

UK Student Accommodation Outlook

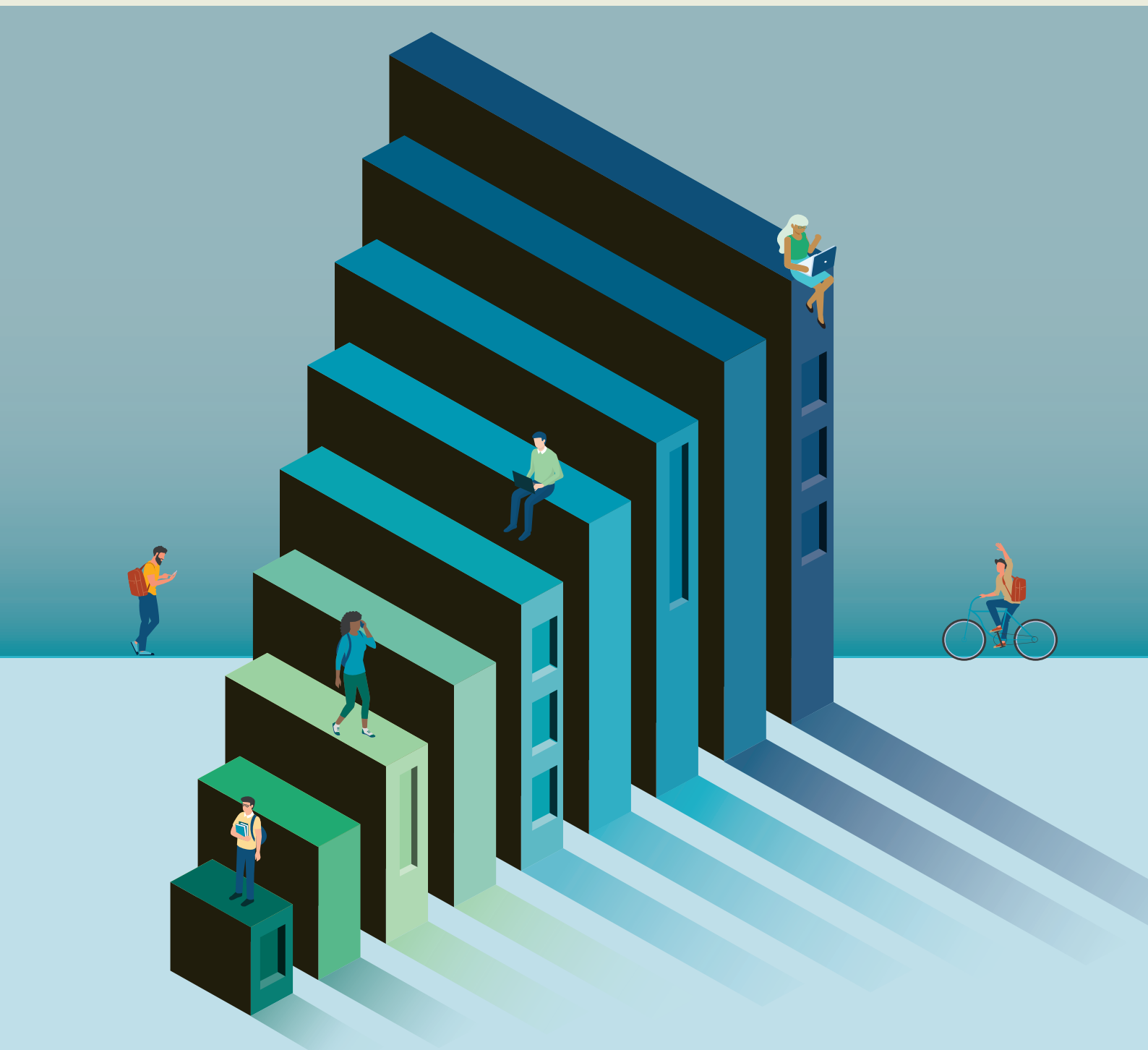


Noise, nuance and opportunity

2025/26

UK PBSA remains resilient amid shifting macro conditions. This report examines investment trends, policy risks, and rental dynamics, alongside insights from our sixth annual Student Accommodation Survey. Together, they reveal how structural demand and evolving student preferences underpin opportunity, despite headwinds.

knightfrank.co.uk/research



Introduction

The UK Purpose-Built Student Accommodation (PBSA) market is at an inflection point. Noise in the headlines, nuance in the data, and opportunity in the fundamentals. Together they form the central theme of this report.

Our analysis examines the sector through two lenses: current market dynamics and future trajectory. While historic growth has been underpinned by a persistent demand-supply imbalance, forward-looking factors, such as geopolitical risk, affordability and occupancy challenges, and the 'mid-market' opportunity will shape performance in the next cycle.

This report is structured around the three big questions we have heard from clients in 2025:

1 HOW ARE INVESTORS NAVIGATING THE INVESTMENT AND POLICY LANDSCAPE?

2 WHAT IS THE OUTLOOK FOR RENTAL GROWTH AND ITS IMPACT ON OCCUPANCY?

3 WHAT DOES THE STUDENT THINK?

Each piece of analysis speaks to a different layer of the PBSA market: capital, operations, and end-user, but together they reveal a sector that, despite the noise and nuance, continues to offer opportunity.



The quick take

Below we highlight some of the key findings from Section 1 and 2

KEY TAKEAWAYS

£50 billion

invested to UK PBSA

Over the past decade, investors have committed nearly £50 billion to UK PBSA. Already in the first nine months of 2025, investment stands at £3.4 billion, up 3% on the same period in 2024. Investor appetite remains strong for operational stock, but 2025 has seen a notable resurgence in portfolio-level transactions. More on **Page 4**.

33%

of all global PBSA investment is in UK

One third of all global PBSA investment has taken place in the UK since 2019. Part of this success has been large ticket operational platform sales, but with 22% of all UK PBSA spend on land assets or forward fund / joint ventures over this period, the UK market hits home with investors across the risk curve. See **Page 5** for more.

50 bps

stable income growth driving returns

Cheap debt and wide yield spreads have given way to a higher global government bond yield environment. The spread between UK 10-year Gilts and All Property yields has compressed to just under 50 bps. For investors, stable income growth, rather than yield spreads, will drive capital returns in this cycle. Discussed on **Page 6**.

£27 billion

in tuition fees

Universities rely heavily on tuition fees. In 2023/24, UK higher education income totalled just shy of £52 billion, of which £27 billion (52%) came from tuition fees and education. With an international student fee levy being introduced in England, and with an average £2,500 annual loss per domestic student since 2017, university incomes are under pressure. **Page 7** covers this.

2%

rental growth for all room types

Knight Frank's Student Property Rental Index shows average rental growth for all room types across the UK slowed to 2% in 2025/26. For the first time ever in our index, university rental growth (4.8%) has outperformed that of the private direct let sector (0.3%). Covered in detail on **Page 10**.

4.2%

of annual rent based on incentives

Rental incentives are playing a growing role in increasing occupancy. In fact, in the 2025/26 cycle, incentives accounted for 4.2% of advertised annual rent at the end of September. For operators, the domino effect of incentive offering is clear and once one provider starts advertising offers, the ripple effect starts on schemes in that area. See **Page 12** for more.

Section 1: Investment and Policy

Returns, Regulation and Resilience

LIQUIDITY IN STRENGTH – NUANCE IN STRATEGY

Over the past decade, investors have committed nearly £50 billion to UK PBSA assets. Now, in 2025, the market looks markedly different from 2015. What was once a developing niche has evolved into a mature, multifaceted market. With participation growing beyond traditional investors, the market is now rich in both liquidity and nuance.

July to September 2025 marked the largest third quarter on record for PBSA investment in the UK, with £1.83 billion transacted. Year-to-date investment stands at £3.4 billion, up 3% on the same period in 2024. While the headline figures point to a liquid market, in some cases deal times have

lengthened. Appetite remains strongest for first-generation standing stock – especially where there is potential to deliver value-add returns – but fire safety requirements, remediation work, and a later leasing cycle are all contributing to delays.

Single asset operational stock accounts for the largest share of investor activity, yet 2025 has seen a notable resurgence in portfolio-level transactions. Eight portfolios have traded over the year-to-date, underscoring investor preference for scale across core-plus and value-add platforms. Land sales and forward funding opportunities remain in play, but delays at the Building Safety Regulator as a result of Gateway 2, planning challenges, and elevated

build costs are all having an impact on capital allocation. Uncertainty around Gateway 3 timing at project completion presents a further challenge to viability.

GLOBAL FOOTPRINT

One third of all global capital spend on PBSA assets has taken place in the UK since 2019. Part of this success has been opportunity-led, with the UK boasting the sale of some of the largest operational portfolios on record. But with 22% of all UK PBSA spend on land assets or forward funds and joint ventures since 2019, the UK market clearly hits home with investors across the risk curve.

A rise in new entrants and the return of existing players over this time further highlights the sector’s global appeal.



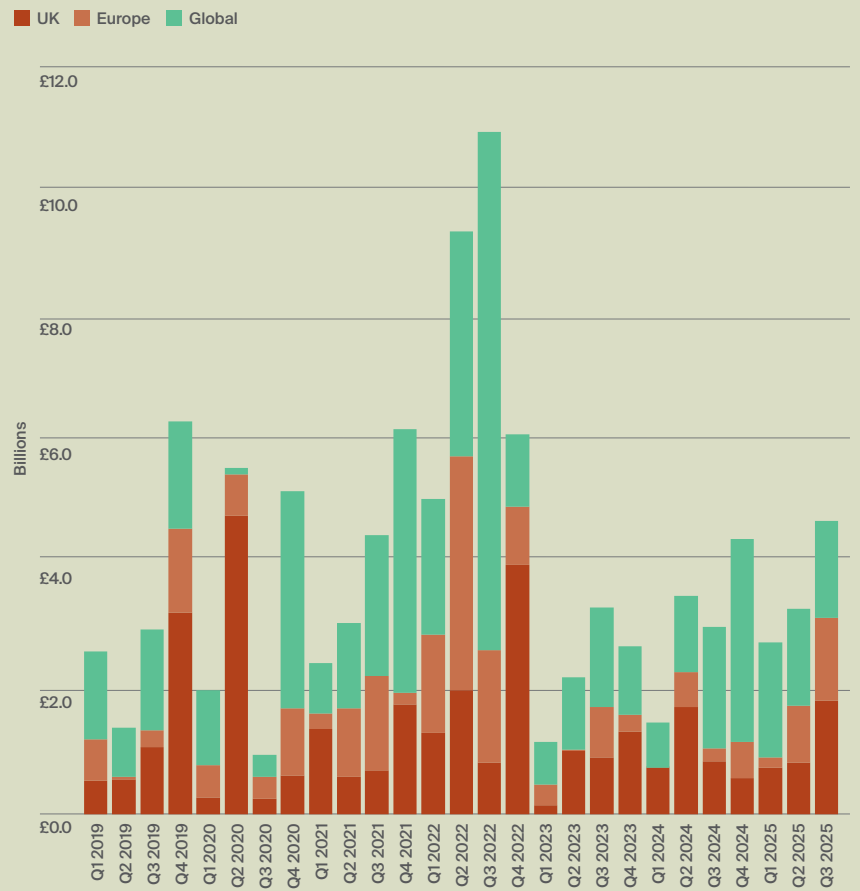
Our analysis shows that, since 2019, new entrants have steadily increased their share of transactions. For portfolios, they accounted for 67% of sales last year and 44% so far in 2025. Established investors remain the backbone of the market, but fresh capital seeking best-in-class or first-generation assets with value-add potential has deepened the liquidity pool.

CAPITAL ON CAMPUS

The momentum created by investor appetite for PBSA has strengthened its investment performance. Student housing returns remain resilient, outperforming most UK sectors over three, five and ten-year horizons – second only to industrial in the long run. Despite the operational intensity of PBSA assets, market maturity and a breadth of management platforms enable institutional entry and de-risked operations.

