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INFORME DE SAVILLS DE RESIDENCIAS DE ESTUDIANTES

- **Taller de trabajo es una metodología de trabajo en la que se integran la teoría y la práctica.**
- **Se caracteriza por la investigación, el aprendizaje por descubrimiento y el trabajo en equipo que, en su aspecto externo, se distingue por el acopio (en forma sistematizada) de material especializado acorde con el tema tratado teniendo como fin la elaboración de un producto tangible.**
- **Un taller es también una sesión de entrenamiento. Se enfatiza en la solución de problemas, capacitación, y requiere la participación de los asistentes.**

7 de noviembre de 2018

Los volúmenes en España aumentaron el pasado año con la adquisición por Greystar de la cartera de Resa y la compra de Nexo Residencias por parte de GSA.

Adjuntamos el informe de Savills, "Student housing supply and demand in Europe". España se caracteriza por la escasa oferta de alojamiento específico para estudiantes, que motiva el encarecimiento. En Barcelona, con una población estudiantil que supera las 180.000 personas, el stock disponible es del 5%; en Madrid, con una población estudiantil que roza las 400.000 personas, la provisión de alojamiento es un poco más elevada, del 5,7%. La tensión entre la oferta y la demanda en las principales capitales españolas sale cara para los usuarios de este tipo de alojamiento.

Según los datos de Savills, las rentas mensuales en Madrid y Barcelona rondan entre los 700 euros y los 900 euros. Aun así, los precios se alejan bastante de lo que se pide en ciudades como Florencia, Milán, Edimburgo (que rozan los mil euros al mes) o Londres (con mensualidades que superan los 1.300 euros), territorios con gran presencia de estudiantes internacionales.

Las ciudades españolas también se caracterizan por tener niveles de oferta extremadamente bajos frente a rentas altas. La provisión en Barcelona es un poco menos del 5%, Madrid se sitúa en el 5,7%.

Las comidas, incluidas en el alquiler, son habituales en las ciudades españolas: el 77% de las propiedades en Sevilla ofrecen comidas inclusivas de alguna forma, el 53% en Madrid y el 37% en Barcelona. La gran mayoría de estos son en régimen de pensión completa.

El crecimiento de la inscripción de estudiantes internacionales continúa impulsando la demanda de alojamiento de estudiantes de calidad (PBSA). Analizamos la dinámica de oferta y demanda, a partir de datos de la empresa de investigación independiente StudentMarketing

El desarrollo del sector europeo de alojamiento para estudiantes ha ido de la mano con el crecimiento de la matrícula internacional en todo el continente. A medida que la migración y el número de estudiantes internacionales se convierten en temas candentes en el Reino Unido y los Estados Unidos, muchos mercados europeos han reconocido su importancia como una herramienta para impulsar el crecimiento económico interno. Países como Alemania, los Países Bajos y España han instigado programas nacionales de internacionalización y mejorado la comercialización de sus universidades en esfuerzos concertados para ponerse al día con el Reino Unido y los Estados Unidos.

Los estudiantes internacionales, que no están familiarizados con los mercados locales de vivienda (y con frecuencia con presupuestos más altos), son una base de demanda importante para muchos PBSA. Este es particularmente el caso en muchas ciudades europeas (y especialmente en el sur de Europa), donde hay una mayor tendencia de los estudiantes domésticos a estudiar en su ciudad natal y vivir en casa.

Los nuevos proveedores están trayendo productos superiores y conocimiento internacional a estos mercados.

En la mayoría de los mercados europeos, el número de estudiantes ha aumentado. El número de estudiantes en los últimos cinco años ha crecido más rápido en Dinamarca, un 22%. En otras partes de Europa continental, Alemania y Austria experimentaron un gran crecimiento en el número de estudiantes, ambos registraron un aumento del 18% en el mismo período. Alemania ha experimentado un crecimiento significativo en estudiantes internacionales, y ya ha superado la meta del gobierno de 350,000 estudiantes internacionales para 2020. Por el contrario, el Reino Unido, el mercado estudiantil internacional más grande de Europa, experimentó una leve disminución en el número de estudiantes durante cinco años, mientras que los estudiantes internacionales creció un 2%.

La provisión de PBSA en toda Europa a nivel nacional sigue siendo baja. Es el más alto en el Reino Unido, donde se puede acomodar al 27% de todos los estudiantes, y el más bajo en el sur de Europa. En Italia, el cuarto mercado de estudiantes más grande de Europa, la tasa de provisión nacional es inferior al 5%.

La imagen nacional cuenta solo una parte de la historia. Al analizar los datos de StudentMarketing, una compañía de investigación independiente centrada en la clase de activos de vivienda para estudiantes, hemos identificado algunas de las ciudades más insuficientemente abastecidas de Europa. La provisión es más baja en Roma, una ciudad con una población estudiantil de 220,500, pero solo 6,500 camas estudiantiles (una tasa de provisión del 3%). Esto es seguido por Oporto, donde solo el 3.5% de la población estudiantil total tiene espacios.

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Savills World Research
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SPOTLIGHT | 2018

Global Living

Student, Senior Housing & Multifamily | Occupier Demands

The Generation Game

The young and the elderly are shaping demand for some of the industry's fastest growing asset classes

This report is about demand for living from different generations. We have focused primarily on two: the young and the elderly. They are shaping demand for some of the industry's fastest growing asset classes.

The rising cost of residential real estate around the world, notably in cities, has made the prospect of owning a home unrealistic for many young people, who are now renting much longer than previous generations.

But this is increasingly a lifestyle choice. City-living, globally mobile, and settling down much later in life, flexible rental products are a natural fit for Generation Y.

At the other end of the spectrum, equity-rich empty nesters are also looking for new ways of living. Healthier for longer, they want many of the same things Gen Y is looking for: quality accommodation in vibrant urban environments, access to amenities and a sense of community.

Many want be close to their grown-up children, who are navigating national and international labour markets. New, flexible residential models are emerging to serve them too.

Student housing has shown how a specialist property investment can become part of the mainstream, and now other residentially related asset classes are following suit.

The market is now responding to under-served occupier groups by offering new and hybrid models that challenge conventional asset classes. Investors, capitalising on the secure income streams they offer, will continue to drive their growth.

Summary

By 2030, 20-39 year olds will comprise 23% the developed world's population. Those aged over 65 will have risen to 23%. Understanding the demands of these groups matters as they become major real estate occupiers.

Youthful cities with strong underlying demographic prospects for purpose-built rental accommodation include Edinburgh, Amsterdam and Copenhagen. Spanish and German cities are ageing fast and may offer potential for new forms of senior housing – but demand exists across the continent.

Globally mobile students continue to drive demand for purpose-built student accommodation (PBSA), and mainland Europe is attracting more of them. However, PBSA provision remains very low, just 3% in Rome and Porto, and 4% in Florence, Lisbon and Seville.

Investment in residential alternatives of all types is rising. Big-ticket global residential investment volumes exceeded all global retail or industrial investment in the last year. Global student housing investment volumes have risen 87% in the last five years.

Multifamily investment across eight major European markets exceeded €27bn last year, up 19% since 2013. Germany accounted for 54% of investment across these countries. Yields average 3.4%, ranging from 2.1% in Germany to 4.3% in the UK.

Global investors are seeking scale, driving management efficiencies. Student housing has the higher cross-border investment share (46%), but the largest single residential deal last year was cross-border, Blackstone's $10.3bn investment in Spain.

The rapid expansion of residential alternatives sectors in the US has been helped by the relative homogeneity of its regulatory environment. Investors in Europe have a much more diverse set of national regulations to navigate.

Cover: The Student Hotel, Amsterdam City

The drivers

The way people live is changing, social trends and demographic shifts are altering the type of accommodation people inhabit. This is driving demand for 'alternative' forms of accommodation

The rise of Gen Y (and Z)

Generation Y (or millennials) are those born between the early 1980s and the turn of the millennium, aged 15 to 34 (although there is no exact definition). By 2025, this group will comprise over half the world population and account for 75% of its workforce. Understanding their needs and aspirations is therefore important as they become a major real estate occupier.

Characteristics of Generation Y:

- Increased use and familiarity with digital technology
- More likely to be single than those of older generations
- Delays moving out of the family home and ultimately more likely to rent
- Favours city living
- Came of age and entered the job market at the outset of the Global Financial Crisis
- Footloose and moves jobs regularly
- More liberal approaches to politics and economics
- Better educated than its predecessors

While Gen Y are the first generation to be familiar with digital technology, Gen Z (the demographic group that follow them) are the first to grow up with such technology as the norm. In 2018, there were 82m Gen Zs in the EU compared to 99m Gen Ys. Similar to Gen Y, Gen Z is thought to be liberal and are likely to end up staying at home, or renting, for a long time.

Growing up during the Global Financial Crisis (GFC), they are generally more price-conscious than Gen Y as a result. City-living, globally mobile, and settling down much later in life, flexible rental products are a natural fit for these groups as they come of age.

Housing affordability

Housing affordability has become a major global issue since the Global Financial Crisis, partly because mortgage lending has been significantly curtailed by regulation. Gen Y, usually needing the highest loan-to-value ratios and loan-to-income ratios, are most affected. This generation is finding it ever more difficult to raise sufficient equity for a deposit to buy their own home.

By contrast, equity is concentrated in older generations through a history of home ownership, mortgages and price rises. For those lucky enough, the 'bank of Mum and Dad' has become an increasingly important source of deposits for young people in the West.

