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Beansprout

Living Sector

An Emerging Real Estate Asset Class





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Author

Gerald Wong, CFA
gerald@growbeansprout.com



Introduction to Living Sector

The Living sector refers to professionally managed real estate assets that focus on rental housing for residential use. Within this sector, several fast-growing segments stand out: Purpose-Built Student Accommodation (PBSA), Purpose-Built Worker Accommodation (PBWA) and Co-Living Residences.

The demand for accommodation within the living sector has been rising steadily across major cities, driven by housing affordability challenges and rising mobility. Institutional investors have also increased their allocation to the living sector in pursuit of higher yields relative to other real estate segments.

Singapore-based companies with PBSA exposure include Far East Orchard (SGX: O1O), City Developments (SGX: C09), Centurion (SGX: OU8), Centurion Accommodation REIT (SGX: 8C8U), and Wee Hur (SGX: E3B). Companies with co-living exposure include LHN (SGX: 41O), CapitaLand Ascott Trust (SGX: HMN) and City Developments (SGX: C09)

Industry Growth Trends

The living sector continues to expand globally, supported by strong demand fundamentals and institutional investor participation. Both the PBSA and co-living markets are expected to deliver sustained growth in the coming years.

The global PBSA market is estimated at US$39.9 billion in 2025 and is projected to grow at a compound annual growth rate (CAGR) of 7.4 percent from 2025 to 2033, reaching US$70.5 billion.

The global co-living market was valued at approximately US$7.8 billion in 2024 and is projected to more than double to US$16.0 billion by 2030, representing a compound annual growth rate (CAGR) of 12.7 percent between 2025 and 2030.

Compared to PBSA, co-living is positioned for faster growth, supported by demographic shifts and evolving lifestyle needs



Key Metrics for Evaluating the Living Sector

For investors assessing PBSA and co-living assets, several operating metrics are critical in determining the attractiveness and performance of the properties. These include occupancy rates, rental rates, rental growth, pre-bookings, and investment yields.

Occupancy rates provide a key measure of demand resilience. PBSA assets, in particular, have consistently demonstrated high occupancy due to structural undersupply. Rental growth is another important indicator of income potential.

The living sector provides attractive and stable investment yields across economic cycles. In the UK, PBSA investment yields expanded by around 65 basis points in 2023 despite macroeconomic uncertainty and geopolitical risks. This highlights the resilience of the sector as investors continue to allocate capital into student housing.

PBSA and co-living operators are typically valued using two key approaches: premium or discount to net tangible assets (NTA) and price-to-earnings (P/E) ratios.

Investment Risks

While the living sector offers attractive long-term growth prospects, investors should be mindful of several key risks. These include macroeconomic conditions, regulatory changes, higher borrowing costs, and rising construction and operational expenses.

Macro risks: The demand for PBSA and co-living is closely linked to international student inflows and the mobility of foreign professionals. Weak economic conditions may reduce enrolments or dampen relocation demand.

Interest rate risks: Higher borrowing costs erode investment yields and can reduce investor appetite for the sector.

Construction risks: Rising construction costs and labour shortages present challenges to the timely delivery and profitability of new projects.

Operational risks: Operating expenses have been trending higher, particularly in mature PBSA markets



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The global co-living market is projected to more than double to US$16.0 billion by 2030, representing a compound annual growth rate (CAGR) of 12.7 percent between 2025 and 2030.

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Introduction to Living Sector

Living Sector: An Emerging Asset Class

Living Sector: Professionally Managed Real Estate Assets

The Living sector refers to professionally managed real estate assets that focus on rental housing for residential use. Within this sector, two fast-growing segments stand out: Purpose-Built Student Accommodation (PBSA) and Co-Living Residences. Both segments are gaining investor attention for their ability to generate stable rental demand and higher yields compared to traditional residential leases.

Purpose-Built Student Accommodation (PBSA)

PBSA is residential property specifically developed to cater to university students. These facilities are purpose-designed with features such as study areas, gyms, 24-hour security, and communal spaces that encourage social interaction.

A key attraction is location, as most PBSA assets are situated within close proximity to universities. Students typically pay an all-inclusive rent that covers utilities such as electricity, water, and internet, creating predictable cashflows for landlords.

For investors, the appeal of PBSA lies in its resilient demand profile. As long as universities continue to attract a steady student base, especially from international students, occupancy levels remain robust. This translates into stable returns, with income visibility less sensitive to economic cycles compared to other real estate segments.

Co-Living Residences

Co-living residences are shared housing concepts where tenants lease individual bedrooms while sharing common areas such as kitchens and living rooms. These spaces cater to a wide tenant base, including young professionals, digital nomads, and students.

Co-living residences are typically located near city centres, business districts, or educational institutions. Rents are usually inclusive of property management, maintenance, and utilities, offering tenants convenience and flexibility.

For investors, co-living presents an attractive value proposition. Compared to conventional monthly rental units, co-living properties are able to achieve higher rental yields due to the leasing of rooms on a per-bed basis and the premium

Figure 1: Comparison of PBSA and Co-Living Sectors

Aspect	PBSA	Co-living
Target Tenant	Students only	Wider mix including students, young professionals, and digital nomads
Location	Primarily near universities	Typically, near city centres, business districts, or education institutions
Facilities	Student-focused shared amenities such as study areas, gyms, recreational facilities, and lounges	Shared amenities such as kitchens, living rooms, and other communal spaces
Rent Coverage	Utilities (electricity, water, internet) and 24-hour security included	Rent typically covers property management, maintenance, utilities, housekeeping, and internet
Demand Stability	Stable demand driven by university enrolment	Growing demand, but more cyclical and dependent on tenant turnover
Investor Returns	Stable and resilient returns	Potential for higher rental yields compared to conventional rental units

Source: Beansprout Research

tenants are willing to pay for flexible arrangements. Importantly, the demand for co-living has been growing steadily, driven by urbanisation, affordability concerns, and shifting lifestyle preferences.

Purpose-built worker accommodation (PBWA)

Purpose-built worker accommodation (PBWA) is also based on built-to-rent concept and caters to the housing needs of migrant workers. These foreign workers are mainly employed in the Construction, Marine Shipyard and Process (CMP) sector. In Singapore, PBWA assets are the only permanent custom-built, quality worker accommodations. The facilities are easily accessible by various transportation modes. These accommodation assets are typically located near industrial hubs and major expressways to make them accessible to workplaces.