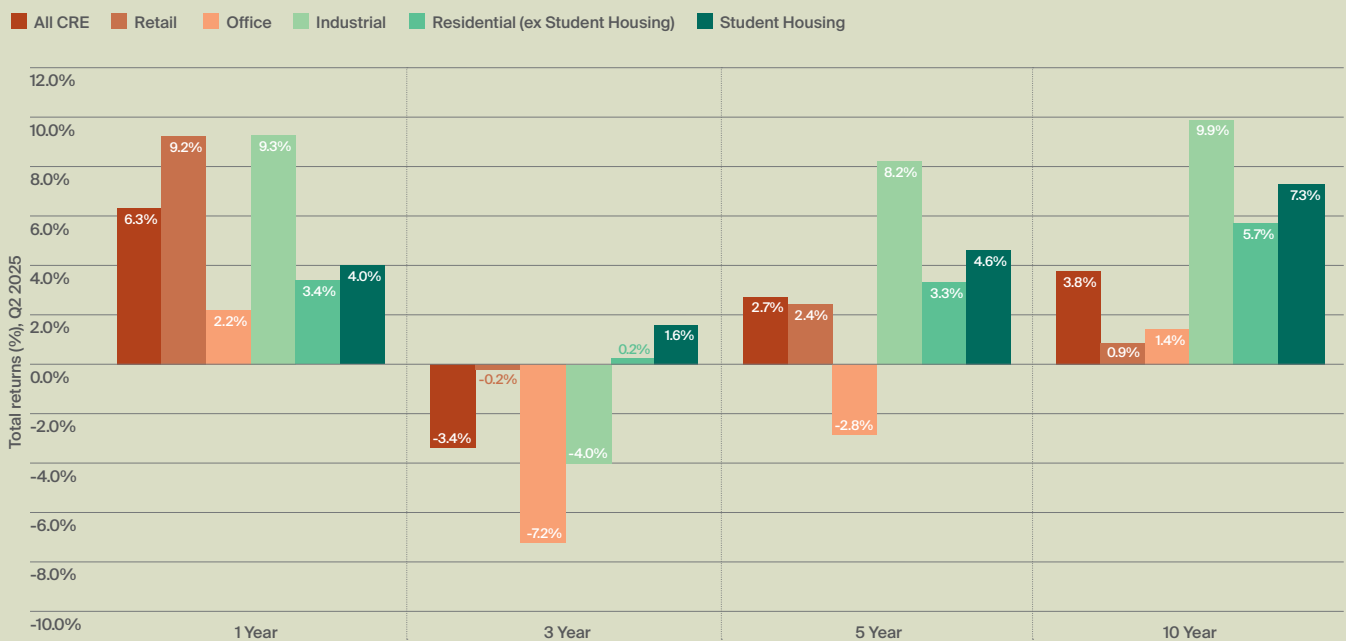
PBSA has benefited from inflation hedging via rental growth and indexed uplifts. However, the elevated rents seen over the past two academic cycles are under scrutiny (see Section 2). Still, long-term stable cash flows and diversification away from traditional commercial sectors have continued despite structural headwinds.

Total capital invested into PBSA by location



Source: RCA, Knight Frank Research

UK student housing returns vs major commercial real estate (CRE)



Source: MSCI, Knight Frank Research

THE END OF EASY MONEY

Cheap debt and wide yield spreads relative to government bond yields – once key drivers of real estate outperformance – have given way to a higher global government bond yield environment. In the UK, the spread between 10-year Gilts and All Property yields, which averaged 150 bps pre-GFC and 320 bps in the decade after – due to the impact of quantitative easing – has compressed to just under 50 bps. While some forecasters expect the Bank of England base rate to fall by up to 100 bps by the end of 2026, fiscal concerns and a softer outlook suggest property yields will remain elevated relative to Gilts in the medium term. The UK is not alone in this scenario, with the spread between long-term government bond yields and property yields a global phenomenon. For real estate investors, stable income growth, rather than yield spreads, will drive capital returns in this cycle. For PBSA, that means focusing on markets with strong demand-supply imbalances, and assets with expected value appreciation.

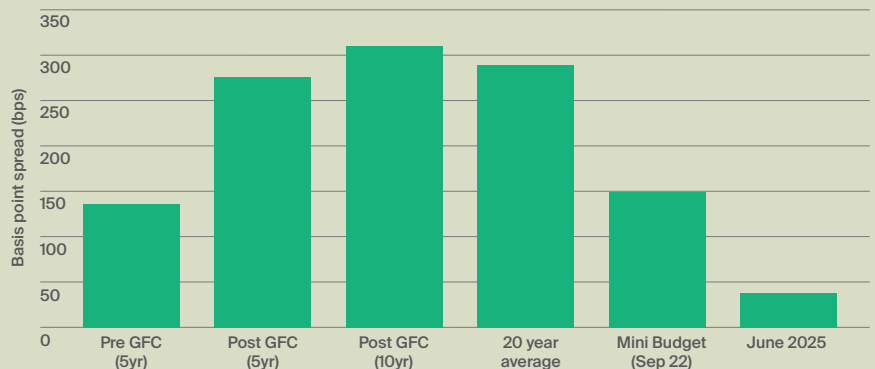
WHEN SPREADS SHRINK, INCOME STABILITY MATTERS

Despite the yield spread narrowing, UK PBSA continues to offer relative value through income growth. Additionally, a diverse tenant base helps to provide natural FX (Foreign Exchange) and geopolitical diversification.

At the time of writing, prime London direct-let PBSA assets were yielding

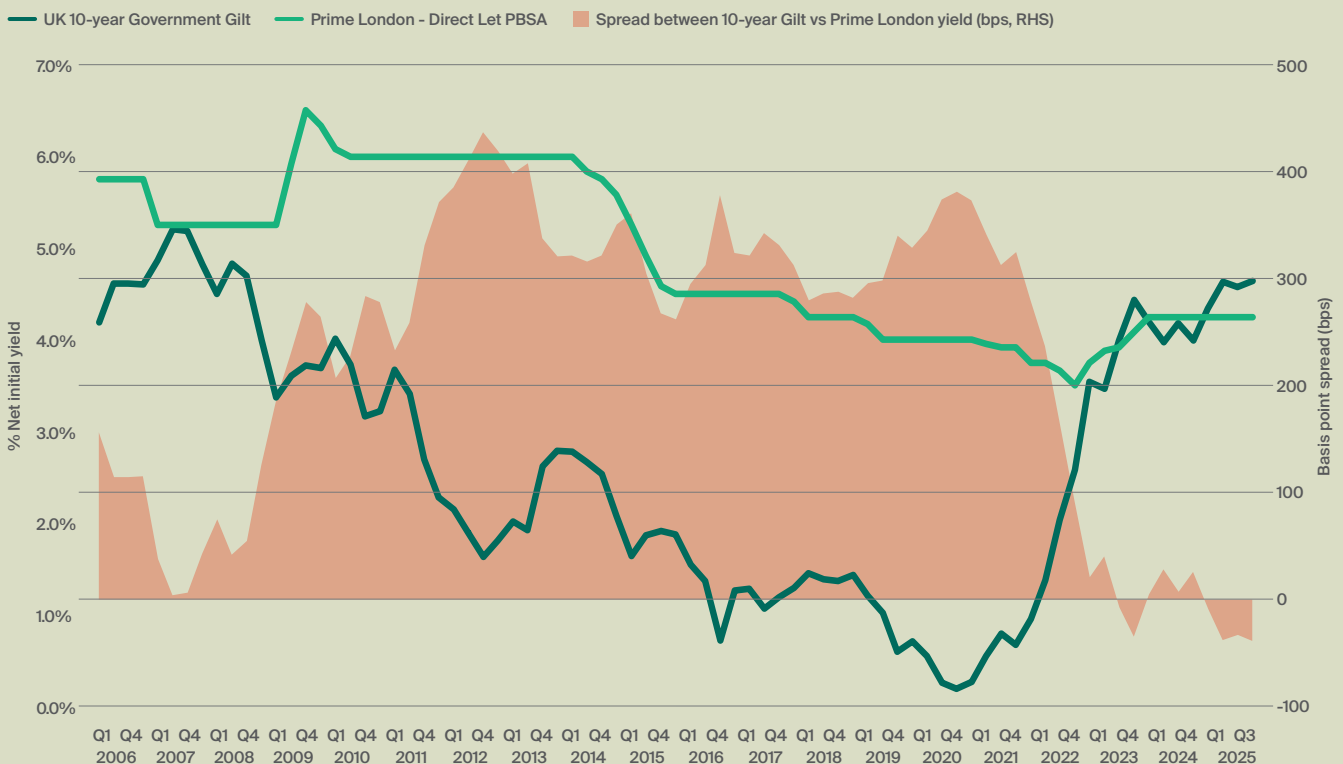
4.25%, with regional equivalents at 5.00–5.25%. For assets with 25-year leases and annual RPI uplifts, prime yields tighten to 4.00% in London and 4.25% regionally. A softening of this environment could be on the horizon as UK PBSA rental growth returns to a more normal, pre-pandemic trend of 2-3% for the 2025/26 academic cycle (see Section 2).

All Property net initial yield vs. 10-year UK Gilt yield spread, by significant economic period



Source: MSCI, Oxford Economics, Knight Frank Research

Long run performance of UK PBSA net initial yield vs UK 10-year Government Gilts



Source: Knight Frank Research

Beyond the border

FUNDING THE FUTURE

For PBSA investors, policy matters. Investment returns are closely tied to the fortunes of the higher education sector. University finances are under pressure – research from the Office for Students has predicted that 72% of higher education providers could be in deficit by 2025-26.

Universities rely heavily on tuition fees. In 2023/24, UK higher education income totalled just shy of £52 billion, of which £27 billion (52%) came from tuition fees and education.

At the end of 2024, the government raised the domestic tuition fee cap from £9,250 to £9,535, the first increase since 2017. In October 2025, the Post-16 Education and Skills Strategy confirmed university tuition fees will rise with inflation for the next two academic cycles, followed by automatic increases linked to the quality of teaching.

Adjusted for CPI, universities have absorbed an average £2,500 annual

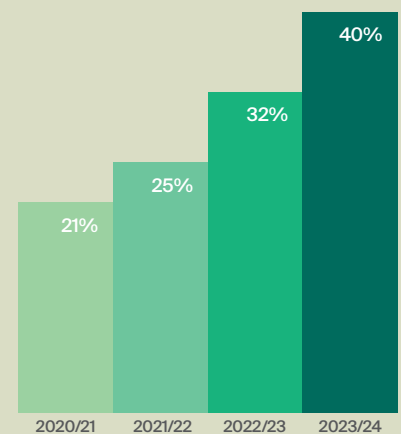
loss per domestic student since 2017. The recent increase offers short-term relief for universities but falls short of the structural reform needed to stabilise finances. For students, higher fees will sharpen focus on the value of a degree, accelerating the flight to quality institutions and locations. Domestic participation may decline, reinforcing the need to attract international students.

DON'T BITE THE HAND THAT FEEDS YOU...

The UK government will introduce an international student levy in England, despite opposition from the higher education sector. Expected to be around 6% of universities' income from international students, the levy will fund the reintroduction of means-tested maintenance grants for domestic students under the Lifelong Learning Entitlement. Universities are likely to pass costs to international students, potentially eroding UK competitiveness.

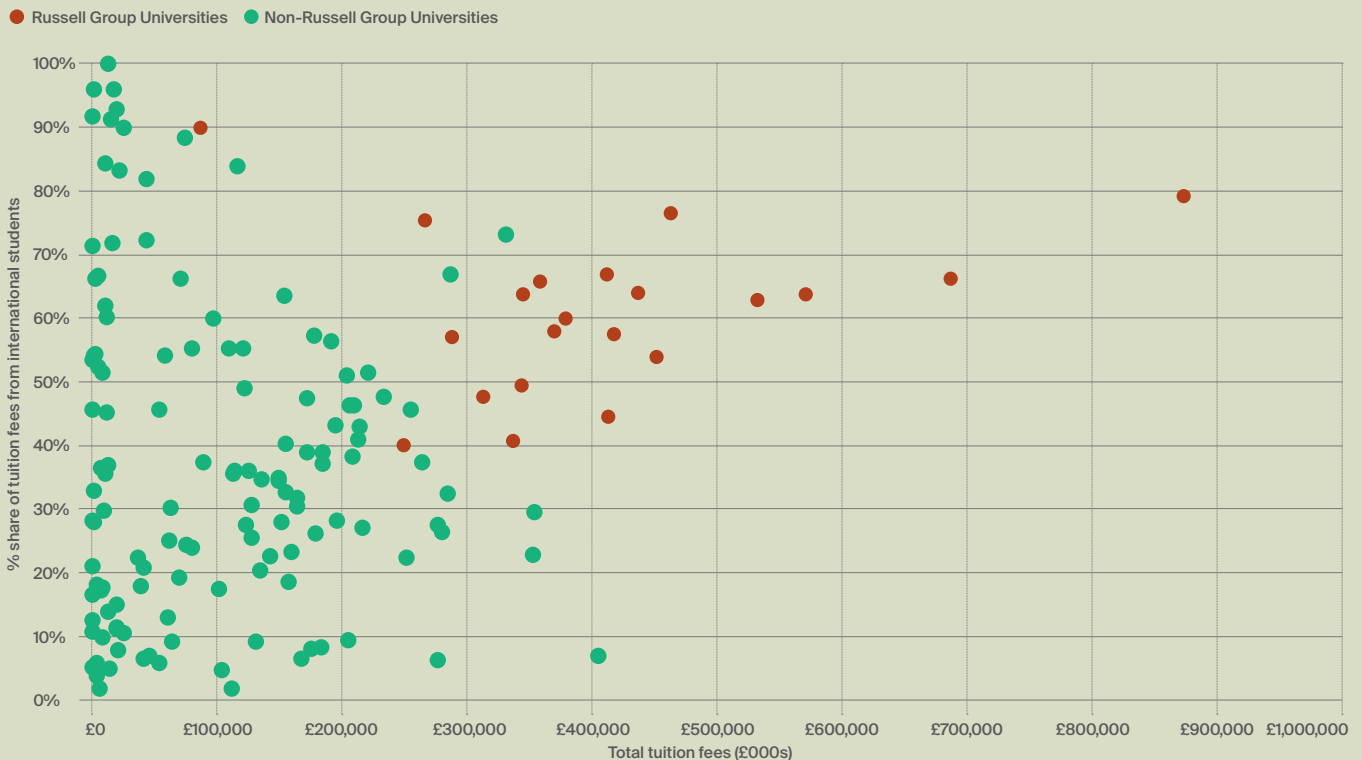
Higher-tariff institutions may absorb the impact; mid- and lower-tariff universities face greater risk.

