

Portugal Student Housing Market Report

October 2024

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Our team and inventory.



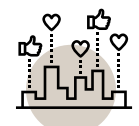
4
Offices



83
Specialists



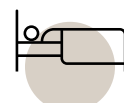
848
Projects conducted



260+
Markets and sub-markets



14,000+
PBSA assets



2,400,000+
PBSA beds

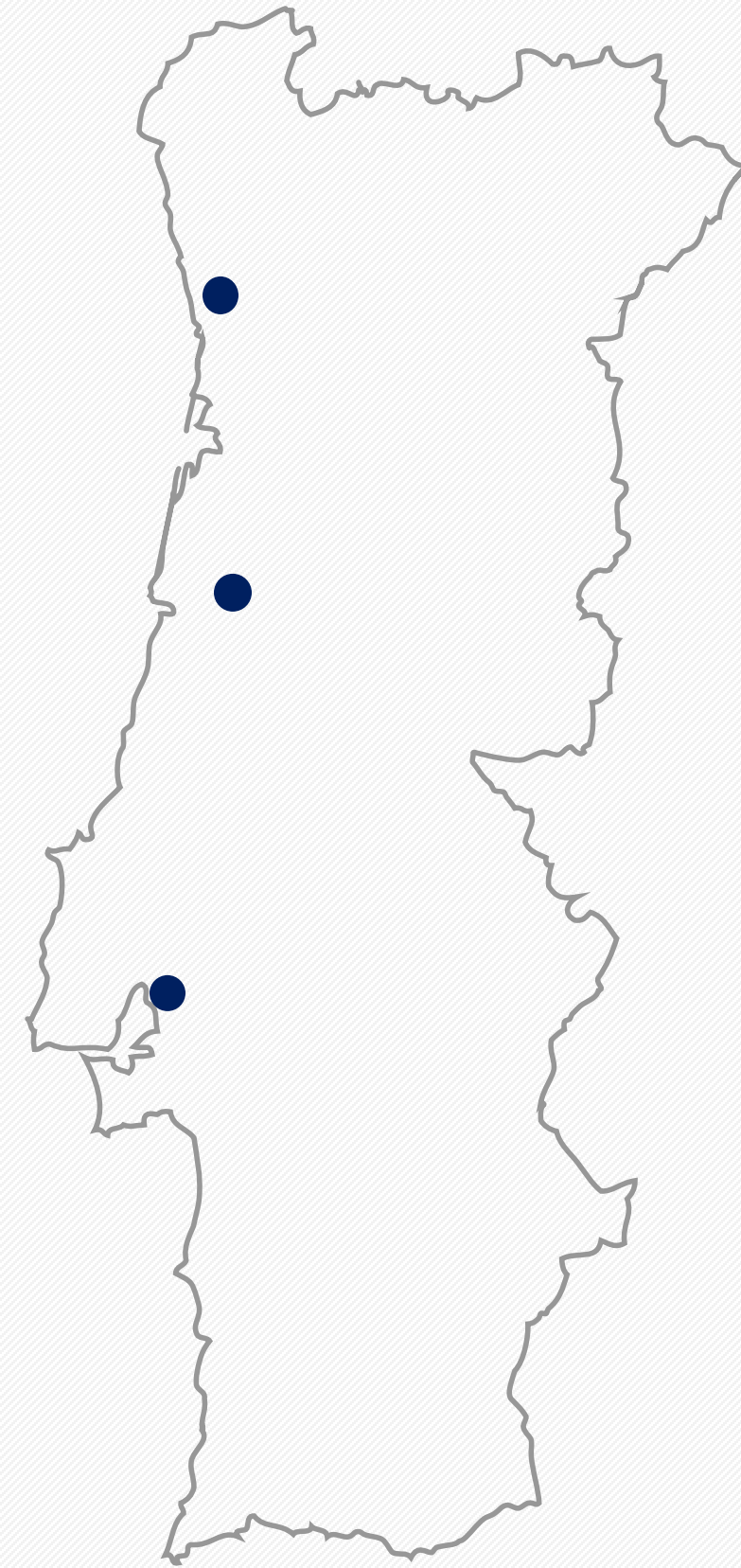
Affiliations and memberships.



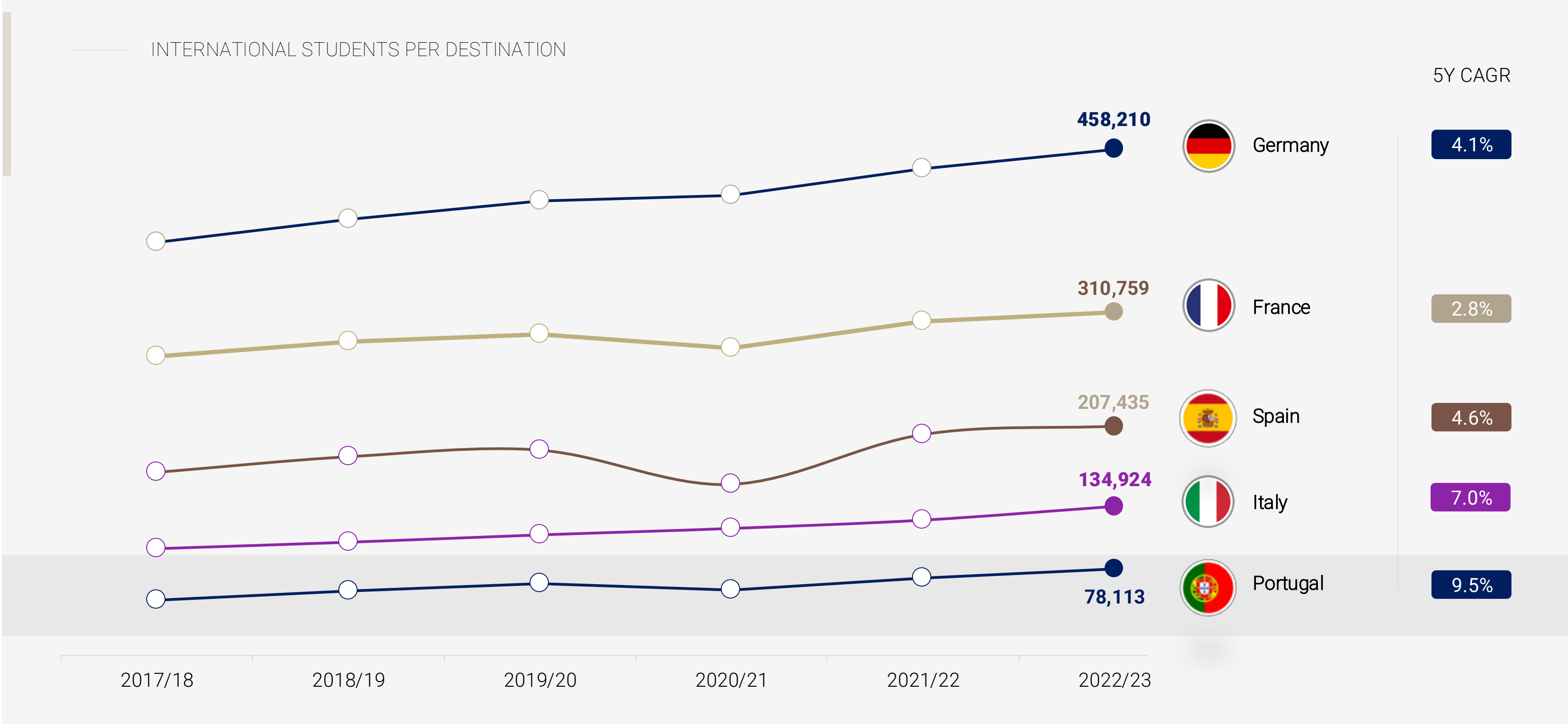
ESOMAR²⁴
Individual

Bringing relevant data and insight on sought-after market

- **3 biggest cities**
- **203 PBSA assets**
- **15,103 PBSA beds**
- **13,034 PBSA beds in the pipeline**
- **48 universities & colleges**