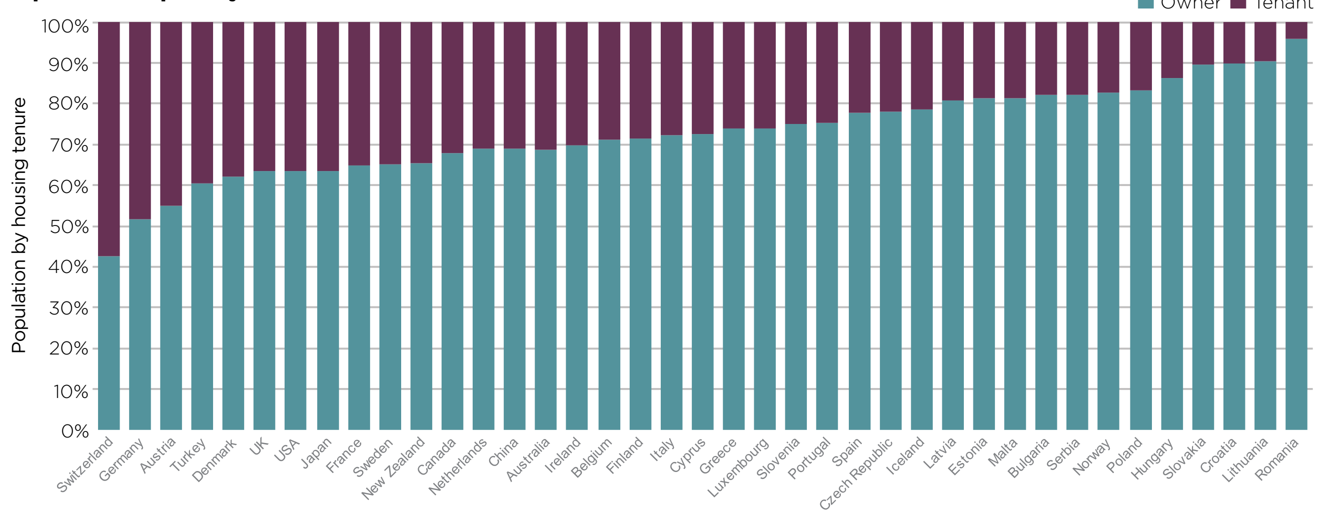
The chart, right, shows affordability in selected global housing markets. Housing in Mexico and Latvia is the most affordable among the countries sampled, where average wages exceed 40% of the average house price. At the other extreme, average wages are just 6% of average house prices in Switzerland.

In the US, the ratio is 29%, but major cities are far less affordable. In San Francisco, New York and Los Angeles, the very cities young generations are flocking to, median household income to house prices are around 10%.

As a consequence, Gen Y increasingly turns to the private rented sector for accommodation. Around one-third of the population in Anglophone countries now rent, while those with a shorter history of widespread owner occupation have always experienced higher rental rates. Owner occupation rates in Austria, Germany and Switzerland for example, are all under 60% (see chart below).

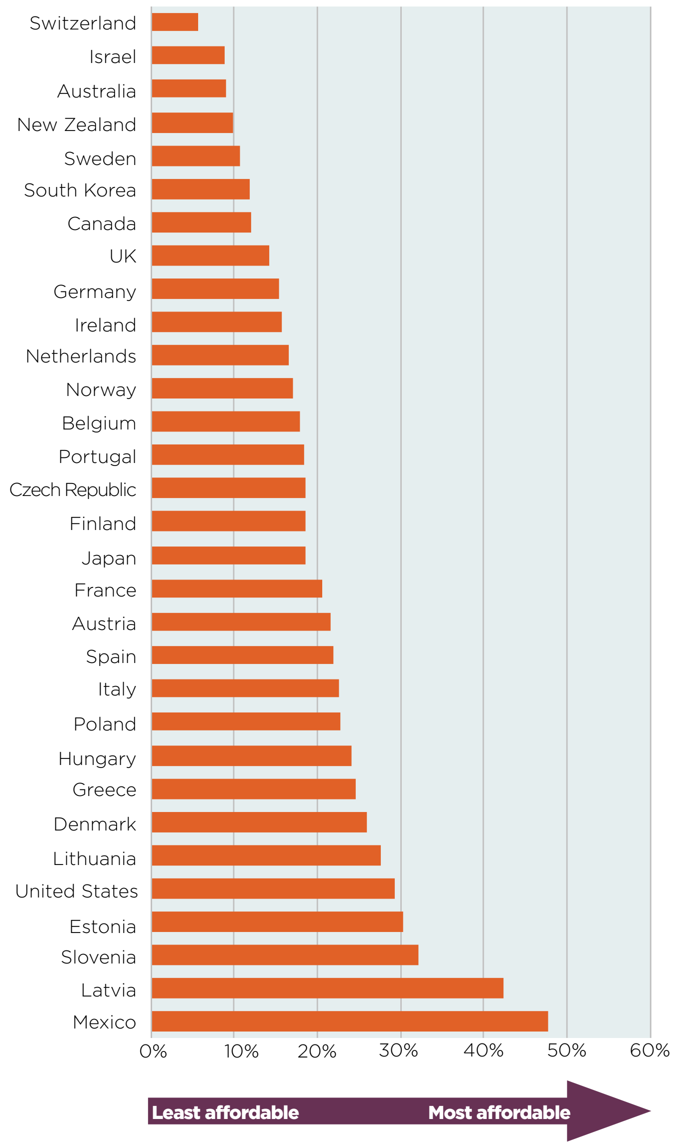
The policy challenge across the developed world is how to deal with a generation of renters unable to access housing unless they receive a legacy from older generations. The focus is will be on how to provide the secure, rented accommodation needed now and for future generations.

Population split by tenure status



Source: Eurostat, ABS, Statistics Canada, Stats NZ, US Census Bureau

Average national wage as a share of average national house price



Source: Savills World Research and OECD

Things look different for China

While the young generations of the West have felt affordability constraints most acutely, a study by HSBC found that 70% of Chinese Gen Ys are homeowners. China's previous one-child policy and a historically high savings ratio have meant that the younger generation have been able to draw on equity accumulated not only by themselves but by parents and grandparents. This trend, however, may be rapidly drawing to a close as house prices especially in key cities outstrip savings of those not on the housing ladder, precipitating a similar "have" and "have nots", as seen around the world.

The Chinese government is actively promoting the multifamily rental sector, selling plots designated for rental development at much cheaper rates than those earmarked for the sales market. Three key models have emerged, namely purposely built development, repositioning and refurbishment of existing properties as well as a managers or secondary landlords for individual owners. Ziroom, a company that operates the latter format, currently has more than 500,000 units and is targeting one million units by the end of 2018.

Ageing populations in the developed world

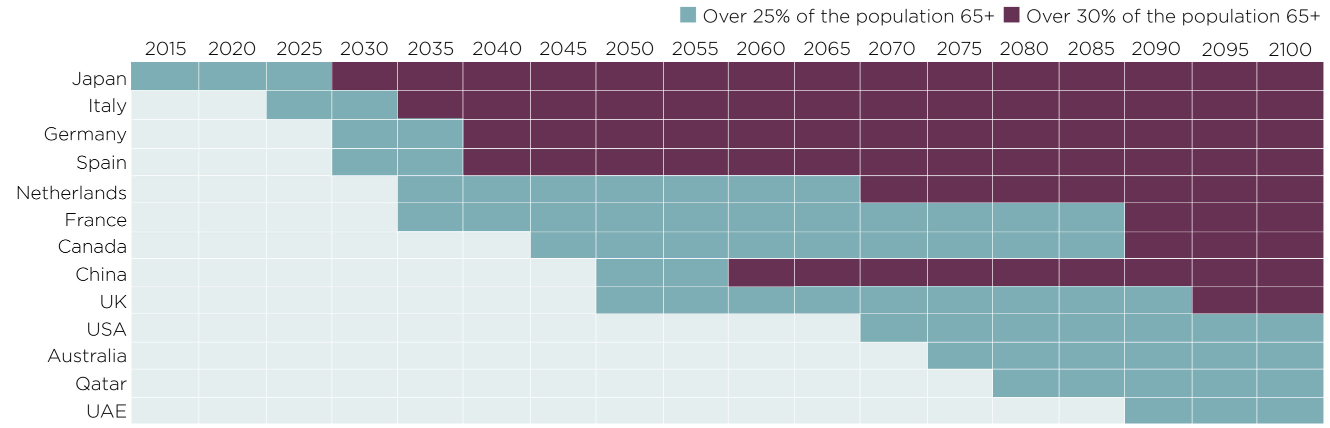
As Gen Y comes of age and enters the housing markets and workforce at scale, their parents, the Baby Boomers, are retiring and entering a new life-stage too. The global population aged 65 and above will rise from 612 million in 2015 to 1.5 billion by 2050. Pacific Asia represents 64% of this growth.

For Japan, this trend is already a reality. Over a quarter of the population is over the age of 65, and by 2030 the share is expected to reach 30%. China, thanks to its one-child policy, now has a rapidly ageing population, forecast to have almost 300 million over 65s by 2035, up from 160 million today.

Italy, Spain and Germany are fast-ageing European countries, where more than 30% of the population is forecast to be over 65 within the next few decades. Together they will have an extra 13 million over 65s than there are today by 2035.

This creates economic challenges for national governments as dependency ratios rise. It also underpins demand for senior housing, but not necessarily in the same form we see it delivered today. Living healthier, for longer, the new ageing demographic want to live independently. They want many of the same things Gen Y is looking for; a place where they can be exposed to new trends, access restaurants, and importantly, good healthcare. Many want to be close to their grown-up children, who are navigating national and international labour markets. New, flexible residential models are emerging to serve them.

