growth. Look for maturing of the sector, such as with expansion to retail asset locations and horizontal BTR.



“Shopping centre turnover can be expected to increase over and above the norm, when supported by on-site residents who extend trading hours and generate consistent foot traffic.”

Ian Shimmin, Director, Retail



A spotlight on Retail

Integrating Living Sectors with retail assets is proving to be a powerful value driver for both asset classes. Centres that perform best are those that have broadened their offer beyond traditional retail to include dining, entertainment, recreation, health services, education, office space, and high-quality public realm. The nexus value of this integration is in capturing a greater share of local expenditure by positioning residents close to shops, services, and amenities. It's not just about the total amount people spend, but about influencing where they choose to spend it.

The success of these mixed-use precincts depends on strong transport connections, flexible master planning, and integrated amenity strategies.

Leveraging existing retail facilities to meet residential needs reduces duplication and creates shared value, while sustainable infrastructure such as district energy systems and shared mobility options can improve environmental performance and operational efficiency.

When combined with experienced operational management, these elements create a dynamic ecosystem where retail and residential uses reinforce each other.

With changing consumer behaviours, evolving housing needs, and sustainability imperatives, the opportunity for regional and sub-regional centres to adopt this model is significant; offering both economic resilience and enhanced liveability, all while unlocking additional value for both asset class portfolios.

How Living Sectors *can unlock retail potential*

Exploring the nexus value between the living sectors and emerging retail trends.

Over the past two decades, growth in the retail sector has largely been overshadowed by the emergence of online shopping trends, and more recently, the impacts of the COVID-19 pandemic. But, as the impacts of these influences settle, and become better understood, one thing has become clear – more people than ever are visiting Australian centres; and **it's not just about the shopping**. It's about curating a new offer and mix of uses that create places where people want to be and interact with other people.

Shopping centres across Australia have long formed an integral part of our social fabric. And recent trends in retail are showing this remains true where the centre has been responsive and made a deliberate transition to be relevant in its context. The highest performing centres are those that offer a range of uses beyond traditional retail including dining, entertainment, recreation, gyms, medical facilities, education, office, co-working spaces, event-spaces, and importantly, exceptional public realm as well.

This use diversification is contributing significantly to the success of our centres because they are becoming places where people feel good, want to visit more often, stay longer and experience across different parts of the day.





The evolution of traditional retail land uses into vibrant living centres, is prompting asset owners and investors to look at ways to unlock underutilised land by introducing Build-to-Rent, Student Accommodation and Seniors Living to strengthen asset performance, future-proof centres and create places that remain relevant.

Build-to-Rent

The long-term, stable nature of BTR tenancies ensures a consistent flow of potential customers, fostering a reliable revenue stream. Additionally, the emphasis on community and amenities in BTR projects can drive foot traffic to retail spaces, as residents are likely to frequent on-site shops, cafes, and services. This not only enhances the vibrancy of the precinct but also improves its economic viability.

Student Accommodation

Student accommodation establishes places for students to live and connect with retail centres, driving opportunity for greater retail spend particularly across food, beverage, entertainment, and convenience uses. Their presence sustains activity throughout the day and evening, supports extended trading hours, and brings a youthful energy to the precinct.

Seniors Living

Co-locating aged care and retirement living with retail schemes can create a mutually supportive environment, particularly where there is a cluster of health care services nearby. The proximity to health care providers adds reassurance and meets essential needs, while the steady, year-round presence of older residents provides reliable foot traffic for retailers. This mix fosters community, encourages social interaction, and strengthens the precinct's role as a local service hub.

The Nexus Value

The value proposition for integrating retail centres with living sectors to enhance a centre can be vast and the nexus value is both social and economic in nature.

There is clear value in generating returns from parts of an asset that are currently underutilised, as well as direct value from circular spending created by bringing more people closer to the centre.

Nexus value in integrated living centres comes from capturing more local expenditure by positioning people close to shops, services, and amenities. It's not simply about how much people spend overall, but where they choose to spend it. Proximity and strong connectivity are the key drivers, making it easier for residents and workers to select local options over alternatives further afield.

By thoughtfully integrating residential, retail, and other uses, underutilised parts of an asset can be transformed into new revenue streams, strengthening overall performance. Over time, retaining spending within the centre lifts turnover, supports community activity, and builds long-term asset resilience.