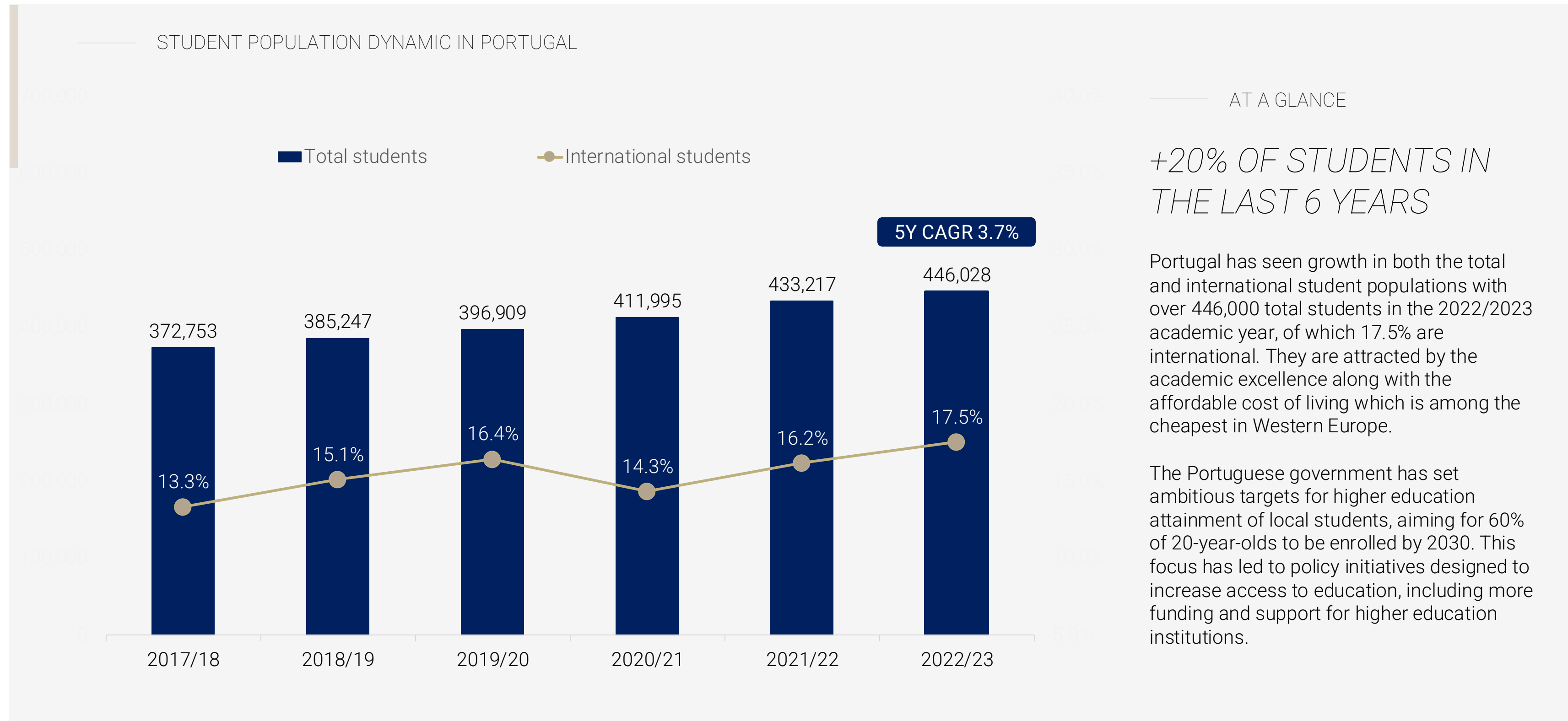


Demand: International Student Population Development



Source: National Statistics Offices, 2024; BONARD, 2024.

Demand: Student Population Development in Portugal

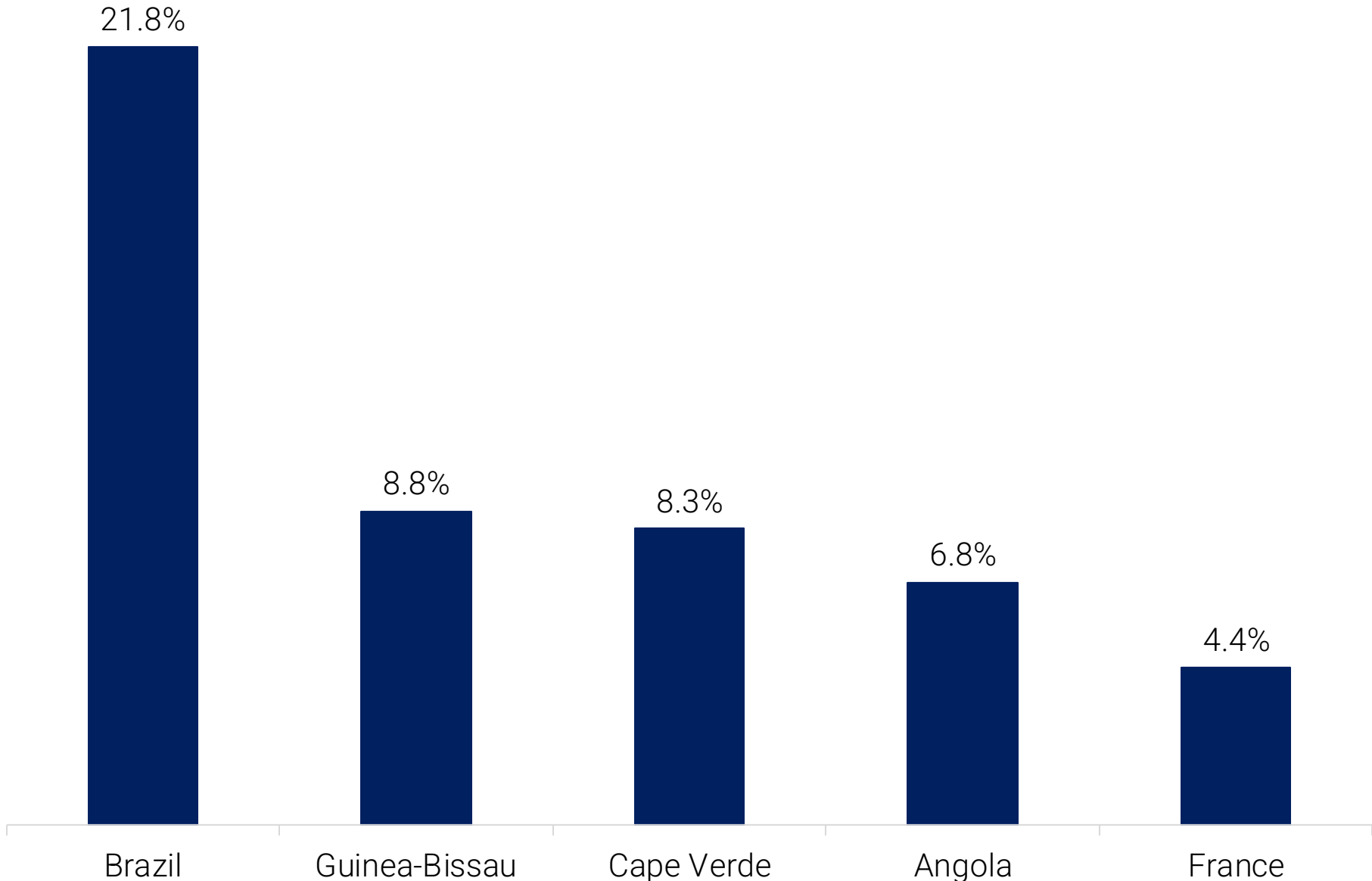


Note: 2022/2023 represents the most recent available data.

Source: Statistics Portugal, 2024; BONARD, 2024.

Demand: International Student Origin

INTERNATIONAL STUDENT ORIGIN BY COUNTRY



BRAZIL SUPPLIES THE BIGGEST SHARE OF INTERNATIONAL STUDENTS

In the 2022/2023 academic year, Portugal hosted 78,113 international students, making up 17.5% of the total higher education student body.

The largest share of these students came from Brazil, representing 21.8% of all international students, with 17,028 individuals enrolled.

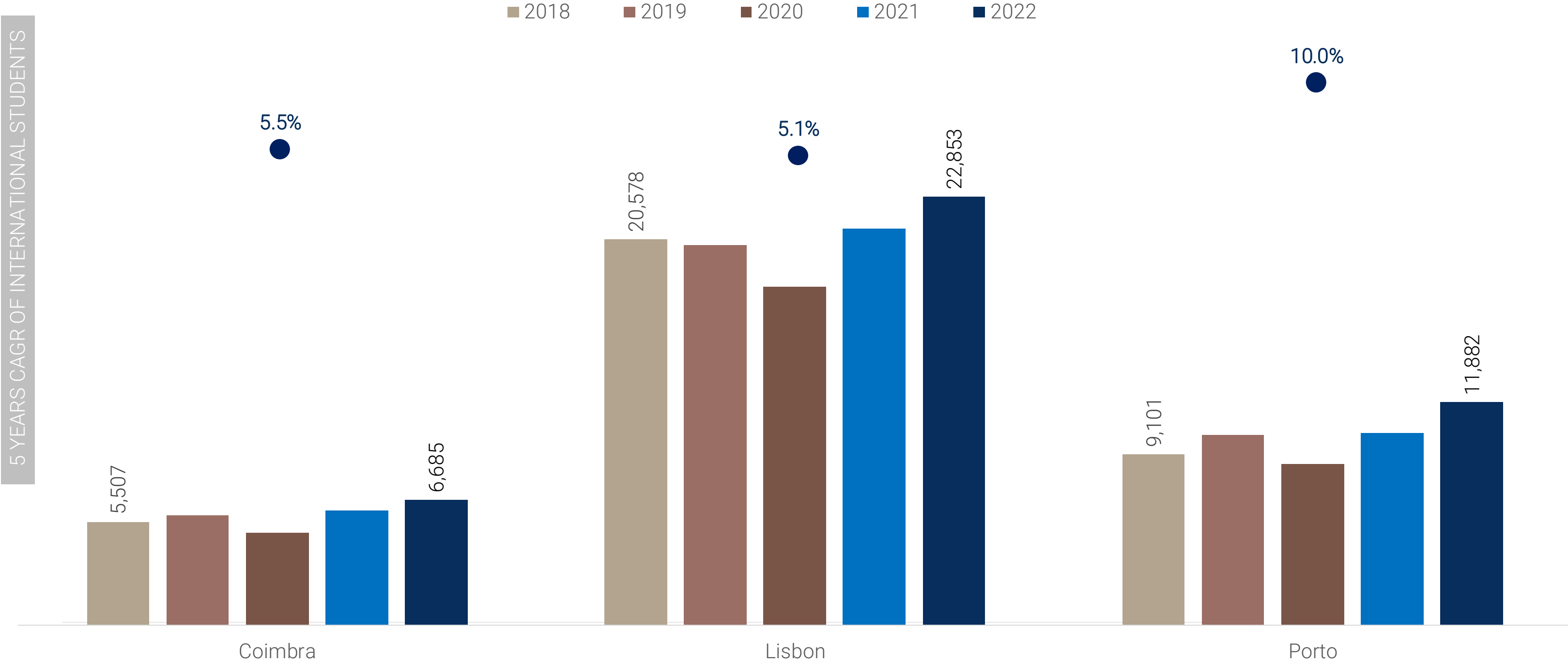
Following Brazil were Guinea-Bissau (8.8%, with 6,910 students), Cape Verde (8.3%, 6,449 students), Angola (6.8%, 5,292 students), and France (4.4%, 3,406 students).