The demographic time-bomb by country

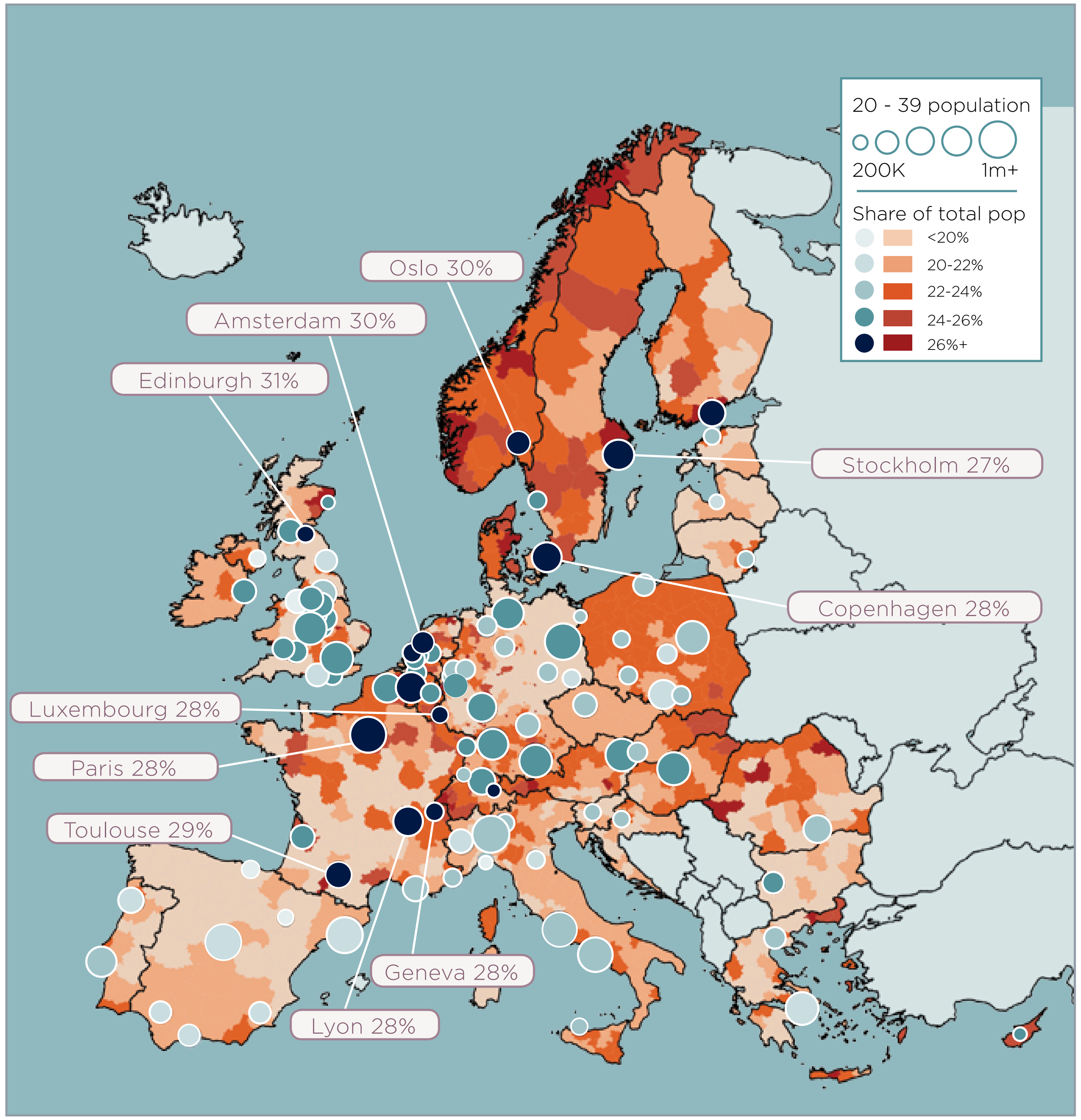


Source: United Nations Population Division (assuming medium fertility variant)

SECTOR OVERVIEW

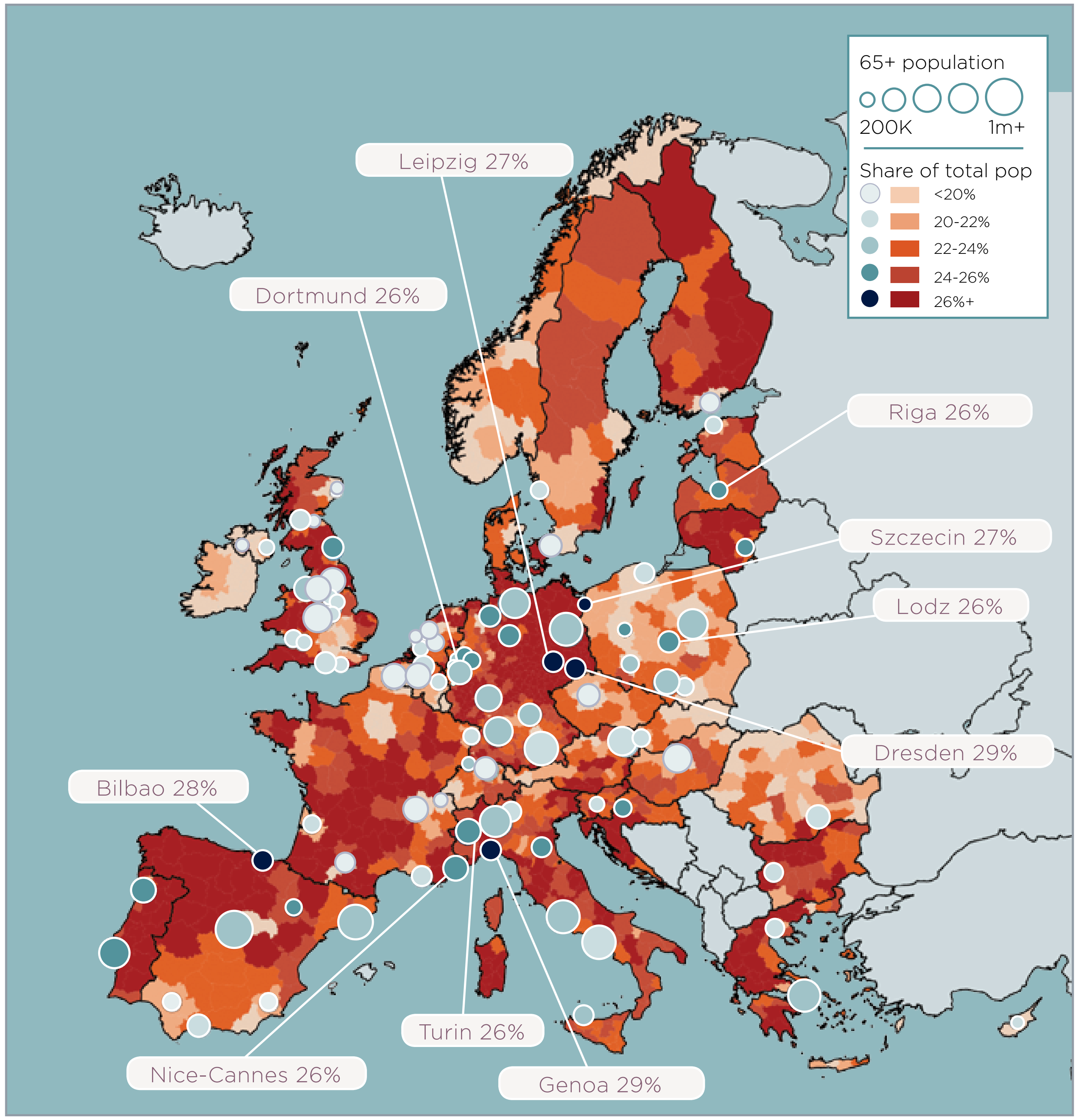
The most, and least, youthful European cities and regions in 2028

Youthful Europe % population aged 20-39 in 2028



Source: Savills World Research using Oxford Economics

Aged Europe % population aged 65+ in 2028



Source: Savills World Research using Oxford Economics

European cities to watch

Demographic trends at a national level tell only part of the story. While some countries are ageing rapidly, certain regions and cities within them continue to attract young people who migrate to urban areas for employment and lifestyle reasons.

For example, the former East Germany is forecast to have one of the highest proportions of over 65s in Europe by 2028, accounting for 32% of the population. Berlin, at its heart, however, is set to remain one of Europe's younger cities; 23% of Berlin's population is forecast to be over 65 the same year.

As a percentage of total population, Europe's most youthful cities in 2028 are forecast to include Edinburgh, Toulouse, Copenhagen and Stockholm (see map above). Vibrant urban environments, large higher education sectors and the availability of skilled jobs make them magnets for young, globally mobile individuals.

These cities, small by global standards, offer residents city living on a compact footprint: shorter commutes, easier access to amenities and a better work/life balance. They offer significant potential for residential product targeted at a wide range of young people.

By contrast, some cities present specific opportunities for senior housing based on their forecast demographic profile. Spain has witnessed lower levels of in-migration in recent years as many young workers have left the country for opportunities elsewhere. The larger Spanish cities of Madrid and Barcelona are forecast to have an over 65 population of 1.5 million and 1.1 million respectively by 2028 (23% and 24% of their total populace).