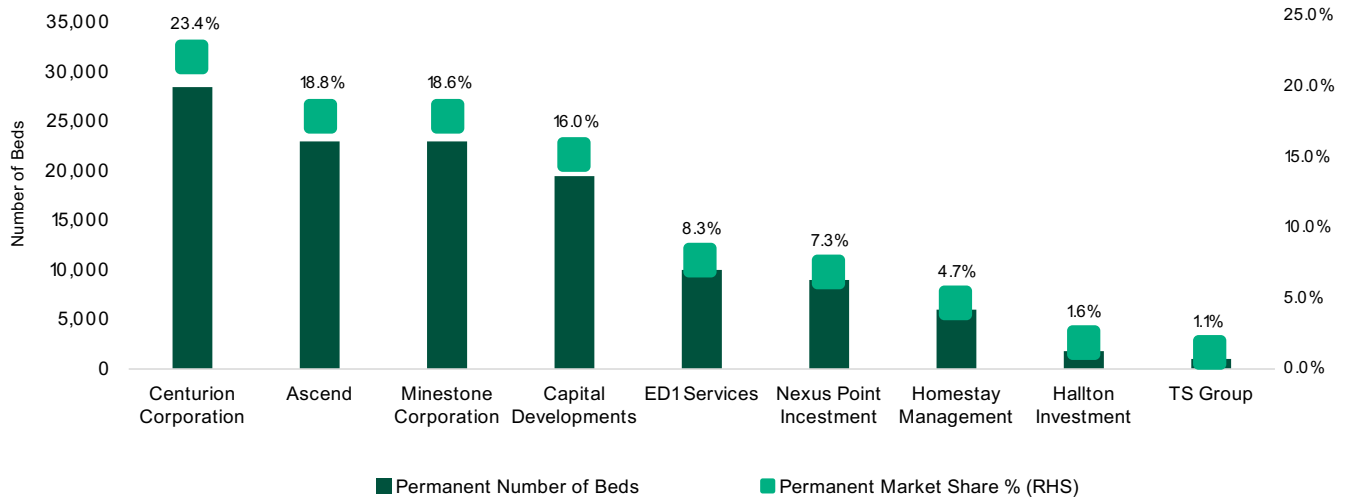
Resembling a co-living setup, the PBWA assets typically feature attractive amenities and organised activities that promote social interaction among residents, offering a strong sense of community living.

As stated in the prospectus of Centurion Accommodation REIT dated 18 September 2025, the total bed capacity at permanent worker accommodations was approximately 125,050 in Singapore as of end-April 2025. As of 30 April 2025, the four largest operators, each have more than 20,000 beds – Centurion Corporation, Ascend, Minestone Corporation and Capital Developments account for 77% of the market share, by number of beds.

The biggest operator is Centurion Corporation (SGX: OU8), has around 23.4% market share as of 30 April 2025 or 29,260 beds. In September 2025, Centurion Corporation spin-off a large part of the PBWA portfolio into newly-listed Centurion Accommodation REIT (SGX: 8C8U). Centurion Accommodation REIT manages 21,282 beds or 17% in market share.

The other major operators are privately-owned entities. The second largest operator, Ascend, recently acquired by Bain Capital, operates 23,510 beds in the PBWA market.

Figure 2: Existing Competitive Landscape in PBWA in Singapore (end April 2025)



Source: Centurion Accomodation REIT's prospectus dated 18 September 2025

Key Segments of the Living Sector

The living sector can be broadly divided into three segments, each addressing different demographic needs and offering distinct investment characteristics.

Built-to-Rent (BTR)

The built-to-rent model includes multi-family, single-family, co-living, and luxury living formats.

- *Multi-family housing* is well established in markets such as Japan and Australia, supported by aging demographics and declining home affordability.
- *Co-living* provides private space alongside shared amenities in a serviced apartment setting. Rentals are typically on short leases and at lower costs, appealing to young professionals and mobile tenants.
- *Luxury living* refers to high-end serviced residences that cater to affluent tenants, offering premium facilities and services.

Student Accommodation

Purpose-Built Student Accommodation (PBSA) remains a high-demand segment, underpinned by rising global student enrolments and limited university-provided housing. The UK market, in particular, continues to face a structural undersupply, creating opportunities for private sector participation and rental growth.

Aged Care

Housing for seniors is well developed in Australia and New Zealand, often combining communal living with access to basic medical services. With rapidly aging populations in developed markets, demand for affordable aged care facilities is expected to grow structurally over the long term.

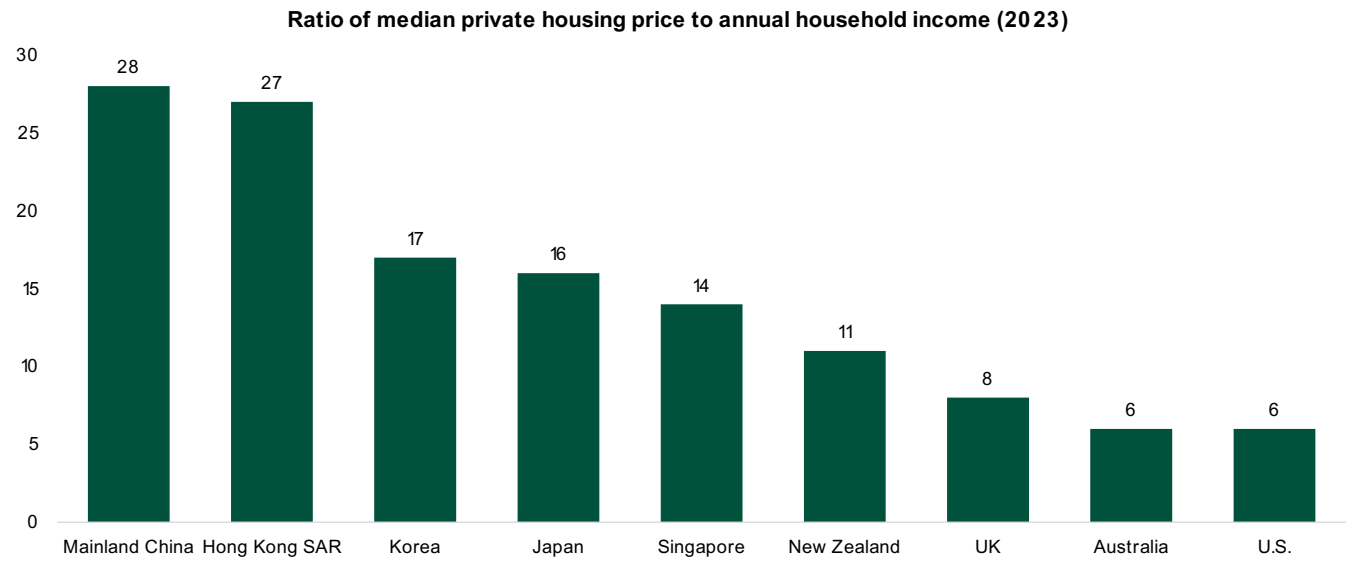
Shift Towards the Living Sector

The demand for accommodation within the living sector has been rising steadily across major cities. This trend has been supported by several structural factors.

#1 - Housing affordability challenges

Rapid urbanisation and growing demand have driven residential property prices sharply higher, making home ownership increasingly out of reach for younger generations. Gen Z and young professionals are therefore turning to rental housing solutions that offer greater affordability and flexibility compared to outright home purchases.

Figure 3: Housing affordability issues has led to rising demand for accommodation in the living sector



Source: Oxford Economics, CEIC, ULI, Harvard University Joint Center for Housing Study, Office of National Statistics 2023:

According to Eurostat, house prices in Europe rose by 48% between 2015 and 2023. The increase was more pronounced in certain countries, with the Netherlands, Germany, Spain, and France recording gains of 83%, 49%, 48%, and 31%, respectively.

In Asia, affordability pressures are even more acute. The ratio of median private housing price to annual household income exceeds 10 times in many markets. This housing affordability ratio is significantly higher in cities such as China, Hong Kong, Korea, Japan, and Singapore compared to the UK and US.

