

Frankfurt am Main, 21 April 2021

Catella Research: Europe-wide Demand for Student Housing Attracts Investors

The European market for student flats is changing rapidly. While in 2016 many real estate professionals were still convinced that student housing was a locally anchored niche segment, just two years later the number of transactions increased significantly, and activity increasingly shifted to institutional, often pan-European players. In 2021, the segment will be marked by a continuing housing boom, but also by numerous restrictions due to the COVID 19 pandemic. However, during the Europe-wide research for the current study "Student Housing Europe 2021", Catella Research could not find any serious reasons for pessimism.

Prof. Dr. Thomas Beyerle, Head of Research Catella Group, comments: "For the current year, we expect investors to remain very willing to invest. They often show little dogmatism, because 'where it says student on it, it doesn't always have to be student in it'. In other words: The demand from the local housing markets is clearly felt by the operators of the properties. The demand for temporary housing continues unabated."

Here are some statements from the analysis:

- The current leader in student numbers is Germany (2,891,000), followed by France (2,725,300) and the UK (2,532,400).
- The UK has the highest proportion of international students at 22%. (These have an increased need for student housing, but were also the most affected by travel restrictions in the COVID 19 year).
- The UK has the highest student housing provision (26%), followed by Denmark (22%) and Sweden (20%). Italy (4%) and Portugal (5%) have the lowest supply rates. Supply does not meet demand.
- The leader in commercial real estate transactions in the student housing segment in 2019-2020 was the UK (96,250 beds), traditionally the most liquid market in Europe in this segment, followed by a wide margin by France (9,000 beds), Germany (6,100) and Spain (5,700).

What is clear is that there will be life after the online lecture. The student housing asset class has seen steady growth over the past 10 years. The average price per unit (i.e. per room) has risen to 144,000 euros in 2020.

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The complete study can be downloaded here:
<https://www.catella.com/en/germany/research>

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