

# IRISH STUDENT ACCOMMODATION MARKET

DEVELOPMENT OVERVIEW MID 2018



**CUSHMAN & WAKEFIELD**  
COMMERCIAL PARTNER OF SHERRY FITZGERALD

## OVERVIEW

**Purpose Built Student Accommodation (PBSA) has evolved considerably in recent years.**

**Driven by attractive yields, stable income and increasing opportunities to maximise summer rental income, the sector has transitioned from a sub sector within the “alternative” property asset class, to an asset class in its own right.**

Renewed interest has led to an upsurge in development activity and new entrants to the market from both an owner and operator perspective.

A key fundamental underpinning both development activity and investment in the sector are the positive demographic trends. Enrolment levels in third level institutions have increased consistently over the past decade. In the academic year, 2016/2017, nationwide enrolments increased to 180,757, a 0.7% increase on the previous academic year. This growth is expected to continue as Ireland’s population is forecast to grow to over 5.5 million by 2031. Furthermore, this population increase is compounded by the fact that a higher proportion of the population are now attaining third level qualifications than what was previously observed.

Limited development activity, in the midst of a growing student base, has led to a significant imbalance between supply and demand. At present, supply in the Dublin market rests at 11,344 bed spaces. This compares to a student population of 75,900 students, of which 43,231 (57%) originate from outside the capital.

This supply shortfall has prompted interest from both domestic and international private PBSA providers, which when coupled with plans from public Higher Education Institutions (HEIs), has created a very active development market. As of mid-2018, some 6,180 bed spaces were under construction in the Dublin market, with a further 4,437 with planning permission in place and lastly 3,385 in the planning pipeline. Additionally, development is also evident in Cork, Galway, Limerick, Kildare and Louth.

## 6,180 *bed spaces*

AT MID-2018, APPROXIMATELY 6,180 PBSA BED SPACES WERE UNDER CONSTRUCTION IN DUBLIN.



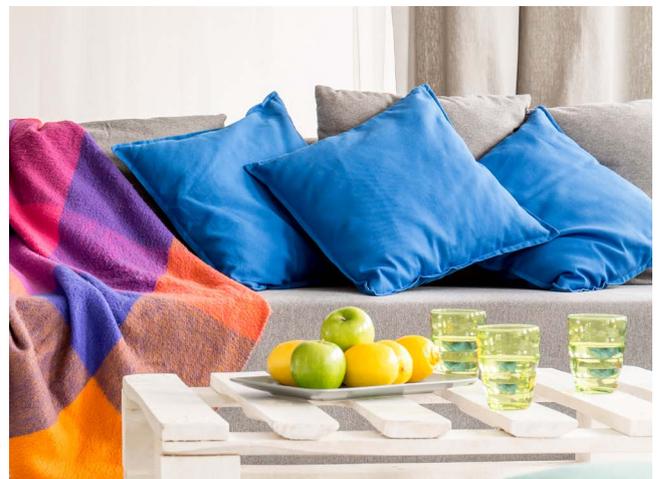
## 11,344 *bed spaces*

CURRENT STOCK OF PBSA IN DUBLIN IS ESTIMATED AT 11,344 BED SPACES.



In terms of investment transactions, the market is in its infancy with transactional evidence limited to date. However, sales of note over the past twelve months include the recent acquisition by GSA and Harrison Street Real Estate (HSRE) of four development sites in Dublin and Cork from Ziggurat.

Overall, significant opportunities remain for both development and investment in this sector. This is true for international investors and operators seeking to scale up on their existing stock, for new entrants, be it international or domestic, aiming to gain a foothold in the market.



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