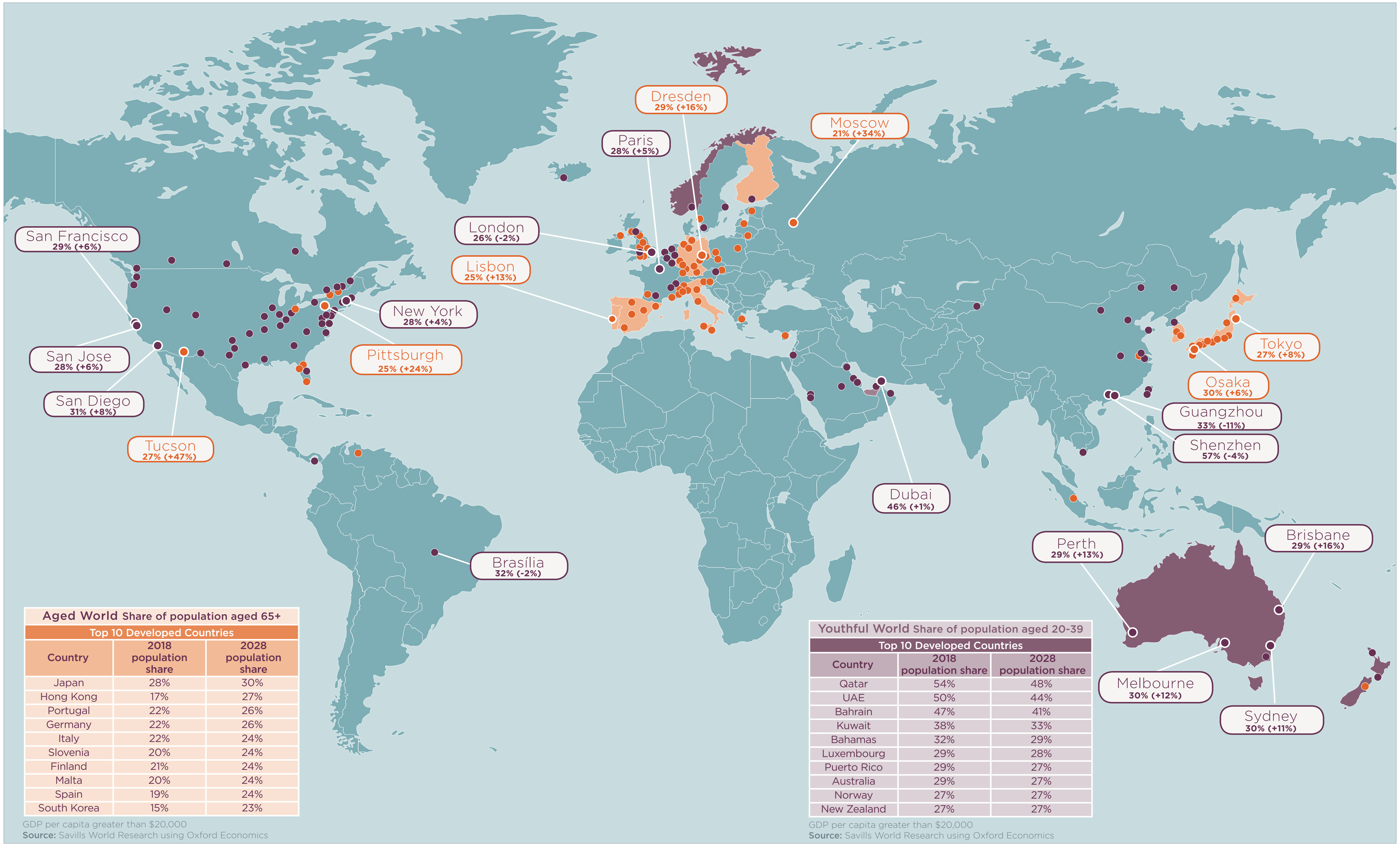
As a proportion of total population, Europe's most 'aged' cities in 2028 are forecast to include Dresden, Genoa, Bilbao, and the Nice-Cannes conurbation (see map above).

Global demographics in 2028

This map identifies the top 10 developed countries by share of over 65s (in 2028) and the top 10 by share of 20-39 year olds (also in 2028). It plots the top developed 100 cities by the same measure. Qatar, the UAE, Bahrain, Kuwait are set to be the most 'youthful' developed countries in 2028, along with Australia, Norway and New Zealand. 'Youthful cities' include Dubai, Melbourne, Shenzhen, and San Diego.

Conversely, by 2028, 30% of the population of Japan will be over 65. In nine major Japanese cities, the over 65 population will be greater than 30%. Hong Kong, Portugal, Germany, Italy and Spain all stand out as countries forecast to have high shares of over 65s in a decade's time. Forecast 'aged' global cities include Tokyo, Lisbon and Pittsburgh.

Top 100 'Aged' cities in 2028 (by share of population aged 65+)
Top 100 'Youthful' cities by 2028 (by share of population aged 20-39)
Top 10 'Aged' countries in 2028 (by share of population aged 65+)
Top 10 'Youthful' cities by 2028 (by share of population aged 20-39)
% population share in 2028 (and 10-year change, 2018-28)



Aged World Share of population aged 65+

Top 10 Developed Countries

Country	2018 population share	2028 population share
Japan	28%	30%
Hong Kong	17%	27%
Portugal	22%	26%
Germany	22%	26%
Italy	22%	24%
Slovenia	20%	24%
Finland	21%	24%
Malta	20%	24%
Spain	19%	24%
South Korea	15%	23%

GDP per capita greater than $20,000
Source: Savills World Research using Oxford Economics

Youthful World Share of population aged 20-39

Top 10 Developed Countries

Country	2018 population share	2028 population share
Qatar	54%	48%
UAE	50%	44%
Bahrain	47%	41%
Kuwait	38%	33%
Bahamas	32%	29%
Luxembourg	29%	28%
Puerto Rico	29%	27%
Australia	29%	27%
Norway	27%	27%
New Zealand	27%	27%

GDP per capita greater than $20,000
Source: Savills World Research using Oxford Economics

GDP per capita greater than $20,000
Source: Savills World Research using Oxford Economics

Student housing supply and demand in Europe

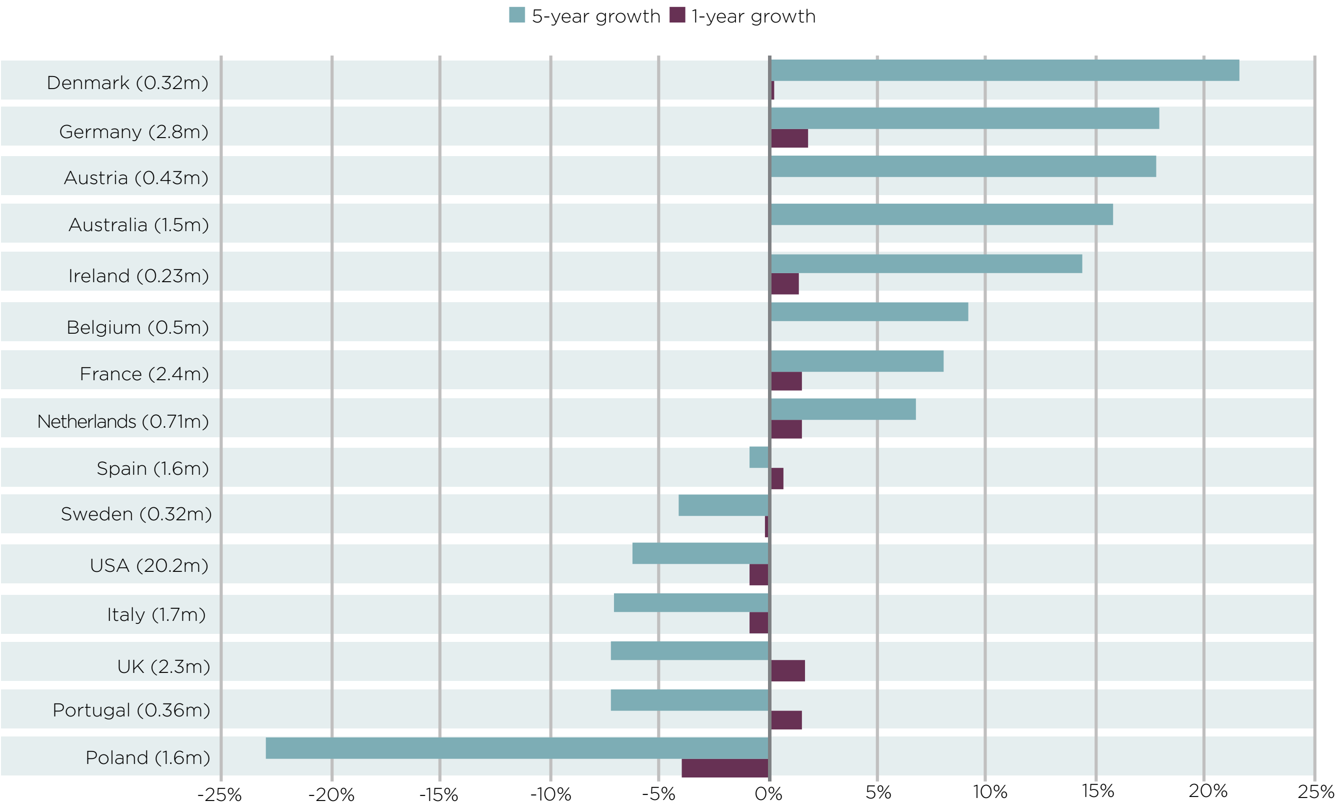
The growth of international student enrolment continues to drive the demand for quality purpose-built student accommodation (PBSA). We analyse the supply and demand dynamics, drawing on data from independent research company *StudentMarketing* (www.studenthousingassetclass.com)

The development of the European student accommodation sector has gone hand in hand with the growth in international enrolment across the continent. As migration and international student numbers become hot topics in the UK and US, many European markets have recognised their importance as a tool to fuel domestic economic growth. Countries such as Germany, The Netherlands and Spain have instigated national internationalisation programmes and improved the marketing of their universities in concerted efforts to catch up with the UK and US.

International students, unfamiliar with local housing markets (and often with higher budgets), are an important demand base for many PBSA. This is particularly the case in many European cities (and especially those in southern Europe), where there is a greater tendency for domestic students to study in their hometown and live at home.