Success Factors:

Delivering an integrated living centre can be complex, but there are **four fundamental factors that underpin success:**

1. Understand the market

The difference between success and failure is often misalignment with the needs and aspirations of the market. Thorough market research is therefore fundamental to making design and development decisions with confidence, as well as minimising risk.

2. Connectivity

High quality connectivity between buildings, both physically – horizontally and vertically – and digitally, in a safe environment with clear wayfinding optimises usage, dwell time, engagement and spending.

3. Access to transport

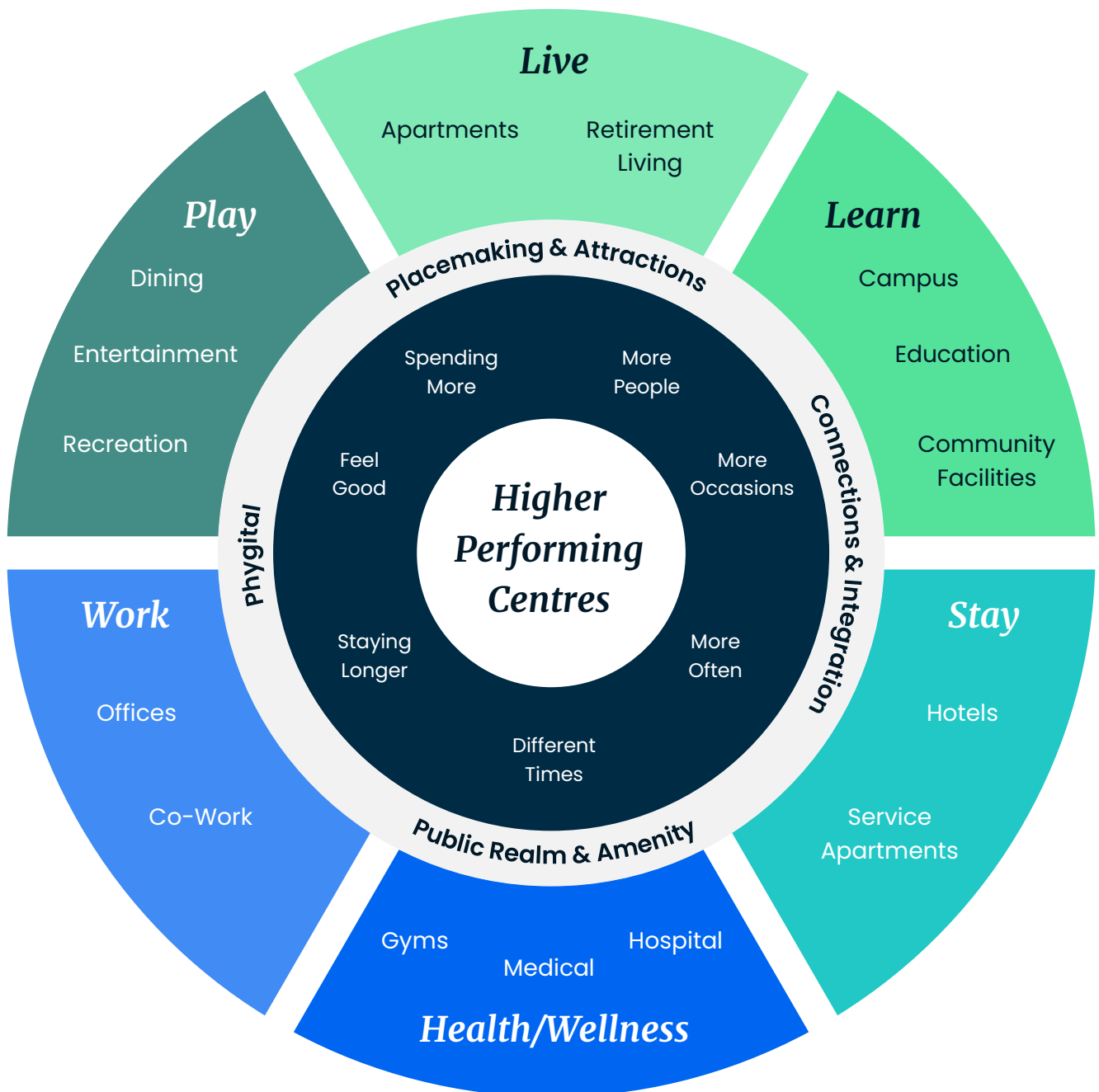
Strong connections with public transport services are essential. Without them, both residents and visitors are less likely to engage with the centre regularly. Well-planned transport links not only support activity and accessibility, but also encourage more sustainable travel choices, reducing reliance on private vehicles.