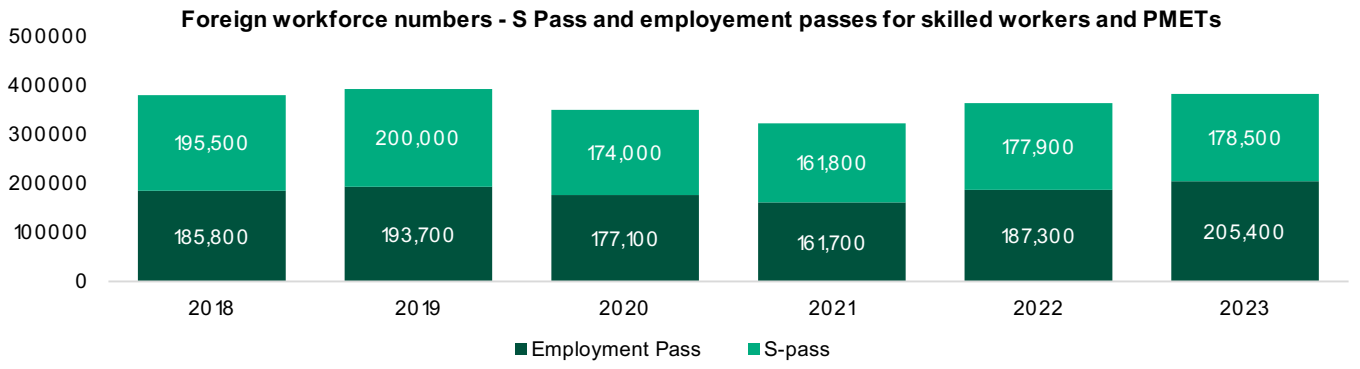
The mismatch between rising home prices and slower income growth has underpinned structural demand for rental-based living solutions, including purpose-built student accommodation (PBSA) and co-living residences.

#2 – Rising mobility

Since the reopening after Covid-19, cross-border travel for work, leisure, and study has rebounded strongly. This has pushed up the demand for flexible lodging options in major cities.

For the mobile workforce engaged in remote work and freelance assignments, long-term accommodation that is both affordable and adaptable has become essential. Co-living spaces cater well to this trend by offering cost-effective extended stays, communal amenities, shared workspaces, and built-in social communities. This aligns with the preferences of younger tenants seeking both convenience and connection.

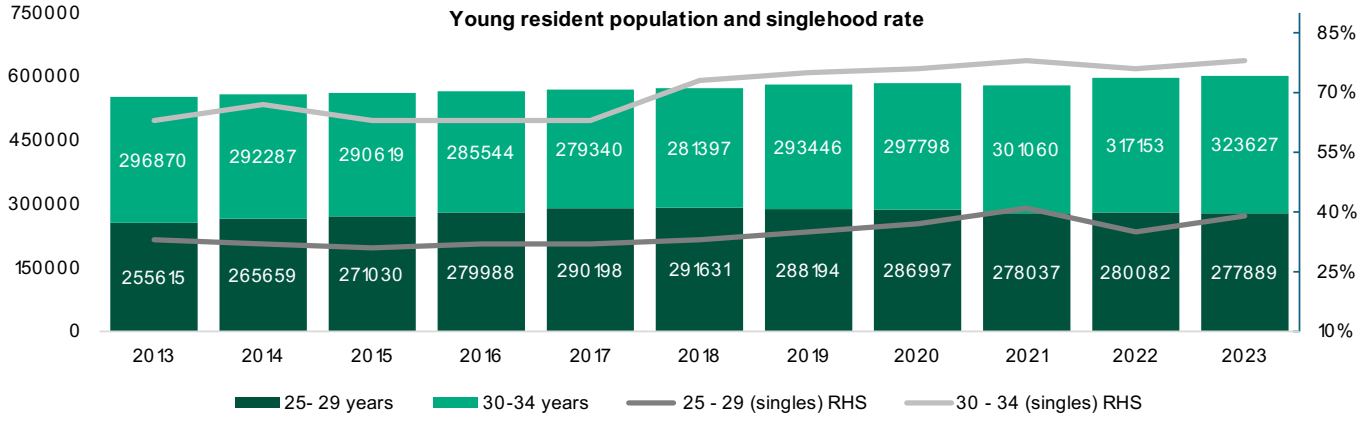
Figure 4: Singapore's foreign workforce has been increasing



*Source: Ministry of Manpower, December 2023**

**Employement Passes are issued of foreign proessionals, managers and executives who earn at least SGD 5,000 a month and pass the Complementarity Assessment Frameword (COMPASS), S Passes are issued to skilled workers who earn at least SGD 3,150 a month*

Figure 5: Singapore's young resident population has been increasing



Source: Singstat, September 2023

Note: Residents refer to Singapore Citizens and Permanent Residents

In Singapore, following two years of decline due to pandemic-related lockdowns and travel restrictions, the expatriate population recovered to 383,900 in 2023. As rents of private and public apartments grew by c.50% from 2021- 2023, more working professions are turning to co-living apartments which provide flexibility and community elements. Similarly, foreign student population recovered to 79,300 in 2023, from 59,100 in 2021. Rising singlehood is also fuelling demand for short-term rentals.

#3 - Attractive asset yields

Institutional investors have also increased their allocation to the living sector in pursuit of higher yields relative to other real estate segments.

In 2024, transaction volumes in the living sector grew by 11 percent in the United States, 14 percent in EMEA, and 5 percent in Asia Pacific. Since 2020, investments into the living sector have consistently outpaced those in more traditional real estate classes such as office and retail, reflecting strong conviction in the sector's resilience and growth potential.

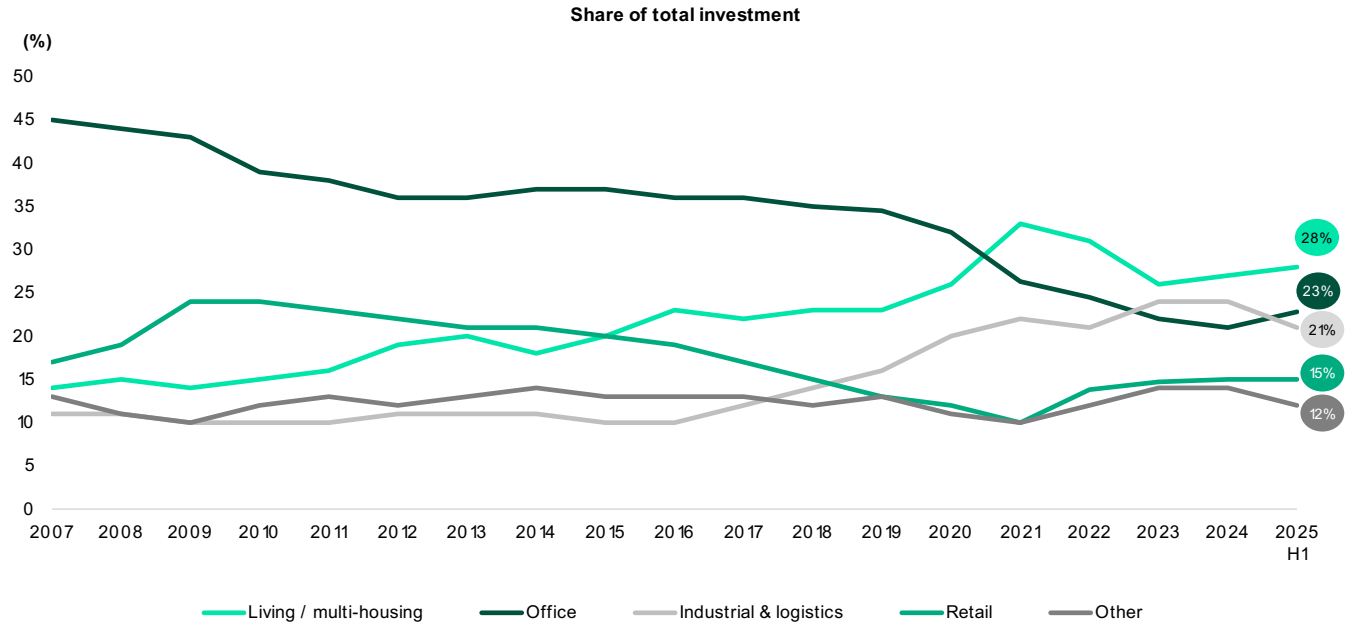
Advantages of the Living Sector

Property developers and asset managers have been allocating more capital into the living sector in recent years. The appeal of this segment stems from several key advantages.

