UK student property investment market in a snapshot

KNIGHT KNOX

What is PBSA?

Purpose-Built Student Accommodation (PBSA) is residential property designed and built exclusively for university students.

Unlike traditional buy-to-let properties converted for student use, PBSA is purpose-built from day one to support student living.

The UK is the **second** most popular country for international students globally.

The Migration Observatory

Designed for Student Living

PBSA provides fully furnished accommodation with features such as study areas, social spaces, gyms, laundry facilities and secure access.

Prime University Locations

Developments are typically located close to university campuses and within easy reach of transport links and local amenities.

Professionally Managed

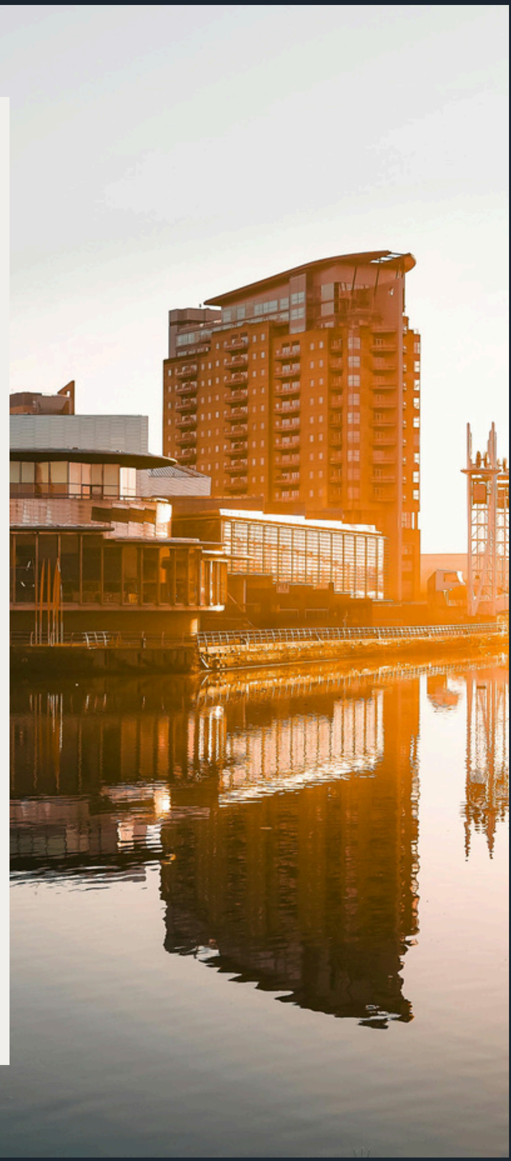
Specialist management companies oversee tenant sourcing, day-to-day operations, maintenance and building management, providing a hands-off investment experience.

£4.3 billion invested in 2025

Student property investment is a growing sector within the UK buy-to-let market, offering investors access to strong demand, particularly in established university locations.

With a shortage of purpose-built student accommodation (PBSA), the market provides long-term, hands-off investment opportunities supported by consistent demand.

The sector remains resilient, with **£4.3 billion** invested in PBSA in 2025 according to reports from Knight Frank, highlighting continued investor confidence.



