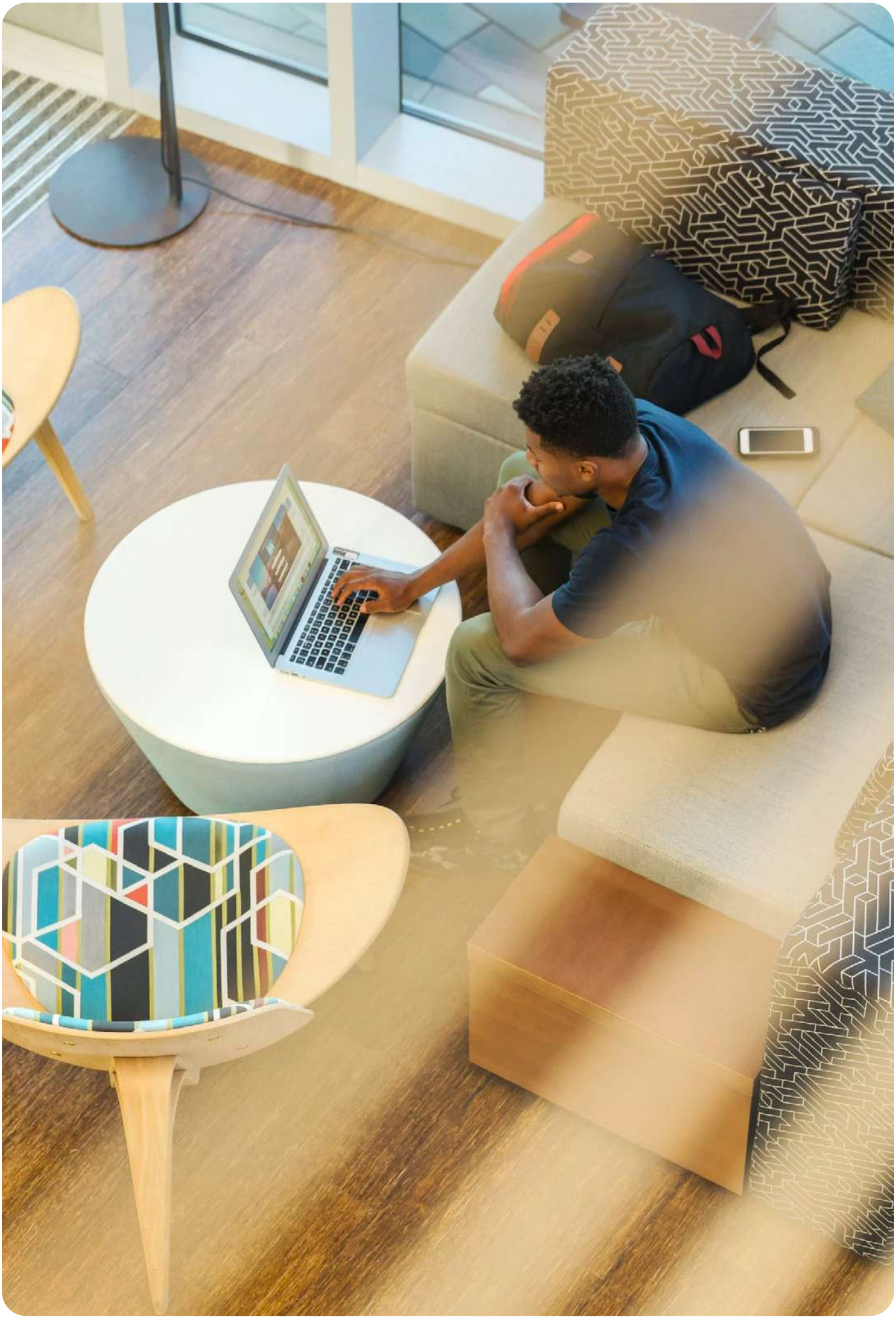
amber

Global Student Housing Report



2022-23



Contents

1. Overview

2. Global Student Housing Market

- Landscape & PBSA Market
- Regional student housing market
- Rental Pricing trends
- Investment in Global Student housing market

3. Education & Student Trends

- Growing demand for Higher Education
- Student Demographics & Movement
- Student Preferences

4. Amber Highlights

- Business Outlook
- Conclusion



OVERVIEW

This report provides a comprehensive analysis of the current state of the global student housing market by analyzing key trends and statistics, including the demand and supply of different student accommodation properties like University-Owned Housing, Houses in Multiple Occupancy (HMOs), and Purpose-built Student Accommodation (PBSA).

The report also analyzes educational and student demographics that are leading to the growth of the market and increased investment opportunities and delves into areas of deficiency while identifying opportunities for providers to capitalize on the burgeoning demand in both global and key regional markets.

Through this analysis, amber unveils critical insights into the student housing market as of January 2023, illuminating potential opportunities for expansion and growth within the industry.





GLOBAL STUDENT HOUSING MARKET

Demand: Student demand & enrolment

1. UNITED KINGDOM

Total number of students in the UK

2,862,620

International students in AY 2022

563,175

(+0.2% from 2021)

Growth projected for international applicants

+46% till 2026

2. UNITED STATES OF AMERICA

Total number of students in the USA

20,031,000

International students in AY 2022

948,519

(+3.63% from 2021)

Institutes see an increase in international applicants

+65%

3. AUSTRALIA

Total number of students in the Australia

1,600,000

International students in AY 2022

594,027

(+5.20% from 2021)

growth projected for international applicants

+20% till 2025



Supply: Top territories and beds

UNITED KINGDOM

Total No. of beds

1.7 Million

PBSAs	HMOs	University accommodation
530,000	870,000	320,000

UNITED STATES

Total No. of beds

8.6 Million

PBSAs	Other	University accommodation
3,000,000	280,000	2,800,000

AUSTRALIA

Total No. of beds

1.6 Million

PBSAs	University acc.	Private accommodation + Own + Others
100,000	30,000	800,000



Global Investments in 2022

TOTAL INVESTMENTS

1. United Kingdom[1]	$7 Bn
2. United States	$6 Bn
3. Australia	$3 Bn

[1] Knight and Frank

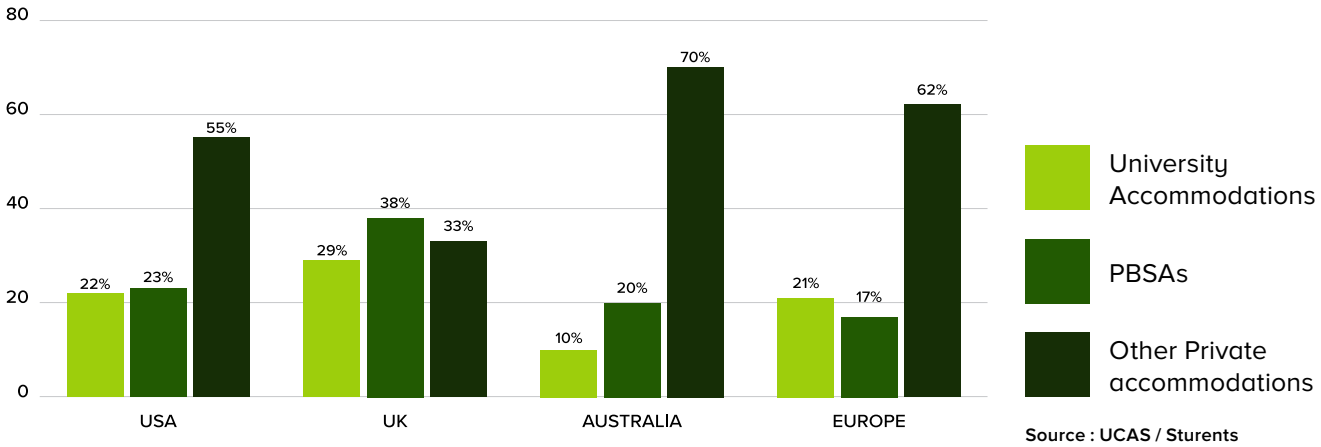
GLOBAL TRANSACTIONS

$33.51 Bn*

*(Projected)

STUDENTS LIVING IN DIFFERENT ACCOMMODATIONS

On average globally, 21 % of students are accommodated in the University accommodations. As the PBSA sector continues to expand, the supply crunch has caused 53% of the global student population to opt for private accommodations in major education markets.