Growing demand

Structural drivers such as persistent urbanisation and elevated housing costs are expected to sustain long-term rental demand. With home ownership remaining unaffordable in many global cities, Gen Z and young professionals have shown a preference for co-living arrangements that balance privacy with community spaces, in line with shifting lifestyle preferences. According to Knight Frank's analysis on co-living schemes in the UK in 2024, 72% of tenants are aged between 26 and 40, of which the largest group aged between 31 and 35 (35%).

Figure 6: Real Investment by Sector (%), 2007 – H1 2025



Source: JLL Research, August 2025. Note: Other includes healthcare, hotels & hospitality, special purpose facilities, infrastructure & energy anc mixed used sectors. Includes transactions $5.0+ million, excluding land/deveopment and entity-level deals

In Asia, China's rental housing demand is forecasted to grow to 97 million units by 2030, driven by urbanisation, migrant population growth, smaller household sizes.

For the PBSA segment, a structural undersupply of beds and the increasing international student population continue to underpin rental growth and high occupancy rates. In Europe, the number of international students remains on a healthy growth path. From 2023 to 2028, the number of international students in London is projected to rise at a compound annual growth rate (CAGR) of 7 percent, compared to 10 percent CAGR between 2017 and 2022.

The supply of bed capacity at Singapore's PBWA segments remains tight as well. Total bed capacity is forecasted to grow at 3.8% CAGR, from 124,700 in 2024 to 150,300 by 2029. Depending on the extent of beds withdrawal and leases non-renewal, the increase in bed capacity may not be able to meet the expected growth in Singapore's Construction, Marine Shipyard and Process work permit workers. The number of Construction, Marine Shipyard and Process work permit holders is forecasted to grow at 2.4% CAGR, from 456,800 in 2024 to 515,500 by 2029.

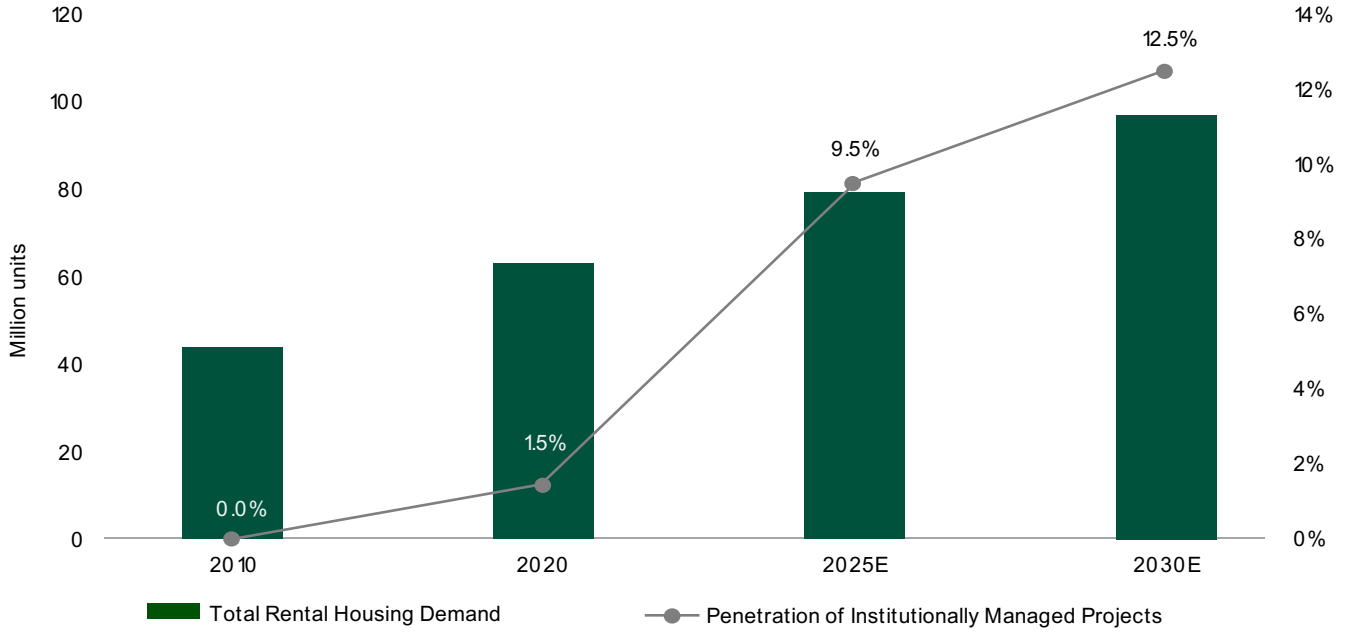
Diversification

The living sector offers diversification benefits due to its relatively low correlation with other real estate classes such as office, retail, and industrial, which are more cyclical in nature. Exposure across regions further enhances this effect, as returns tend to show low correlation across markets. For investors, this means that adding living sector assets into a portfolio could enhance overall risk-adjusted returns.

Resilient returns

The living sector is defensive, with rental income that is less sensitive to broader economic cycles. Occupancy rates have remained consistently high, supporting steady rental growth. Importantly, most leases are short-term in nature and can be repriced regularly, providing a natural hedge against inflation.

Figure 7: Rental housing demand forecast, mainland China



Note: These forecasts are calucated by CBRE using the lates available data from 2022
Note: The penetration of institutionally managed projects refers to the ratio of number of institutionally managed rental units to estimated total number of rental housing units needed
Source: National Statistics Bureau, CBRE Research, August 2024

In the UK, PBSA rental growth reached 9.4 percent in 2024 and is expected to moderate to 4 to 5 percent in 2025. Over the 2019 to 2024 period, PBSA rents in the UK rose by 6 to 8 percent annually, which is two to three times higher than consumer price inflation of 2 to 3 percent. With the supply-demand imbalance expected to persist, PBSA remains an attractive and relatively high-growth sector within the broader living space.