Why student accommodation remains attractive

01 **3.0** student-to-bed ratio across the UK

02 **2.8 million** students enrolled in to university in 2024/2025

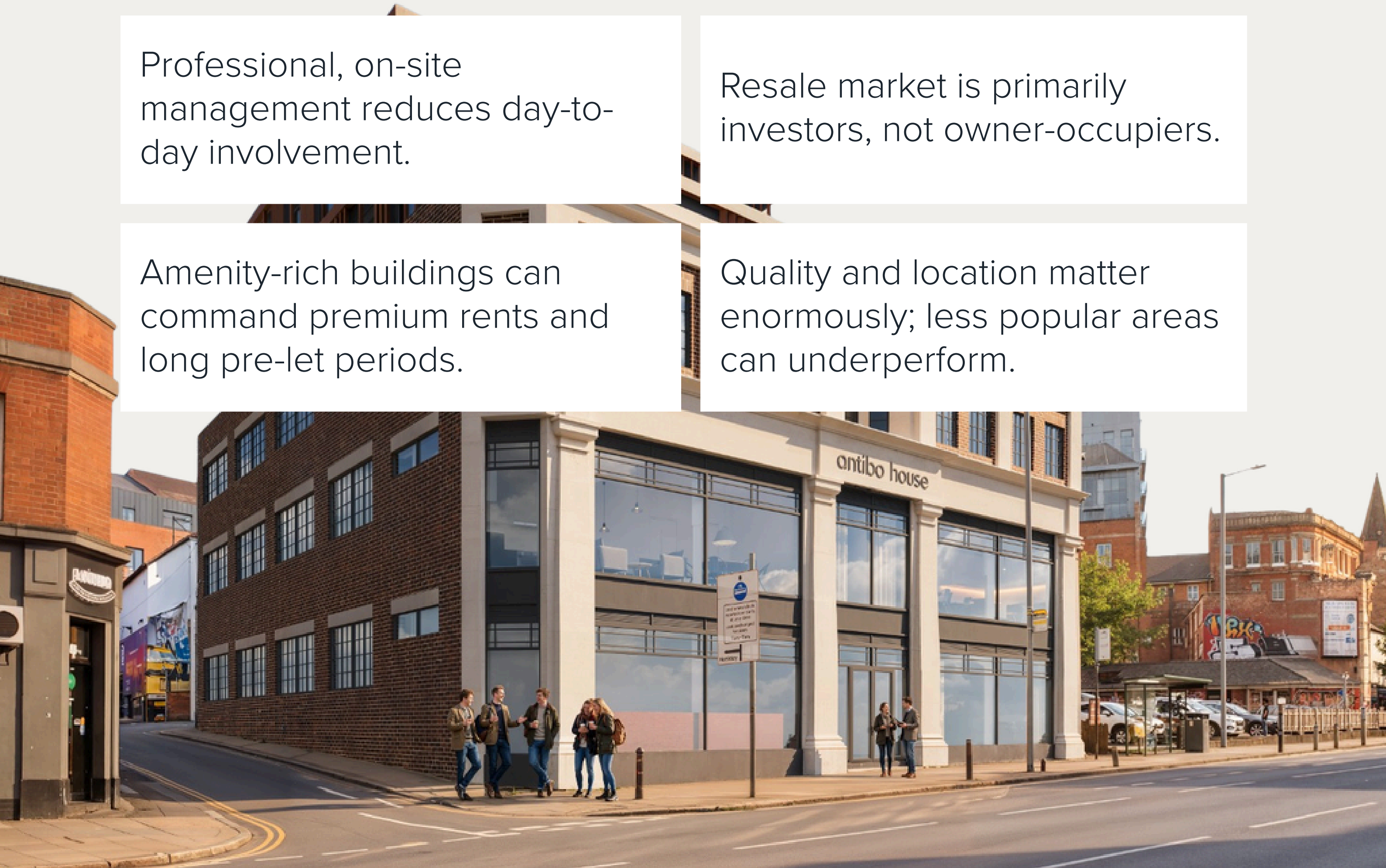
03 **700,000**+ international students study in the UK each year

04 Continued investor confidence and capital investment in the sector

Is this investment right for you?

Student property appeals to a broad range of investors, from first-time buyers to experienced landlords. It's particularly well suited to those looking to build long-term rental income through property ownership, without the day-to-day responsibilities of managing it themselves. With professional management in place, it offers a hands-off approach for investors with a medium to long-term outlook who are looking to own a tangible asset in one of the UK's most established student markets, rather than seeking short-term gains.

Advantages	Considerations
Higher typical yields and strong occupancy in proven university locations.	Hands-off management, with day-to-day operations professionally handled on-site
Professional, on-site management reduces day-to-day involvement.	Resale market is primarily investors, not owner-occupiers.
Amenity-rich buildings can command premium rents and long pre-let periods.	Quality and location matter enormously; less popular areas can underperform.



UK student hotspots

01

Liverpool

With an estimated student population of **60,000**, Liverpool benefits from three major universities—the University of Liverpool, Liverpool John Moores University, and Liverpool Hope University—driving strong student demand, limited PBSA supply, and attractive rental yields.

02

Manchester

With a collective student population of around **100,000**, according to the Complete University Guide, Manchester's three major universities underpin strong housing demand and long-term capital growth potential.

03

Nottingham

According to Nottingham City Council, student demand in Nottingham continues to grow, with enrolment rising by more than **25%** since 2016/17 and the local 18-year-old population forecast to increase by **28%** by 2030, supported by the University of Nottingham and Nottingham Trent University.

Student property outlook: 2026 – 2030

The outlook for UK student property investment remains highly positive, driven by rising student numbers, growing international demand, and a continued shortage of quality accommodation.

Growing demand, limited supply

UCAS forecasts significant growth in higher education applications by 2030, while PBSA supply continues to lag behind demand, supporting high occupancy and rental growth.

From a report from Savills, the current student-to-bed ratio of available accommodation remains at **3.0** students to one bed, meaning there is an estimated **200,000** bed undersupply to meet current demand.

Long-term investor confidence

The student accommodation sector continues to attract strong investment, driven by resilient demand, early booking cycles, and the appeal of well-located, professionally managed developments.

With strong fundamentals and a clear supply-demand imbalance driven by the UK's on average **2.8 million** higher education students, it remains one of the UK's most attractive long-term property investment sectors.

PBSA and the Renters' Rights Act

Qualifying PBSA remains exempt, allowing providers to continue offering academic-year contracts.

Student accommodation continues to be an attractive alternative to traditional buy-to-let investments.

Offering high yields, low vacancy risk, and strong long-term demand, it delivers reliable rental income with less exposure to rental market regulations.

£4.3b

Invested in UK student property in 2025

2.86m

Students enrolled in UK higher education

685,565

International students in the UK 2024/25

Let's connect. Get in touch with Knight Knox today.

If you're keen to discuss this investment opportunity in more detail, you can contact the Knight Knox team today.

Knight Knox, Quay West at MediaCityUK, Trafford Wharf Road, Manchester M17 1HH

www.knightknox.com

+44 (0)161 772 1370

info@knightknox.com

Connect with us on social media

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