Percentage share of English universities in deficit*



*Deficit defined as total income less than total expenditure, excluding pension adjustment.
Source: HESA Consolidated Statement of Income, Knight Frank Research

International student fees share of total tuition, English Higher Education Providers



Analysis based on Higher Education Providers (HEPs) in England Only. HEPs with tuition fee income less than £1million excluded.
Source: HESA, Finance Record 2023-24, Knight Frank Research

“In the year to September, 377,400 sponsored study visa main applications were processed, up 8% on the comparable period in 2024, but 11% lower than 2023.”

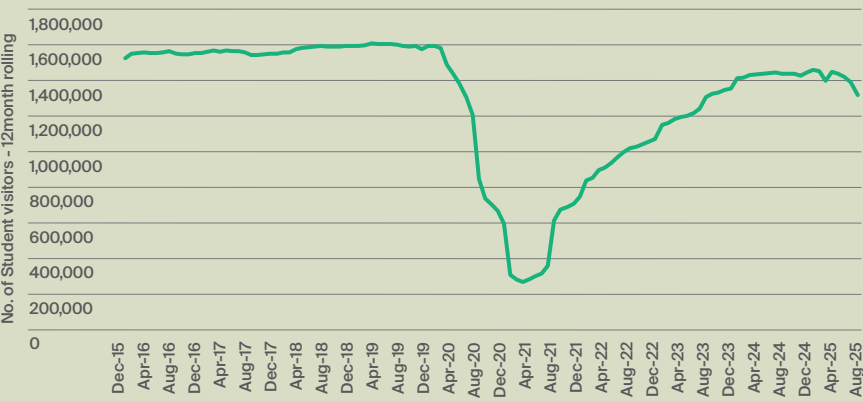
VISAS IN VIEW

Sponsored study visas follow seasonal patterns, peaking in August each year ahead of the start of the academic cycle. In the year to September, 377,400 sponsored study visa main applications were processed, up 8% on the comparable period in 2024, but 11% lower than 2023. Applications from those with dependants fell 85% year-on-year to 17,700, following structural reform that took place in January 2024, which prevents most students from bringing dependants.

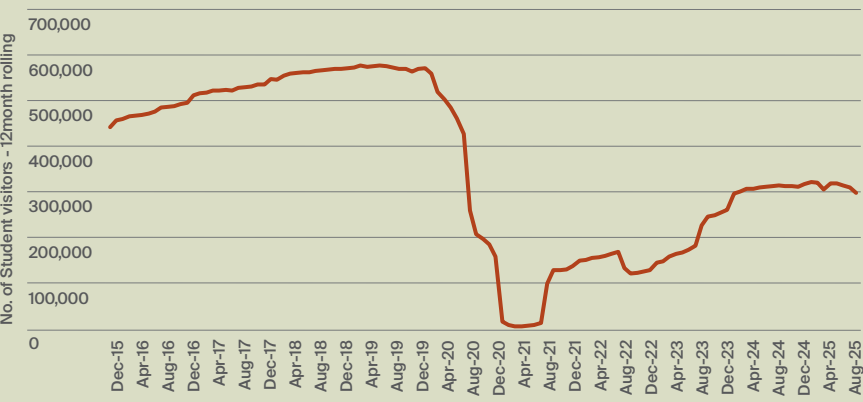
CROSSING BORDERS

Changing patterns within recognised global student flows is a phenomenon playing out in a number of locations, albeit for differing reasons. The

International student arrivals to the United States

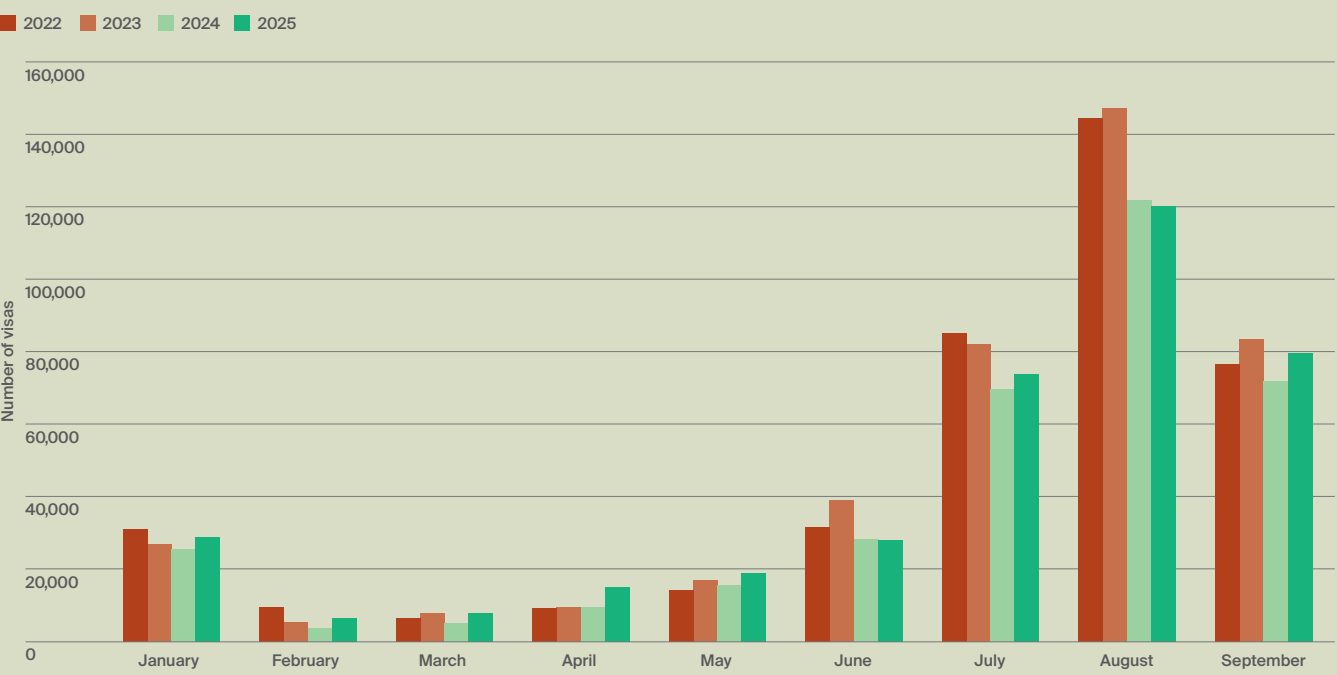


Chinese student arrivals to the United States



Includes both new international students entering the U.S. and existing international students returning.
Source: US International Visitor Arrivals Program (ADIS I-94), Knight Frank Research

UK student visas: Sponsored study main applicants



Source: Home Office Immigration Statistics, Knight Frank Research

number of international students arriving in the United States fell 19% year-on-year in August, for example, the largest decline on record outside of the pandemic. Asian students, who make up 70% of US international enrolments, declined 24%, driven by a 12% fall in Chinese arrivals. Post-pandemic, Chinese enrolments have weakened amid heightened tensions between the US and China.

The Trump administration has delayed visa processing, imposed travel restrictions on 19 countries, threatened to deport international students for pro-Palestinian speech, and tightened the vetting of student visa applicants. Prohibitive policies around visas and shifts in relationships with other geopolitical superpowers contributed to a c.12% fall in international student numbers in the US during President Trump's first term.

'WHEN THE US SNEEZES, EUROPE CATCHES THE FLU OFFERS A TISSUE'

'When the US sneezes, Europe catches the flu', is an adage that suggests economic problems in the US can have a significant, negative impact on other economies. The uncertainty in visa policy and the availability of

work permits for post-graduates in Trump's government is causing concerns for international students. Consequently, students are looking to destinations with more positive sentiment and guaranteed post-study opportunities, which means the old wisdom is changing.

Europe is home to the highest number of globally ranked universities, with 98 in the top 200 according to the 2026 Times Higher Education World University Ranking – the UK is home to 26 of those institutions.

PUNCHING ABOVE YOUR WEIGHT

The quality of higher education worldwide is shifting, at least when measured by the number of universities appearing in global rankings. Beyond the traditional anglophone "Big Four" (US, UK, Canada, and Australia), China and India have seen strong growth in the number of institutions ranked among the world's top 500.

Comparing rankings with economic performance – measured by GDP growth – reveals further insights. The US remains dominant in both GDP and the number of top universities, but the trend is downward, its GDP

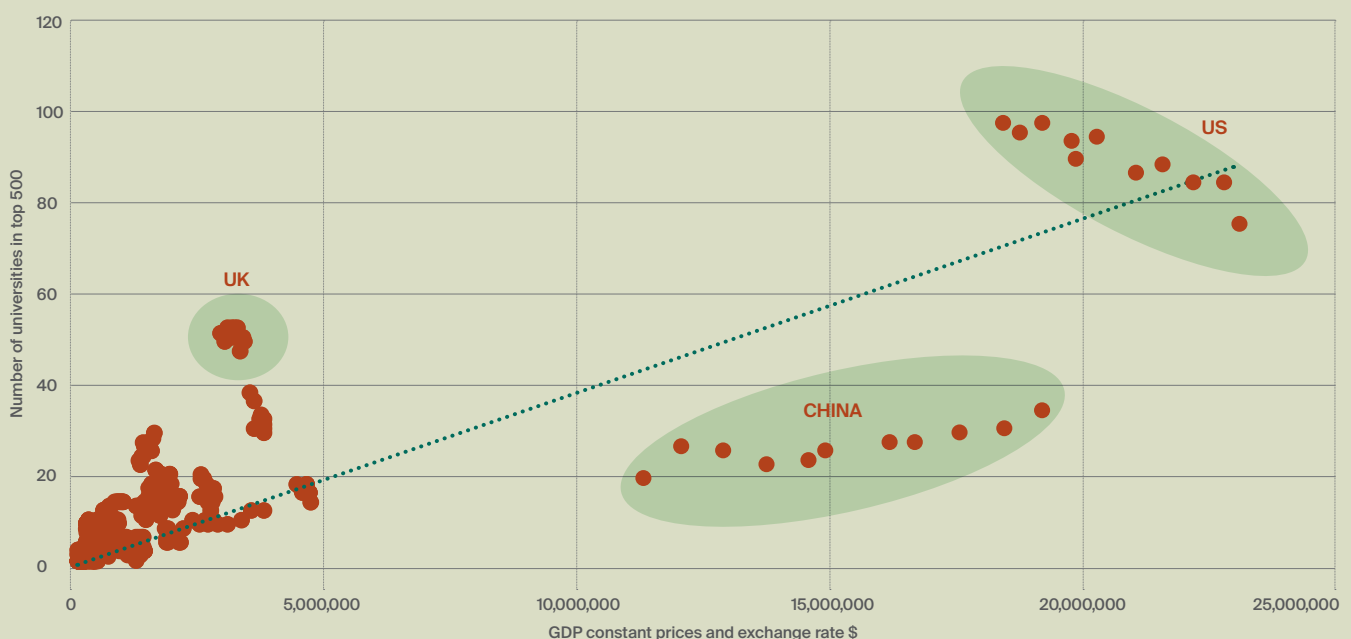
continues to rise while its share of top-ranked institutions is declining.