Source : UCAS / Sturents

GLOBAL PBSA BEDS (2022)

The UK PBSA market is mature, with 700k beds. Yet, only 15k new beds were added in the last year. In comparison, USA has 3M PBSA beds despite higher demand than most countries; Australia had slow investments until 2022 with 123k total; Europe follows suit with 800K and 14.5K newly-added beds in AY 2022.

Region	Total number of PBSA beds (as of 2023)	New beds delivered in 2022
United kingdom	700,000	15,000
United states of America	3,000,000	30,000
Australia	123,000	4,973
Germany	240,000	35,703
France	190,000	807

SOURCE : Bonard • Statista • Savills • Knight and Frank • USQ REIT • Sturents

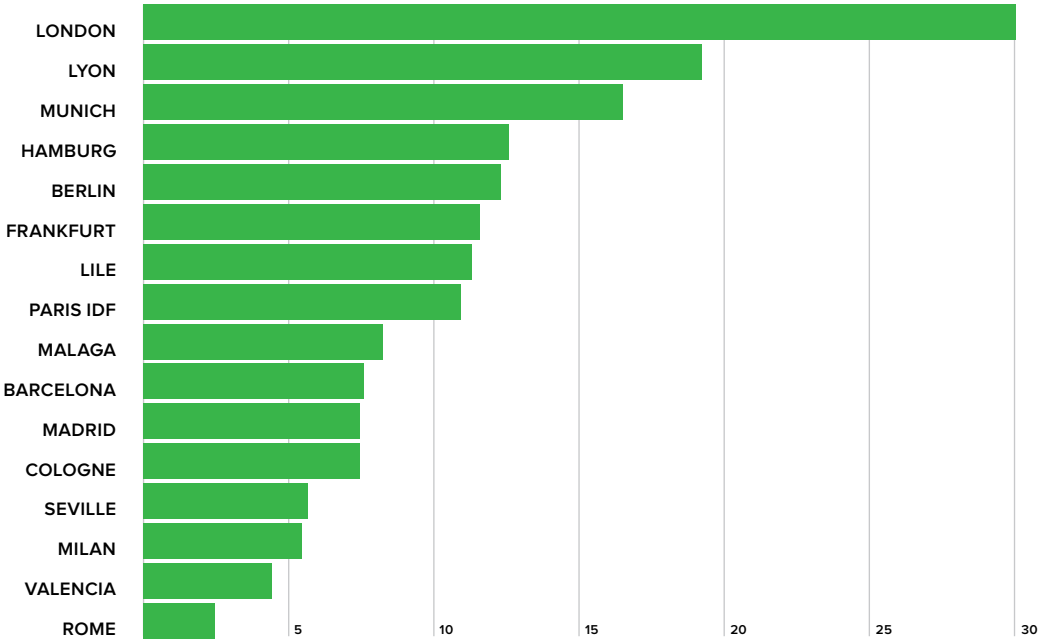
PBSA GROWTH AND PROVISION RATE:

Globally UK leads the PBSA provision rate by 34%. Australia & European cities have a provision rate of 10% & 12.5% respectively.

In UK, London is the most well-equipped city in the United Kingdom for student housing, providing a whopping 30% of all purpose-built student accommodations.

Lyon and Munich follow close behind with 25% and 20%, respectively.





STUDENT HOUSING PROVISION RATE %

Source : Savills

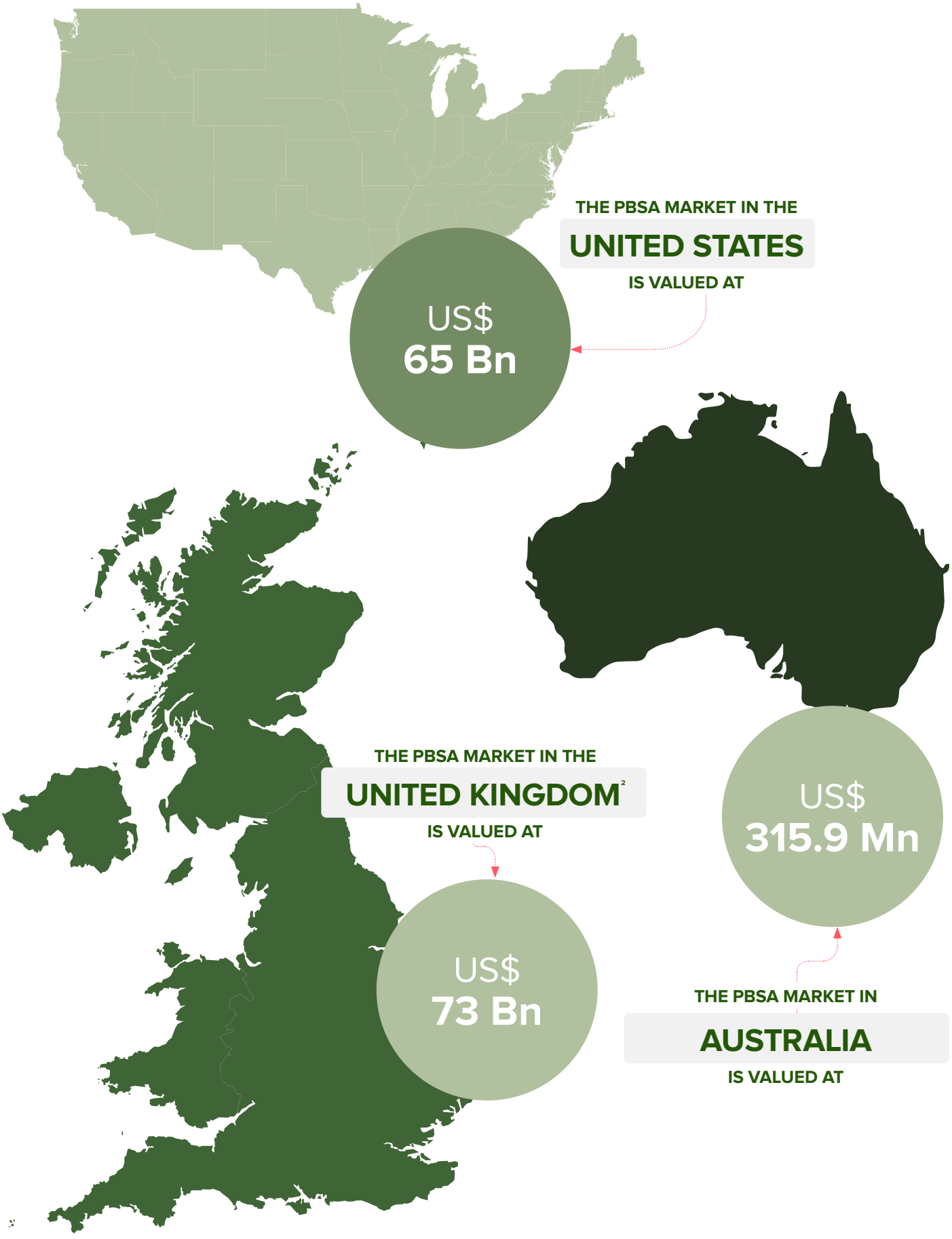
The high number of accommodation options available to students in London make it one of the most popular destinations for those looking to study abroad across both Europe and beyond; its popularity only continues to grow as universities expand their international student intakes.

PBSA GROWTH IN UK

Source : Sturents



GLOBAL PBSA MARKET VALUATION



Source : Knight and Frank

EXPLORING THE GLOBAL MARKET

1. UNITED STATES

USA Student housing market growth rate in 2022 was **5.1%** (Source: Berkadia)

The supply has seen just an addition of **30,000 beds** in 2022. There is a reduced pip. This trend is predicted to follow in 2023 till 2025.

USA market size of the HMO Providers industry is **$225.1 Bn** in 2023. Growing at **1.5%** annually. (Source: Ibisworld)

Only **22% of USA** students reside in on old campus dorm rooms, this consists of 1st-year students mostly.

3. UNITED KINGDOM

In 2022, the growth in UK's student housing market was **7.5%.**

Whilst the number of PBSA beds made available to students has continued to rise, the pace of growth has slowed in. **1 in 10 students** faces issues while searching for accommodation in UK.