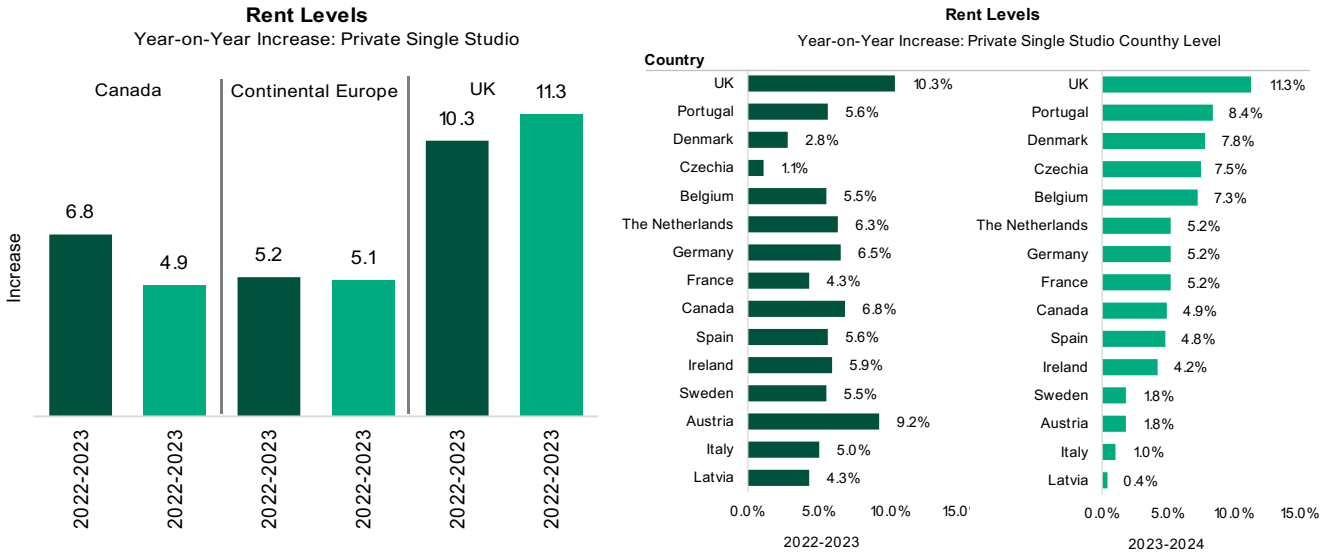
Major Operators in the Living Sector

The competitive landscape of the living sector has been relatively stable, with a handful of large players maintaining dominant market share. Scale and operational expertise are key differentiators, particularly in the PBSA segment where global operators continue to consolidate portfolios.

Global Leaders in PBSA

- **American Campus Communities (ACC):** The largest PBSA owner, manager, and developer in the United States. Prior to being acquired by Blackstone in June 2022, ACC owned 166 student housing properties with approximately 111,900 beds.
- **Unite Group plc:** The leading PBSA operator in the UK and Europe. As of end-2024, Unite owned 66,132 beds across 153 properties in 23 cities in the UK. Listed on the London Stock Exchange with a market capitalisation of US$4.7 billion, Unite generated US$405.7 million in revenue in 2024.
- **Global Student Accommodation (GSA):** Owns more than 40,000 beds across 110 properties globally. Its portfolio includes 19,000 beds in the US, 20,800 beds in Europe, and 2,900 beds in Asia.
- **Greystar Real Estate Partners:** A global leader in rental housing, Greystar manages more than 97,000 student beds across multiple regions, supported by a strong international footprint.
- **Campus Living Villages (CLV):** Specialises in Australia and has been expanding internationally. In 2024, CLV managed over 24,000 beds across 29 universities in Australia, the UK, and the US.

Figure 8: Rent levels have increased in Canada, Continental Europe and the UK



Source: BONARD, 2024

Singapore-Based Listed Players with PBSA Exposure

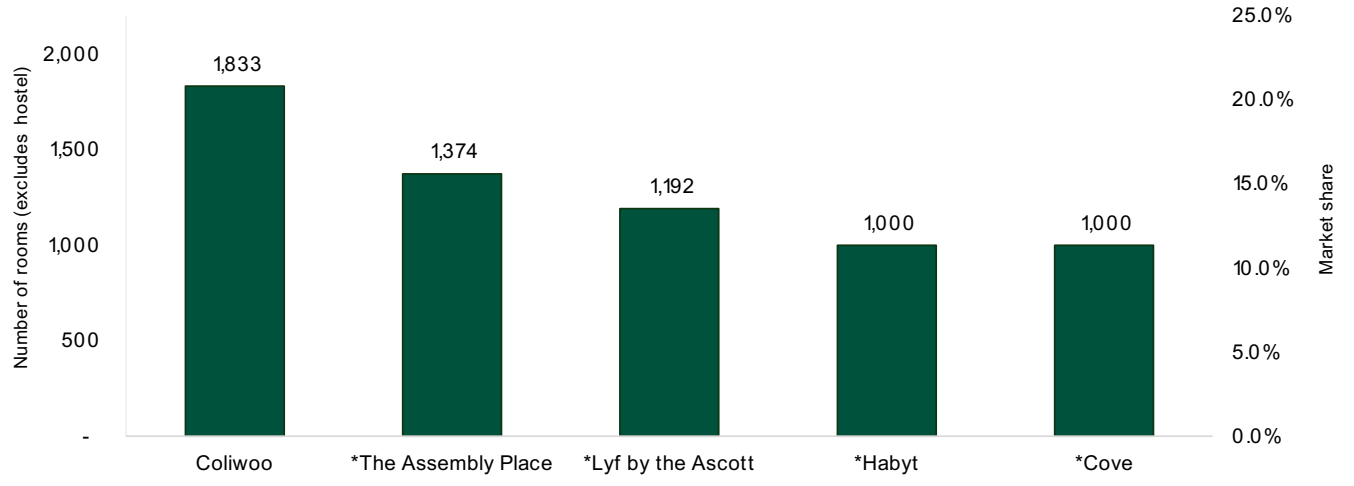
- **Far East Orchard (SGX: O10):** Entered the UK PBSA market in 2015. By end-2027, it is expected to own a portfolio of more than 4,700 beds across 16 properties. In 2024, it acquired a 49% stake in Homes for Students, a UK PBSA operator managing over 50,000 beds.
- **City Developments Limited (SGX: C09):** Expanded into the UK PBSA market in 2022, acquiring six PBSA assets in the UK. As of 2024, City Developments Limited's portfolio consists 2,368 beds across the six assets located in Coventry, Birmingham, Canterbury, Leeds and Southampton.
- **Centurion Corporation (SGX: OU8):** Expanded into PBSA with the acquisition of RMIT Village in Melbourne in 2014 and four UK assets in 2016. Centurion's PBSA portfolio currently comprises 2,786 beds in the UK, 897 beds in Australia, and 663 beds in the US.
- **Wee Hur Holdings (SGX: E3B):** Entered the Australia PBSA market in 2016 and grew its portfolio to 5,662 beds across five cities. In April 2025, Wee Hur completed a partial divestment of its PBSA portfolio to Greystar for A$1.6 billion, retaining a 13% stake in the portfolio.
- **Centurion Accommodation REIT (SGX: 8C8U):** Listed on the Singapore Stock Exchange on 25 September 2025, Centurion Accommodation REIT is the first pure-play purpose-built living accommodation REIT. The initial portfolio injected by Centurion Corporation, the Sponsor, consists 26,879 beds with an appraised value of S$1.84 billion. The 14 properties are diversified – five PBWA assets in Singapore, eight PBSA assets in UK and one PBSA asset in Australia.

Singapore-Based Listed Players with Co-Living exposure

As of end-June 2025, the five largest operators – LHN's Coliwoo, Cove, Habyt, CapitaLand's lyf, and The Assembly Place – accounted for approximately 70 percent of total co-living inventory in Singapore. Separately, Singapore-based City Developments Limited (SGX: C09) has expanded into the living sector in 2019 with investments in the UK, Japan, Australia and the US. The estimated room inventory of the operators as of 30 June 2025 are shown below:

- **Coliwoo**, operated by LHN (SGX: 41O), is the largest player with 2,933 rooms at an occupancy rate of 97.2 percent. There are nine Coliwoo co-living locations around Singapore. The company plans to scale up

Figure 9: Market share of top 5 operators in Singapore's co-living market, as of 30 June 2025



Source : Coliwoo's Prospectus, Beansprout Research

**Estimates as of 30 June 2025*

to 10,000 rooms by 2030 and is preparing for a spinoff listing on the Singapore Exchange mainboard in 4Q 2025.