Many of these students were either pursuing full-degree programs or participating in mobility programs like Erasmus+.

Source: Directorate-General for Education and Science (DGEEC), 2023; BONARD, 2024.

Demand: Top-3 Cities in Portugal in Terms of International Student Population

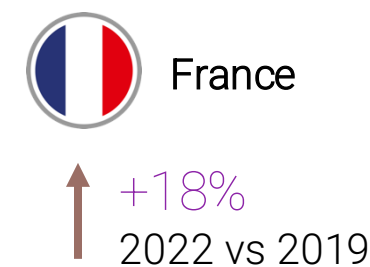
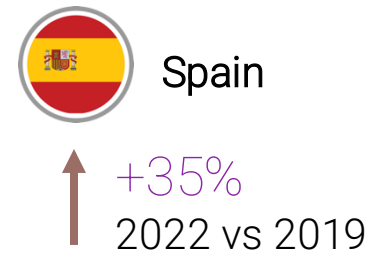
DEVELOPMENT OF INTERNATIONAL STUDENTS IN 2017/2018 – 2022/2023



Note: Reference years for demand data – 2017/18 – 2022/23, 2018/19 – 2022/23.
Source: BONARD, based on data published by statistical offices and BONARD own research over higher education institutions, 2024.

Demand: Erasmus Students & Learners

ERASMUS STUDENTS & LEARNERS



PORTUGAL'S RISING APPEAL: LOW COSTS, HIGH GROWTH FOR ERASMUS STUDENTS

In 2022, Portugal experienced a significant increase in the number of exchange program participants, surpassing pre-COVID-19 levels.

In addition to academic excellence, climate and access to ocean, one of the main advantages is the Portugal's affordable living costs. The combination of lower accommodation, transport, and food expenses compared to other Western European nations makes it an attractive choice for Erasmus+ students to study and to live.

The increase of 48% in Portugal from 2019 to 2022 demonstrated renewed interest in international study and multicultural exchanges, the highest level among analyzed countries.

Supply: Purpose-built Student Accommodation (PBSA) Market Overview

(Cities In-House)

AT A GLANCE

66% PRIVATE PBSA SHARE UNLOCKS OPPORTUNITIES AS STUDENT DEMAND SOARS

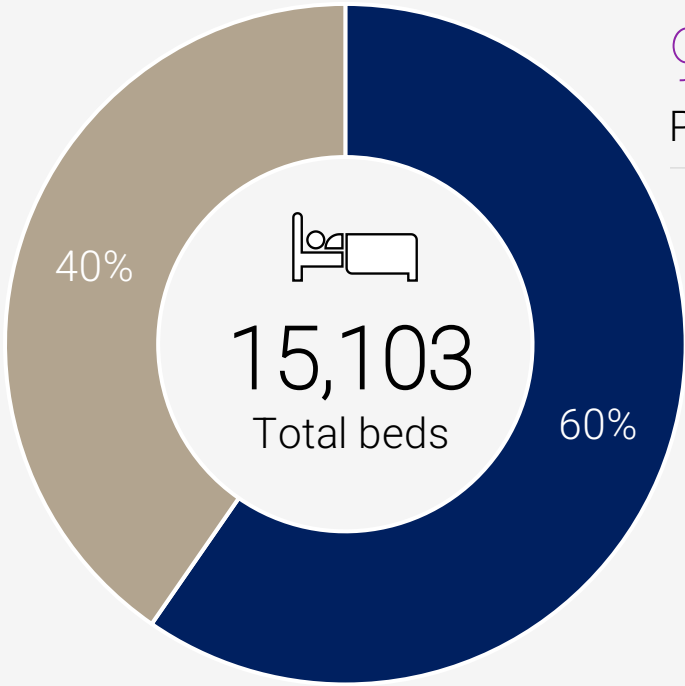
Portugal's impressive 9.5% annual growth in its international student population is driving strong investor interest in private PBSA development. With private PBSAs already making up 66% of all student accommodation assets and accounting for 60% of bed capacity, this segment is expected to grow further.

In comparison, countries like France (36%) and Germany (29%) have a much smaller share of private PBSA, while Spain (67%) and Italy (38%) have reached varying levels of maturity.