4. A long-term plan

Balancing flexibility with market responsiveness is critical. Early master planning can identify future demand, price points, key segments and emerging needs, and embed design efficiencies that allow living sector components to be added or adapted over time. This ensures the centre can evolve without major disruption to retailers, responding to changes in demographics, consumer behaviour, and economic conditions.

The Living Centre Model

The Living Centre model below demonstrates how an integration of land uses can leverage nexus value and lead to higher performing centres. Ultimately, it's about creating places for people.



Case Study highlights

Westfield Stratford City, London, UK

Westfield Stratford City in London demonstrates the scale and success of this model. Delivered alongside the London 2012 Olympic Games venue, the precinct includes 176,500 sqm of retail, 1,200 BTR dwellings, student accommodation for 600 residents, 350 hotel beds, and 93,000 sqm of office space. **Early master planning embedded flexibility, shared infrastructure, and cross-sector operational expertise, creating a cohesive ecosystem where each use reinforces the others.** The result is a destination that remains active well beyond traditional retail hours, with strong economic performance across all components.



Tysons Corner, Washington DC, USA

Tysons Corner in Washington has shifted from a traditional shopping centre to a mixed-use precinct combining retail, residential, office, hospitality, and public spaces, all linked by Metro access. This mix draws steady activity from residents, workers, and visitors, creating a resilient and vibrant destination.

Technology underpins the precinct's operations, with smart parking, digital wayfinding, and data platforms tracking performance. High-speed connectivity supports remote work and digital retail, while energy-efficient systems advance sustainability. Together, these features make Tysons both commercially strong and community-focused.



East Village, Zetland, Australia

Mirvac's East Village in Zetland, part of Sydney's Green Square renewal area, combines a supermarket, specialty retail, and dining with residential apartments above and around the retail podium. Open-air laneways, a central plaza, and community spaces create a village-style setting with strong pedestrian links and public transport access, making it both a shopping destination and a local hub.

The mixed-use model supports retail by providing a built-in customer base from on-site residents, ensuring steady trade. Activity is extended beyond standard shopping hours through the presence of workers and visitors, while public spaces encourage repeat visits. Multiple customer segments strengthen resilience, and shared infrastructure improves efficiency and sustainability.



Finger on the pulse

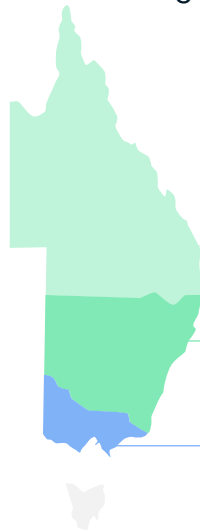
BTR and Co-living

Institutional capital continues to deepen in the BTR sector, underpinned by strong rent performance, undersupply, and rising demand for high-amenity rental housing.

- The shift from the initial construction phase into ongoing operations is well underway, **with around 50 Build-to-Rent projects now active across Australia**. Activity is concentrated in Melbourne, followed by Sydney and Brisbane.
- Lease-up results have been robust, **with some developments reaching occupancy levels above 90% within their first six months**, supported in part by incentives of up to three months rent-free.
- Assets that have been in operation for more than twelve months are generally sustaining **occupancy rates above 95%**.
- **Persistently low vacancy rates**, coupled with a limited pipeline of new completions, are expected to maintain upward pressure on rents.
- Accordingly, **interest from international capital remains strong**, underpinned by the appeal of stable, long-term returns and the sector's growth trajectory. The key is to align on return expectations.

BTR Rents

2 Bed Average



Brisbane
\$1,080 p.w

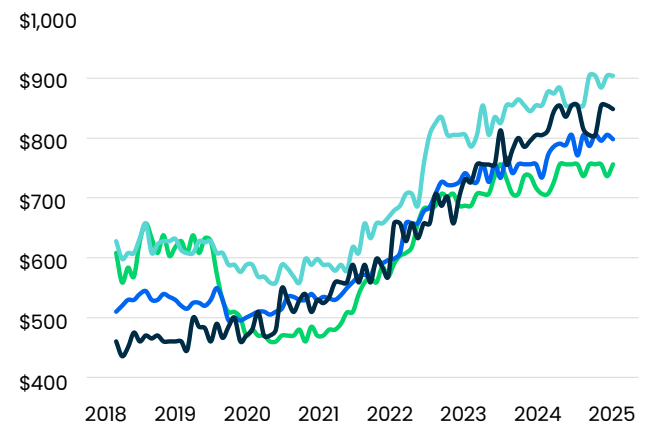
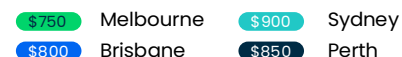
Sydney
\$1,000 p.w