- **The Assembly Place (TAP)**, founded in 2019 manages about 1,087 rooms in their 3 flagship shophouse locations – Jalan Besar, Owen Road, and Mill@32 Geylang. The properties are conveniently located across Singapore's prime districts, including Orchard, River Valley, Bugis, Tanjong Pagar and East Coast.
- **Lyf by The Ascott**, owned by CapitaLand Ascott Trust (SGX: HMN), manages about 1,192 rooms across four properties in Singapore. Lyf Funan remains the largest single co-living space in Singapore with 329 rooms.
- **Habyt (previously Hmlet)**, started in 2016, privately held by the Berlin-based startup after a merger in 2022. Habyt manages about 1,000 units in Singapore, including about 450 units in Hamiliton Road, Sarkies Road, and Balestier.
- **Cove**, founded in 2018, privately owned, with about 400 homes, is known for low entry rental rates in a wide range of locations. Cove specialised in providing fully furnished, ready-to-move-in apartments from a good variety of HDB to landed properties.

Figure 10: Comparison of the key operators' characteristics

Co-living Operator	Owners	Strategy	No of rooms as of 30 June 2025	Market share
Coliwoo	SGX-listed LHN Group (SGX: 41O)	Using blended model of 70% master-lease and 30% ownership models. Focuses on co-living buildings mostly outside the city core Emphasizes affordability and community-building	1,833	19.5%
*The Assembly Place	Privately owned. Key investors include Eric Low (Oxley Holdings), Apricot (David Teo's Family Office) and Kemmy Tan (CEO of M+S).	Use a hybrid model of 60% management contracts and 40% straight leases. Apartments in three locations in central Singapore.	1,374	14.6%
*Lyf by the Ascott	SGX-listed CapitaLand Ascott Trust (SGX: HMN)	Teams or groups focus, renting out entire units to one to six people.	1,192	12.7%
*Habyt	Privately owned. Founded by Berlin-based, Luca Bovone.	Large portfolio with a wide range of shared apartments to entire units.	1,000	10.6%
*Cove	Privately owned. Key investors include Keppel, Eurazeo, Picus Capital, Venturra and Xander.	Wide variety of unit types and locations in the city core, city fringe and eastern suburbs in Singapore.	1,000	10.6%
		Top 5 operators in Singapore co-living market	6,399	68%

Source: Coliwoo's prospectus dated 28 October 2025, Beansprout Research

**Estimates as of 30 June 2025*

Industry Growth Trends

Global PBSA and co-living markets are expected to grow at 7.4% and 13.5% from 2025 to 2030, respectively

The living sector continues to expand globally, supported by strong demand fundamentals and institutional investor participation. Both the PBSA and co-living markets are expected to deliver sustained growth in the coming years.

Purpose-Built Student Accommodation (PBSA)

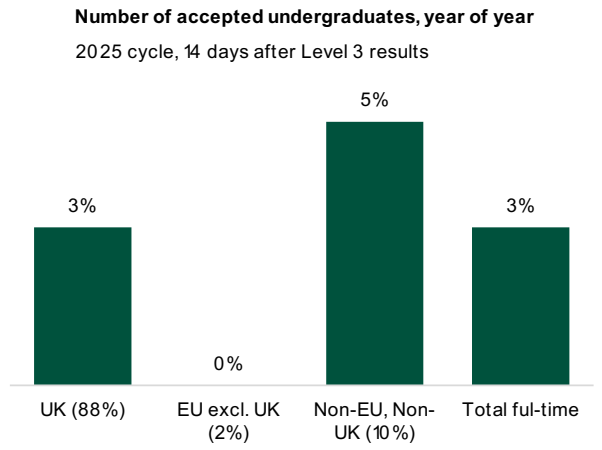
The global PBSA market is estimated at US$39.9 billion in 2025 and is projected to grow at a compound annual growth rate (CAGR) of 7.4 percent from 2025 to 2033, reaching US$70.5 billion.

North America remains the largest market with a 39.0 percent share in 2025, growing at a CAGR of 6.9 percent. Europe accounts for 28.0 percent of global revenue share and is projected to grow at a CAGR of 7.0 percent. Asia Pacific, with a 19.7 percent revenue share in 2025, is expected to grow the fastest at a CAGR of 8.2 percent.

The outlook remains robust due to structural supply shortages and steady international student demand. In Europe, the shortfall is pronounced, with only 800,000 private PBSA beds compared to a deficit of 3.0 million beds. In the UK, the supply gap is estimated at 570,000 beds. While 17,000 new beds are expected to be delivered in 2025, up from 12,500 in 2024, the pipeline remains insufficient.

The demand is underpinned by rising international student admissions. For the 2025/2026 academic year, international student acceptances into UK universities rose 5 percent year-on-year, with Chinese applications growing 15 percent. This trend supports steady rental growth, with landlords expected to retain pricing power.

Figure 11: Growth in admissions into UK universities for academic year 2025/2026



Source: Universities and Colleges Admissions Service (UCAS)

Figure 12: Global PBSA market expected to grow at 7.4% CAGR from 2025 to 2030, led by Asia Pacific

Geographical region	PBSA mkt shs	US$ million 2025	2033 CAGR	
North America	39.0%	15,541	26,571	6.9%
Europe	28.0%	11,152	19,198	7.0%
Asia Pacific	19.7%	7,840	14,739	8.2%
Others (South America, Middle East)	13.5%	5,367	10,046	8.2%
		39,900	70,554	7.4%

Source: Cognitive

Australia also faces a structural PBSA shortage. According to JLL, the undersupply is estimated at 7,000 beds annually over the next five years, leading to a nationwide shortfall of 131,000 beds by 2030.

Co-Living Residences

The global co-living market was valued at approximately US$7.8 billion in 2024 and is projected to more than double to US$16.0 billion by 2030, representing a compound annual growth rate (CAGR) of 12.7 percent between 2025 and 2030.

Asia Pacific is the largest market, accounting for 48.0 percent of revenue in 2024, and is also expected to be the fastest growing region with a projected CAGR of 14.2 percent. Europe makes up 21.8 percent of the market with an expected CAGR of 13.3 percent, while North America holds 17.9 percent of the market and is projected to expand at a CAGR of 11.6 percent.

The rapid growth of the co-living segment reflects several structural drivers. Rising urbanisation and high housing costs have made home ownership less attainable in major cities, prompting younger tenants to seek affordable rental solutions. At the same time, the growing mobility of professionals, freelancers, and digital nomads has created demand for flexible living arrangements that combine convenience with a sense of community.