Total
203
PBSA assets

Private
134
PBSA assets

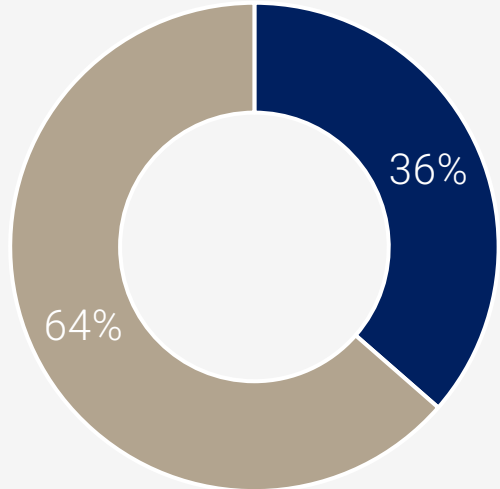
6,096
Non-private PBSA beds



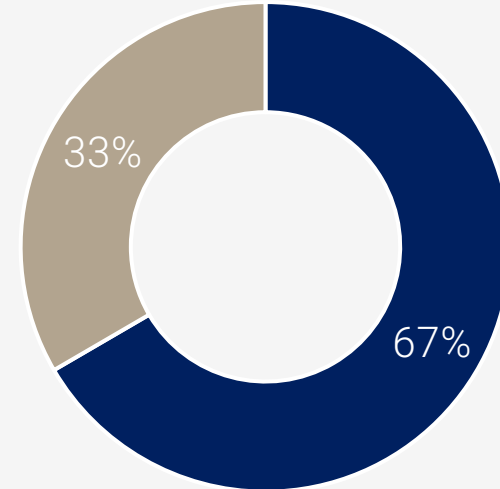
9,007
Private PBSA beds

- Private PBSA beds
- Non-private PBSA beds

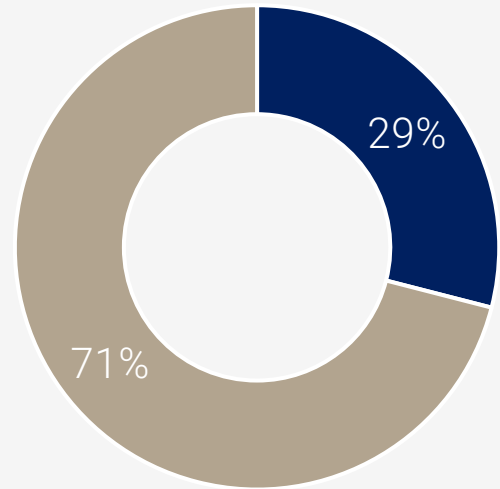
France



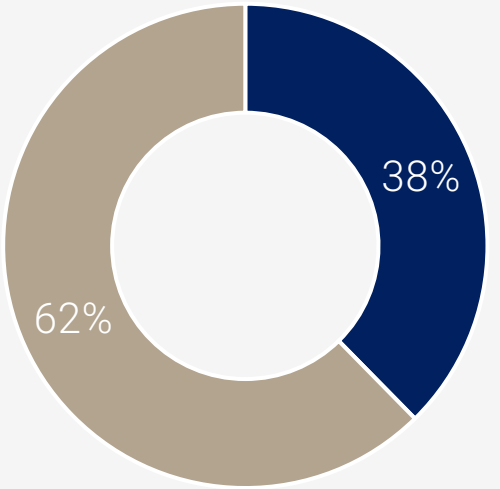
Spain



Germany



Italy

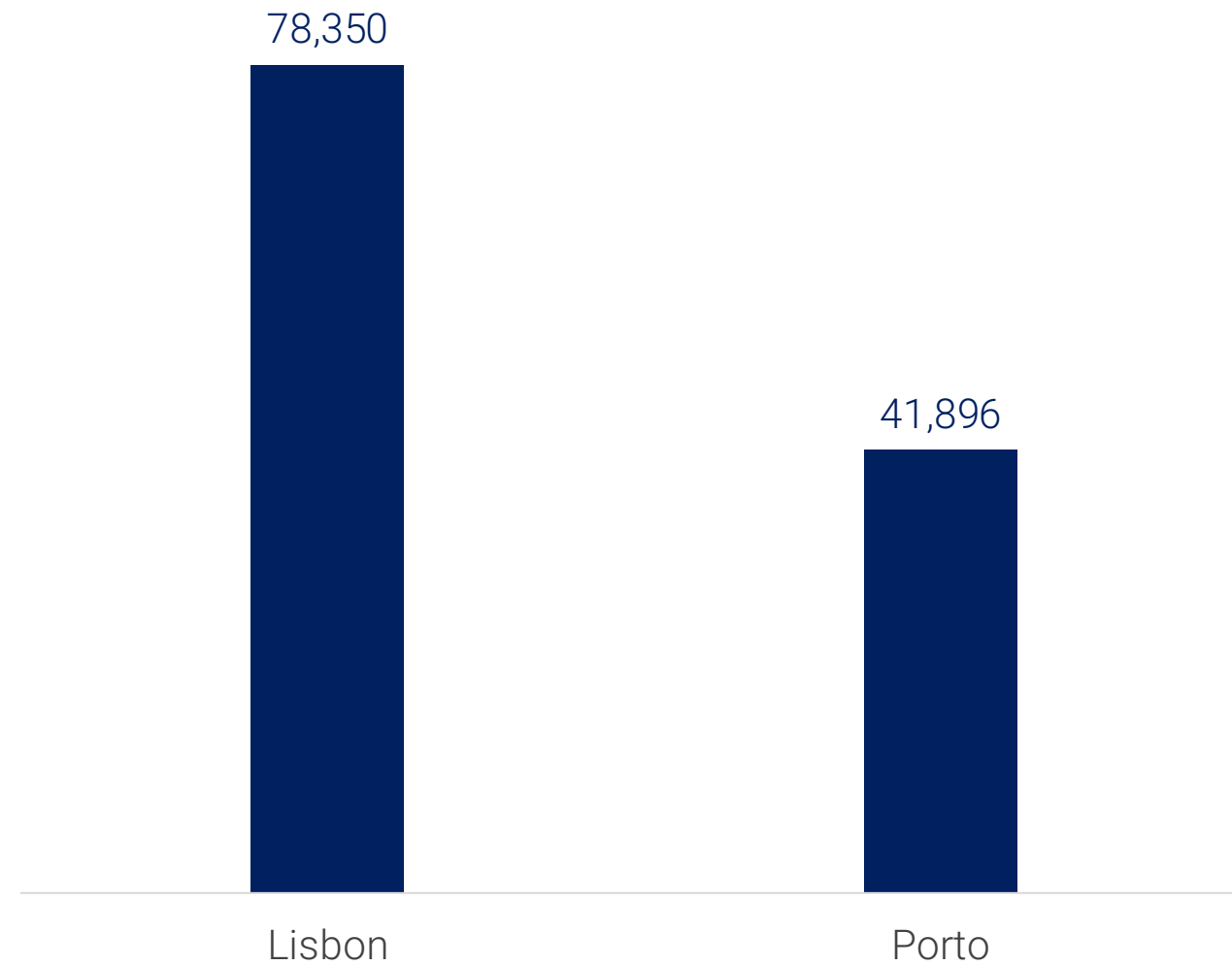


Note: Supply data based on the sum of PBSA establishments and beds of the cities available in-house and not the whole country. Reference period for supply data – 2023
Source: BONARD, 2024.

Supply: Missing beds

(Cities In-house)

DEFICIT IN BEDS NEEDED TO REACH NET PROVISION BENCHMARK



PORTO AND LISBON ARE HEAVILY UNDERSATURATED MARKETS

Portugal is grappling with a substantial deficit in PBSA, particularly in its largest student hubs, Lisbon and Porto. In Lisbon, where the student population reaches 104,261, the current provision of 5,722 PBSA beds falls significantly short of meeting demand, leaving a gap of over 78,000 beds. Porto, with 59,720 students and only 6,426 PBSA beds available, faces a deficit of almost 42,000 beds.

These numbers highlight a severe mismatch between supply and demand in both cities. The benchmark net provision rate indicates that 81% of international and domestic mobile students should be willing to live in PBSA accommodations, but the current stock in both Lisbon and Porto is insufficient to cater to this need.

As the student population, particularly of international origin, continues to grow, the deficits emphasize the pressing need for increased investment in PBSA developments to support the evolving student housing market. The quality, age, and availability of existing stock, along with occupancy levels and the nature of the local residential market, are crucial factors driving this imbalance.

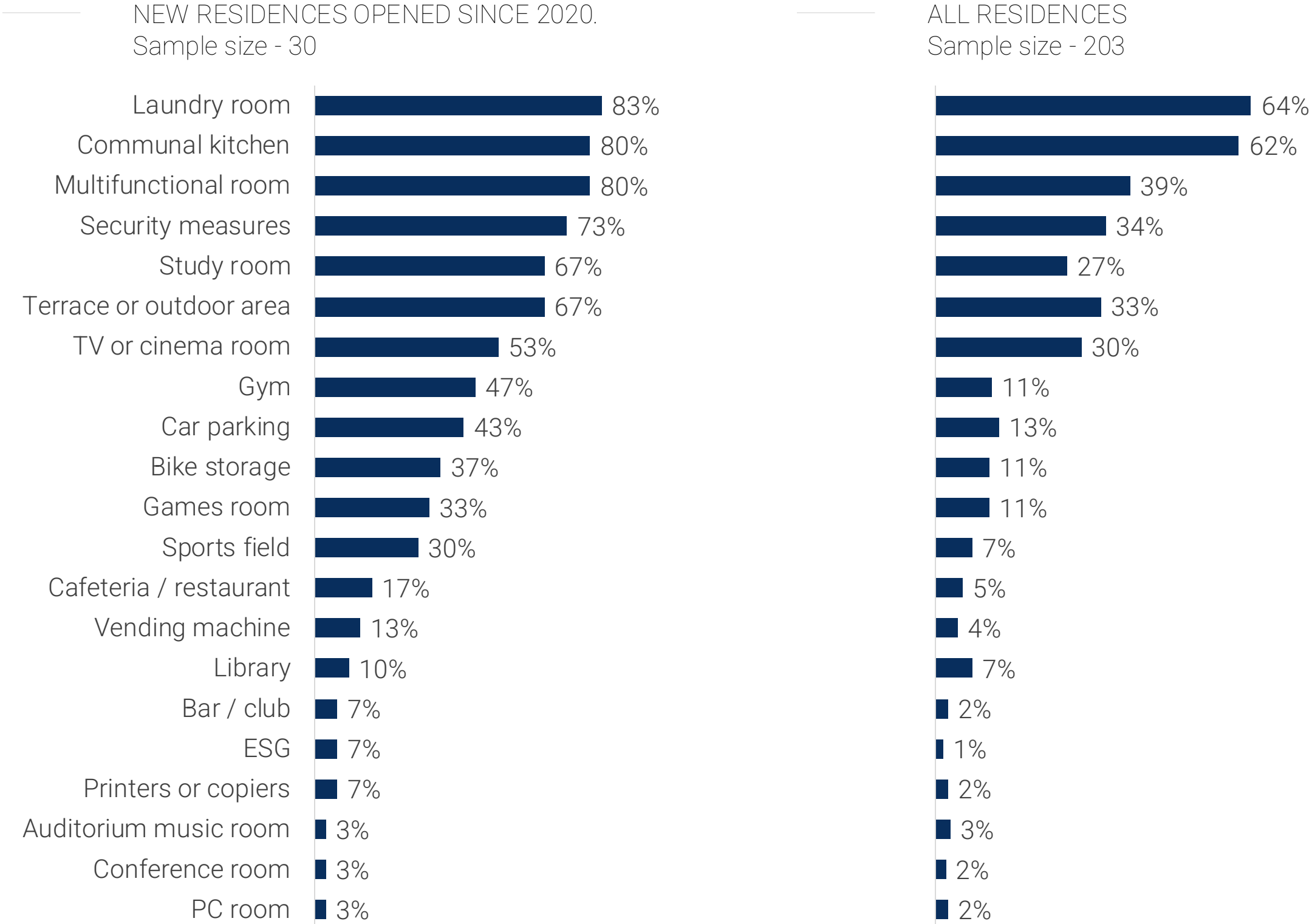
Note: The benchmark Net Provision Rate stands for the maximum share of international and domestic mobile students in a city, which should be willing to live in the PBSA in current market conditions. This indicator takes into consideration factors such as the quality of the existing PBSA stock in terms of age, amenities and ownership structure, occupancy levels, and the nature of the local residential property market. Additionally, insights from multiple student surveys conducted by BONARD inform the calculation.