Melbourne
\$900 p.w

Note: Brisbane and Sydney evidence limited for 2-bed, 2-bath rents shown

Source: Urbis Rental Intelligence; Urbis

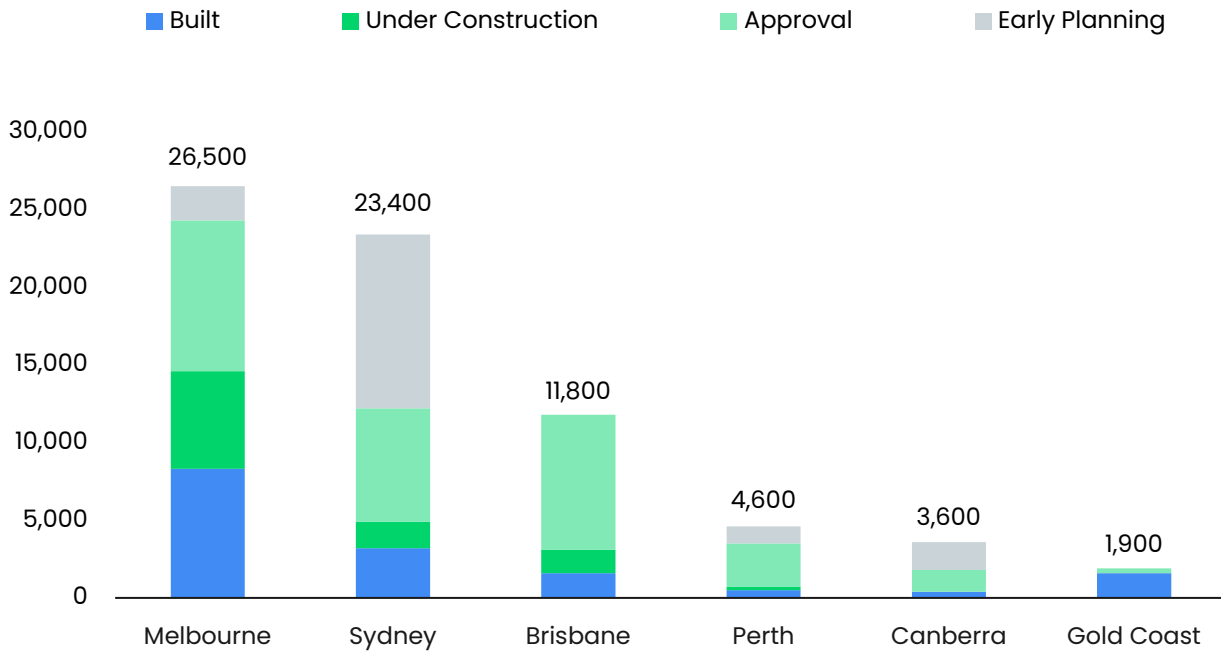
New BTS Apartment Rents



Note: 2-bed, 2-bath rent shown

Source: Urbis Rental Intelligence; Urbis

BTR & Co-Living Supply



Source: Urbis Apartment Essentials; Cordell; Urbis



Finger on the pulse

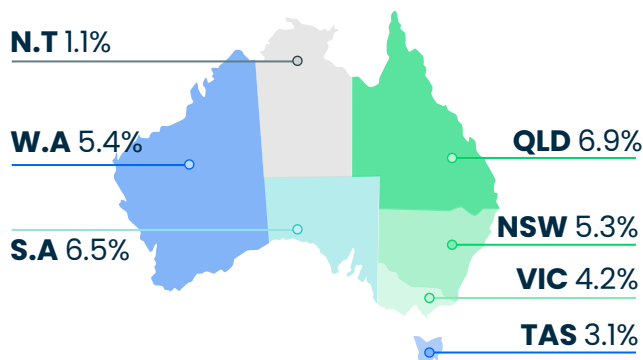
Seniors Living

As demand for purpose-built housing for older Australians outpaces supply, seniors living is maturing into a major housing asset class backed by growing institutional investment.