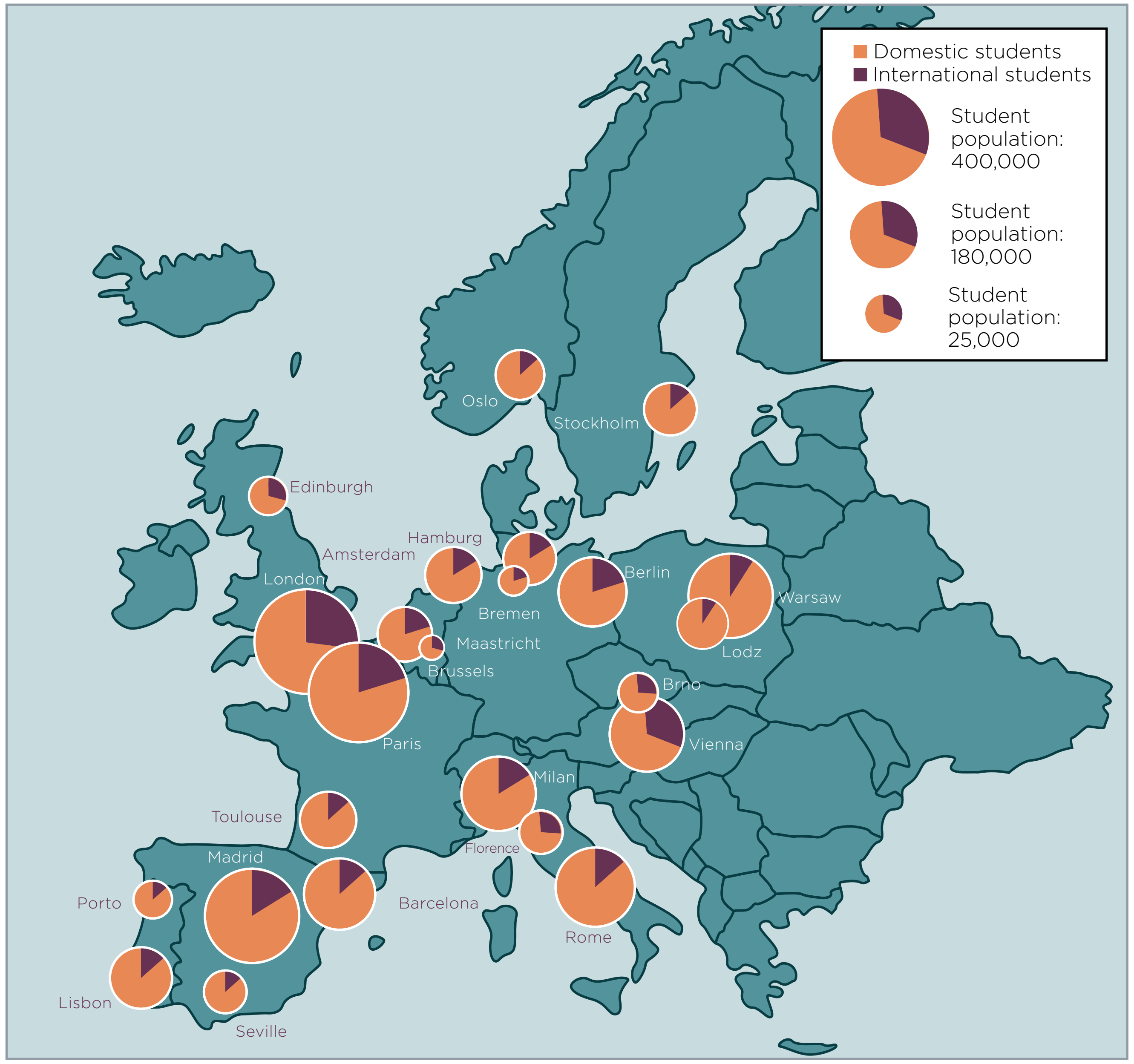
In most European markets, student numbers have been rising. Student numbers over the past five years have grown fastest in Denmark, up 22% from a relatively low base. Elsewhere in mainland Europe, Germany and Austria saw large growth in student numbers, both recording an 18% increase over the same period. Germany has witnessed significant growth in international students, and has already exceeded the government's target of 350,000 international students by 2020. By contrast, the UK, Europe's largest international student market, saw a slight decline in student numbers over five years, while international student numbers grew by 2%.

Higher education enrolment growth Total enrolled students, 5-year and 1-year growth



Source: Savills World Research using national higher education statistics

Student populations in key European cities



Source: Savills World Research using StudentMarketing

Europe's most under-supplied cities

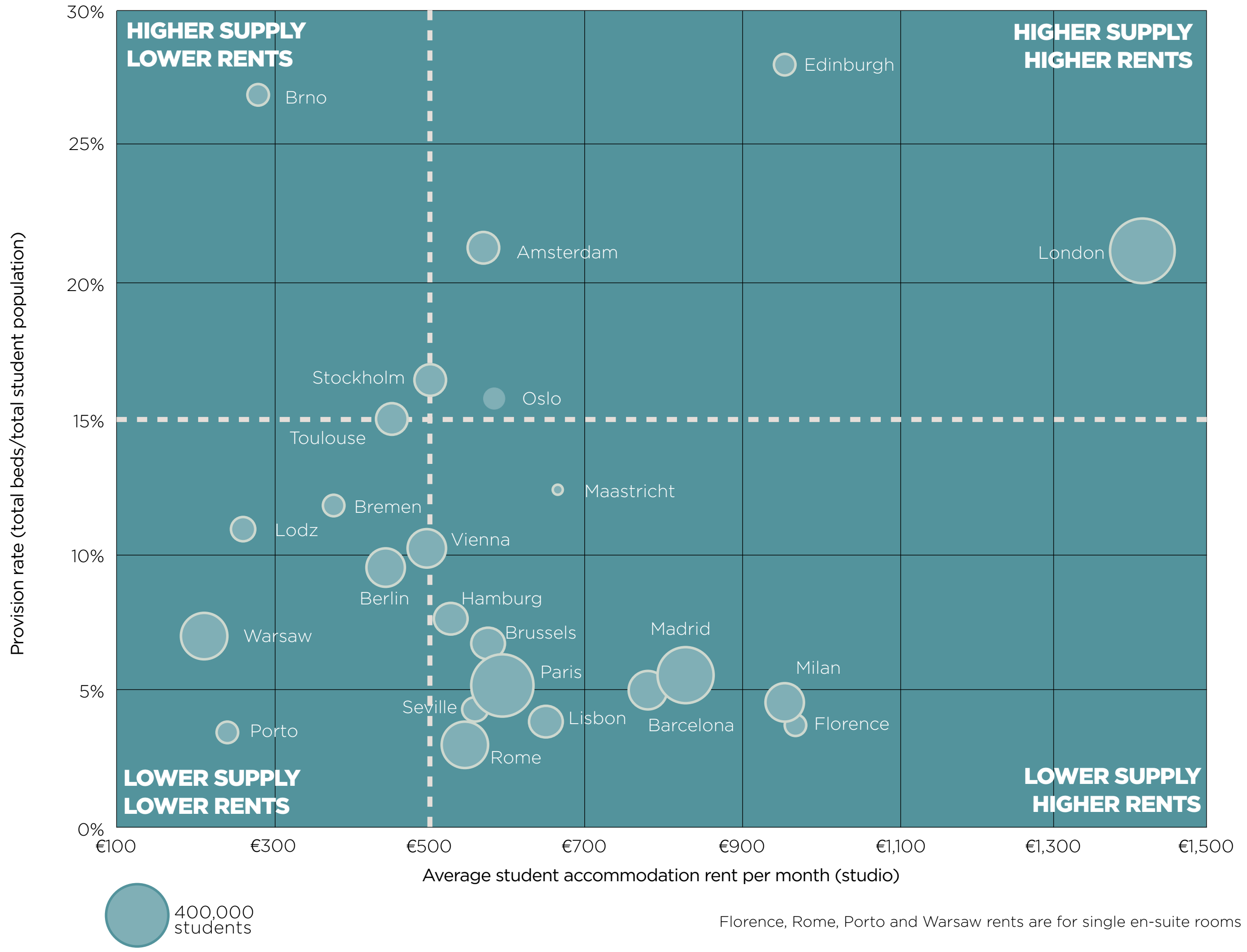
The provision of PBSA across Europe at the national level remains low. It is highest in the UK where 27% of all students can be accommodated, and lowest in southern Europe. In Italy, Europe's fourth-largest student market, the national provision rate is less than 5%.

The national picture tells only part of the story. Analysing data from StudentMarketing, an independent research company focused on student housing asset class, we have identified some of Europe's most undersupplied cities. Provision is lowest in Rome, a city with a student population of 220,500, but only 6,500 student beds (a provision rate of 3%). This is followed by Porto, where only 3.5% of the total student population has dedicated bed spaces.

Florence would appear to offer the best immediate prospects for delivering new supply, however, with a provision rate of 3.8%, high average PBSA single en-suite rents (€970 per month) and a student population of 62,400, of whom 23% are international. Investors should proceed with caution, with limited comparable product, high rents reflect the emerging nature of PBSA in Italian cities, a market not yet fully tested.

Spanish cities are also characterised be extremely low levels of supply set against high rents. Provision in Barcelona is just under 5%, Madrid stands at 5.7%. Vienna's is another stand-out. A large student city with 186,000 students, 28% of its students are international, suggesting a solid demand base. PBSA provision stands at 10.3%.

Student housing provision in selected European cities



Florence, Rome, Porto and Warsaw rents are for single en-suite rooms

Source: Savills World Research using StudentMarketing

What's on offer?

Analysis of amenity provision across existing PBSA in 17 mainland European cities shows how limited the existing offer is (see chart). Utilities, as a basic service, are included in rent across the majority of markets (averaging 83%). A laundry room is the most common amenity provided, but a third of properties lack even this service. Study rooms feature in just under 40% of properties, bike storage in 37%, and car parking in 35%. Gyms are found in a quarter of PBSA in our sample cities.

This underscores the potential of the mainland European market. New providers and international players are bringing superior product, international expertise and operator economies of scale to these markets.

> New providers are bringing superior product and international knowledge to these markets

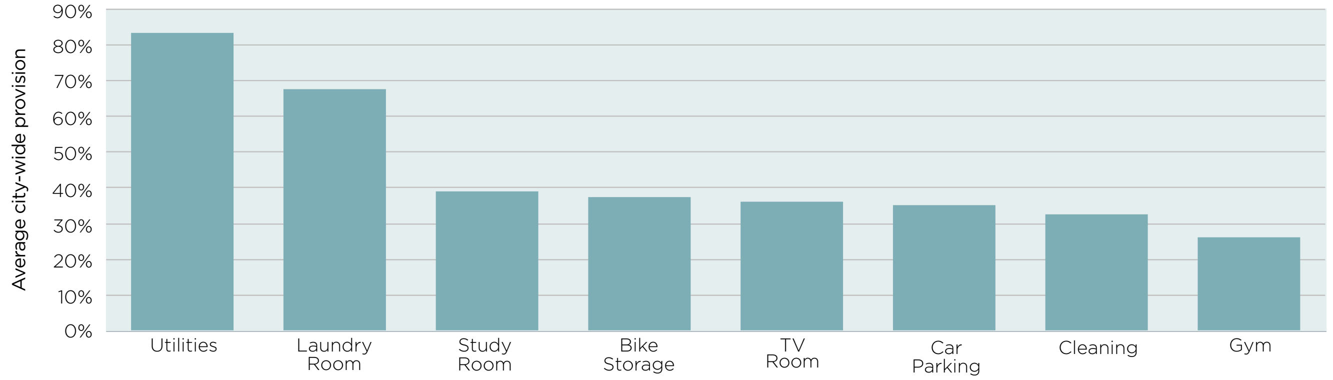
Cultural tendencies influence meal provision

Meals, included in rent, are commonplace in Spanish cities: 77% of properties in Seville offer inclusive meals in some form, 53% in Madrid, and 37% in Barcelona. The vast majority of these are on a full board basis. The same is true to a lesser extent in Italian cities, where between 20% and 25% offer inclusive meals. This is in contrast to PBSA in German, Swedish and Polish cities, where meals are not offered as part of rent.