In UK, there is a huge demand and supply GAP: With the AY 2023 intake starting, at least **207,000 students are likely to face a crisis situation with their accommodation.**

UK's (England)'s HMO market is valued is **£26 billion**. But it has grown at a slower rate than the economy. (as per Revolution Brokers)

2. AUSTRALIA

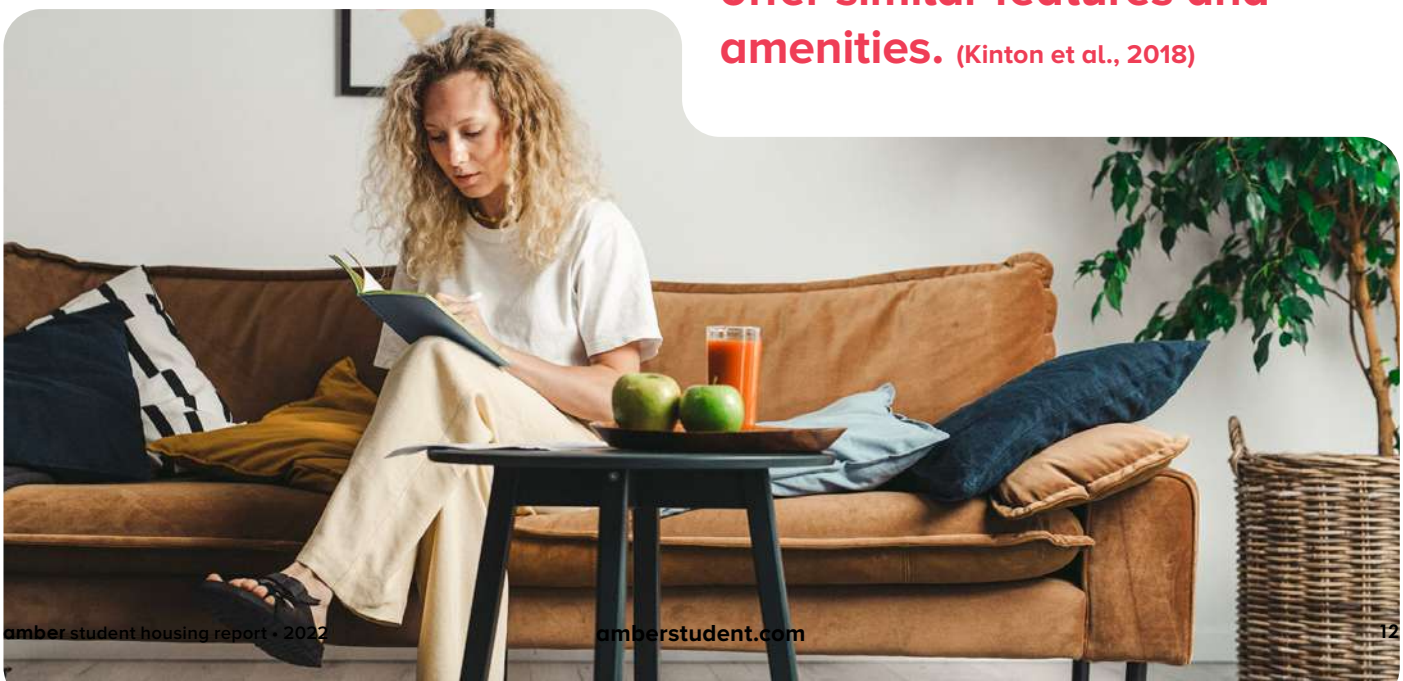
The Australian Student housing market is valued at **USD $ 1 Billion**. It is predicted that in Australia by 2025, the international education sector's contribution to export earnings will increase significantly and surpass $33 billion.

Australia saw the delivery of **4,972 PBSA beds** in 2022. Maximum supply was concentrated in Melbourne, Sydney & Brisbane.

Apart from Melbourne and Sydney, other Australian cities are not expected to have much supply in 2023 and 2024. Darwin has an alarming ratio of **33 students per PBSA bed** showing a serious demand gap

26% of Australian Domestic students are residing in the PBSA market.

Globally, HMOs are revamping their offerings to provide higher-quality accommodations. As students have become accustomed to the modern amenities offered by PBSAs, they are increasingly seeking housing options near universities that offer similar features and amenities. **(Kinton et al., 2018)**





RENTAL PRICING TRENDS

AVERAGE MONTHLY STUDENT ACCOMMODATION RENTS

•The average monthly rent for student accommodations, as recorded for the academic year 2021/22, was **slightly higher** than the ones recorded in the previous years.

• Attributes influencing these changes include changing **consumer demographics and preferences, higher demands, and a supply shortage.**

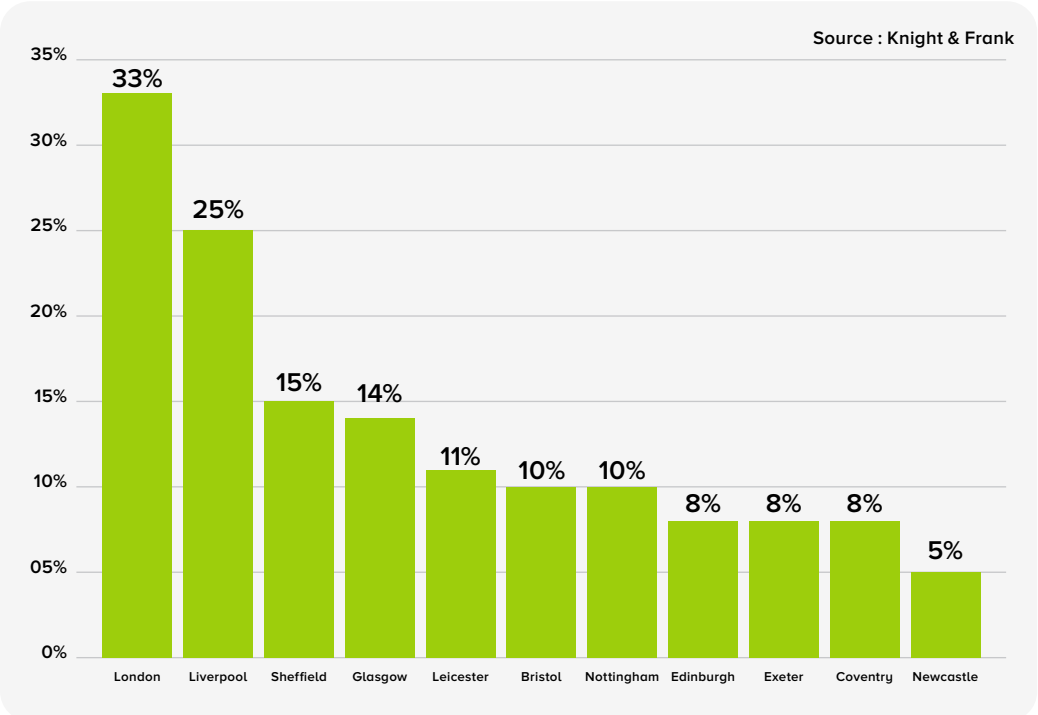
• Rents in some cities, such as **London in the UK; Melbourne and Sydney in Australia, and San Deigo, Boston and Seattle in the USA**, were recorded to be **notably higher** than in neighbouring cities, given that these places are considerably more expensive.

Region	Average rent (PBSA)	Average rent (HMO)	Average rent (Uni)
United States of America	USD 1450	USD 600	USD 400
United Kingdom	USD 975	USD 739	USD 450
Australia	USD 940	USD 300	USD 405

SOURCE : Statista, Knight and Frank, Investcorp

PBSAs help students save more money

This is the average savings made by students annually by selecting PBSAs over privately rented sectors in UK.