Source: BONARD, based on publicly available information at the time of research, BONARD 2024.

Services & Amenities: Quality of the PBSA Product

(Cities In-house)

PERCENTAGE OF NEW PRIVATE STUDENT RESIDENCES WITH AVAILABLE AMENITIES



OUTCLASSING THE OLD: NEW RESIDENCES LEAD THE AMENITIES IMPROVEMENT

New PBSA developments in Portugal (since 2020) show a clear focus on improving student living conditions by offering more comprehensive amenities. For example, 83% of new residences have laundry rooms compared to 64% in all residences, while 80% provide communal kitchens and multifunctional rooms, which is more than double the rate found in older accommodations. Security measures are also a priority in 73% of newer residences, compared to only 34% in all residences.

Recreational facilities have become more prevalent, with 67% of new residences featuring terraces or outdoor areas and 47% offering gyms, compared to just 33% and 11% in all residences, respectively.

There is also a notable rise in entertainment options like TV or cinema rooms (53% in new residences) and study rooms (67%), indicating a shift towards accommodating both leisure and academic needs.

Source: BONARD, 2024.

Supply: Age of Total Stock

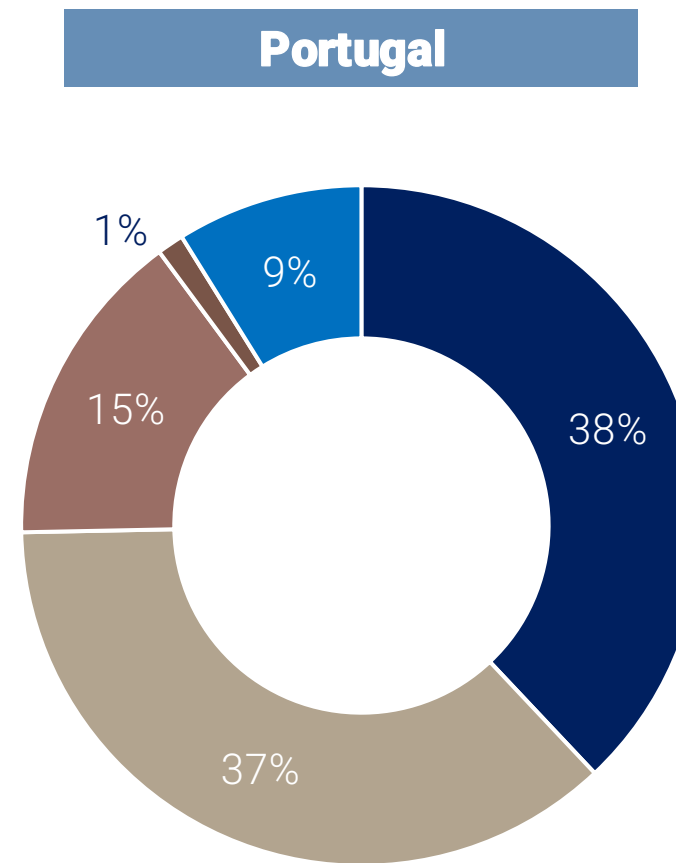
(Cities In-house)

AT A GLANCE

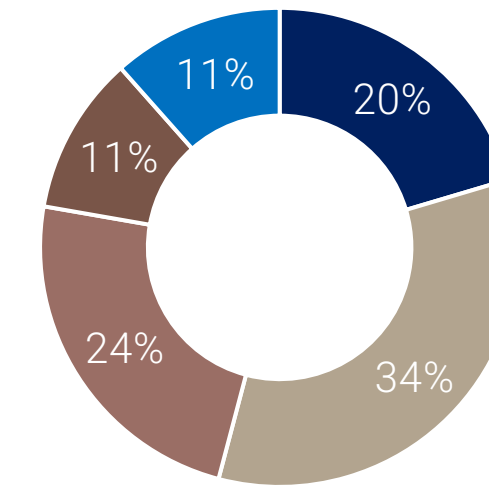
MODERN DEVELOPMENTS DOMINATE

Portugal's Purpose-Built Student Accommodation (PBSA) market stands out for its significant share of modern stock, with 75% of all residences constructed in the last 9 years. This contrasts with markets like Spain, Germany, and Italy, where less than half of the residences have been developed during the same period. Countries like Spain, where 36% of the stock dates back to before 2010, and Germany, with 35% of residences from 2004 or earlier, showcase a slower pace of development compared to Portugal. Italy also lags, with only 31% of new residences built since 2020, further emphasizing Portugal's rapid expansion.

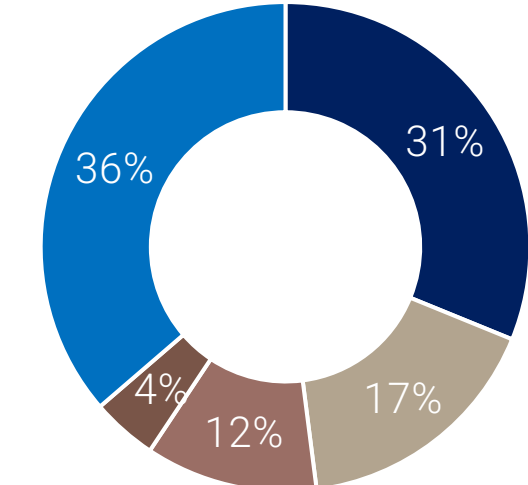
The high proportion of modern stock in Portugal is a reflection of the steady growth in its student population, driven by both domestic demand and the increasing number of international students. However, significant room for further development remains, as demand for student accommodation continues to outpace supply. This gap between demand and available housing creates attractive opportunities for further investment in Portugal's PBSA sector.



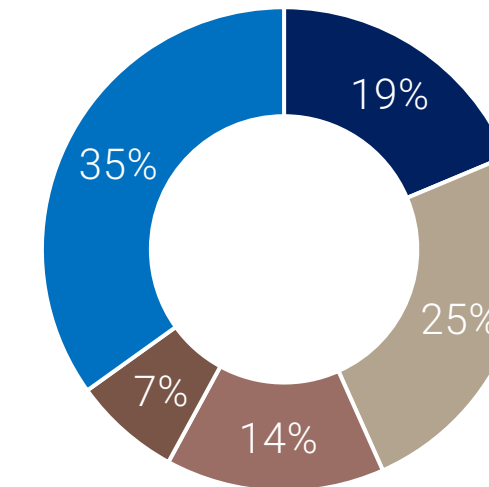
France



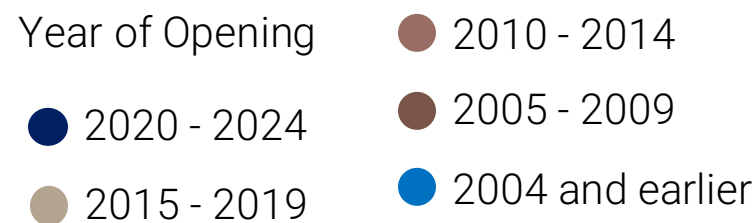
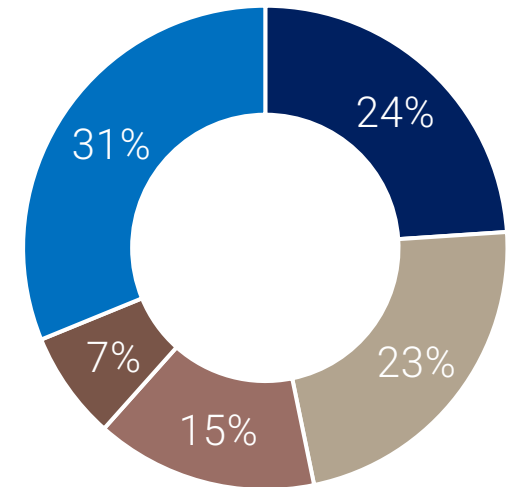
Spain



Germany



Italy



Supply: Size of New Private Stock

(Cities In-house)