China shows the opposite pattern, with steady gains in ranked universities, yet it lags behind what its economic size would suggest. This gap likely contributes to the continued outflow of Chinese students abroad.

The UK, meanwhile, remains stable, with little change in the number of top 500 institutions, but it consistently performs above its economic weight – a small economy with an outsized higher education presence. For students, the appeal of a premium education underpins demand, despite economic pressures and growing competition elsewhere.

"The US remains dominant in both GDP and the number of top universities, but the trend is downward, its GDP continues to rise while its share of top-ranked institutions declines."

Relationship between quality of higher education and economic growth



Source: Oxford Economics, Knight Frank Research

Section 2: Rental market

Winds of change – signals of shifts in PBSA rental landscape

BACK TO SCHOOL AND BACK TO TREND

Rental growth across the student housing market is cooling after two years of rapid growth. Knight Frank’s Student Property Rental Index shows average growth for all room types across the UK slowed to 2% in 2025/26, down from 8.3% at the peak. The data suggests the market is edging back to its long-term trend of between 2-3% annual growth, in line with target consumer price inflation (CPI).

The slowdown reflects a more price sensitive student base and a more competitive leasing cycle which has led operators to adjust strategies. A tick up in supply in the wider PRS market over the last 12 months, albeit from a historically low base, has also played a part. PRS listings were up 12% year-on-year at the start of this year’s booking cycle, for example.

While not all properties in the PRS will be available, or suitable for students, sensitivity around a general slowdown in rental pricing across

the PRS, and by association the HMO market, have been a contributing factor to more moderate rental growth for the PBSA market.

UNIVERSITY STOCK OUTPERFORMS PRIVATE

For the first time in our index, university rental growth has outperformed that of the private direct let sector. University-owned stock, which is typically more affordable, outperformed private PBSA in 69% of markets.

Rents for university operated PBSA grew 4.8% in 2025/26, compared with 0.3% for private direct let stock. The divergence represents an arguably more sheltered, and certainly ‘slower’ moving university rental environment. Additionally, the relative value at play compared with the private direct let market has meant university halls have captured more demand from price-sensitive students.

LOCATION MATTERS

Within the headline rental growth figure individual markets are seeing

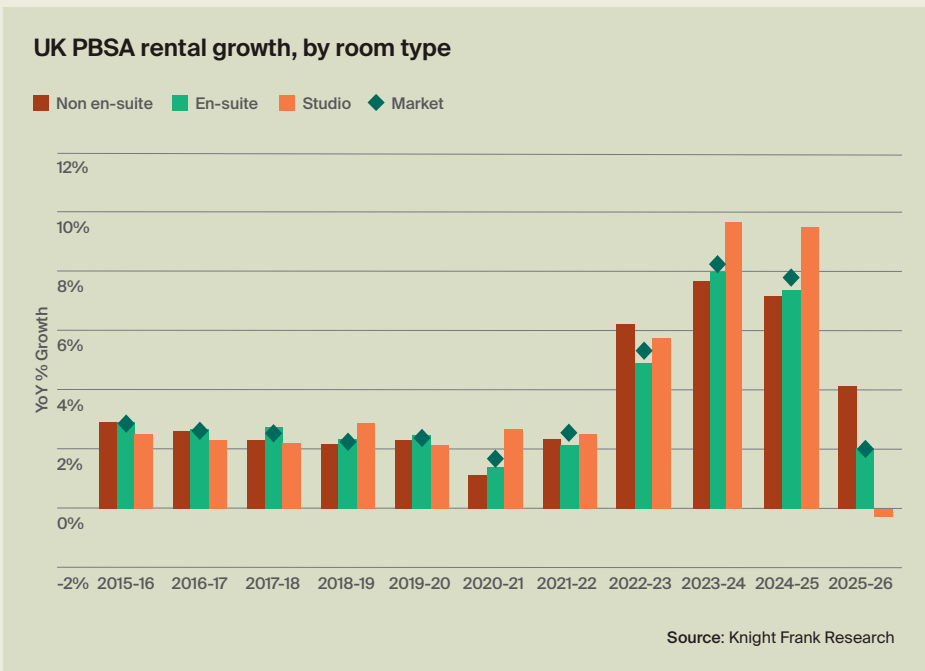
varying levels of performance, largely dependent on how stark the imbalance between supply and demand is.

Of the 64 locations covered by the index, 23 recorded rental growth for all room types above CPI over the year to September (+3.8%). 31 markets recorded annual growth of sub-4%, and 10 markets were flat or in negative territory. Durham and Bangor posted notable increases, while Sheffield, Nottingham, Leeds, and Glasgow saw marginal declines.

VALUE IS KING

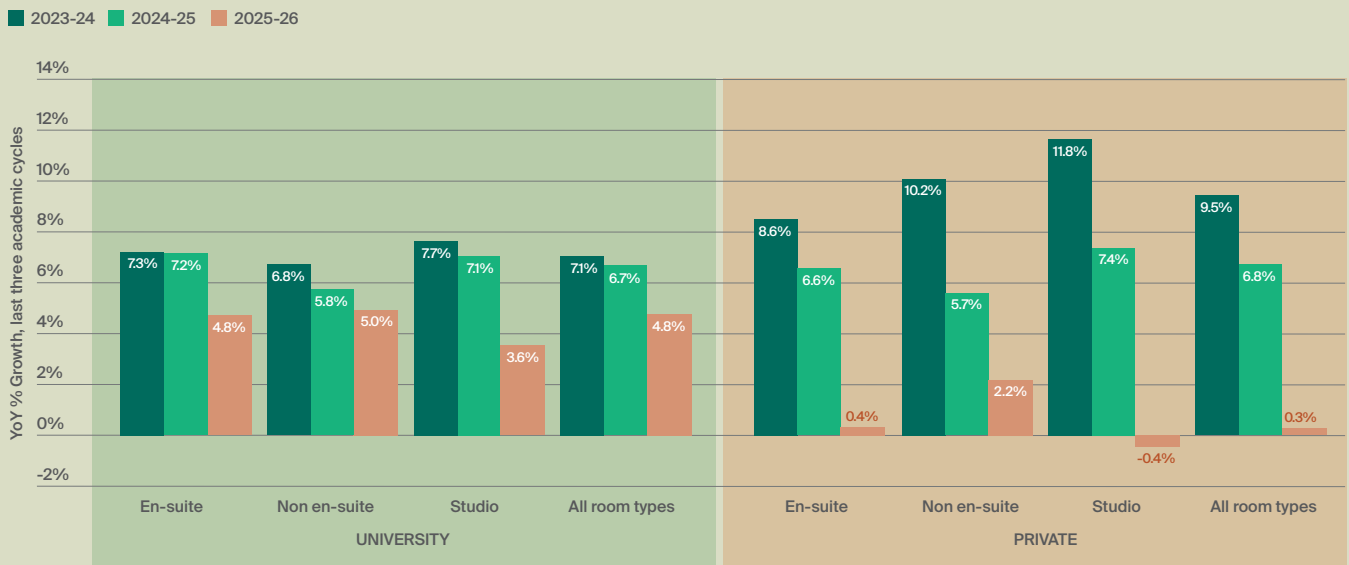
What’s more, our analysis shows that the slowdown is most pronounced at the top end of the market. We segmented the PBSA sector into ten price deciles, from Decile 1 (the most affordable) to Decile 10 (the most expensive), and tracked rental performance over time.

The results reveal a clear trend: the most expensive stock is cooling fastest, with Decile 10 rents showing the sharpest deceleration in growth. Conversely, the most affordable segments of the market have proven more resilient, underscoring the growing importance of value and price in sustaining demand. For PBSA investors, this trend underscores the relative outperformance of schemes targeting the mid and core markets, which cater for a much larger renter demand pool.



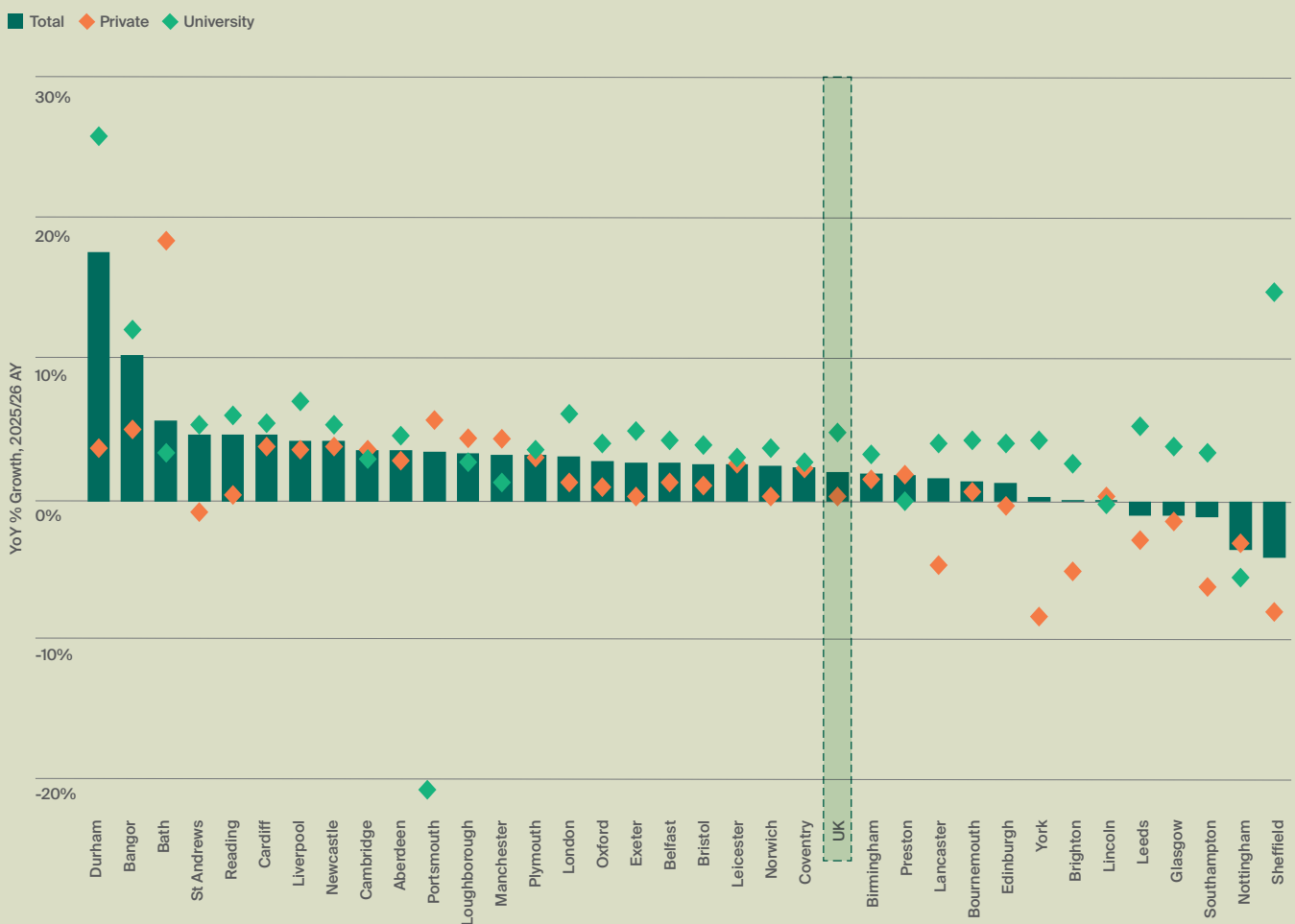
“Knight Frank’s Student Property Rental Index shows average rental growth for all room types across the UK slowed to 2% in 2025/26.”

UK PBSA rental growth, private direct let vs university stock



Source: Knight Frank Research

UK PBSA rental growth by city



Source: Knight Frank Research

Looking ahead, we expect growing investor interest in mid-market opportunities, which align with this broader domestic demand base. These schemes also offer the potential for more efficient development economics, with lower build costs achievable through reduced amenity offering and more mid-market specification. However, viability challenges persist. Rising construction, financing, and regulatory costs – including the Building Safety Act and affordable housing obligations – continue to set a floor on achievable rents.