This in part reflects national cultural tendencies (the importance of shared mealtimes to southern Europeans for example), and providers continue to reflect this in their product. But in response to a more international student base and changing habits, alternative approaches are rising.

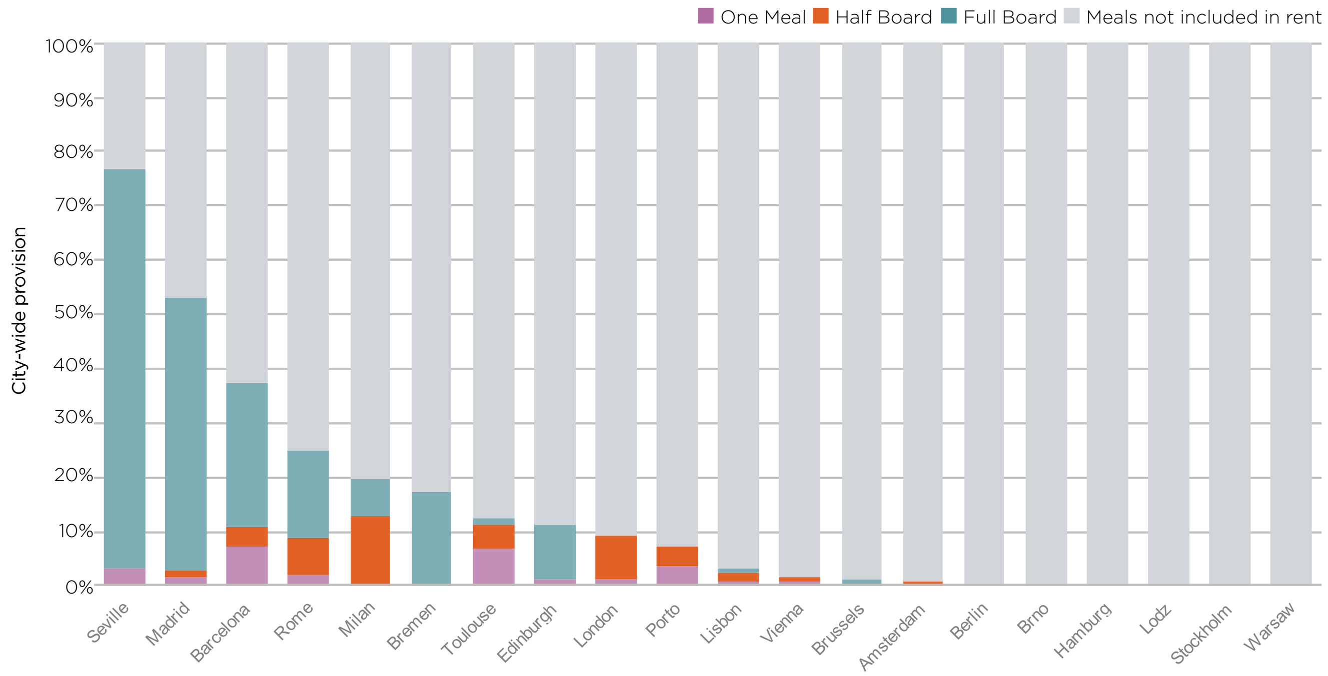
On-site cafés and restaurants, open to all, allow students to eat on site but at times that suit them. The rise of online takeaway apps make it much easier for students to order in, so common spaces in which to eat become important. Communal kitchens, available to rent, give residents further flexibility when it comes to shared meals.

Amenities and service provision in European PBSA Average across 17 mainland European cities



Source: Savills World Research using StudentMarketing

Meal provision in PBSA



Source: Savills World Research using StudentMarketing

Evolving models

The market is responding to changing occupier demands by offering new and hybrid models that challenge conventional asset classes. Here are four flexible residential rental models designed to appeal new generations of occupiers

Senior Housing Rental Model

The senior housing rental model brings amenity-rich rental housing to older generations. Targeted at 'independent seniors', it is halfway between a traditional home and a care home, offering the flexibility of rental accommodation in a senior-community setting.

Extensive shared amenities and events programmes encourage social interaction. Additional services may be purchased on an 'à la carte' basis.

Aesthetically, individual units look like any modern apartment, but with subtle adaptations. There are fewer hard edges, for example, to minimise the risk from accidents. Technology is employed to assist in the monitoring of residents.

In Europe, the model is growing fastest in France, where there are now 45,000 units across 540 schemes. Five operators account for 40% of the product here (Domitys, Senioriales, Hespérides, Villages d'Or, and Jardins d'Arcadie).

Case Study: DOMITYS

What? Senior Serviced Residences

Where? More than 10,000 units across 80+ schemes in France, Belgium and Italy

Rent Average rent for a studio is €1,035 per month, including access to amenities and activity programme

Funding Backed by French developer Nexity, who provides pipeline for development. In France, units are also sold onto retail investors who benefit from tax incentives

- Domitys is a provider of non-medicalised rental accommodation for independent seniors, the largest operator of its kind in France
- Domitys properties comprise of furnished apartments and over 800 sq m of shared amenity space (restaurant, swimming pool, gym, lounges, salon) as well as an activity programme (culture, sports, gardening, concerts, games, etc)
- They are typically located in urban areas, close to transportation and shops
- Optional 'à la carte' services on offer include 24/7 emergency assistance, meal plans, cleaning and maintenance services, and even excursions
- Short stays are available, a way for prospective residents to trial the format, or even for senior holidaymakers
- The model has proved successful, residences achieve an average 98% occupancy rates on stabilised assets. Domitys is seeking to expand its rental model into Spain, Portugal, the Netherlands, Germany, Switzerland and Italy

CASE STUDIES

Co-Living

Co-living extends the convenience and amenity of PBSA to non-student markets. Targeted at graduates, young professionals as well as students, they offer fully furnished units, extensive amenities, community events, all-inclusive bills and pro-active management. Designed with Gen Y in mind, they are a natural fit in today's 'experience economy'.

Scale is key. To make co-living work in many markets (especially the UK) it needs to be dense to compete on value with build-to-sell. There are particular planning implications for this, and authorities need to recognise the trade-off between smaller units (and associated space standards) and larger communal spaces.

For investors, the advantage is a diversified tenant base, not solely reliant on students and the success of the local higher education market. Just as co-working has become established in the office sector in response to occupier demand, co-living is emerging to meet current day residential occupier requirements. And as the boundary between living and working becomes ever more blurred, we can expect to see greater integration of the two in future.

For example, WeLive, a co-living operator part of the WeWork group now operates two US schemes.

Case Study: THE COLLECTIVE

What? Co-living

Where? One operating scheme, 550 bed property at Old Oak Common in London, plans for new schemes in the UK, Germany and the US

Rent Average £1,020 per month at Old Oak Common

Funding Backed by institutional capital, HNWIs and family offices

- The Collective's co-living scheme at Old Oak, with 550-rooms, is the largest in the world. It comprises of 125,000 sq ft of co-living space, 28,000 sq ft of office and co-working space, 14,500 sq ft of amenity space
- The majority of rooms are 'twodios', two furnished bedrooms (around 100 sq ft) side-by-side with a shower room, and a shared kitchen area in the entryway. Compact personal space is compensated by extensive communal space, including a bar, restaurant, cinema room, spa, gym, roof terrace, large kitchens to host dinner parties, and a library, which doubles as workspace
- Rents are at premium to the local market (relative to private space provided), but it competes on its extensive amenity and community offer, making it particularly appealing to those new to the city. The Collective demonstrates how an exceptional product, carefully branded and marketed, can draw a new market to an area
- Short stays are available, a way for prospective residents to trial the format, or even for senior holidaymakers
- The Collective is actively bidding on future sites in the US and Germany, bringing another 5,000 units to the 4,500 already under development. Stratford will host their next UK scheme

Case Study: THE FIZZ

- The Fizz is owned and operated by International Campus, backed by Brookfield Asset Management
- It offers micro-apartments targeted at students and young professionals
- 10 properties are operating in locations across Germany, Austria and the Netherlands
- 3,078 units are in operation, ranging in size from 14 to 45 sq metres
- A typical amenity offer includes study rooms, a cinema room, communal kitchens, and a roof terrace

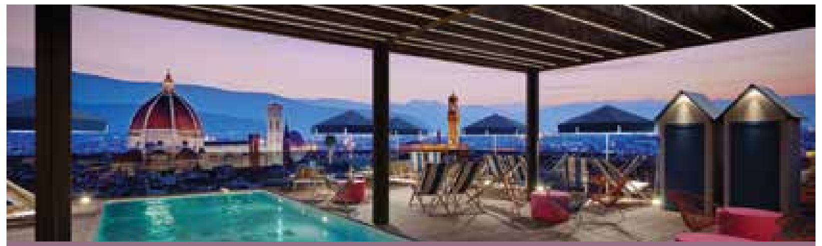
Hotel-Hybrids

A co-living variant, these hybrid, hotel-style properties offer short and long-stay accommodation with shared amenities including on-site cafés, restaurants and co-working space.

Branding and distinctive design is central to their success, pitched to stand out in a market competing with Airbnb for short-to-medium stay occupiers.

Examples include The Student Hotel, founded in the Netherlands (where student rents are capped), it is aimed at students, short stay and hotel guests as well as co-working members.