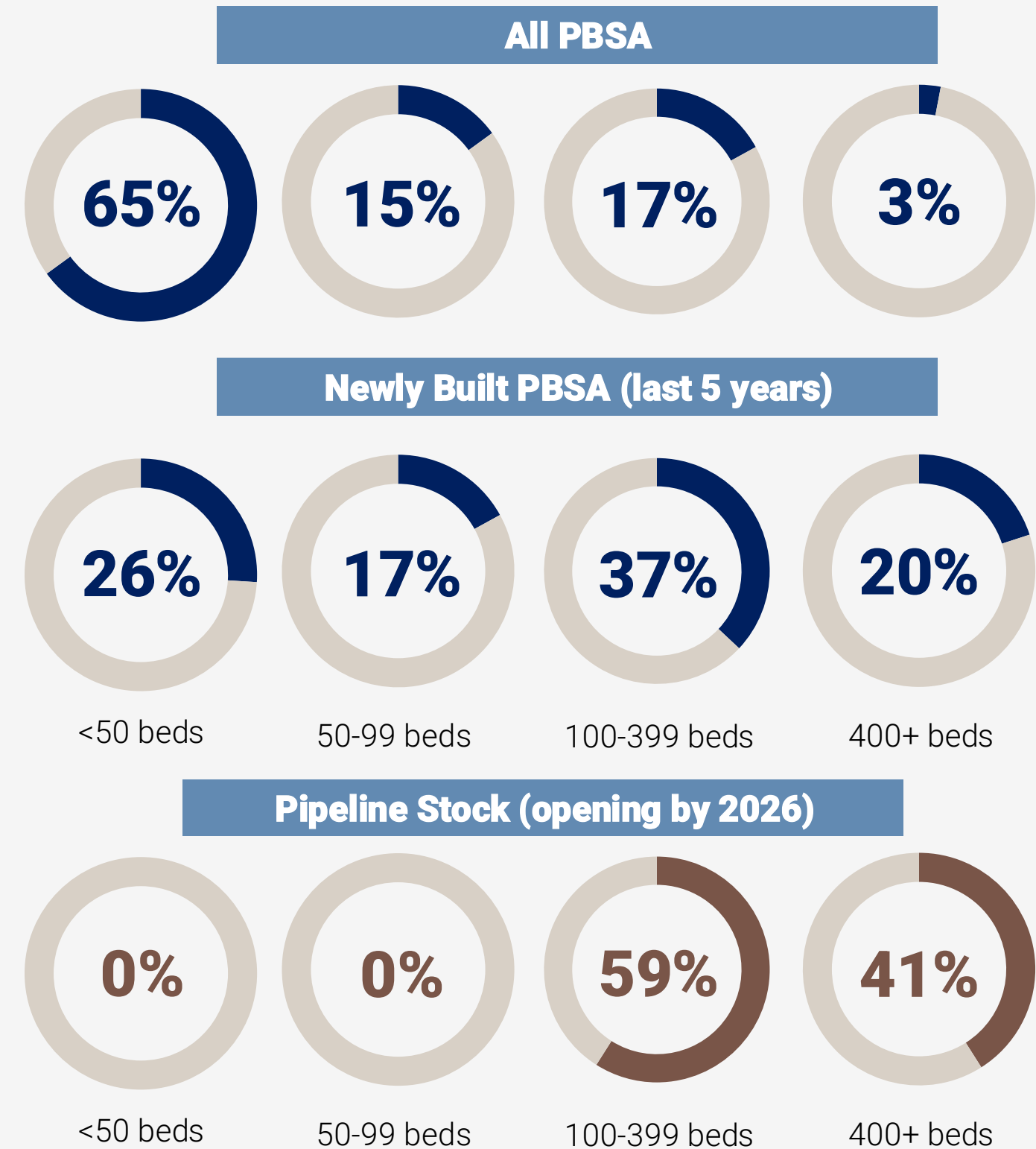
AT A GLANCE

PORTUGAL'S STUDENT HOUSING MARKET EXPANDS WITH LARGER DEVELOPMENTS

Currently, the majority of all PBSA stock in Portugal is concentrated in smaller developments, with 65% of the existing stock consisting of projects with fewer than 50 beds.

However, recent trends indicate a gradual shift towards larger developments. Over the past five years, 37% of newly built PBSA projects have been mid-sized (100-399 beds), while 20% consist of large developments with over 400 beds. Small-scale developments (under 50 beds) still represent 26% of new builds but are decreasing in prominence.

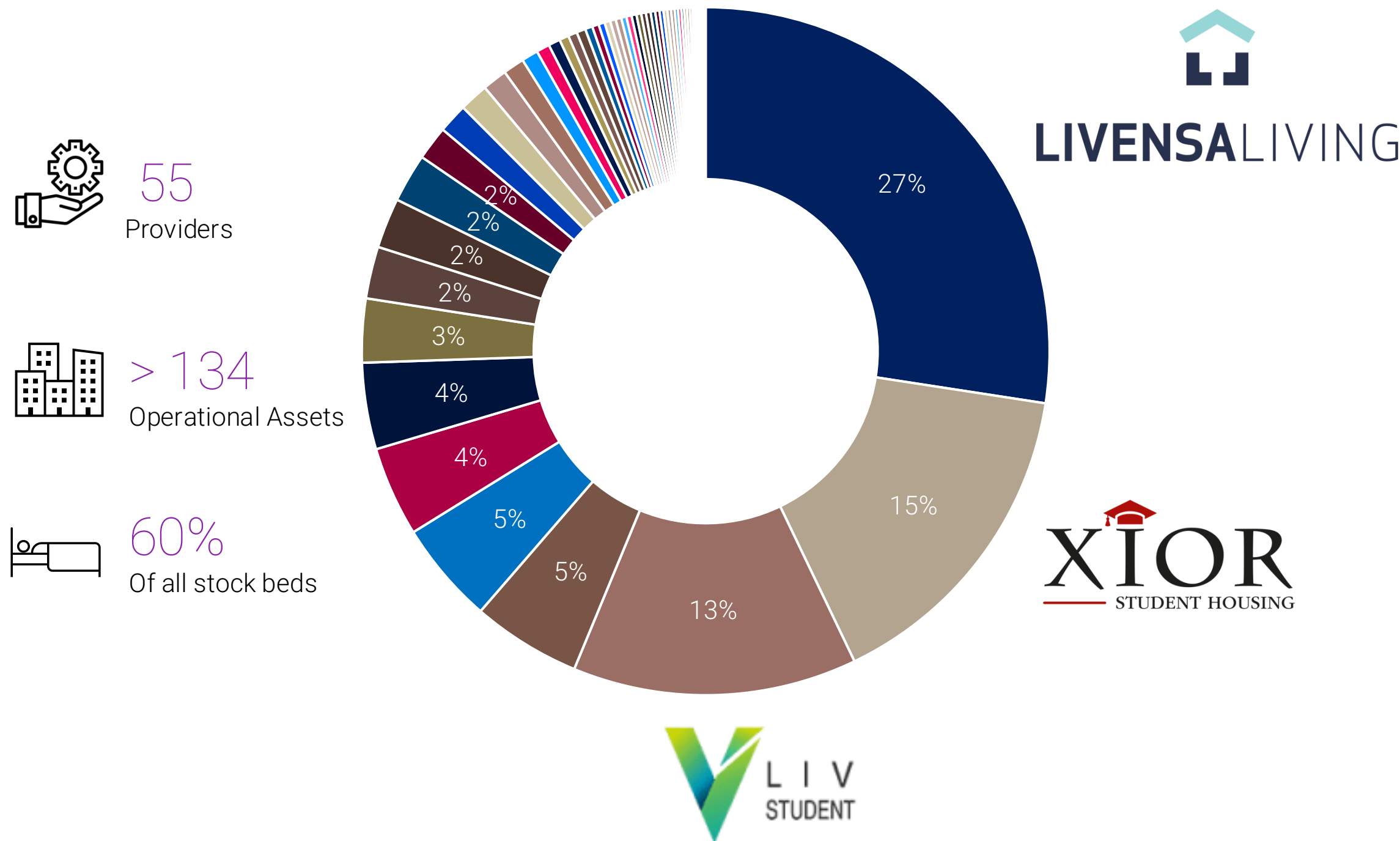
Looking forward to 2026, this shift is set to accelerate. No new developments with fewer than 100 beds are expected, with 59% of the pipeline stock consisting of mid-sized projects and 41% being large-scale developments with over 400 beds. This reflects a growing focus on scaling up to meet the increasing demand for larger student housing options, signaling a departure from the historically dominant smaller developments.



Private Supply: Competitive Landscape

(Cities In-house)

MARKET SHARE PER OPERATOR FROM OPERATIONAL PRIVATE PBSA SUPPLY IN 3 CITIES IN PORTUGAL



TOP-3 OPERATORS COVER 56% OF PRIVATE PBSA BEDS

The private PBSA market in Portugal is becoming increasingly consolidated, with a significant portion controlled by a few dominant operators. Livensa Living leads the market with 27% of all private bed stock, followed by Xior Student Housing and LIV, which control 15% and 13%, respectively. Together, these three operators account for over half of the market.