DEALS ON DISPLAY

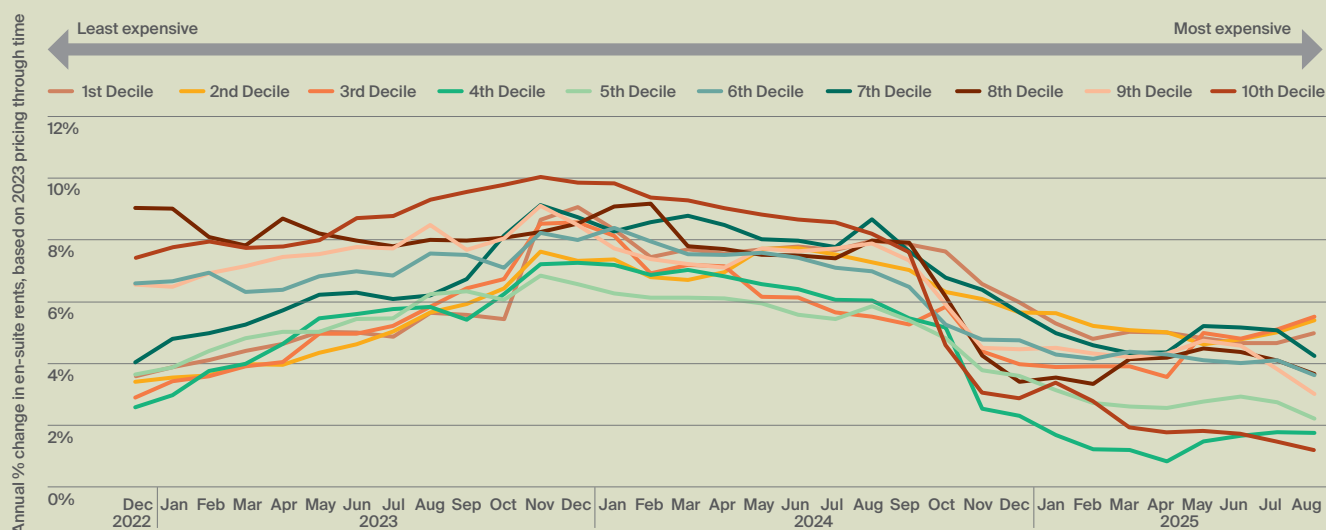
Following one of the most operationally challenging periods in recent memory, PBSA operators are pulling the available levers to help improve occupancy. Providers have increased their use of rental incentives, for example, to attract tenants. In fact, in the 2025/26 cycle, incentives accounted for 4.2% of advertised annual rent at the end of September. Median incentive values rose 17% annually and are up by 24% since 2022/23.

The domino effect of incentive offering is clear. Once one provider starts advertising offers, it starts the

ripple effect on schemes in that area. Not only did the 2025/26 incentive offering start higher, but it also rose sharply over the summer months and peaked during the crunch-period of September and October, just before the academic year started.

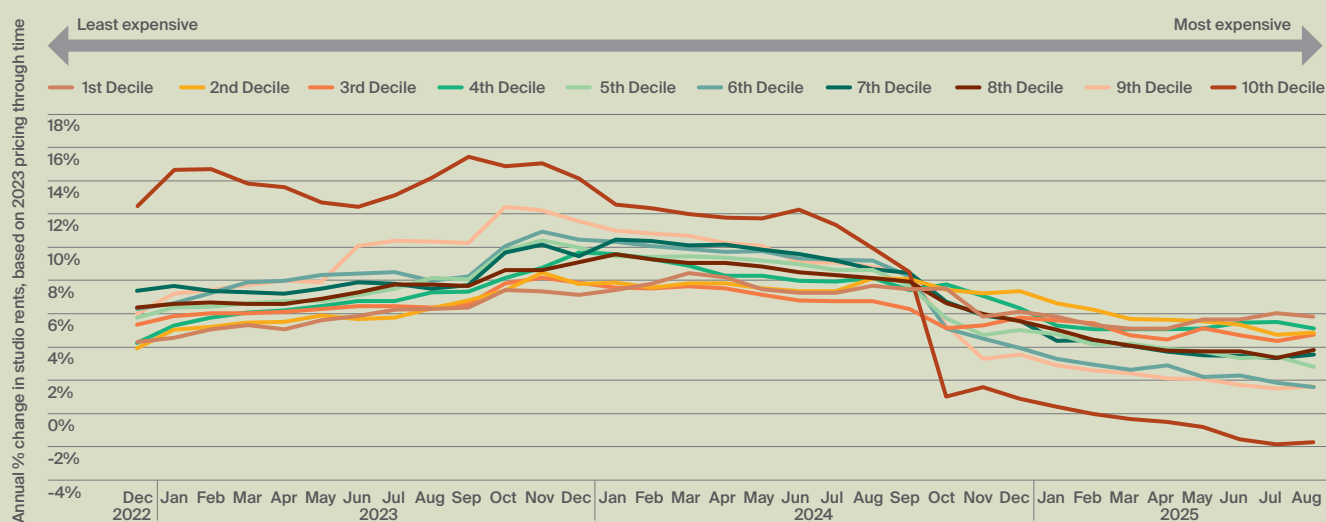
The type and value of incentives on offer is broad, ranging from local food vouchers or bike hire – for the value of £50 – up to £1,500 cash-back on completion of booking. Our analysis suggests that for the 2025/26 academic cycle, 93% of incentives were financial in nature (including discounts to local amenities).

PBSA en-suite rents: moderation at the top end of the rental market



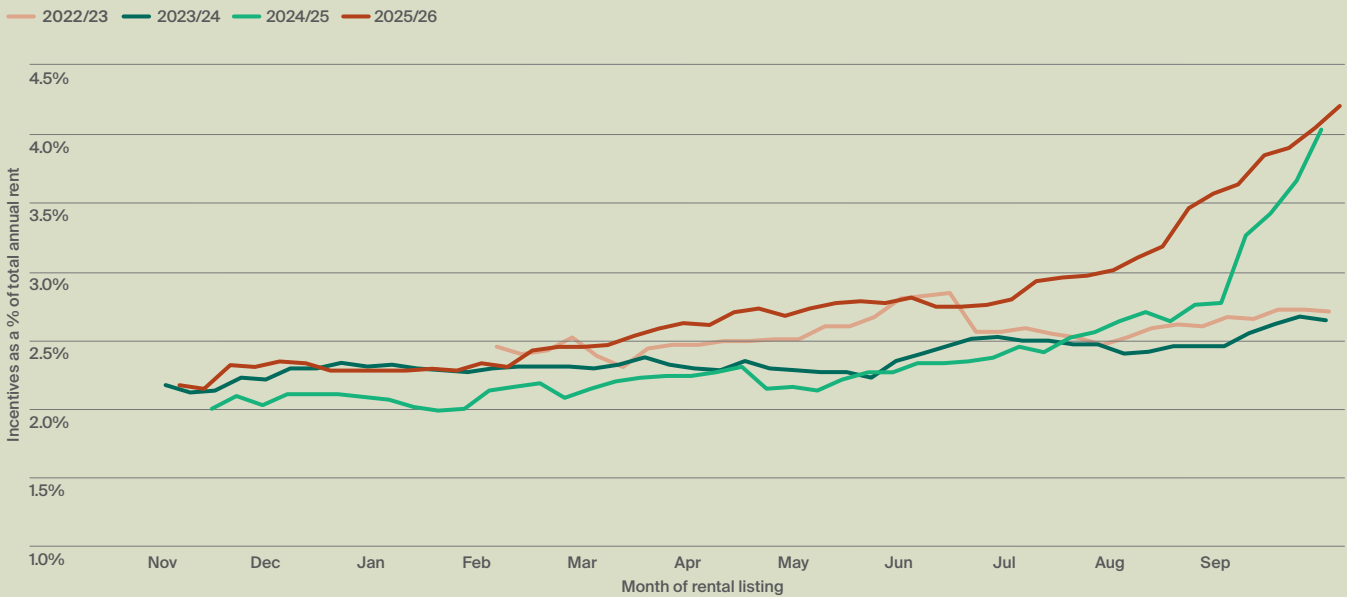
Source: Knight Frank Research

PBSA studio rents: moderation at the top end of the rental market



Source: Knight Frank Research

PBSA rental incentives as a share of annual rent



Source: Knight Frank Research

The impact is some students are choosing to wait for the deals they know are coming, leading to more late booking cycles. The importance of incentives to students' decisions comes through in our Student Accommodation Survey (Section 3), with nearly 50% of applicants saying that incentives influenced their accommodation choice. However, with the learnings from this operational cycle, we expect PBSA providers to be incorporating rental incentives earlier on in the booking cycle for 2026/27.

NO RHYME, NO REASON?

In 2024 the market passed off the challenging occupancy environment as a blip. In 2025, it was a returning trend. This year, trends of weaker occupancy are again emerging, but with no clear rationale as to why – at least on the surface. This is further complicated by the inconsistency in occupancy levels within cities themselves. Even at scheme level, when holding price, amenity offering and location constant, variations in occupancy are evident.

Our work with UCAS once again highlights value-for-money is a key contributor to the student decision making process. We know students – although not a homogeneous group – are price sensitive. But outside of the real rental level, there are other factors which are impacting lease up and retention, two of which we outline on the right.

1. BRAND LOYALTY



Brand loyalty is crucial for long-term success. Operators need to be engaged with students and build a strong, authentic brand, particularly in the bid to attracting more second and third year students to PBSA. We cover this in our work with UCAS: students want quality accommodation that offers value for money, but good operators have cottoned on to selling a “lifestyle”. The additional focus on the degree to which accommodation choice enhances and improves outcomes for students will foster loyalty that supports operators' re-booker rates.

2. ASSET MANAGEMENT



Hands on asset management is key, and asset managers cannot just assume rental growth.

The PBSA market is more fast moving, competitive and sensitive than ever. Asset managers need to continuously monitor market demand, competitor pricing, and in-house occupancy trends. The market has evolved from the days where the sole focus of asset managers was dynamic pricing strategies to maximize revenue. In some markets, there is a fine line between balancing rental growth and occupancy metrics for the benefit of the investor's Net Operating Income (NOI). When headline rents are being ‘topped up’ by incentives, understanding your real net NOI against headline NOI is critical.

There are operational efficiencies that can help here too, like reducing downtime between leases, and driving capex projects like amenity additions or renovations.

Section 3:

Knight Frank Student Accommodation Survey

The Knight Frank Student Accommodation survey, now in its sixth year, was delivered by UCAS on behalf of Knight Frank. Our work provides unique insights into the opinions and preferences of students about where they live and what they want from their accommodation. Student preferences are evolving and accommodation providers need to move with that change. This year, our survey focus was on the views and expectations of incoming students, of which we surveyed 2,500.



81%

**OF APPLICANTS
STARTED RESEARCHING
ACCOMMODATION BEFORE
HAVING A CONFIRMED OFFER.**

Accommodation continues to play a pivotal role in students' decisions on where to study. For many, housing is not an afterthought but a core part of the university selection process, influencing choices well before an offer is secured. When deciding where to live students are influenced by a range of practical and qualitative factors including cost, quality, the inclusion of bills and provision of facilities.



92%

**CONSIDER AFFORDABLE LIVING
COSTS ESSENTIAL TO WELLBEING.**

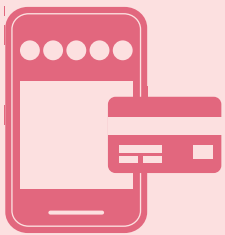
Affordability is not just a financial issue; it is a wellbeing issue. Students overwhelmingly link cost to mental health and quality of life, reinforcing the need for providers to balance pricing with value. Three-quarters of applicants agree that accommodation providers should actively support mental health, and 79% believe pastoral care should be a standard part of the offer.



85%

**OF APPLICANTS RANKED FACILITIES
AS IMPORTANT OR VERY IMPORTANT
WHEN CHOOSING WHERE TO LIVE.**

But students value amenity that provides clear and obvious benefits. That includes things like fast WiFi and on-site laundrettes which just 5% and 7% of students respectively said they would be willing to live without for cheaper rent. In contrast, 83% of respondents said they'd rather have cheaper rent than pay for an on-site podcast room.



88%

OF APPLICANTS BELIEVE APP-BASED PAYMENT SYSTEMS ARE USEFUL OR VERY USEFUL.

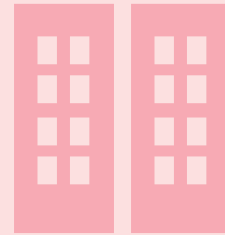
Digital convenience is now a baseline expectation. From booking to billing, students want seamless, tech-enabled solutions that simplify their experience and reduce administrative stress. The way students want to research and engage with accommodation providers is also changing. Some 63% of respondents said they would like to see social media accounts for the building they will be living in before moving in.



62%

OF STUDENTS OVERALL SAID THEY AGREE OR STRONGLY AGREE THAT THE QUALITY OF THEIR ACCOMMODATION IMPACTS THEIR ACADEMIC PERFORMANCE.

A similar proportion (61%) agree that being in the right type of accommodation is essential to get the grades they want.