- Australia's Retirement sector (including both Retirement Villages and Land Lease Communities) is growing steadily, with **over 50,000 new independent living units delivered nationally over the past decade.**
- **QLD and NSW collectively account for around two-thirds of supply**, highlighting significant growth potential in other states.
- **Land Lease Communities** continue to be a standout in delivering affordable, well-located seniors living units at speed and scale by leveraging modular construction methods.
- Nationally, around 50,000 seniors living units are on offer within Land Lease Communities, with a further 21,000 planned land lease units to be delivered over coming years.

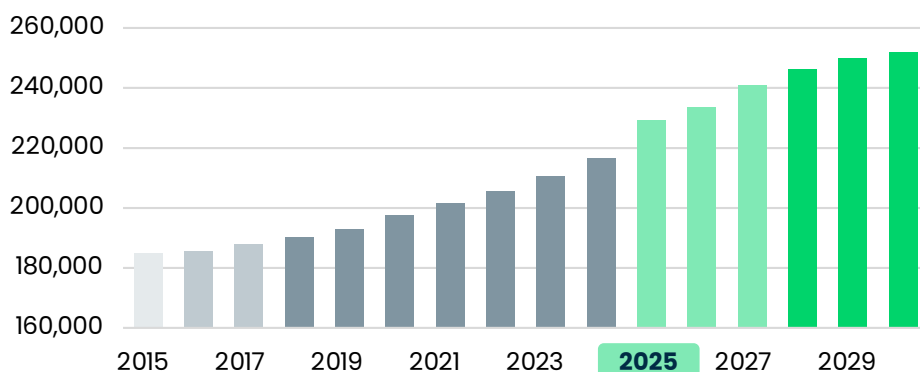
- A number of significant recent seniors living portfolio transactions demonstrate institutional confidence in the sector. **Invesco's \$845M acquisition of RetireAustralia's 4,300 independent living units** and Macquarie Real Estate's \$2.9B launch of land lease group **Millbray** show signs of things to come.

Seniors Living Penetration Rate

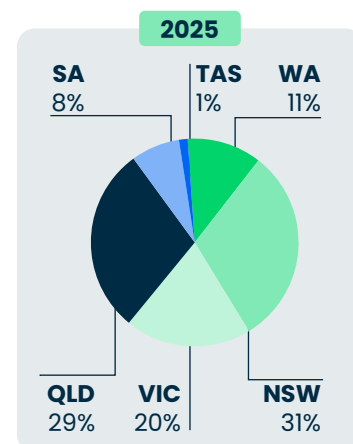


Proportion of Over 65s living in Retirement Villages & Manufactured Home Parks
Source: Australian Bureau of Statistics; Urbis

Seniors Living Supply



Source: Urbis Retirement Database



Finger on the pulse

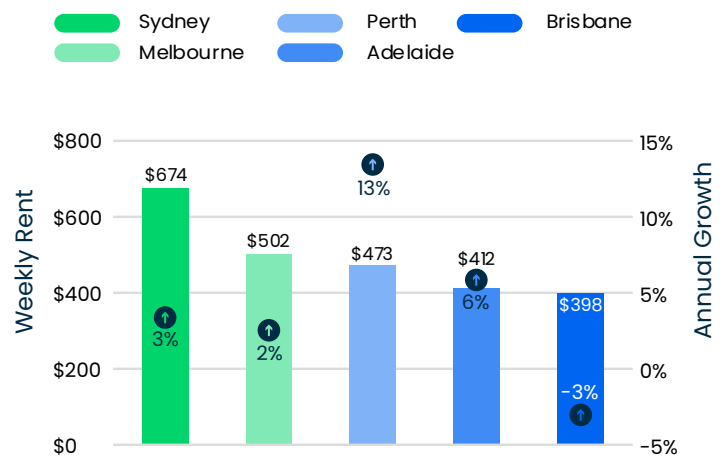
PBSA

Elevated occupancy and limited near-term delivery of new supply signal continued outperformance for PBSA assets across the nation.