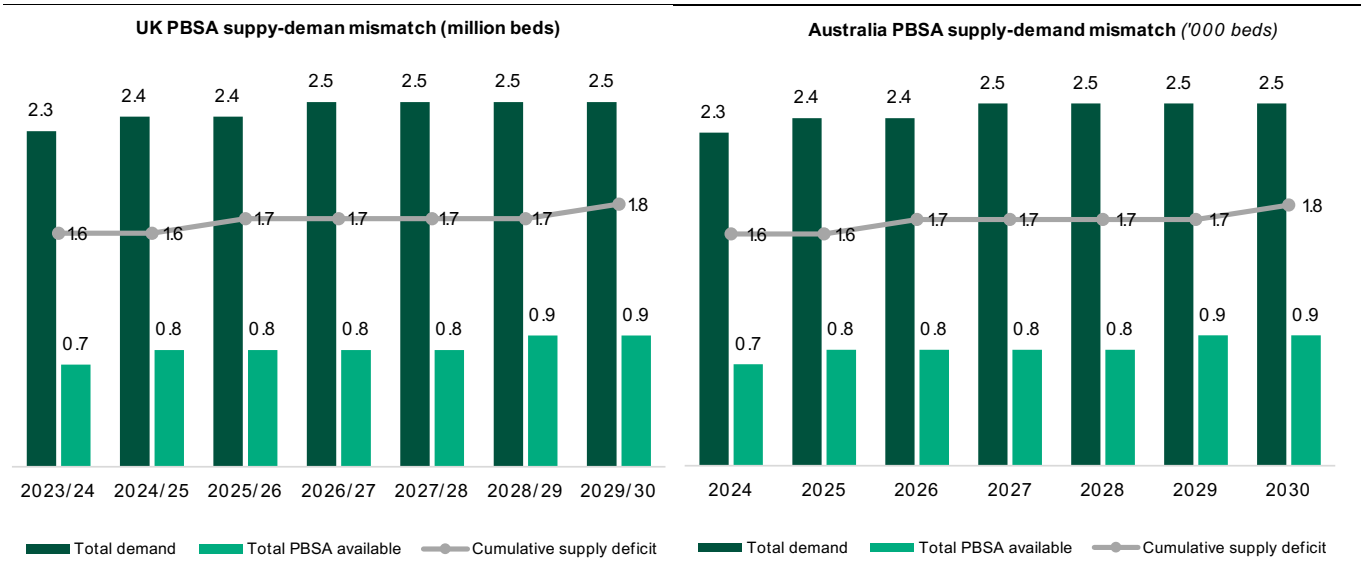
Compared to PBSA, co-living is positioned for faster growth, supported by demographic shifts and evolving lifestyle needs. These properties offer an appealing balance of private space and communal amenities, while being professionally managed to provide security, maintenance, and competitive rental packages. This mix of affordability, flexibility, and lifestyle appeal continues to underpin strong demand momentum for the co-living sector globally.

Figure 13: Global Co-Living market expected to grow at 13.5% CAGR from 2025 to 2030, led by Asia Pacific

Geographical region	Coliving mkt shs	US$ million 2024	2030 CAGR	
North America	17.9%	1,400	2,704	11.6%
Europe	21.8%	1,705	3,606	13.3%
Asia Pacific	48.0%	3,754	8,326	14.2%
Others (South America, Middle East),	12.3%	962	1,413	6.6%
		7,820	16,050	12.7%

Source: Cognitive

Figure 14: Importance of Recurring Revenue Model Mix



Source: JLL

Source:JLL

Asia Pacific as the Growth Engine

Asia Pacific is stacking up to be the fastest growing region for the living sector. PBSA revenue in the region is expected to grow at a CAGR of 8.2 percent between 2025 and 2033, supported by a rising international student population, particularly in Australia.

- In August 2024, **Far East Orchard Limited (SGX: O10)** raised S$120 million for its FE UK Student Accommodation Development Fund to expand PBSA investments in the UK.
- In July 2025, **Elite UK REIT (SGX: MXNU)** secured approval to convert Lindsay House in Dundee, Scotland into a 168-bed PBSA facility, expected to complete in 2027. Average yields in Dundee PBSA are in the 5 to 7 percent range.

The co-living market in Asia Pacific is also expanding rapidly. While Japan's multi-family housing market has long been the cornerstone of the sector, co-living is emerging as a new growth driver. Affordability pressures, shifting lifestyle preferences, and increased cross-border mobility among young professionals and students are spurring demand.

Singapore Spotlight

Singapore has become an important hub for both PBSA-linked investments and co-living operators.

- **Foreign students** have been a key driver of co-living demand, accounting for 25 to 40 percent of residents. The non-resident population grew at a steady CAGR of 1.1 percent between 2020 and 2024.
- **Government support** has been strong, with various state properties repurposed for co-living use. Hotels, offices, older condominiums, and hostels have all been converted into rental housing. For example, in August 2024, Ascott opened lyf Bugis in the former Hotel G property acquired earlier in the year.

Key Metrics for Evaluating the Living Sector

Occupancy rates, rental rates and rental growth, and investment yields key for evaluating companies in the Living Sector

For investors assessing PBSA and co-living assets, several operating metrics are critical in determining the attractiveness and performance of the properties. These include occupancy rates, rental rates, rental growth, pre-bookings, and investment yields.

Occupancy Rate

Occupancy rates provide a key measure of demand resilience. PBSA assets, in particular, have consistently demonstrated high occupancy due to structural undersupply. In Europe, PBSA occupancy reached 98 percent in 2024, reflecting strong student demand relative to limited supply.

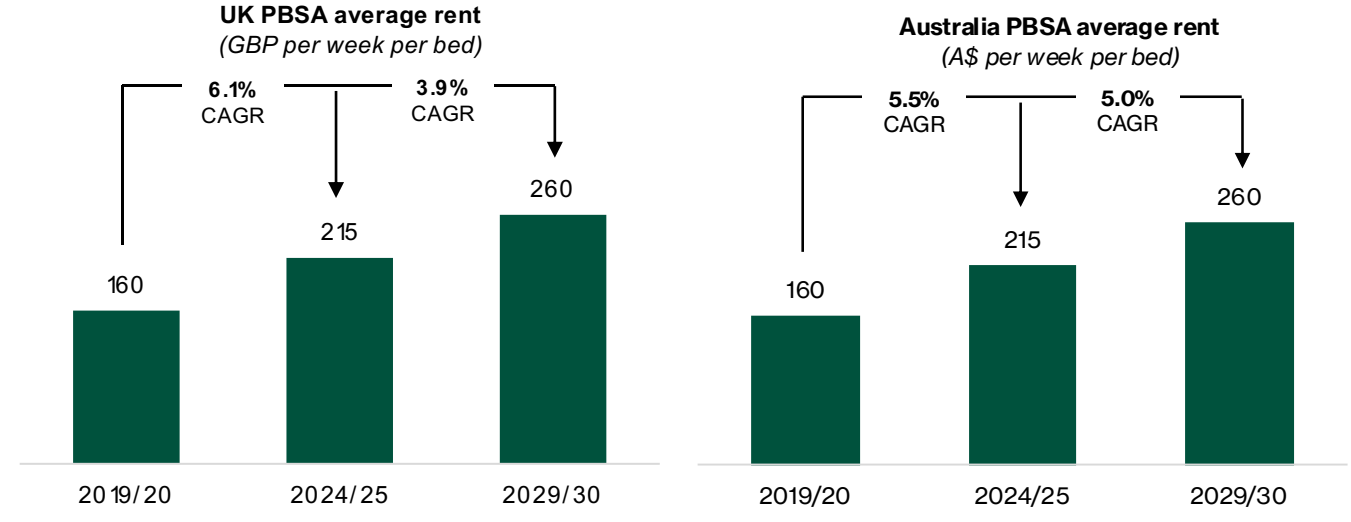
Rental Rate and Rental Growth

Rental growth is another important indicator of income potential. In 2024, European PBSA assets recorded rental growth above 6 percent, with the UK market leading at 8 percent. Looking ahead, rental growth is expected to moderate to 4 to 5 percent in 2025 before normalising to a long-term trend of 2 to 3 percent annually. This demonstrates both short-term pricing power from demand-supply imbalances and the sustainability of income growth over the long run.

Pre-Bookings

Pre-bookings provide forward visibility on occupancy levels for the upcoming academic year, offering investors a leading indicator of rental stability. According to Knight Frank's 2Q 2025 UK Student Accommodation update, applications from Chinese students rose 10 percent year-on-year, while applications from the US and Turkey increased by 13.9 percent and 23.6 percent, respectively. These trends suggest a broad-based recovery in international student mobility.