30%

OF STUDENTS WORRY ABOUT THERE BEING SUFFICIENT SUPPLY OF SUITABLE ACCOMMODATION IN THEIR AREA, EVEN BEFORE THEY HAVE MOVED TO UNIVERSITY.

Some 50% of applicants said the availability of accommodation had influenced their decision on where to apply, while 52% said their decision was influenced by a perception that the cost of living in the area is affordable.

Nice to have vs need to have

What's makes a student choose one accommodation over another? From affordability and safety to quality and convenience, our survey explores the key factors shaping decisions.

Accommodation continues to play a pivotal role in student's decisions on where to study. More than 80% of applicants surveyed said they started researching accommodation options before having a confirmed offer from a university. Nearly a fifth looked into accommodation options before even deciding where to apply.

When deciding where to live during their first year at university, students are influenced by a range of practical and qualitative factors. The most decisive considerations are unchanged from previous year's surveys. Cost (88%), quality (87%) and the inclusion of bills and provision of facilities (86% and 85% respectively) top the list. These were closely followed by perceived value for money (85%) and location (84%).

These preferences reflect both the broader financial pressures students face, especially in the context of rising living costs and tuition fees, but also a desire to find accommodation that offers quality and amenities commensurate with the price.

Student peer reviews of accommodation were also flagged as important. In total, 74% of applicants said that reviews had an important influence on their decision on where to live, up from 64% in last year's survey.

The importance of factors such as access to outdoor space (65%) and a studios atmosphere (54%) confirm that students are also considering lifestyle and academic compatibility when making housing decisions.

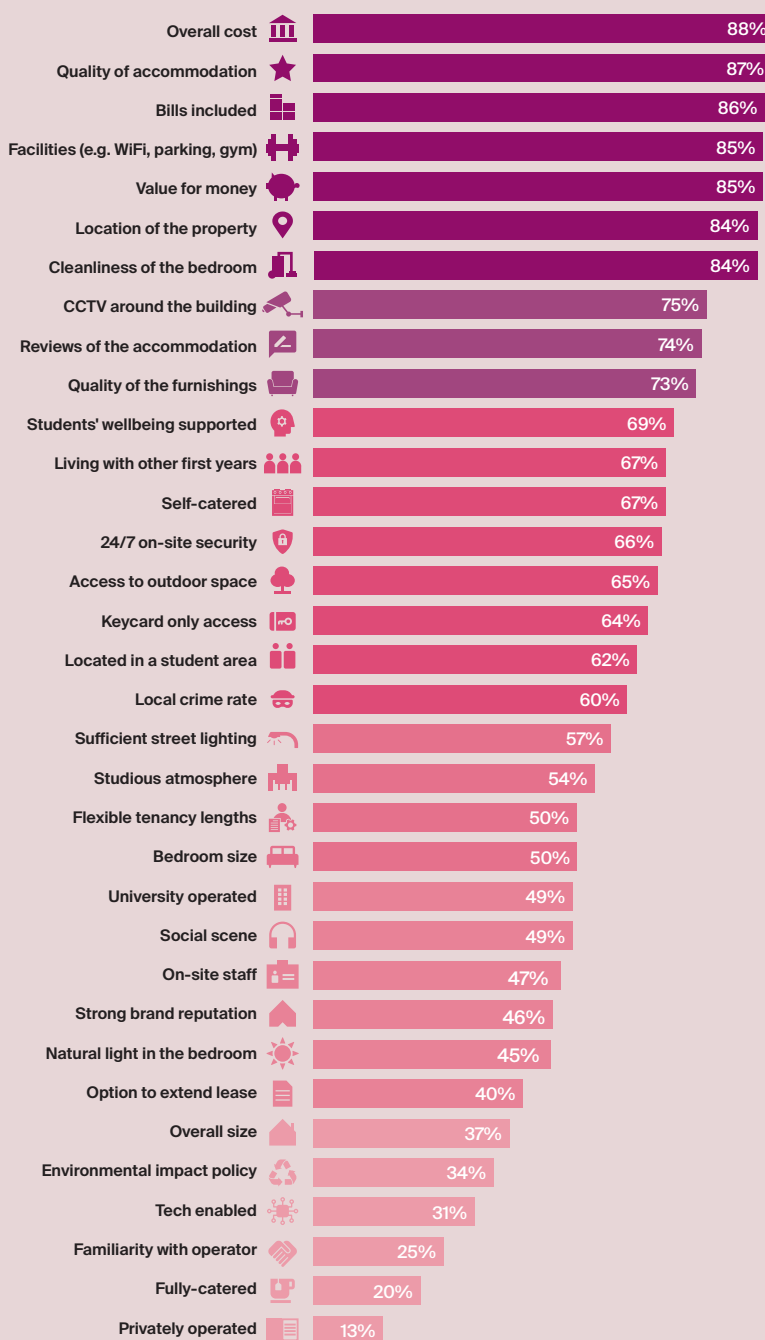
Branding and reputation were flagged as important by nearly half of applicants, a noticeable increase from previous year's surveys.

50%

OF APPLICANTS SAID THEY HAD INCREASED THEIR BUDGET BECAUSE OF A DESIRE FOR BETTER QUALITY ACCOMMODATION

How important were/are the following factors when choosing accommodation?

% of respondents selecting each factor as very important or important



Source: Knight Frank Student Accommodation Survey 2025/26

74%

OF APPLICANTS SAID THAT REVIEWS HAD AN IMPORTANT INFLUENCE ON THEIR DECISION ON WHERE TO LIVE

BUDGETS UP

This year's survey was conducted following a period of significant rental growth across the UK, including in the student market. While our analysis in Section 2 confirms rental inflation is now moderating, rents remain almost 30% higher on average than 5 years ago.

To this end, a third of applicants noted that their accommodation budget had increased during their search for somewhere to live. Of those who increased their budget, 42% said it was needed because they could not find accommodation within their original price range. That said, 50% of respondents said they had increased their budget because of a desire for better quality accommodation, to get more amenities, or because they felt there was better value for money at higher price points.

VALUE-ADD AMENITY

Students living in PBSA must carefully consider the balance between pricing and amenity. For many, this can be an important factor that influences their decision on where to live.

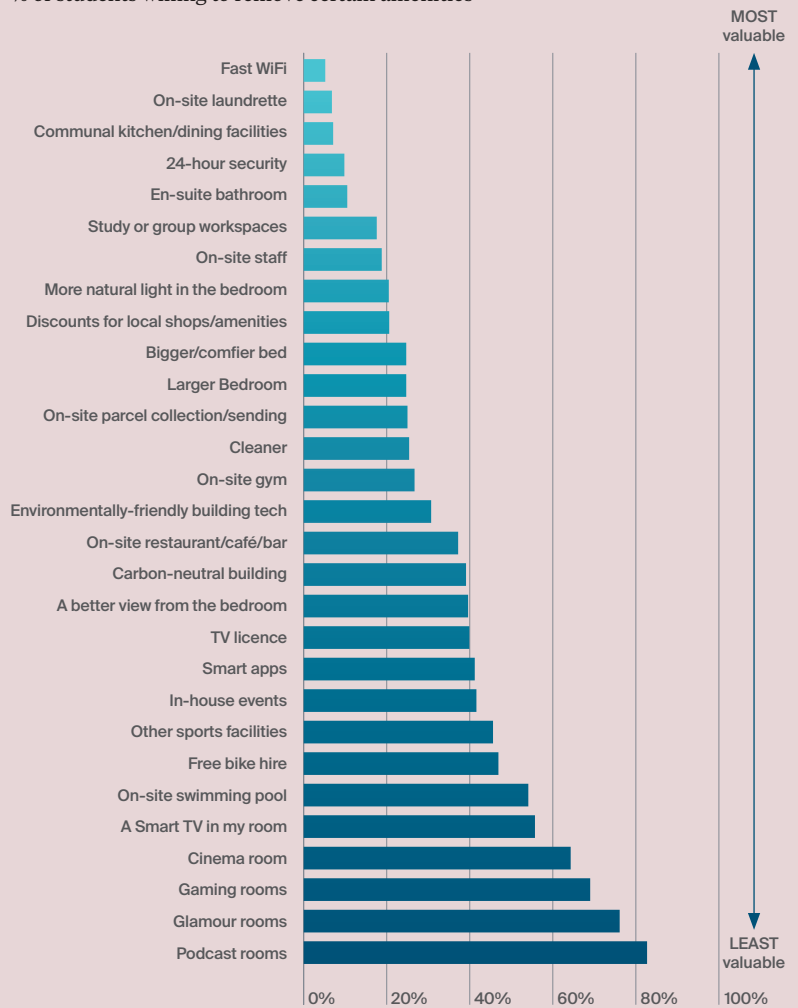
In this year's survey, like last year, students were asked which features or facilities they would be happy to remove in exchange for cheaper rent. The results point to a preference for high quality accommodation that provides clear and obvious elements that add value and that do the basics well.

Respondents were less willing to remove fast WiFi, on-site laundrettes, communal kitchen and dining facilities, or 24-hour security for example, suggesting these are considered essential features for which they are prepared to pay a premium to access. The opposite is true for amenities such as podcast, glamour and gaming rooms and cinemas.

Operators must be quick to identify and prioritise the elements in accommodation that are most important to students.

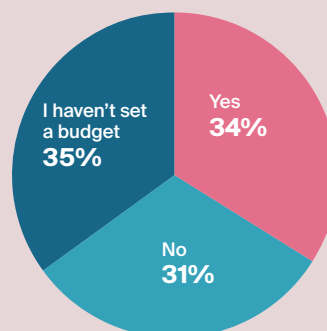
Which amenities would students EXCLUDE from their accommodation for a cheaper rent?

% of students willing to remove certain amenities



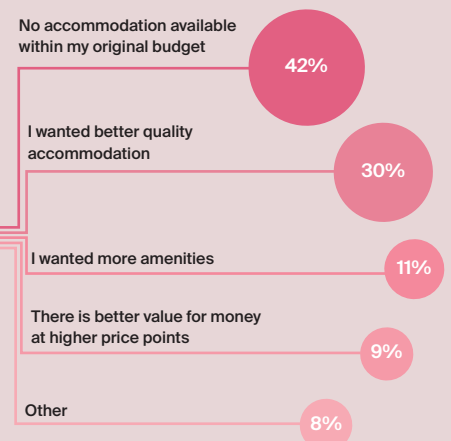
Source: Knight Frank Student Accommodation Survey 2025/26

Has your accommodation budget increased during your search for somewhere to live?



What are the reasons for this increase?

Please select only one



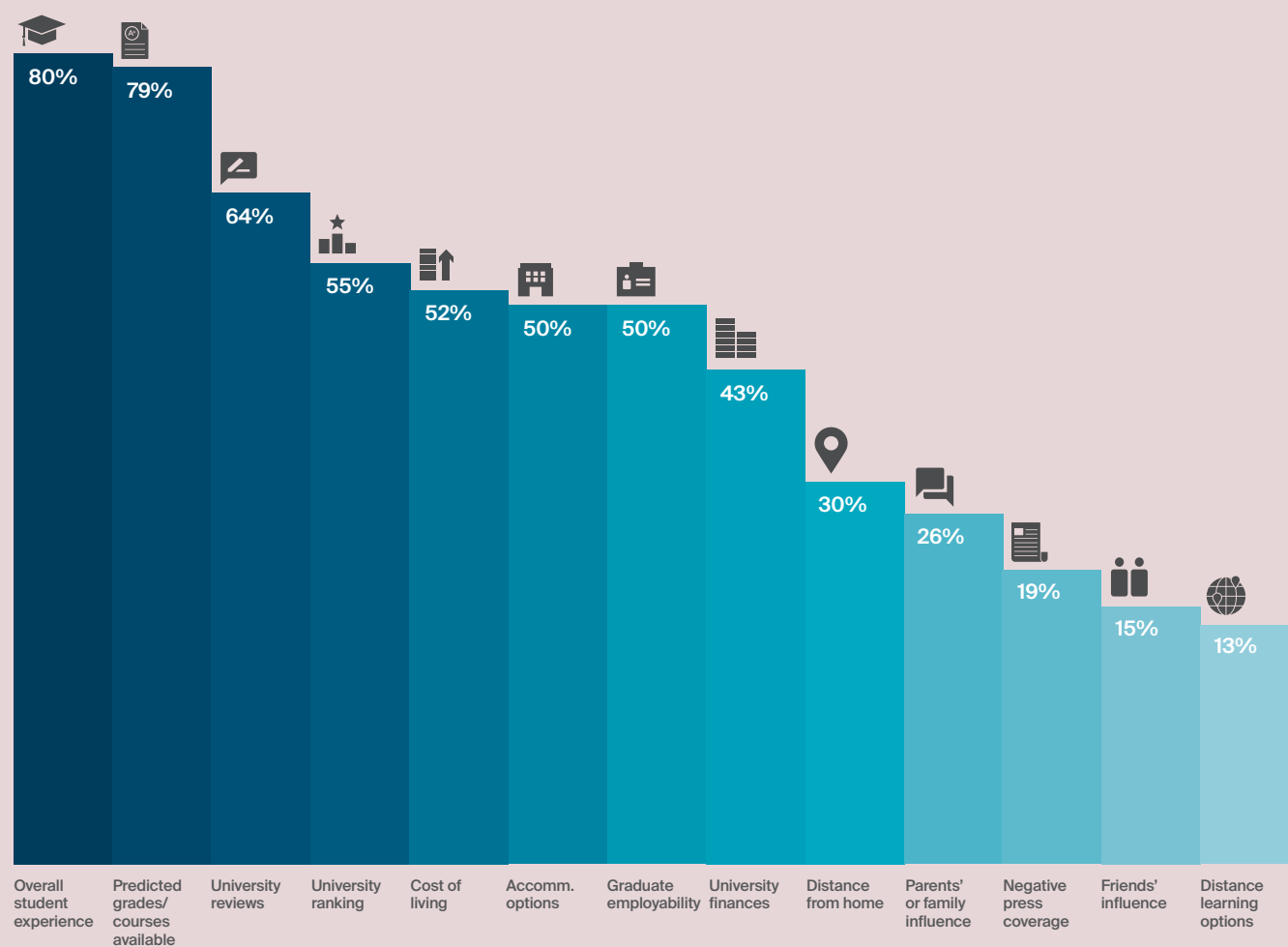
Source: Knight Frank Student Accommodation Survey 2025/26