Roam, another provider, has a broad global network and many of its properties are former hotels. Zoku offers smart designed loft apartments that are connected to social spaces where residents work, meet and have dinner together.



Case Study: THE STUDENT HOTEL

What? Co-living hotel with a wide range of on-site amenities

Where? 12 properties in 10 cities (Amsterdam, Barcelona, Dresden, Eindhoven, Groningen, Maastricht, Rotterdam, The Hague, Florence, Paris)

Rent From €696 p.m for a semester package in Amsterdam

Funding The group has three investors: founder Charlie MacGregor, Aermont Capital and APG

- Offering short-stay accommodation from one day to 12 months, the Student Hotel is a hybrid of hotel, student accommodation, short-stay apartments, club, work and entertainment space. Distinctive interiors are designed to encourage residents to interact, with chill-out lounges, TED Talks booths, pool tables, all-day dining and extensive multi-use ground floors
- Billed as a 'complete connected community', the building integrates at ground floor level with the city. The local community is encouraged to use the restaurant and shared spaces
- Targeted foremost (but not exclusively) at students, they ensure the building is busy and vibrant throughout the day. This, in turn, contributes to the attractiveness of the co-working spaces
- The mix of uses on site diversifies income streams. More co-working space is being developed in existing premises and upcoming locations. There are plans for 65 Student Hotels across Europe by 2023 with longer term ambitions to expand beyond Europe

Case Study: ZOKU

- A home-office hybrid aimed at professionals for both short and long-term stays
- One property located in Amsterdam, strong pipeline in the EU
- Offers smart design Lofts with all facilities needed to live

Case Study: ROAM

- A global network of co-living spaces for both short and long-term stays
- Five properties, located in London, Miami, San Francisco, Tokyo and Bali
- Individual rooms share a communal kitchen
- Co-working space is provided, as are gyms, meeting rooms and laundry facilitie

Single-Family Home Rental Portfolios

Much investor and developer activity in the nascent European multifamily sector has focused on blocks of apartments, but purpose-built single-family homes for rent offer just as much potential.
In the UK, for example, just 10% of the build to rent pipeline are houses (whereas 60% of households living in the private rental market occupy houses).

But housing-led schemes carry less up-front first because, unlike single blocks, they can be phased to keep pace with tenant demand. Evidence suggests there is deep demand from renters, particularly families, who want more space in properties located close to national road networks.

Sigma Capital has pioneered the model in the UK. Investor-led single-family home rental product is well established in the US. More than 8 million new units of rental housing stock were created in the decade between 2005 and 2015. Conversions of single-family houses from owner-occupied to rental accounted for roughly 80% of this increase, as the single-family share of the total rental stock climbed from 34% to 40% in the 10-year period. Many of these were brought through foreclosure. Invitation Homes is the US market leader with 82,000 properties under management (see Case Study).

While the growth of the sector in the US was built on the GFC and the availability of distressed properties, subsequent operational and management approaches offer broader lessons. Bespoke online tenant portals, pro-active maintenance and smart-home packages bring efficiencies in management and high levels of service demanded by today's occupiers.

Case Study: INVITATION HOMES

What? Single-family home rentals

Where? 82,000 properties in 17 major US markets

Rents Average $1,600 per month

Funding Founded by Blackstone in 2012, IPO in 2017 and now trades as a REIT

- Invitation Homes was founded by Blackstone in 2012, who set about acquiring thousands of single-family homes, focused in the Western United States and Florida (areas with strong demographic and economic prospects). Most were purchased as distressed sales. With 82,000 properties under management, it is the largest single-family home rental company in the US
- Critical to success was vertically integrating acquisitions, renovations, leasing, property and asset management into the company to maximise efficiency. An average $25,000 is spent on renovating each unit. For tenants, the 'ProCare' service provides maintenance check-ups and emergency assistance, helping to prevent issues down the line and save costs. To meet today's occupier demands, a Smart Home package is also offered (remote temperature control, remote security, etc)
- Invitation Homes went public in 2017 in an IPO that raised $1.5bn. The company merged with Starwood Waypoint Homes in November 2017
- It has performed strongly since, total revenues were up 77% year on year to Q1 2018. As the US residential sales market has recovered (and distressed assets are fewer), the company is now adding its own build to rent properties to its portfolio

Global investment

Investment in beds is now attracting institutional investment at scale

Demographic change, rising house prices and supply shortages have established residential alternatives as desirable investments with positive rental growth prospects. The global search for secure income streams and high risk-adjusted returns is drawing more and more investors to the sector.

While technology has disrupted multiple established sectors, most notably retail, sleep is one thing technology can't disintermediate. Investment in beds is now attracting institutional investment at scale. But as the sector has entered the mainstream and investor interest has grown, yields have come in and are now more in line with 'traditional' real-estate sectors. Performance is heavily reliant on operator performance and intensive management. Technological innovation and sector consolidation will improve efficiencies in the future, something already motivating major mergers and buyouts across the globe.

The investment case for residential alternatives

- Lower correlation to economic cycles
- Deep and growing demand base
- Consistent and secure rental income
- Lack of supply in many markets
- Contributes to a balanced and diversified portfolio

How big is the sector?

Global residential investment volumes[1] have grown by 52% in the last five years. In 2017, investment volumes were 36% higher than retail, with $223bn invested globally (but still only two-thirds of the total investment into the office sector). Multifamily residential investment is a mature and established asset class in the US, and last year it accounted for 72% ($160bn) of all global residential investment alone.

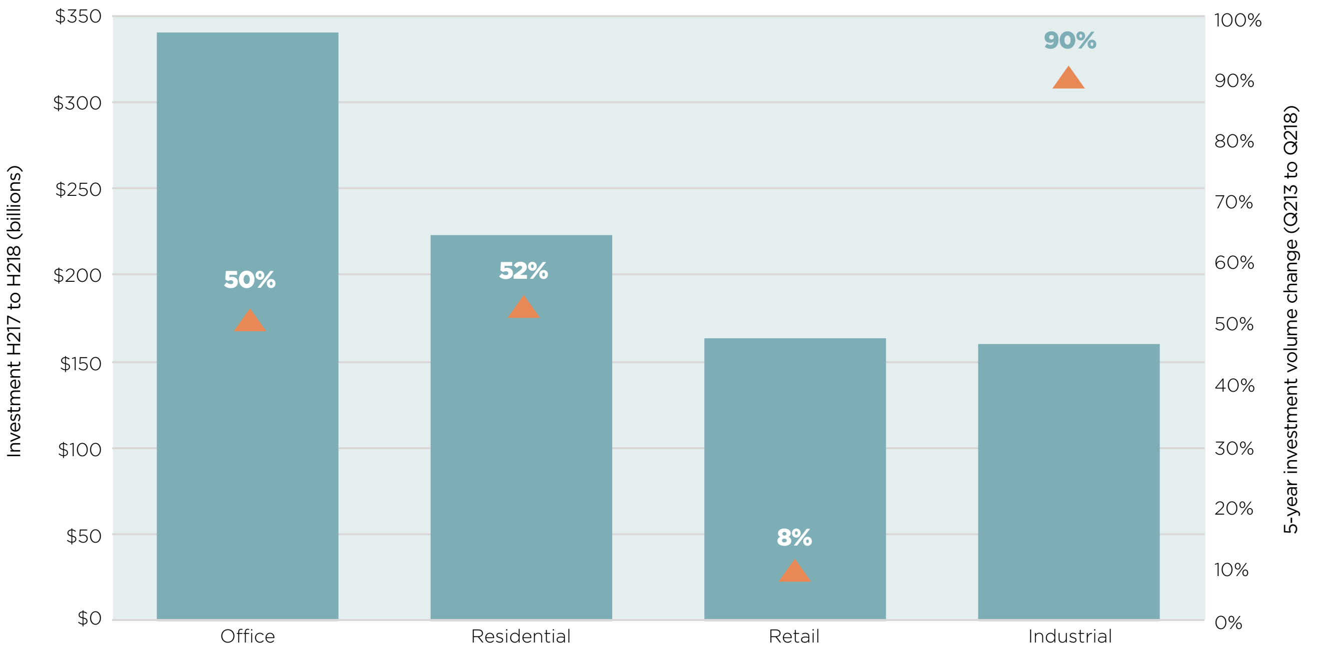
The student housing and senior housing sub-sectors are small by comparison with $17.5bn and $17.4bn invested last year, respectively, but these too have seen growth of 87% and 10% since 2013.

Another year of high global volumes

Investment in student accommodation saw another record year in 2017, with $17.5bn invested globally, up by 4% from $16.9bn in 2016. The UK and Western Europe accounted for over half of this investment (51%, $8.9bn), a 35% increase from the $6.6bn invested in 2016. The UK, Germany and Spain were the most active single country markets in Europe (see p.20).

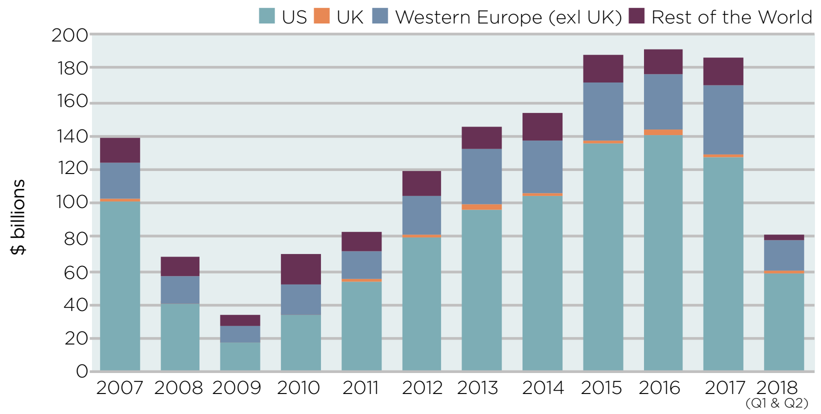
Global investment into senior housing[2] was of a similar scale to student housing investment in 2017, with a total $17.4bn invested, a 31% rise on 2016 but down from 2015's peak of $18.8bn. Total global residential investment was also down very slightly on its 2016 peak, but still 51% above the 10-year average.