REGIONAL STUDENT HOUSING MARKET

1. UNITED KINGDOM

Total number of students
2.8 Million[3]

Total number of beds (all types)
1,575,000

Deficit (no. of beds)
1,600,000

MAXIMUM APPLICANTS

CHINA
143,820

INDIA
84,555

NIGERIA
21,305

2. UNITED STATES

Total number of students
20 Million

Total number of beds (all types)
2,840,000

Deficit (no. of beds)
2,800,000

MAXIMUM APPLICANTS

CHINA
290,086

INDIA
199,182

SOUTH KOREA
40,755

3. AUSTRALIA

Total number of students
1.6 Million

Total number of beds (all types)
930,000

Deficit (no. of beds)
770,000

MAXIMUM APPLICANTS

CHINA
153,239

INDIA
96,005

NEPAL
55,118

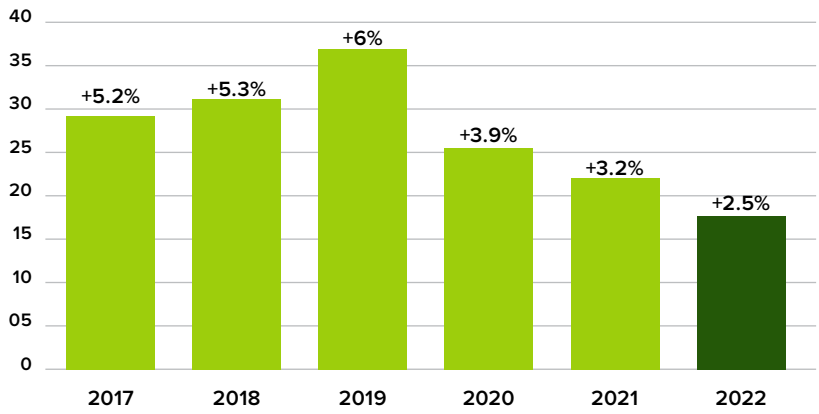
HIGHLIGHTS

PBSA beds have historically been in short supply in Australia, USA and UK.

While there is a growth in PBSA sector the new number of beds delivered in UK in 2022 have been the lowest in last 8 years - accounting to just 2.5 % growth.

Scarce Supply

Growth in the delivery of student beds in UK is slowing



[3] Savills World Research

Source : Sturents

INVESTMENTS IN THE GLOBAL STUDENT HOUSING MARKET

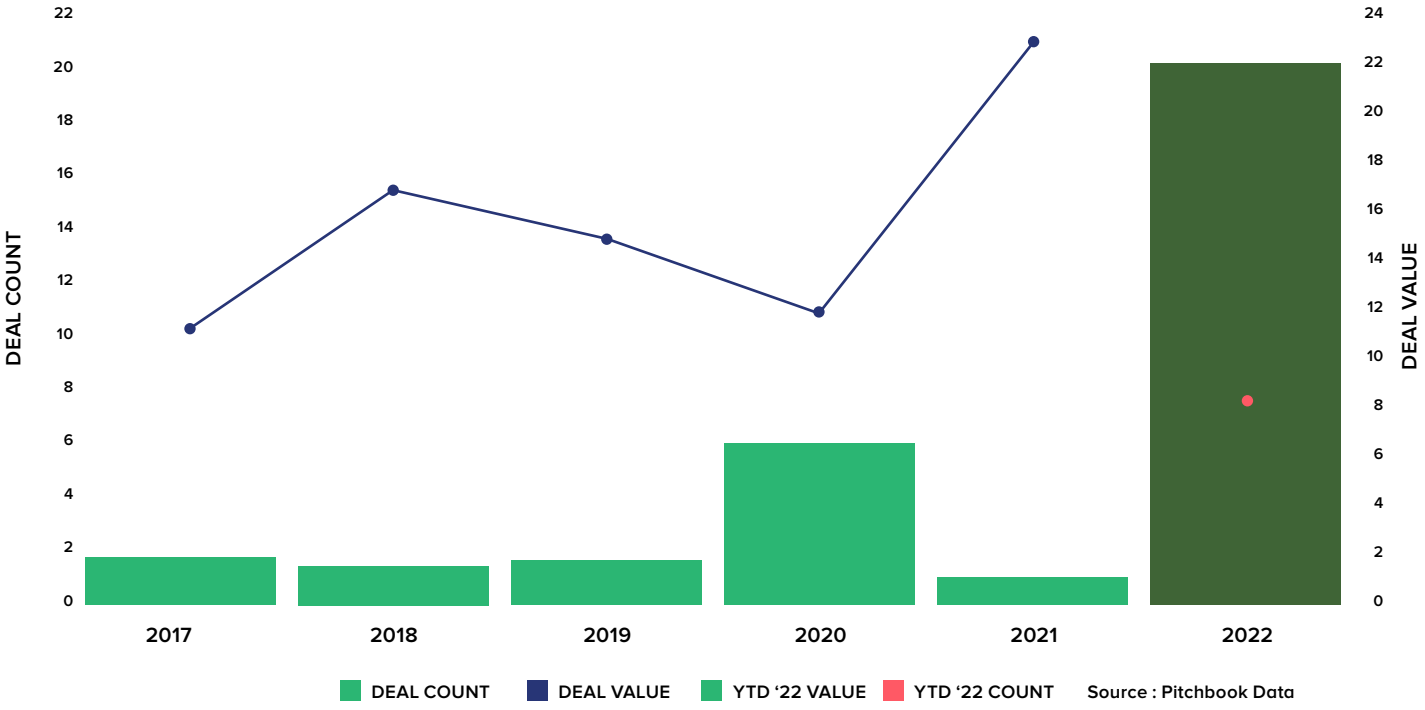
1. Estimated inflow
A total of **$22 Billion** in 2022
(UK- $12.65 Bn • USA- $6Bn • AUS- $3 Bn)

2. Student housing rental yield
UK 5-6.5 % • USA 5-5.8% • AUS 4-6%

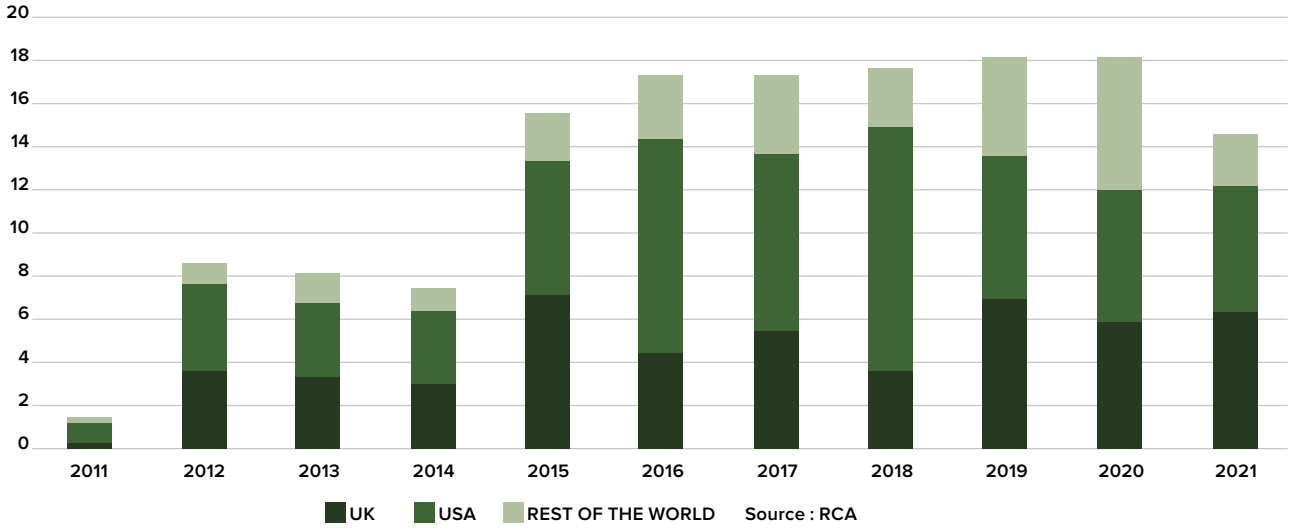
3. Top regions with maximum investments
United States (57%), United Kingdom (27%), Germany (4%), Netherlands (3%), and France (2%)