Beyond bricks

Accommodation influences academic success, social life, and independence. Our insights examine what students want most and how their choices impact their university experience.

How important were the following factors in determining your decision on where to apply to study?

% of respondents selecting each factor as 'extremely' or 'very' important



Source: Knight Frank Student Accommodation Survey 2025/26

Accommodation consistently ranks among university students' largest concerns during their time in higher education, with 44% reporting feeling apprehensive about finding somewhere to live that is within their budget. Nearly a third (30%) of students worry about there being sufficient supply of suitable accommodation in their area, even before they have moved to university.

30%

OF APPLICANTS
WORRY ABOUT THE
SUPPLY OF SUITABLE
ACCOMMODATION IN
THEIR AREA

The importance of ensuring a wide range of accommodation options, spanning affordable, mid-market and prime options, is further reinforced when it comes to decisions about where to study. Indeed, while predicted grades, the quality of education and the overall student experience are critical, students also think about practicalities.

Half of those applying to university for the first time said that the availability

of accommodation had influenced their decision on where to apply (50%), while 52% said their decision was influenced by a perception that the cost of living in the area is affordable.

Interestingly – albeit perhaps unsurprisingly given the current media and sector focus – 43% of applicants highlighted the importance of the underlying finances of their preferred university, while nearly a fifth said that negative press on specific universities has had an impact on their decision.

HIGH PRIORITY

Students entering university in 2025 demonstrate clear preferences regarding their living arrangements and academic priorities. A majority (61%) prefer tenancy lengths of 38 to 44 weeks, indicating a desire for flexibility around summer breaks. Proximity to campus is also important, albeit not vital, with 65% willing to travel between 10 and 30 minutes.

Accommodation satisfaction is relatively high, with 68% of students reporting they secured their first-choice housing. Among

44%

OF APPLICANTS SAID THEY ARE APPREHENSIVE ABOUT FINDING ACCOMMODATION WITHIN BUDGET

80%

OF APPLICANTS PRIORITISE STRONG POST-UNIVERSITY CAREER PROSPECTS

those who did not, most received their second choice.

Academic success is the dominant priority for students to attend university: 87% of students rate getting good grades as a high priority, and 80% prioritise strong post-university career prospects. Social integration is also key, with 83% expecting to make friends through their accommodation and 76% wanting to meet flatmates before arrival.

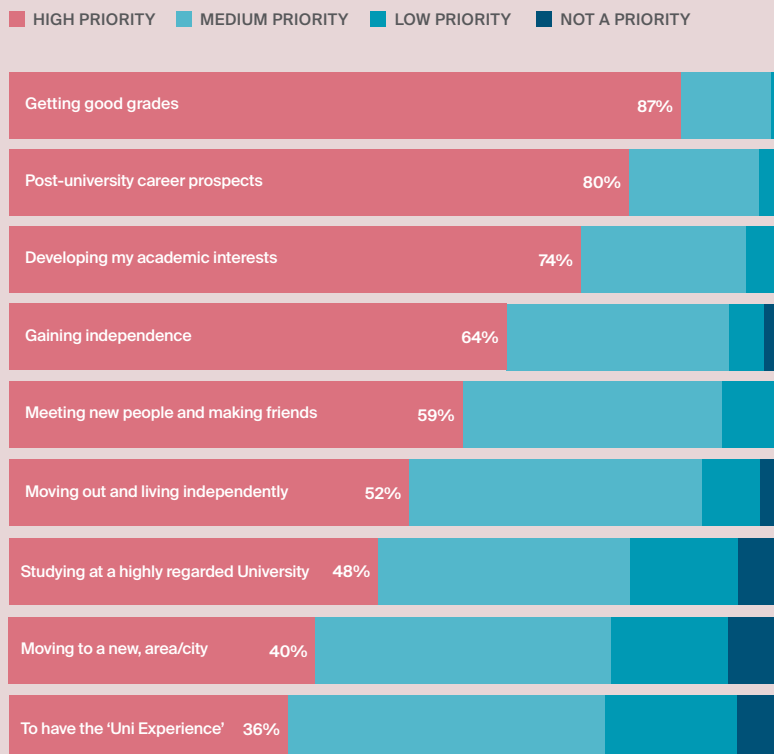
ACADEMIC OUTCOMES

It has long been debated that the quality and suitability of accommodation has a role to play in the academic outcome of students. Although we cannot measure the academic success of the students included in our survey, we did ask them what role accommodation plays in the expectations of their academic outcomes. Some 62% of students overall said they agree or strongly agree that the quality of their accommodation impacts their academic performance.

A similar proportion (61%) agree that being in the right type of accommodation is essential to get the grades they want.

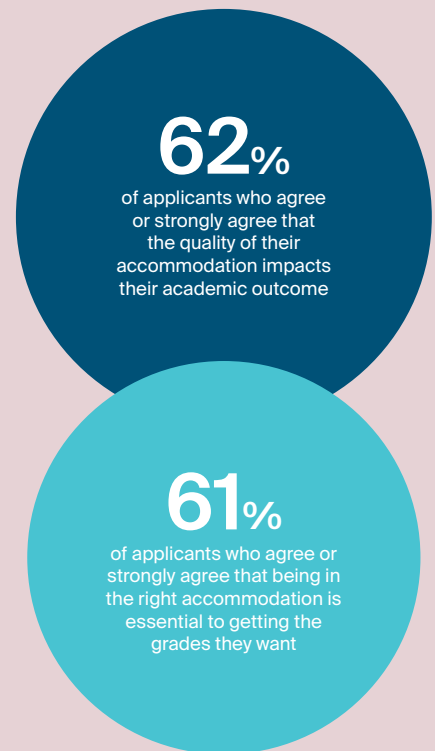
What are your priorities for attending university?

% of respondents



Source: Knight Frank Student Accommodation Survey 2025/26

What impact does accommodation have on academic outcomes?



Source: Knight Frank Student Accommodation Survey 2025/26

Safe, sound, and sustainable

Students want accommodation that supports their mental health, aligns with their values, and keeps them safe.

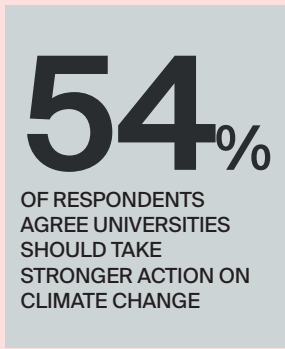
Environmental, Social, and Governance (ESG) factors, alongside wellbeing considerations, continue to shape student expectations and influence decisions about where to live during university. Students are not only concerned with the physical condition of their accommodation but also with its broader impact on their studies, mental health, and environmental footprint.

More than half of respondents (54%) agree that universities themselves should take stronger action on climate change, and 65% believe it is important that their accommodation meets environmental standards.

Support for student wellbeing is even more pronounced. Three-quarters of applicants (75%) agree that accommodation providers should actively support mental health, and 79% believe pastoral care should be a standard part of the offer, reflecting an expectation that housing providers should play a proactive role in supporting students.

AFFORDABILITY

Affordability is also central to wellbeing. Some 92% of students consider affordable living costs

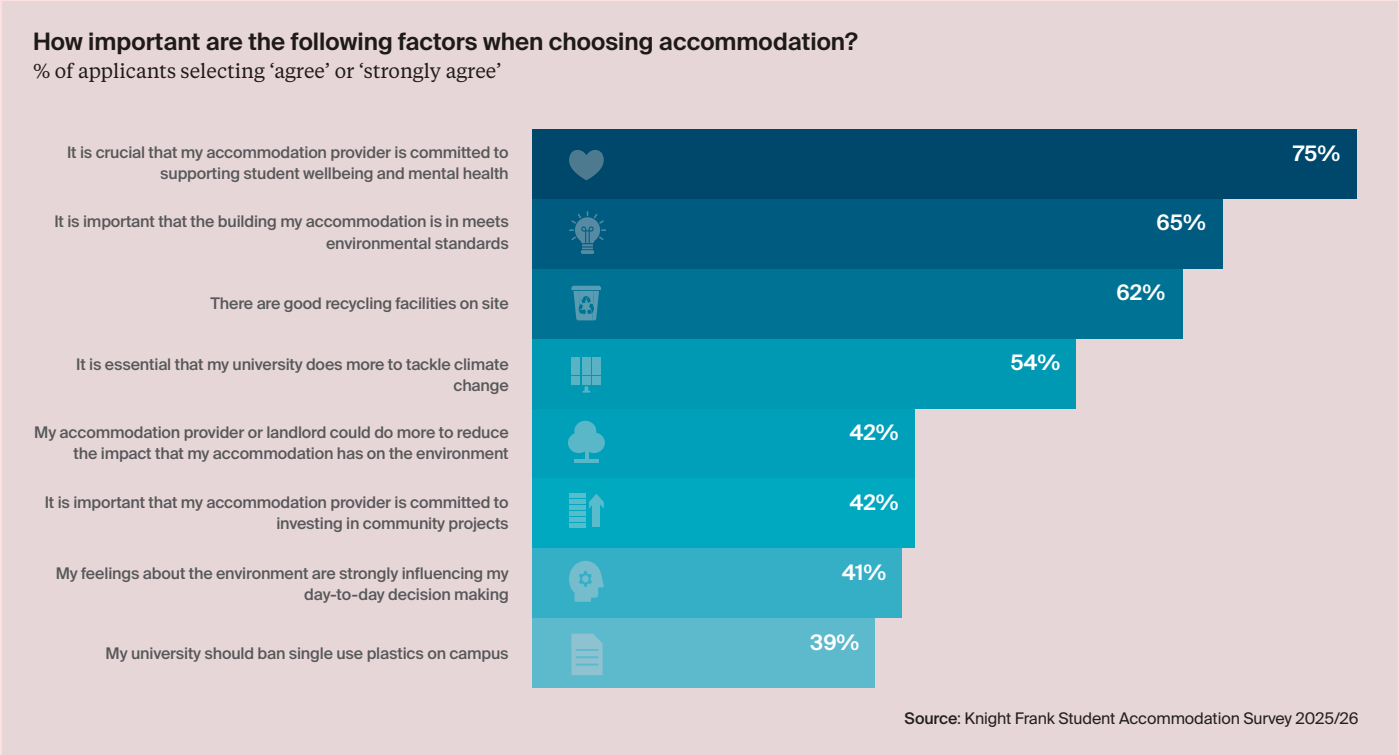


essential. As the market evolves, investors, developers and operators will need to focus on the affordability of their offering to students and understand how accommodation costs feed into students’ decision making. This is highlighted by the fact that nearly half of students indicated that the student funding and financial support available to them had a bearing on their decision to study.

More broadly, the results suggest that universities need to work more closely with the private sector to ensure that the housing options available – to both new and existing students – are sufficient. That’s especially relevant given funding constraints on the part of institutions mean partnerships to build new or refurbish existing stock are likely to become more widespread.

