

Strategy guide on investment
through student accommodation

STUDENT HOUSING IN PORTUGAL

An attractive diversified asset





What is Student Housing?

Traditionally, Student Housing in Portugal was a shared room in an apartment or a university residence for students.

Nowadays, Millennials are currently increasingly demanding and Student Housing is becoming radically different.

The new residences offer rooms specially built for students, with private dining rooms, gym, super-fast internet and even swimming pools.

How many Students live in Portugal?

In Portugal, there are more than 362,000 students, 34% of whom live in Lisbon and 20% in Porto.

There are 37,000 foreign students, corresponding to about 10% of the total.

According to an Uniplaces study, international student's nationalities are diverse, but mainly come from the former Portuguese colonies and from Spain and Italy.





What attracts international students in Portugal?

Portugal is recognized for its pleasant year-round climate, excellent quality of life, security, proximity to beaches and outdoor spaces.

International students have the opportunity to take courses in English language with international recognition.

When total costs are accounted, Portugal is an attractive alternative to more traditional study options.

How have Portuguese universities contributed to the growth of Student Housing?

In 2018, 10 Portuguese universities were ranked in the top 100 of the Best Universities according to the QS World University Rankings by Subject.

The universities international recognition has been a catalyst to attracting an increasing number of foreign students.

During the 2017-18 academic year, NOVA Business School, one of the most recognized universities in Portugal, received 1800 applications from international master's students and expects a 20% growth in numbers during 2017-18.





How much does a student pay per month for a Student Residence?

The accommodation offered by universities typically starts at around €300 per month although in special situations cheaper rates are available.

In the case of private landlords with houses in multiple occupation rooms typically start at around €400 per month in Lisbon and around €300 per month in Porto.

There are a number of small student accommodation operators already active in this sector albeit with quite small portfolios. These include Nine Student Living which has 40 beds and charges circa. €595 per month for a studio room and €715 per month for a Deluxe Single Room.

How many international college students exists in Portugal?

Although Portugal suffered a terrible economic crisis, the number of international students enrolled in Portuguese universities continued to grow, with the total number of international students increasing almost 30% between 2013 and 2017.



A photograph of a black bicycle leaning against a large tree trunk in a grassy park. The scene is bathed in warm, golden light, suggesting late afternoon or early morning. The background is a soft-focus view of a park with trees and a path.

Which areas are the most in demand by students?

The traditional student market has been dominated by private owners, with large apartments close to major university campus. There is also some limited offer provided by universities.

Currently, with the new offering of international operators, professional student accommodation is an attractive alternative.

What type of accommodation do students prefer?

The type of residence varies according to the individual and budget.

The Purpose-Built Student Accommodation (PBSA) are buildings built specifically for this goal, with modern rooms, private dining rooms, gym, movie theaters, internet and even pools.

With the ease of booking online prior to arriving in Portugal and guarantees on quality PBSA is especially popular with international students.



A hand holding a pen pointing at architectural blueprints. The blueprints show various room layouts and labels such as 'WOMEN WASHROOM', 'MEN WASHROOM', 'HOUSE KEEPING', and 'PHOTOCOPY'. There are also some numbers and dimensions visible on the drawings.

What is the biggest challenge for those who invest in Student Residences?

One of the biggest challenges for those who plan to invest in this type of accommodation is the scarcity of suitable land/buildings and competition with more valuable end uses such as residential.

The competition with other types of rental is also a challenge, with the traditional, non-professionalized leasing, short term rental and student residence sites such as Uniplaces, which have registered strong growth.

What are the future prospects for Student Housing in Portugal?

This is a sector that is taking its first steps in Portugal with the first PBSA opening in January 2018.

There is currently an insufficient supply of good quality student housing combined with impressive growth forecasts of the number of international students.

At international level, the sector has gone from a niche market to a mainstream investment option in the last 20 years.

The asset class offers good prospects for income growth and is recognized as being counter-cyclical and therefore is an attractive diversified asset.





CONSULTANTS
WEALTH & INVESTMENT ADVISORY