4. €11.7 Bn is invested for PBSA in Europe during 2022 FY

GLOBAL PE DEAL ACTIVITY IN STUDENT & COLLEGE HOUSING

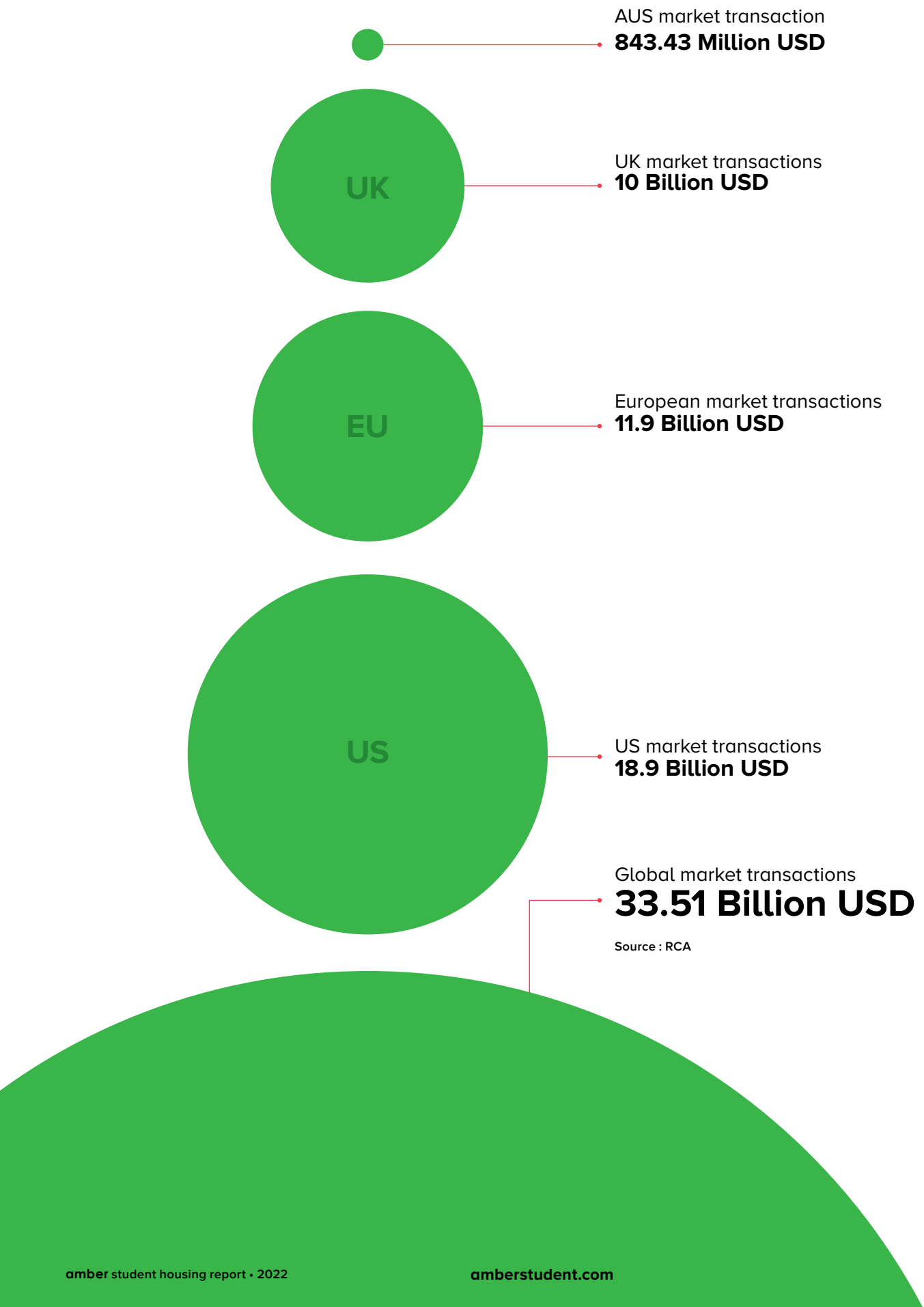


GLOBAL STUDENT HOUSING INVEST VOLUME. ($BN)



TRANSACTION VALUES IN 2022

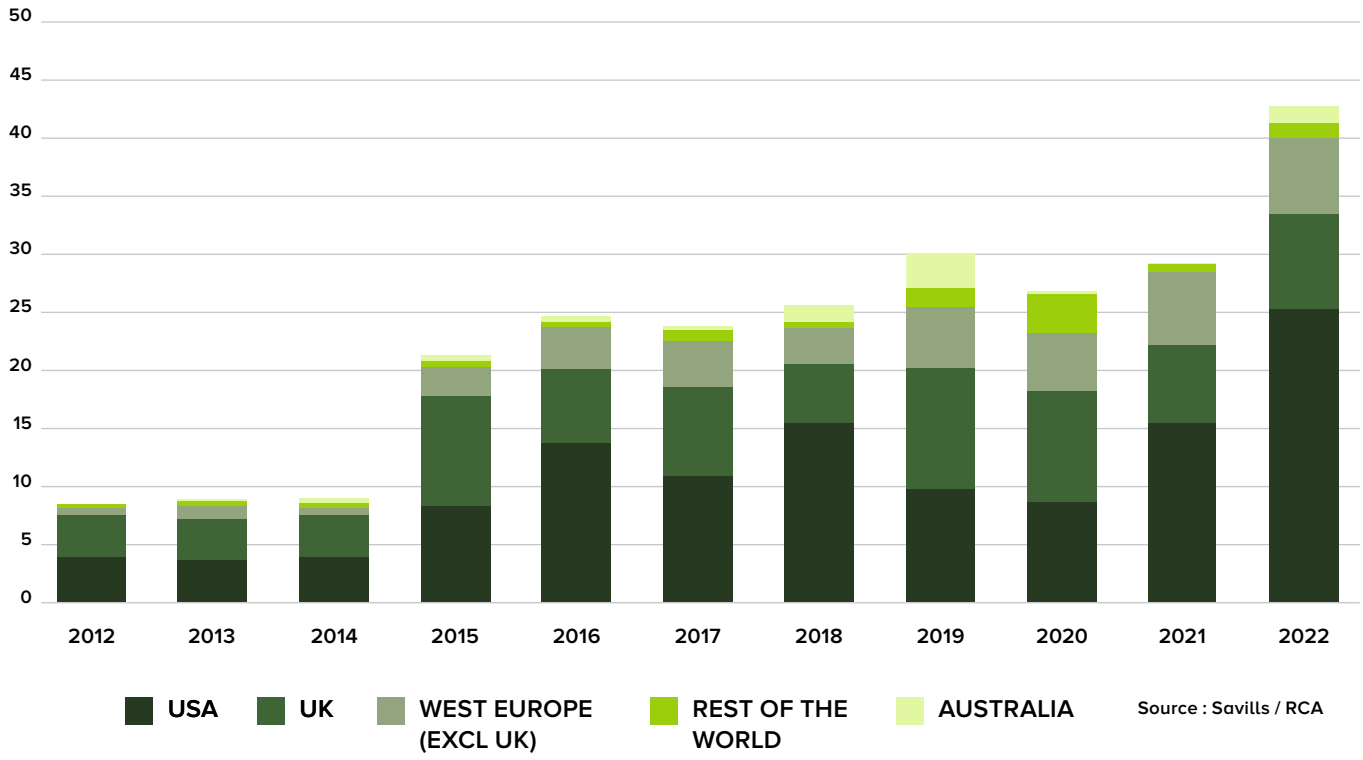
Investment in PBSA has maintained an upwards chart in 2022



GLOBAL PBSA TRANSACTION VOLUMES MAINTAIN AN UPWARD TRAJECTORY

The UK market transactions were estimated to be USD 10 Billion in 2022, while the U.S. student housing sector saw a significant increase of 64% from its previous all-time high of $11.5 billion up to an impressive record sum of $18.9 billion in jan 2023, as per latest JLL Capital research.

This growth can also be linked with rising enrollment rates among college students who have been looking for ways to secure their studies. The increase can also be attributed to more investors taking advantage of the continued strong fundamentals and favourable market conditions that have been present throughout the past year.



Source : Savills / RCA



RENTAL YEILDS (GLOBAL)

Student housing rental yields have seen a dramatic surge in major international markets such as the US, France, the Netherlands, Spain, Germany and the UK.