SAFETY FIRST

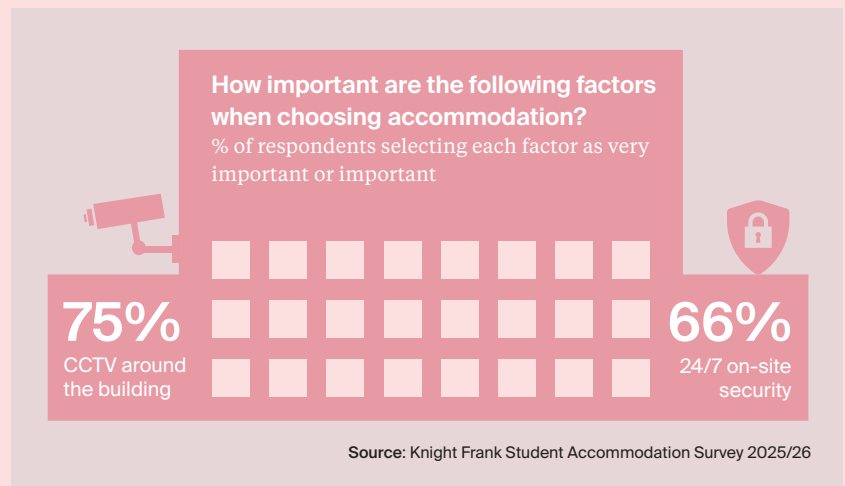
Safety and comfort are critical. A substantial 76% of students rate feeling safe in their accommodation as very important. This is reflected in preferences for visible security measures: 75% of applicants say that CCTV around the building was an important or very



important factor in their decision-making, and 66% said the same about 24/7 on-site security.

Students also value environments that support both academic focus and help build physical community. Around 69% support the provision of quiet blocks or corridors, and 62% value peer support groups within halls.

The survey data illustrates that students view accommodation as more than just a place to live. It is a foundation for academic success, personal wellbeing, and environmental responsibility. Providers who align their offerings with these values are likely to meet the evolving expectations of the student population.



How important do you think the following are in supporting a student's wellbeing whilst at university?

% of respondents selecting each factor as very important or important



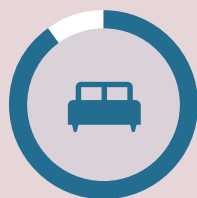
93%

Feeling safe in your accommodation



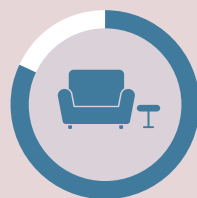
92%

Affordable living costs



90%

Good standard of accommodation



82%

Good quality communal or social space



74%

Organised groups or clubs



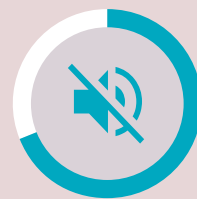
74%

Strict policies on anti-social behaviour



70%

Organised events



69%

Provision of quiet blocks/corridors



68%

Partnerships between university support services and accommodation providers



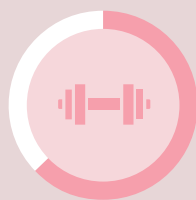
68%

Workshops on practical skills for students



64%

Signposting to support services



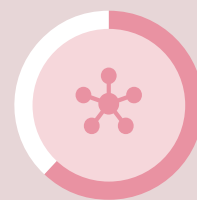
63%

Gym access



62%

Mental health workshops



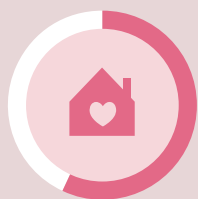
62%

Peer support groups within halls of residence



61%

Accommodation workers trained in understanding student wellbeing



57%

Support to develop health and wellbeing campaigns and social events



56%

'On site' student wellbeing rep or practitioner



44%

A mentoring programme delivered by older students



39%

Organised mindfulness workshops or courses



28%

One to one time with those running your accommodation

Source: Knight Frank Student Accommodation Survey 2025/26

Smart living

From booking apps to keyless entry, technology is redefining the student living experience. Digital tools are helping students manage costs, stay connected, and feel secure.

Technology is playing an increasingly central role in shaping the student accommodation experience, with applicants to university valuing digital tools that enhance convenience, support wellbeing, and help manage costs.

Among the most valued technology are apps that can help to streamline the booking process, with 86% of respondents finding them useful to some degree. Similarly, app-based payment systems are well received, with 88% rating them as useful or very useful.

Cost management is another area where technology is welcomed. Apps that help students track and manage expenses are considered useful by 76% of respondents, and 34% find apps that monitor energy usage very useful.

SOCIAL ENGAGEMENT

Technology also supports social and academic engagement. Apps that allow students to book events and private study spaces are seen as useful by 77% and 72% of respondents respectively.

Maintenance reporting is another area where tech can make a difference. An app for reporting problems is considered useful or very useful by 80% of students, indicating strong demand for responsive and transparent communication.

However, enthusiasm for entertainment and luxury tech is more muted. Only 34% of students find Smart TVs very useful, and 31% value smart apps for managing accommodation.

Security-related tech features such as keyless entry systems are viewed positively, with 76% of students rating them as useful or very useful. These preferences reinforce the importance of safety and convenience in student living environments and the role that technology can play here.

SCROLLING TO SOLD

The survey results also highlighted changes in how incoming students want to research and engage with accommodation providers. Some 63% of respondents said they would like to see social media accounts for the building they will be living in before moving in, a figure

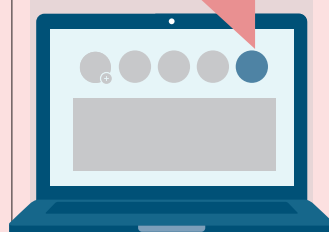
76%

OF RESPONDENTS FIND SECURITY-RELATED TECH FEATURES SUCH AS KEYLESS ENTRY SYSTEMS VERY USEFUL

I would like to see social media accounts for the building I will be living in before moving in

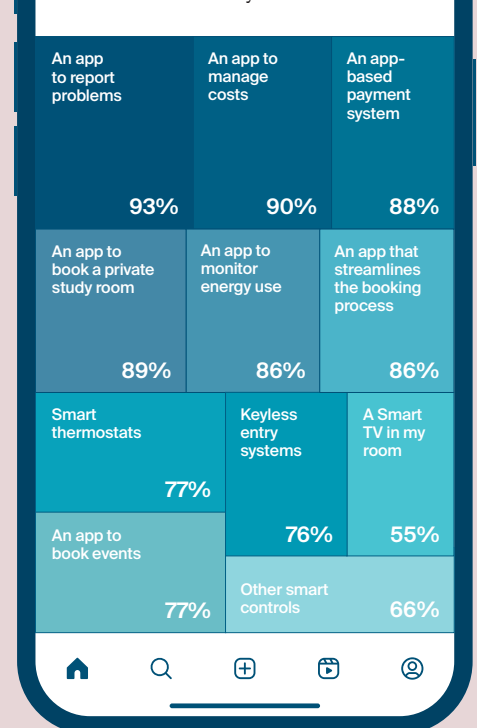
63%

agree or strongly agree



How useful would the following elements be in improving your experience of accommodation?

% of respondents saying 'useful', 'very useful' or 'moderately useful'



Source: Knight Frank Student Accommodation Survey 2025/26

that is likely to rise further as we move from Generation Z to Alpha over the coming cycle.

As such, harnessing the power of short-form content and having a digital strategy is key for PBSA providers, as this is proving to be more and more essential to the decision-making process of students looking to move into PBSA.

Overall, the results suggest that students are receptive to technology that improves their accommodation experience - particularly when it enhances efficiency, supports wellbeing, and helps manage costs. Providers who invest in practical, cost-effective, user-friendly tech are well positioned to benefit.

Money talks

Affordability remains the single biggest concern for students with financial pressures influencing housing decisions and payment preferences.

70%

OF APPLICANTS ANTICIPATE HAVING TO WORK PART-TIME TO COVER THEIR EXPENSES

As has been the case in previous surveys, cost remains one of the most significant concerns for students entering university. In total, 81% of applicants said they are worried about their overall cost of living, and 70% specifically express concern about the cost of accommodation.

A majority of students (70%) anticipate needing to work part-time to cover their expenses, indicating that tuition and living costs are not fully met by existing financial support systems.

When asked about preferred payment schedules for accommodation, 45% of students favour monthly payments, while 41% would prefer payments align with term-time. Only a small minority opted for paying all upfront (5%).

Students rely on a variety of income sources to fund their accommodation and living expenses, with the most relying on their student loan (73%). Additionally, more than half (52%) expect support from parents or guardians, and 51% plan to work during their studies.

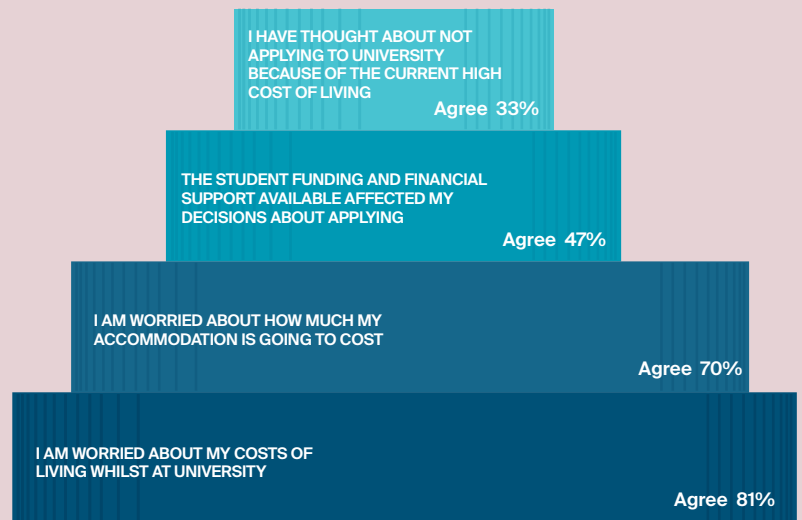
Notably, 32% of students reported changing their financial plans after researching accommodation costs. Among these, 66% now expect to rely more on paid work, and 49% anticipate increased support from parents.

32%

OF APPLICANTS HAVE CHANGED THEIR FINANCIAL PLANS SINCE RESEARCHING ACCOMMODATION COSTS

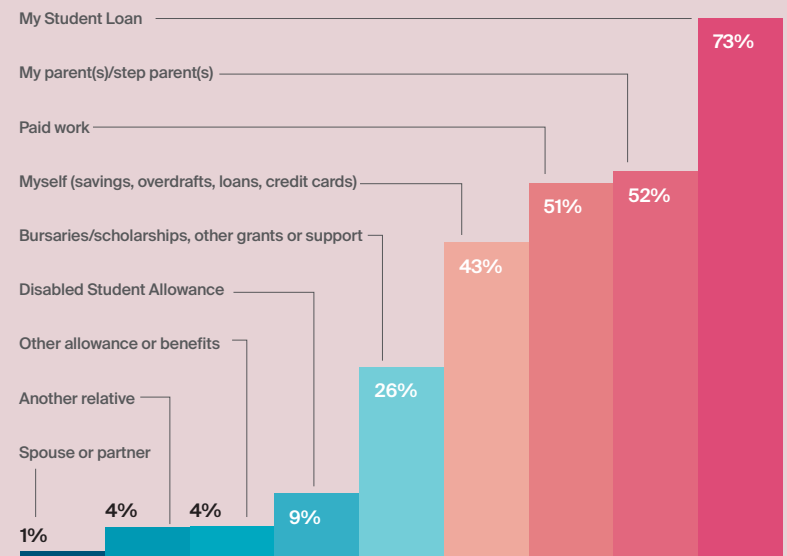
Thinking about your costs and the budget you will have when you start university, to what extent do you agree or disagree with the following statements

% of respondents who agree or strongly agree



How do you expect to pay for your accommodation and living expenses while at university?

% of respondents (can select multiple)



Source: Knight Frank Student Accommodation Survey 2025/26

Rental growth methodology statement

The Knight Frank Student Rental Growth Model has been developed by Knight Frank's Living Sectors Research and Analytics team in collaboration with the Student Property team. The model monitors rental price dynamics within the UK purpose-built student accommodation (PBSA) sector using room-level data collected weekly. The model covers 64 markets, calculating rental values and subsequent year-on-year growth rates disaggregated by city, room-type, and ownership structure (private versus university-operated halls). The model employs a weighted repeat-rent methodology, using strict like-for-like matching criteria to enhance statistical robustness and ensure the reliability of inferred rental growth trends.

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