Figure 15: UK and Australia PBSA average rents expected to grow



Source: JLL

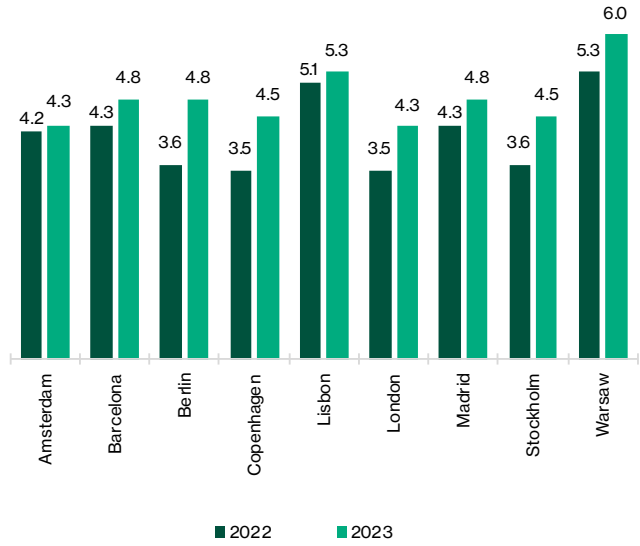
For the 2025/2026 academic year, pre-booking levels indicate continued robust demand. Unite Group, the largest UK PBSA operator, expects occupancy rates to remain strong at 97 to 98 percent.

Investment Yields

The living sector provides attractive and stable investment yields across economic cycles. In the UK, PBSA investment yields expanded by around 65 basis points in 2023 despite macroeconomic uncertainty and geopolitical risks. This highlights the resilience of the sector as investors continue to allocate capital into student housing.

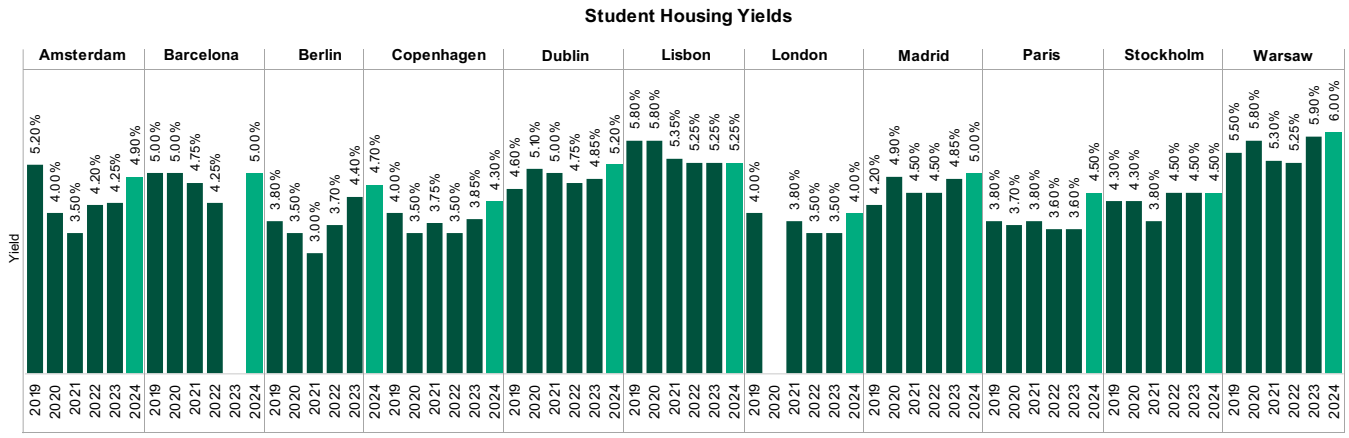
Co-living assets in the UK have demonstrated the potential to generate even higher yields compared to other sub-segments, typically ranging between 7 to 10 percent. The appeal is underpinned by a structural shift in urban living, as young professionals and Gen Z tenants increasingly choose to rent rather than buy. This wave of urbanisation is expected to drive sustained demand for shared-living arrangements in major cities.

Figure 16: PBSA investment yields (%)



Source: BONARD 2023 annual report

Figure 17: Student housing yields



Source: Processed by BONARD, based on available prime net yield data from Savills 2018-2024, Cushman & Wakefield 2018-2024, CBRE 2018-2024, Knight Frank 2018-2024, JLL 2018-2025

Valuing Companies in Living Sector

Companies in the Living Sector can be valued using premium to Net Tangible Assets (NTA) and Price-to Earnings ratios

PBSA and co-living operators are typically valued using two key approaches: premium or discount to net tangible assets (NTA) and price-to-earnings (P/E) ratios.

Premium/Discount to NTA

Living sector companies often trade at a discount to NTA to reflect the relatively lower liquidity of the asset class compared to traditional real estate segments such as office or retail. For example, in September 2025, Unite Group acquired Empiric Student Property at a 3.7 percent discount to NTA, highlighting how transactions are often priced below book value.

At the same time, certain deals have been concluded at a premium, reflecting the attractiveness of high-quality portfolios. Wee Hur Holdings Ltd (SGX: E3B) completed the partial sale of its Australian PBSA portfolio to Greystar at a 4 percent premium to independent valuation, signalling investor willingness to pay up for well-located, income-generating assets.

Earnings Multiples

Investors may also evaluate PBSA operators on earnings multiples such as P/E ratios. Larger, listed operators with scale advantages and stable rental growth often command higher multiples relative to smaller peers.

Financial Ratios

Beyond headline valuations, assessing financial strength is critical. Key ratios include loan-to-value (LTV), investment yields, and debt-to-asset metrics, which provide insight into balance sheet resilience and return potential. Companies with lower leverage and consistent rental yields are often rewarded with narrower discounts or valuation premiums.

Market Leadership Premium

Industry leaders with established track records, scale, and strong operational expertise tend to trade at a premium to smaller players. Market leadership provides greater resilience across economic cycles and the ability to attract institutional capital.

Investment Risks

Companies in the Living Sector are exposed to market and economic risks, constructions risks, and operational risks, amongst others.

Key Risks

While the living sector offers attractive long-term growth prospects, investors should be mindful of several key risks. These include macroeconomic conditions, regulatory changes, higher borrowing costs, and rising construction and operational expenses.

Macroeconomic and Regulatory Risks

The demand for PBSA and co-living is closely linked to international student inflows and the mobility of foreign professionals. Weak economic conditions may reduce enrolments or dampen relocation demand. In addition, regulatory restrictions on student visas and foreign worker permits can directly impact occupancy levels. Recent tightening of entry requirements for international students in the US, Canada, and Australia highlights the sector's vulnerability to policy changes.

Interest Rate and Financing Risks

Higher borrowing costs erode investment yields and can reduce investor appetite for the sector. In Japan, currently the largest market in Asia for living sector investment, transaction flows have slowed as investors price in potential interest rate hikes in 2026. Tighter financing conditions may also limit new project development or lead to more selective lending from banks.

Construction and Development Risks

Rising construction costs and labour shortages present challenges to the timely delivery and profitability of new projects. In Australia, banks have shown reluctance to fund residential developments or have demanded higher lending spreads, raising the overall cost of capital for developers.

Operational Risks

Operating expenses have been trending higher, particularly in mature PBSA markets. In March 2025, Wee Hur noted that rising operating costs and fluctuating demand were key challenges when it divested its PBSA assets. The company's decision to reduce exposure underscores the importance of scale and operational efficiency in managing risk.

Disclosure Appendix

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