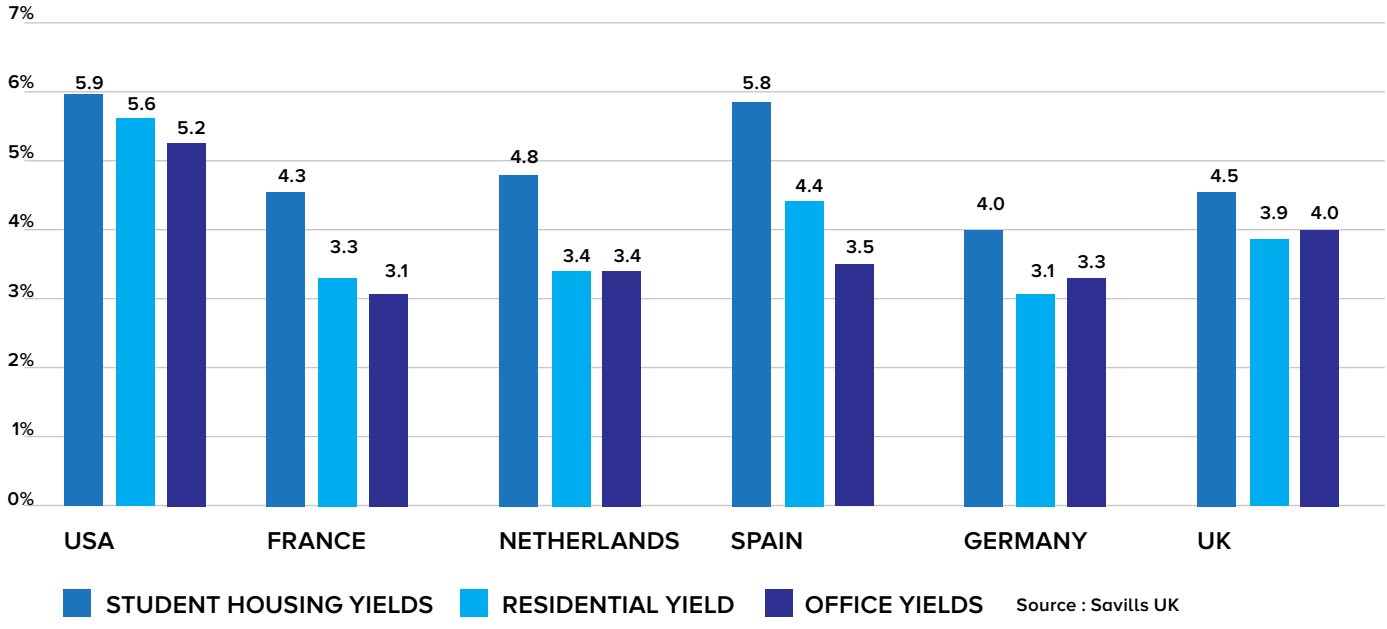
In America specifically, student housing is becoming increasingly profitable with a yield of 5.9%, outperforming both residential (5.6%) and office spaces (5.2%).

Australia has followed suit with yields ranging from 6-8% for inner-city properties close to educational institutions.

Meanwhile in the UK student housing yields stand at 4.5%, this is more when compared to other asset classes in UK.

It is estimated that with the increasing rents for the student housing markets, the AY 23-24 will see a fair increase in rental yields as well.

STUDENT HOUSING YIELDS VS RESIDENTIAL & OFFICE SECTORS IN THE GLOBAL MARKET



Source : Savills UK





EDUCATION & STUDENT TRENDS

GROWING DEMAND FOR HIGHER EDUCATION

THE KEY DETERMINANT OF DEMAND FOR HIGHER EDUCATION IS THE YOUTH POPULATION BETWEEN 18 TO 23.

1. Top 10 countries where **74%** of the eligible population from 2015 to 2035 will be concentrated in **Angola, the Democratic Republic of the Congo, Egypt, Ethiopia, Kenya, Niger, Nigeria, Pakistan, Uganda and Tanzania.**

2. It is estimated that there will be **380 million** higher education students by 2030, increasing to **594 million** students by 2040.

3. A growing number of young people are participating in tertiary education. Projected numbers are **800 million** by 2040.

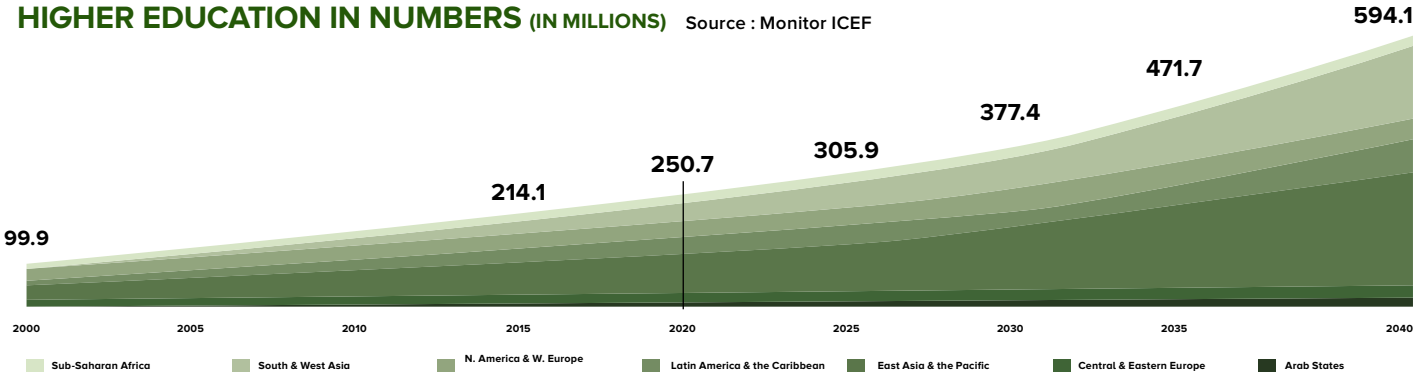
4. New education demand is coming from students in their late twenties. Higher participation rates can be seen in **Denmark, Finland, Germany, Norway and the United States, translating to 10%.**

ENROLMENTS PER 100,000 INHABITANTS

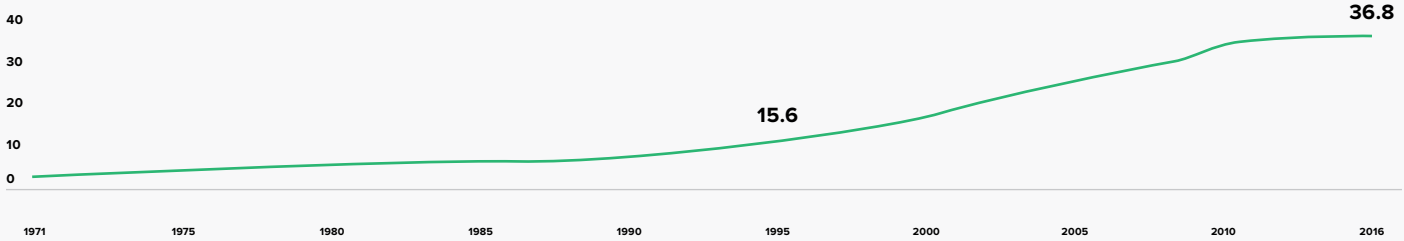


HIGHER EDUCATION IN NUMBERS (IN MILLIONS)

Source : Monitor ICEF

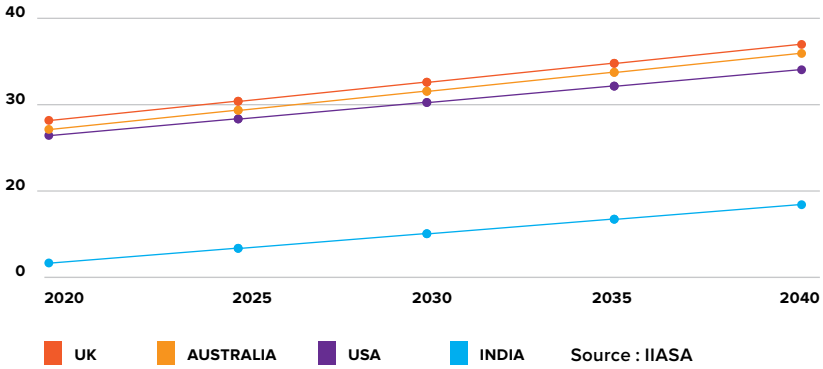


GROSS ENROLMENT RATIO TERTIARY LEVEL OVERTIME - GLOBAL



This visualisation indicates the **projected share of educated adults by the year 2050 to a degree level** from the age group of 15 and above in the UK, USA, Australia and India.

It is forecasted that economies **will see a clear 2% increase** in the educated population going forward.



