

Lisney
COMMERCIAL REAL ESTATE

Lisney
Sotheby's
INTERNATIONAL REALTY



OUTLOOK 2025

PURPOSE-BUILT STUDENT ACCOMMODATION

Student numbers across Ireland continue to grow, which is a very positive indicator for continued PBSA demand.

- In the 2023 / 2024 academic year, there were almost 266,000 students enrolled in Higher Education Institutions with 206,400 of these in full-time education. Since 2016 / 2017, **student numbers** have grown by 17.9%. However, more importantly in terms of the PBSA sector, the number of international students has jumped by 63.4% to 40,400 (with India, China and the US making up 42% of the overseas total) with 15.2% of the total student population now international. Changing policies in other destinations (such as the UK, Australia and Canada), along with greater Government focus on the higher education sector in Ireland (with a dedicated cabinet minister) have been two of the key reasons for growth in the sector. The availability of on or near-campus accommodation for these international students is essential in continuing to attract them and the economic benefits they bring.
- While the student population has grown substantially in a short space of time, it is likely to grow by up to 20% in the next five years, which would result in nearly 40,000 more students in education. Combined with the ongoing rental / housing crisis in Ireland, as well as the elevated number of domestic students commuting unsustainably long distances several times a week to university or college, **occupational demand** for the PBSA sector will remain exceptionally strong in 2025 and beyond. However, affordability will be an issue for many domestic students.
- There was a change to the operation structure of the sector in July last year when the Residential Tenancies (Amendment) (No.2) Act was signed into law. This bans operators from enforcing a **51 week** student lease and ensures that tenancy agreements are based on a 41 week academic calendar. The Programme for Government reiterates the coalition's commitment to aligning student accommodation leases with the academic year. Students who want more than 41 weeks can request this and remain in the accommodation over



the summer months, which will likely appeal to most international students. In the next academic year and beyond, larger operators with multiple schemes are likely to segregate blocks into either 51 week or 41 week lets. The more centralised blocks will fall into the 41 week category and operators will target the tourism market during the summer months.

- This legislative change, along with the rent caps put in place a few years ago, has implications for the further expansion of the sector. Many international parties are now considering focusing investment in other European cities, particularly those in France and Italy. That said, two notable **investment** deals were completed in the final months of 2024 – Greystar's €150m acquisition of Point Campus (966 beds) and Hines' purchase of Scape Dublin (298 beds) for a reported €80m.
- **New supply** continues to lag what is required. The Programme for Government pledges to prepare a multi-annual plan to urgently deliver new student accommodation, including though State financed PBSA schemes on public or private lands. It also seeks to enable Technological Universities to borrow funds to provide on-campus accommodation. While these are welcome promises, the government will need to deliver on them in the 2025 and beyond. In the final months of 2024, there were about 3,500 bed spaces under construction nationwide and a further 10,700 with planning grants – however, at least half of this pipeline is on hold or is



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