- **Occupancy performance remains strong in Semester 2, 2025; consistent with the same period in 2024.** While occupancy eased compared to Semester 1, this was largely due to fewer students commencing studies mid-year. Despite ongoing pressures from government visa policies and caps, the sector has demonstrated resilience.
- Rental trends varied sharply across the country. In Brisbane, elevated vacancy rates in 2024 prompted operators to discount rents in 2025. **In contrast, Perth's undersupply of PBSA enabled private operators to achieve average rental growth of 13% over the year.**
- The national supply pipeline continues to expand, underpinned by strong interest from developers and investors. **Across all stages the pipeline now totals 40,000 beds. In Q3 2025 alone, 3,000 beds were approved, with 2,600 of these located in Inner Adelaide.**
- Perth's strong market performance has spurred a wave of new development applications in 2025, while Melbourne's significant pipeline remains in the approval phase, with projects seeking financing to progress to construction.
- Looking ahead, **some 7,500 new PBSA completions are expected in 2027**, a substantial lift compared to activity levels between 2024 and 2026.

Weekly Bed Rents

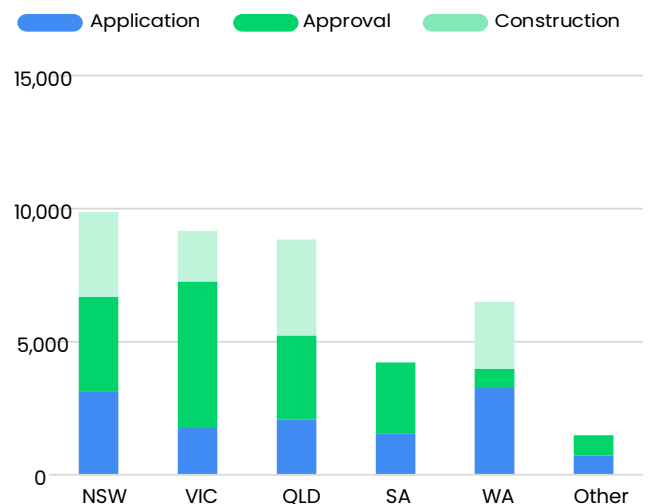
Sem 2, 2025



Note: Privately owned and operated PBSA.

Source: Urbis Student Accommodation Benchmarks

PBSA Supply



Source: Urbis Student Accommodation Benchmarks

Market movements

Major Transactions



Scape buys Aveo in a \$3.85bn Deal

Brookfield Asset Management divestment of the Aveo Portfolio's 10,000 units across Australia marks the largest direct real estate transaction in Australia's history.



Frasers Property sells to Barings & Aware Super for \$285m

366 apartments including 144 subsidised units at 210 Brunswick St, Brisbane traded in one of the year's largest BTR transactions.

The deal reflects surging institutional appetite for socially-integrated build-to-rent assets and confidence in Brisbane's rental outlook, with the project set to complete in 2026.



Invesco pays \$845m for RetireAustralia

RetireAustralia owns and operates 29 senior living villages offering over 4,300 independent living units, with a pipeline to deliver a further 800 units.



Macquarie Launches Millbray

Macquarie Real Estate Partners establishes a land lease group Millbray in a \$2.9b play with a 5,000-home target.

Major Approvals



Coronation Property – Erskineville Village

Urbis recently secured development approval for Coronation Property on their 2.65hectare site in the inner-city Sydney suburb of Erskineville.

The project creates 4 local street blocks with 11 residential buildings ranging from 6 – 11 storeys. Overall, the project will deliver a total of 1,075 BTR apartments, extensive shared community amenities, a local retail centre and a major new public park.

Looking Ahead

What's next for the Living Sectors?

Strong capital interest in specialised living assets

Recent living-sector megadeals have reinforced investor interest in specialist living assets. Recent transactions such as the sale of Aveo (senior-living assets) demonstrate liquidity and the increasing appetite for managed-living assets. We anticipate significant private capital interest in this space through the rest of this financial year.

High Impact



Build to Sell rebound

While 2025 has been the biggest year yet for BTR in Australia, build to sell remains the dominant mode of residential housing delivery in Australia; with 56,700 apartments under-construction or in presales, expected to complete over the next four years. This will increase site acquisition competitiveness.

Medium Impact

Build-to-rent matures with stabilised assets

The BTR sector is 'growing up'. With Australia's most significant BTR developments to-date achieving lease up over the past six months, we are seeing a stabilisation of the asset class, with players truly gearing up in the portfolio races. This is creating attractive opportunities for investors looking at a lower risk entry into the asset class with a stable, inflation-hedged income stream.