Source : IIASA

KEY DRIVERS OF HIGHER EDUCATION DEMAND

1. GLOBALISATION

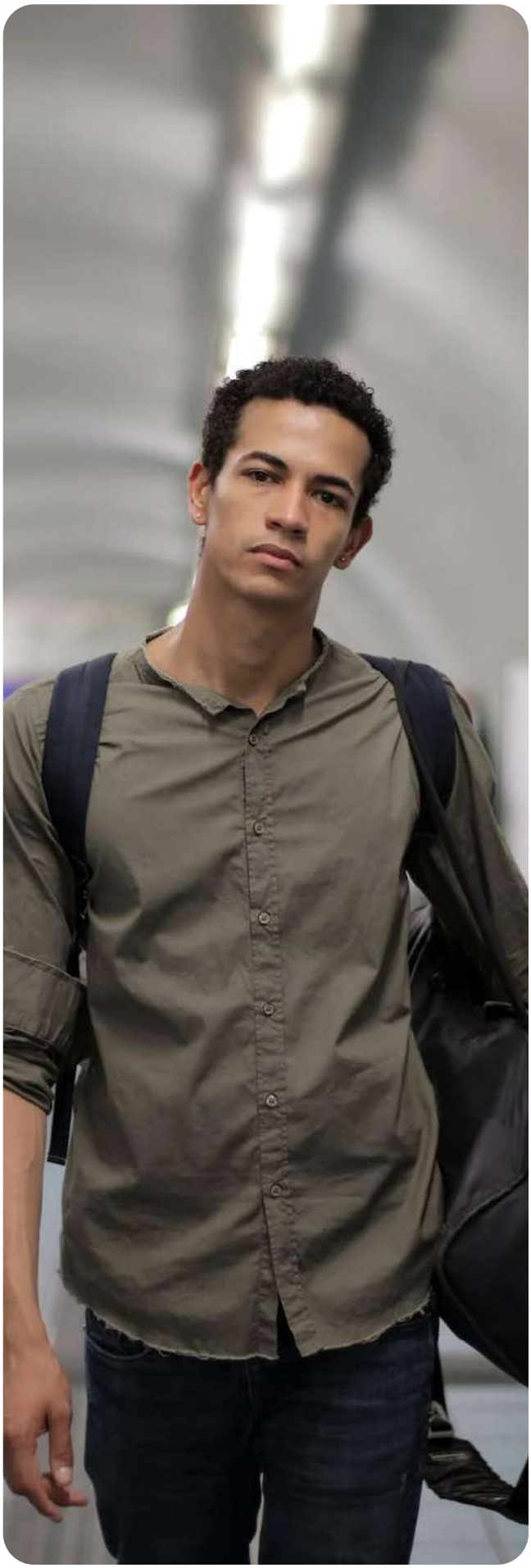
Over the years, globalisation has not only impacted growth in demand for higher education but also the quality of education. Economically, rising payoffs to higher education in a global, science-based, knowledge-intensive economy make university training more of a “necessity” to get “good” jobs.

2. TECHNOLOGY

With advancements in technology, the majority of jobs now require a higher level of skill and knowledge. This has led to a greater demand for workers with college degrees or specialized training. Additionally, technology has also made it easier for people to access higher education through online learning platforms and programs.

3. INCREASED NEED FOR SKILLED LABOUR

The increased need for skilled labour has resulted in a demand for higher education as most jobs now require workers with specialized skills and knowledge. Industries require employees who can work with and understand complex systems, machines and software, skills typically acquired through higher education programs such as vocational training, technical schools, and colleges.



STUDENT DEMOGRAPHICS : USA

Total Students

20,031,000

Domicile Students: 10,54,581
International Students: 948,519

Top Courses

Society & Culture, Management & Commerce and Health

Age Group

18-24 (9,674,810)

Origin Countries

China, India & South Korea

Gender

Male: 7,243,000
Female: 9,557,000

Source : UNESCO

Top Universities

New York University, Northeastern University, Columbia University

In the last 4 years, it has been observed that the United States is the top choice of students for pursuing higher education as it dominates the global landscape as some of the best institutions in the world are located in the country.

The US is home to almost 64.7% of the total unicorn start-up companies globally, thereby signifying that the growth opportunities in the country are unmatched by any other nation in the world.

STUDENT DEMOGRAPHICS : UK

Total Students

2,862,620

Domicile Students: 2,182,560
International Students: 680,060

Top Courses

Business and Management, Subjects allied to Medicine & Social Sciences

Age Group

18-24 (1,844,595)

Origin Countries

China, India & Nigeria

Gender

Male: 1,221,780
Female: 1,633,425

Source : UNESCO

Top Universities

University College London, The University of Manchester and The University of Edinburgh

The UK has always been a safe place for study, with its rich multicultural environment providing good preparation for an international future.

Italian and French students remain the two largest cohorts from the EU studying in the UK. **The overall number of enrollments of students from the European Union has seen a dip, which can be observed due to Brexit.**

STUDENT DEMOGRAPHICS : AUSTRALIA

Total Students

1,600,000

Domicile Students: 1,030,000
International Students: 570,000

Top Courses

Society & Culture, Management & Commerce and Health

Age Group

18-24 (1,262,200)

Origin Countries

China, India & Nepal

Gender

Male: 720,000
Female: 880,000

Source : UNESCO

Top Universities

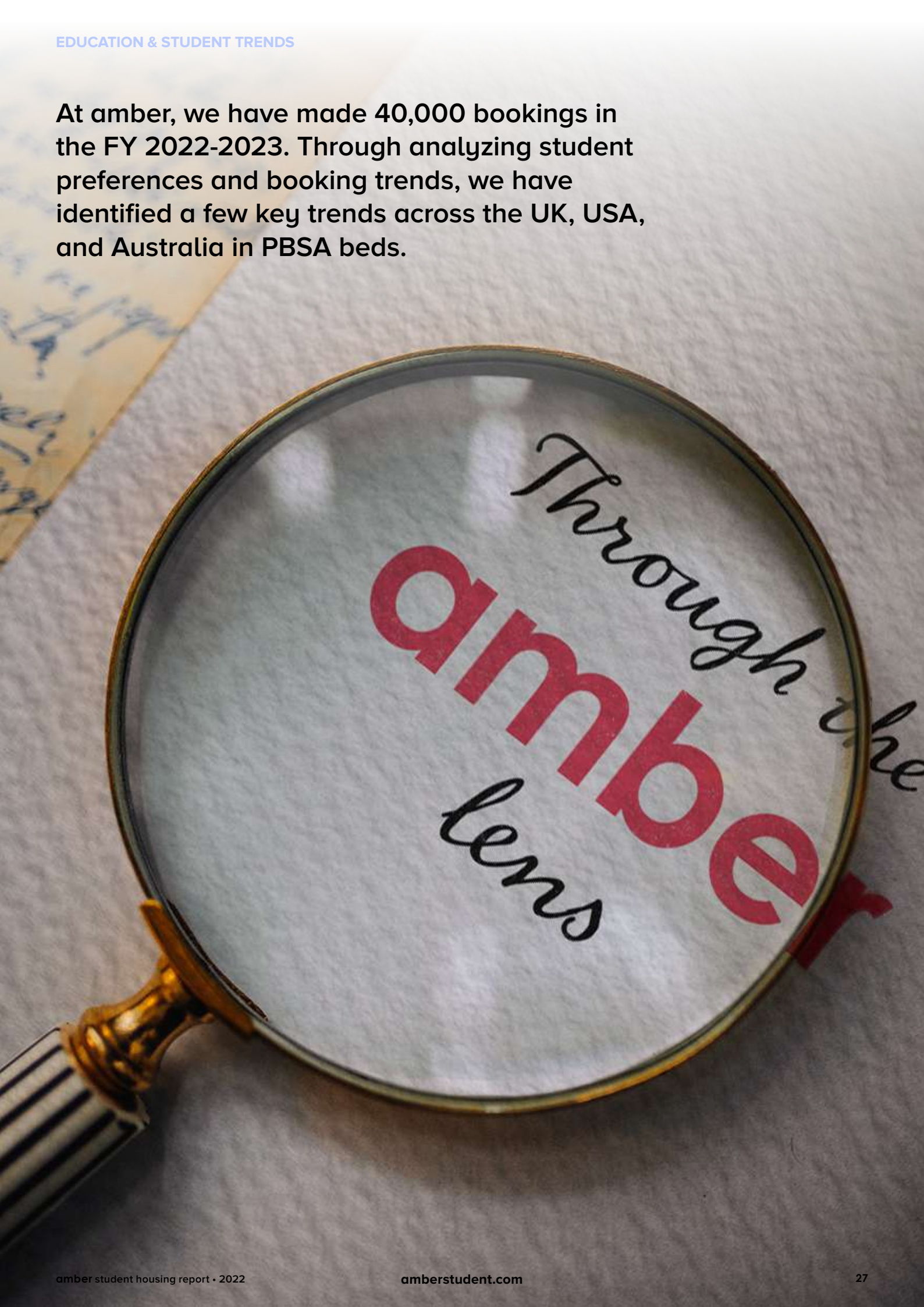
Monash University, University of Queensland & University of Sydney

It was observed that the reason students prefer Australia as a higher education destination is because the country offers more affordable education options, a low cost of living and high levels of cultural diversity.