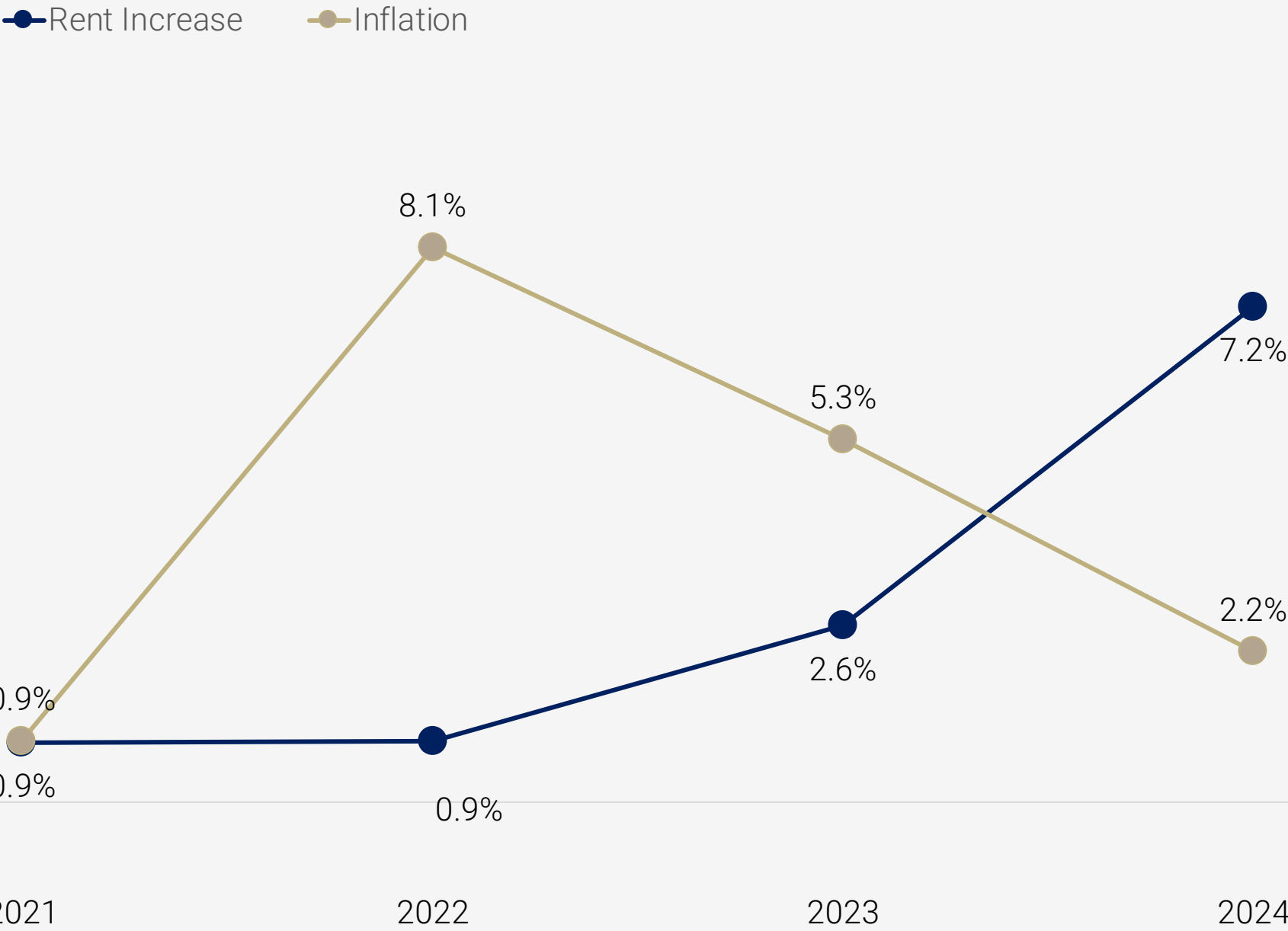
Despite this consolidation, 55 providers manage more than 134 operational assets. Smaller operators, though numerous, control smaller shares of the bed supply, contributing to a diverse market landscape.

Note: Reference period for supply data – 2023.
Source: BONARD, 2024.

Rent Levels: Rental Growth vs. Inflation

(Cities In-house)

RENT GROWTH VS INFLATION IN PORTUGAL



INFLATION COOLS DOWN, BUT PBSA RENTS HEAT UP

Since 2021, the PBSA rent growth in Portugal has steadily increased, driven mainly by rising costs. Both rents and inflation ticked up 0.9% in 2021, but inflation surged to 8.1% in 2022, while rent growth stayed at the same 0.9% rate.

In 2023, rent growth picked up to 2.6% as inflation eased to 5.3%. In 2024, rents increased sharply by 7.2%, with inflation dropping further to 2.2%. This reflects increased demand driving up rents despite easing cost pressures.

Source: World Bank, 2023; European Commission, 2023; BONARD, based on data from individual PBSA schemes, 2024.

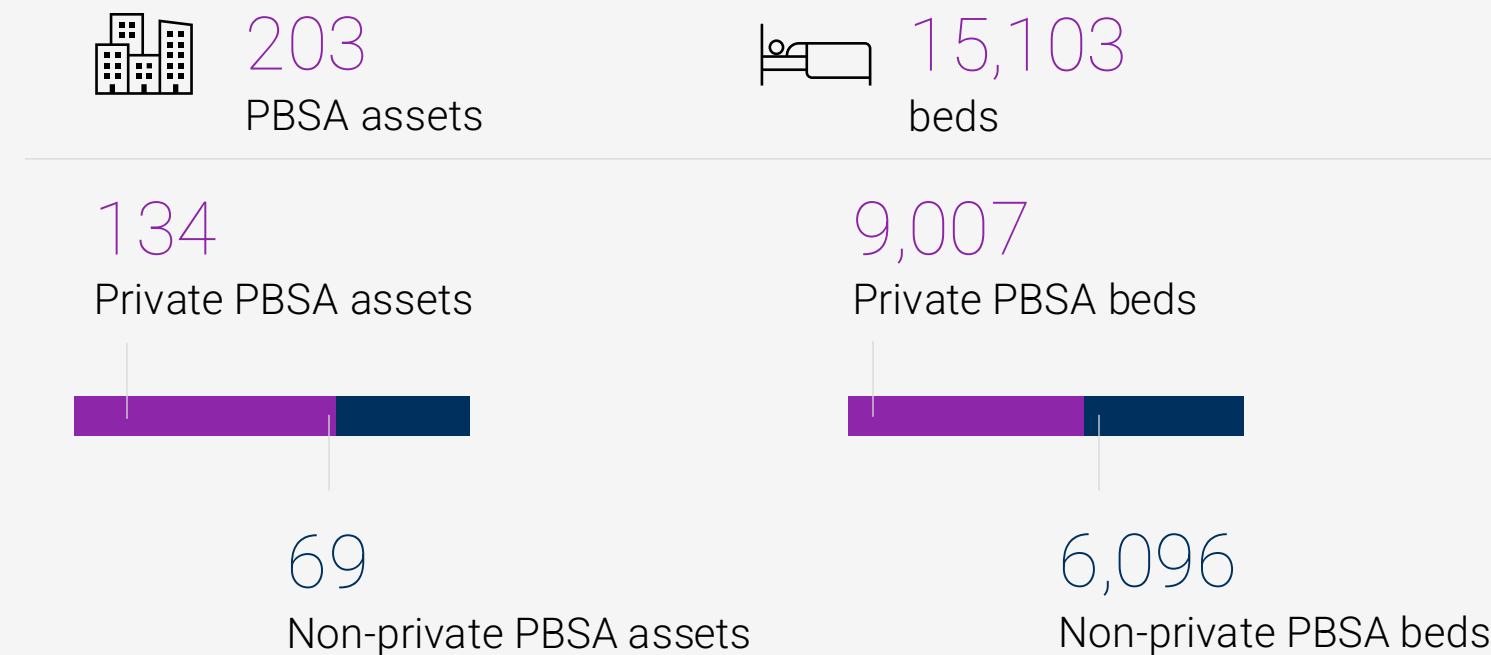
Pipeline: Future PBSA Stock

(Cities In-house)