Medium Impact



Funding injections

Housing Australia has flagged intentions to release another round of funding under its flagship investment program – the Housing Australia Future Fund Facility (HAFFF). The fund is focused on supporting delivery of social & affordable housing via loans and grants. While the investment criteria is yet to be released, we anticipate future investments to be focused on additionality of housing, speed of delivery and competitive finance.

Medium Impact

Around *the grounds*



Dylan Gray
Director,
Melbourne

Build-to-rent

We are witnessing an evolutionary leap in Australia's housing market. BTR has been born and is already diversifying across the spectrum from premium 'multi-family' apartments into mid-market, and horizontal 'single-family' homes. Next-gen is here.



Robert Cowell
Director,
Melbourne

Valuations

The Government's 5% deposit scheme has at face value positively impacted property prices to the "affordable" end of the market. However recent inflation numbers should hinder any further interest rate reductions and restrict value growth volatility.



Belinda Thomas
Associate Director,
Sydney

Seniors Living

Seniors housing delivery has slowed, but rising demand from the baby boomer generation presents a clear opportunity to update planning policy, prioritise this sector, and improve access to pathways such as State Significant Development by removing restrictive requirements and aligning incentives with affordable housing.



Steve White
Partner,
Sydney

Planning

We are starting to see the impact of recent planning reform across key jurisdictions, particularly in NSW, where the introduction of new State Significant Development pathways have built a strong pipeline of approvals which can begin to move the needle on the delivery of new housing. We expect to see further impact of these policy changes into the new year as developers take advantage of the expedited processes.

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

Living Sectors Data Products

The source of truth for cities

In a data-rich world, we help you surface insights that matter. Our digital products, accessible via the Urbis Loop website, empower you with the data and analysis necessary to make informed decisions.

Discover our key offerings:

Student Accommodation Benchmarks

Our USAB platform tracks the Australian student accommodation sector, providing comprehensive data on existing supply, development pipeline, room mix, rents, occupancy rates, and more. Developed in collaboration with industry leaders, it helps you make informed decisions in this growing asset class.

Apartment Market Essentials

Our Apartment Market Essentials Platform offers insights on the apartment market across Australia's major cities. We track all apartment projects from Development Application to completion, providing data on sales, supply, and rents. Choose from the Core and BTR modules for tailored insights.

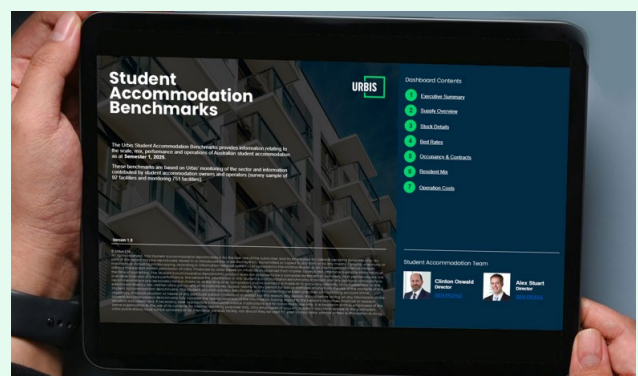
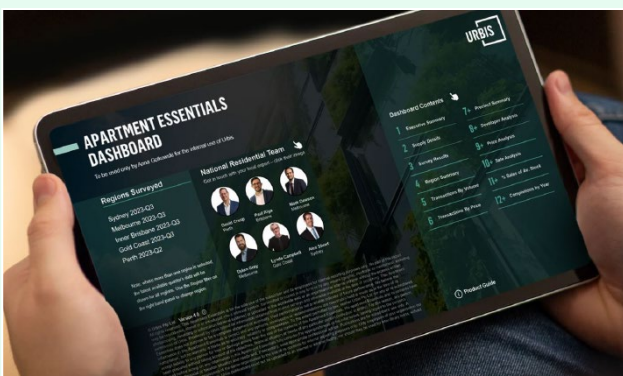
Census Dashboard

Leverage the ABS Census data with our online dashboard. Overlay important Census data with your retail trade area to track key changes, probe deeper into demographics, and access market data at the touch of a button. Visualise socio-demographic features and compare trade area characteristics across your portfolio.

Empower your decisions

With our comprehensive digital products, you have the tools to prepare for and shape the future of retail and residential environments. Subscribe today to shape tomorrow.

Urbis Loop



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Shaping cities
and communities
for a better future.