STUDENT PREFERENCES

At amber, we have made 40,000 bookings in the FY 2022-2023. Through analyzing student preferences and booking trends, we have identified a few key trends across the UK, USA, and Australia in PBSA beds.



UK STUDENT PREFERENCES

ROOM TYPE PREFERENCES



• More than **95% of students** prefer a private room with a private bathroom (en-suites). Meanwhile around 93% students are comfortable with having a shared kitchen.

• **Studio apartments** are the 2nd most preferred category of rooms by students, keeping living costs in mind.

• Only **19%** of the student population are willing to share a room.

COMMON AMMENITIES

• The most searched and preferred common amenities by students are: **All-inclusive utility bills, high-speed WiFi, 24 hours security & Laundry**

• **Bike storage (parking), (TV) cinema room, co-working space, contents insurance** and a fire system are also some of the favoured amenities amongst students.

• Other key deciding factors that students consider include: **Accommodations distance from the universities, & city center.**

• Commute provisions such as **local bus** and **train stops and retail or grocery stores** nearby are searched too.

All-inclusive utility bills
High-speed Wifi
24H security
Laundry
Cinema Room
Coworking Space
Content Insurance
Accommodation distance
Public Transport
Groceries & utility

ROOM AMMENITIES

• Most important room selection criteria includes these amenities: **Air conditioning, bed, built-in wardrobe, bedside table, a bookshelf, central heating & window (daylight).**

Air Conditioning
Bed
Built in Wardrobe
Bed Side Table
Bookshelf
Central Heating
Daylight

USA STUDENT PREFERENCES

ROOM TYPE PREFERENCES

• **A private room with a private bathroom and shared kitchen** is one of the major factors when choosing an accommodation for USA students.

• Less than **50% of students** book studio apartment or an entire place.

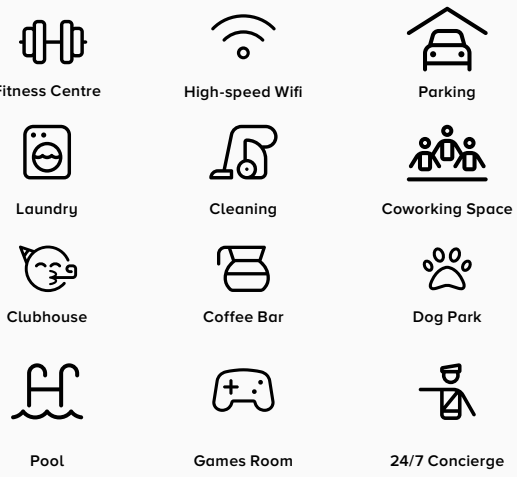
• Since students look for **privacy, shared rooms** are the least booked category in USA



COMMON AMMENITIES

• The top three student housing amenities for US students included: **Laundry, Fitness Centre and Wi-Fi.**

• Most searched amenities by the USA students are: **24-Hour Concierge, Parking, Co-working Space, Regular Cleaning, Clubhouse, Coffee bars, Courtyard, Dog Park, Pool, Games Room.**



ROOM AMMENITIES

Private lounges and private balconies also is preferred & students are more likely to choose apartments with City or Park Views.



INTERESTING STUDENT PREFERENCES

Interestingly on amber's platform, 70% student residents prefer house rules such as: **No Pets Allowed, Smoking Not Allowed & Kids Not Allowed**

A majority of students preferred to live with **three flatmates (42%)** or **one flatmate (23%)**, while only **9%** of US students said they prefer to **live alone.**

AUSTRALIA STUDENT PREFERENCES

ROOM TYPE PREFERENCES

• More than **95% of students** prefer a private room and private bathroom, 89% private kitchen and only 62% of students stay in a shared room.

• In Australia we see a strong trend where students are preferring **entire place or studio** accommodations, in comparison to other developed markets such as UK & USA.

• Shared rooms are the **least preferred** category of rooms by students in Australia.



COMMON AMMENITIES

• Students in Australia enquire more for **Laundry, Security, 24/7 Multi-lingual Staff, High-speed WiFi and Gym** to be provided in their accommodations.

• Other common facilities include: **Library, Common Area or Lobby**, Also, they prefer to have a **Parcel Collection Service.**

• For recreational needs students like properties catering to **social events, basketball court, games Room, meeting rooms, music room and have good outdoor area.**

Gymnasium
High-speed Wifi
Library
Lobby
Laundry
Parcel Collection
Social Events
Basketball Court
Music Room
Meeting room
Outdoor Area
24/7 Multi-Lingual Staff

ROOM AMMENITIES

• Students prefer rooms with lockers, bed linens & AC provisions in their room.

• Having basic appliances like fridges, microwaves and washing machines in their apartments is a must.

Locker
Bed & Linen
Air conditioning
Refrigeration

INTERESTING STUDENT PREFERENCES

• Students are more likely to book apartments which **provide a BBQ, outdoor terrace, Sky lounge.**

• A large number of students have shown inclination towards properties with **Retail Shop** in precinct.



amber HIGHLIGHTS

BUSINESS OUTLOOK

The student housing sector has undergone several changes in the last decade.

The sector has been open to technological innovations, assimilating them seamlessly to improve students' lives. **amber**'s **one-click student accommodation platform** that digitalises the house-hunting process was instrumental in growing the sector with technological and service breakthroughs. The student housing market will continue growing for the foreseeable future, given that only **20%** of student housing needs are met by educational institutes' accommodations (globally), offering a goldmine of potential for industry players.



amber's business highlights in 2022-2023

1. AN EXPONENTIAL GROWTH CURVE

amber's representation of approximately 80% of PBSA beds in developed markets can be attributed to several factors, including high customer satisfaction ratings, a diverse demand pool, multiple housing options, additional ancillary services, etc. These factors have enabled Amber to achieve an impressive 4x year-on-year growth in bookings over the last two years, and with the market expected to grow exponentially, it is anticipated that this number will increase by 8x before 2025.

2. VALUE-ADDED SERVICES

We have increased operational efficiencies by launching an in-house full-stack service, amber+, that recognises opportunities in the pre and post-accommodation domain. This one-stop solution streamlines all ancillary requirements before and after booking an accommodation which consequently benefits students.

3. EXPANDING TO NEWER MARKETS

Increasing demand for student housing has opened newer avenues for growth and investment opportunities. Amber takes a step to explore newer markets in Europe, the USA, Canada, Australia, and more.



CONCLUSION

The global student housing market is rapidly evolving due to a prolonged supply crunch. Despite the current economic downturn, the student housing market is providing a conducive environment for growth, as students opt to upskill to remain competitive.

Universities are taking proactive steps to add and refurbish their housing units, yet the gap remains wide. Builders are under increasing pressure due to rising labour and material costs, while students have to bear the burden of increased rental and gas prices due to global political and economic conditions. Environmental and sustainability trends across the PBSA market are to be seen in 2023-2024. The recent changes in USA visa policies have the potential to significantly alter students' preferences for education when considering alternatives to US universities. Research indicates that Germany, Paris, Australia & other European universities could become more popular choices for international students.

The student housing market has been classified as a robust asset class due to its high occupancy rates, low volatility and long-term rental arrangements. The encouraging investment trends observed in 2022 create a strong base for the ongoing expansion of the global student housing market.



amber is a leading global student housing platform, providing affordable housing options to students in more than 100 cities across the UK, the US, Australia and Ireland.

Launched in 2016 in Pune, Maharashtra, amber offers cross-border students an easy house-hunting experience using a one-click platform. Amber eradicates the hassle of negotiations, credit scores, non-standardised paperwork and troubling payment processes through secure online search and personalised customer service, making booking an accommodation simple and hassle-free.

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