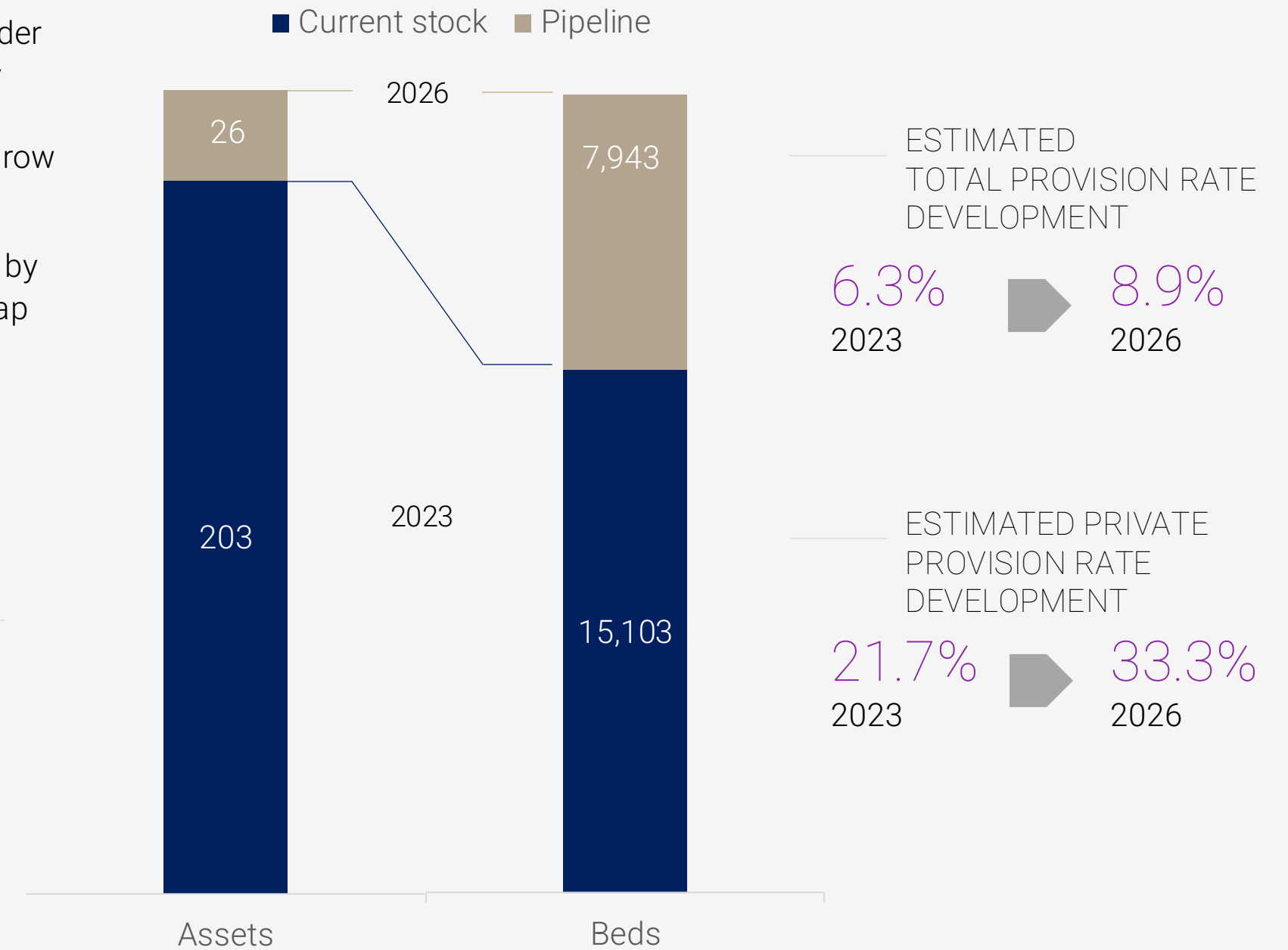
NEED FOR MORE SUPPLY: GROWING DEMAND OUTPACES PLANNED PBSA ADDITION

Portugal's PBSA market is under pressure, as the current pipeline of 22 assets under construction or in planning across three major cities, totaling 7,943 beds, will only increase the overall provision by 2.7% by 2026, bringing the total supply to 8.9%. While this represents progress, the private provision rate, currently at 21.7%, will grow more significantly to 33.3% over the same period.

Despite this, the demand for student housing continues to outpace supply, driven by the steady growth in both international and domestic student populations. This gap highlights the critical need for further investment and development in Portugal's PBSA sector to meet the ever-increasing demand. In Porto and Lisbon this gap in 2024 is estimated in over 120,000 beds.



AT A GLANCE



Note: Total provision rate (cities In-house): Total number of PBSA beds (public and private combined) divided by the total number of students (domestic and international combined),

Private provision rate (cities In-house): Number of private PBSA beds divided by the international students.

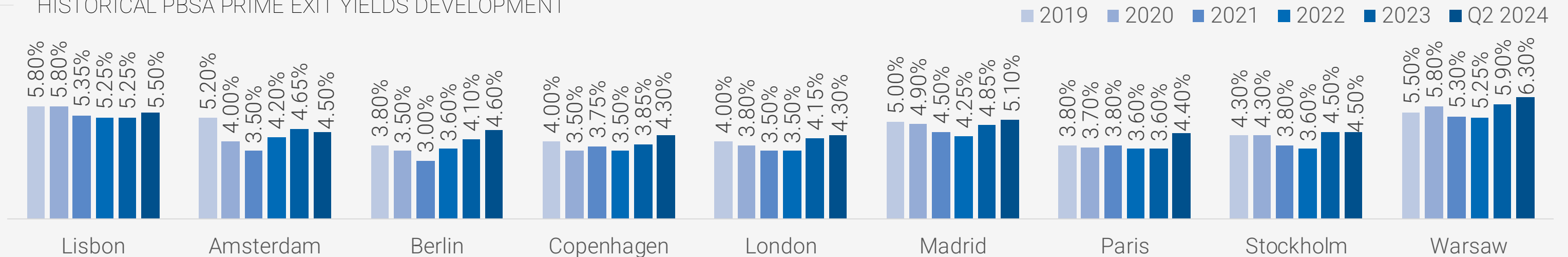
Source: BONARD, based on publicly available information at the time of research, BONARD 2024.

Exit Yields: Historical Development of Exit Yields in Europe

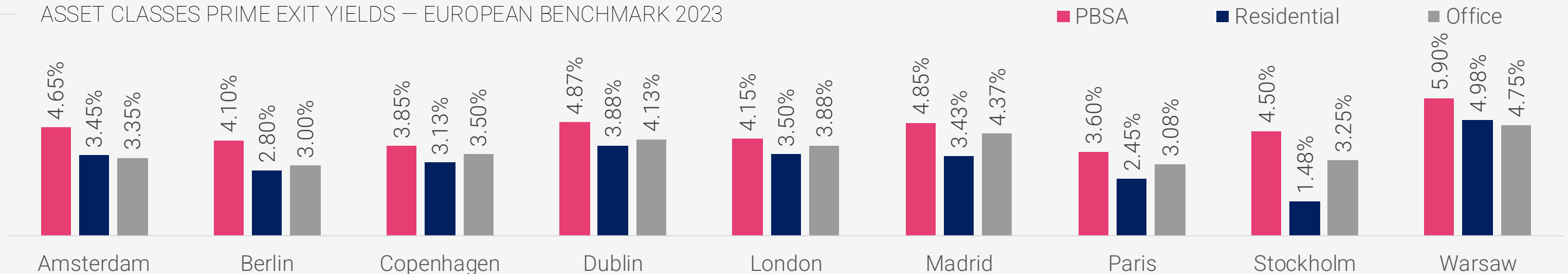
HISTORICAL DEVELOPMENT OF EXIT YIELDS

Student housing yields in most European cities have shown compression in 2021-2022, particularly in CEE cities. However, due to economic challenges and rising interest rates, yields have an increasing trend, with the potential for further compression once the market stabilizes. In Q2 2024, average prime PBSA yields have risen, and these yields remain higher than in other asset classes, reinforcing the attractiveness of student housing as a lucrative investment opportunity.

HISTORICAL PBSA PRIME EXIT YIELDS DEVELOPMENT




ASSET CLASSES PRIME EXIT YIELDS – EUROPEAN BENCHMARK 2023



Note: Exit yield (cap rate) refers to prime NOI exit yield. Data for Q2 2024 based on CBRA research
Source: Processed by BONARD; based on available data from Savills, Cushman & Wakefield, CBRE, Catella, 2024.

Country Benchmark: Market Saturation




Portugal

STUDENTS
446,028

TOTAL PROVISION RATE
6%

PRIVATE PROVISION RATE
22%




France

STUDENTS
2,935,297

TOTAL PROVISION RATE
18%

PRIVATE PROVISION RATE
42%




Germany

STUDENTS
2,868,311

TOTAL PROVISION RATE
12%

PRIVATE PROVISION RATE
23%




Spain

STUDENTS
1,762,459

TOTAL PROVISION RATE
8%

PRIVATE PROVISION RATE
34%



Italy

STUDENTS
1,995,156

TOTAL PROVISION RATE
5%

PRIVATE PROVISION RATE
19%

Note: Reference year for demand data and supply – 2023/2024 (Germany, Spain), 2022/2023 (Portugal, France, UK, Italy), **Total provision rate (cities In-house):** Total number of PBSA beds (public and private combined) divided by the total number of students (domestic and international combined), **Private provision rate (cities In-house):** Number of private PBSA beds divided by the international students.
Source: BONARD, based on data published by statistical offices and own research over higher education institutions and student housing establishments, 2024.

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Where data meets opportunity.

The gold standard for global student housing intelligence.

Interactive platform providing the most comprehensive database of student housing assets, demand, supply, rents, pipeline, transactions, yields, and portfolios.



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14,000+ PBSAs

Comparison of individual assets through detail of services and products offered.



Available 24/7

Real-time and up-to-date access to market fundamentals.

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The screenshot displays the BONARD PLATFORM PRO interface with several key sections:

- Navigation Sidebar:** Includes Home, Demand (selected), Supply, Rent Levels, Services, Portfolios, Deals & Yields, Market News, Presentations, Get Report PREMIUM, Country (Germany), City (Aachen), Academic Year, and Provision Rates Reference.
- Demand Dashboard:** Features a bar chart for Demand, tabs for Country Level, City Level (selected), and University Level, and a 'Download Data' button.
- Student Numbers Table:** A table showing student numbers for Aachen from 2011 to 2015, categorized by Domestic, Domestic mobile, and International.
- Historical Development Chart:** A line chart showing the growth of international students in Aachen from 2011 to 2022.
- Provision Rates Table:** A table comparing demand and supply for Aachen from 2017 to 2022, showing provision rates for private housing.
- Geographic Maps:** Two maps of Europe showing international student numbers (blue circles) and private provision rates (yellow circles) across various countries.
- Deals & Yields Dashboard:** A table showing student housing yields for various countries and cities.
- Supply Dashboard:** A dashboard showing assets and beds in operation, including a map and a table of PBSAs.

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