Global investment volumes by asset class 2017/18

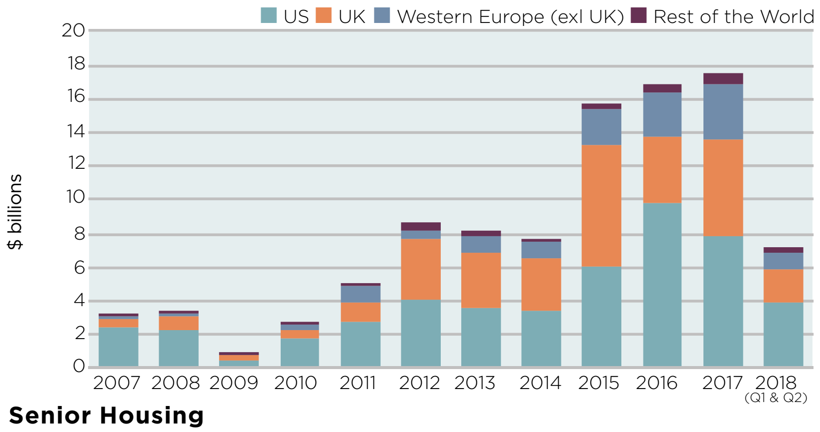


[1] Big ticket investment deals
[2] Both independent and assisted living, but excluding nursing care
Source: Savills World Research using RCA

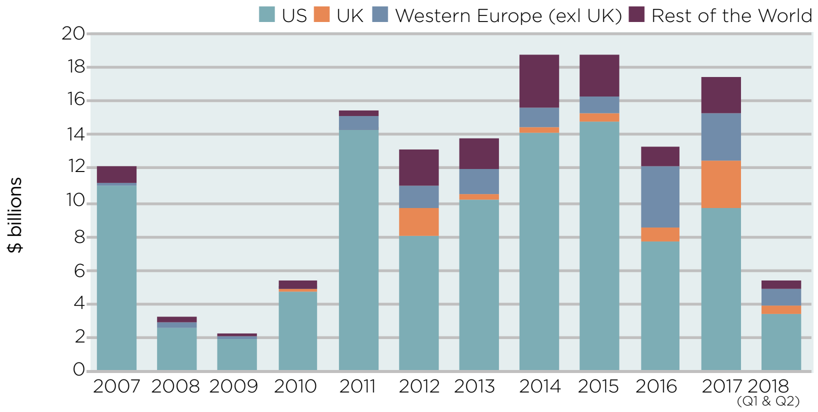
Investment volumes by sector: Residential (excluding student and senior housing)



Student Housing



Senior Housing



Source: Savills World Research using RCA

Top investors

Residential					Student Housing					Senior				
Rank 2017/18 (Aug to Aug)	Rank 2016/17 (Aug to Aug)	Investor	Type	Origin	Rank 2017/18 (Aug to Aug)	Rank 2016/17 (Aug to Aug)	Investor	Type	Origin	Rank 2017/18 (Aug to Aug)	Rank 2016/17 (Aug to Aug)	Investor	Type	Origin
1	11	Greystar	Developer/ Owner	United States	1	17	Greystar	Developer/ Owner	United States	1	4	Columbia Pacific	Investment Manager	United States
2	3	Blackstone	Equity Fund	United States	2	N/A	Goldman Sachs*	Equity Fund	United States	2	2	Welltower	Public REIT	United States
3	4	Vonovia SE	Developer/ Owner	Germany	3	N/A	Scion Group	Developer/ Owner	United States	3	40	Kayne Anderson	Equity Fund	United States

* includes IQ Student Accommodation purchase of the Pure Student Living portfolio

Source: Savills World Research using RCA

Global investors seek scale

A wide range of investors are now involved in the buying and selling of these three asset classes. Investment managers, Public Real Estate Trusts, Equity Funds and Developers among the most active. GIC, Singapore's Sovereign Wealth Fund, was among the top five investors of both multifamily and student accommodation between August 2017 and August 2018 and also invested in senior housing. Insurers, including AXA Group and Allianz, are active too. Greystar was the single largest participant in both the multifamily and student housing sectors.

Student housing attracts the greatest proportion of cross border investors of the three, accounting for 46% of total investment last year, compared to 17% in the case of multifamily, and 25% in the case of senior housing.

The largest residential deal in the last year, however, was cross border. In December 2017, Blackstone purchased a majority stake in Banco Popular's Spanish portfolio, comprising 25,800 residential units at a value of $10.3bn. Already active in Spain, Blackstone is using the deal to expand its rental portfolio in the country.

The search for scale was the driving force behind the third largest deal. Vonovia, Germany's largest listed residential landlord, acquired Austrian rival BUWOG. The deal adds 27,000 units to the German property company's portfolio in Austria and Germany, and will generate efficiencies by centralising operating platforms.

The view from Europe

Multifamily

Multifamily investment across eight major European markets exceeded €27 billion last year, still a fraction of US volumes, but up 19% since 2013. Sweden, the Netherlands, Denmark and Germany have established institutional residential markets, offering the most liquid market conditions for trading.

Germany is by far the most active European market accounting for 54% of investment across seven major countries in the last three years. Total German residential investment volumes totalled €13.4 billion last year, up 19% over 2016 levels. With competition in first-tier German cities strong, investors are being driven to secondary locations where they are acquiring and consolidating smaller portfolios. Under-valued cities are now scarce.

Sweden is another established multifamily market, 21% of all transactions were residential in Q1 2018, second only to offices. Recent record-high volumes are expected to decline, however, as investors focus on developing existing assets rather than acquiring new ones.

In the UK, multifamily is still a young sector. Total volumes stood at £2.6 billion in 2017 (just 18% of Germany's investment volumes), but this was up 20% on 2016. Volumes have held up in spite of Brexit uncertainty, but are largely unchanged from five years ago. Last year, 70% of deals were forward funding and forward purchase deals. The focus on the development of new stock is likely to fuel more transaction activity in future.

Student Housing

The UK is by far the largest market in Europe for student accommodation, and has seen transaction volumes on par with the US in the last three years (a market with a student population almost 10 times the size).

Now a mature market, total UK student housing investment volumes are down from a 2015 peak, but 2017 was still another strong year with £3.9 billion invested (excluding development sites). International investment accounted for around two thirds of activity over the period.

PBSA investment in Germany, the Netherlands and France has seen rapid expansion in recent years and global players seek new opportunities. A major vote of confidence in the sector in Germany was made in 2018 when Brookfield acquired a controlling stake in International Campus Group, a European real estate development and asset management platform focussing on student, young professional housing and micro-living (although the assets are still owned by institutional investors). With 11,800 beds under operation or planning, it aims to deliver 20,000 beds in the medium term across Western and Central Europe, with an emphasis on Germany. Through its brand 'The Fizz', it targets both students and young professionals (see case study on p.15).

Volumes in Spain were boosted to record levels in 2017 with Greystar's acquisition of the Resa portfolio, and GSA's purchase of Nexo Residencias. In the Netherlands volumes were down from almost €500 million in 2016 to €250 million in 2017 due to a shortage of investment product. A large amount of new construction underway may boost investment volumes in the medium term, however.

Pan-European residential investment funds

In April 2018, Aberdeen Standard Investments launched a pan-European residential property fund – the first of its kind. The fund focuses mainly on the European Private Rented Sector, but a quarter of the portfolio will also be invested in student housing, senior accommodation and nursing homes.

Commerz Real's Smart Living Europe Fund was launched in August, targeting student accommodation and micro-apartments across the continent. The creation of such funds highlight the increased appetite for investment across multiple residential subsectors and jurisdictions.

In 2017, Union Investment launched the Urban Living Nr.1 real estate fund, which focuses on the micro-living segment in urban areas across Europe. The investment opportunities include branded student accommodation and hotel-like serviced apartments.

We expect similar funds to become commonplace in the near future.

Yields

Rising transaction activity has put downward pressure on yields as capital values have risen. The downward yield trajectory also reflects a re-assessment of risk in these asset classes, that until recently were still considered to be 'emerging' and priced accordingly.

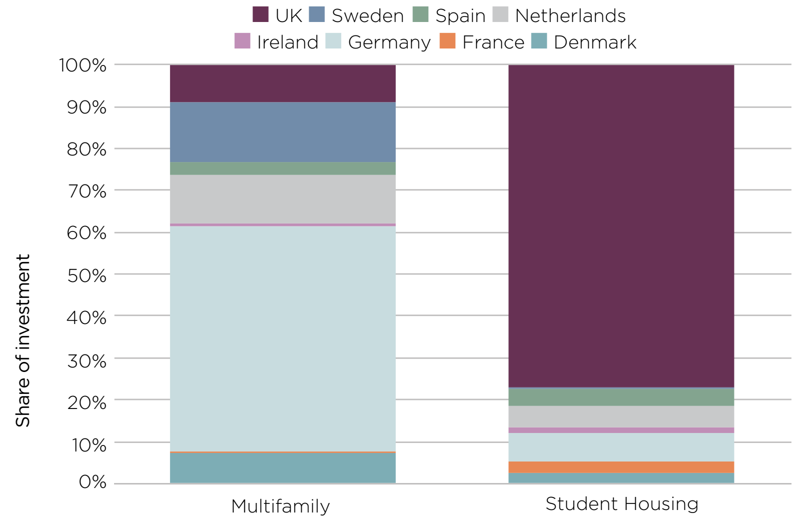
Prime net multifamily yields across 11 major European countries average 3.4%, ranging from 2.10% in Germany to 4.3% in the UK. Student housing prime net yields average 4.5% across the same countries, and range from 3.75% in Austria to 5.25% in Spain. The senior housing rental model of the type explored in this report exists in fewer countries, but net yields stand at 4.15% in France, where it is most established.

Prime US multifamily prime net yields stand at 5.30%, and student housing yields are 5.91%. Prime net yields in Australia for student housing are high, at 6.75%, but have too compressed in recent years as investor demand has grown against a backdrop of limited supply. There is, as yet, no institutional market for multifamily housing here.

We expect to see yields compress further as one of the major perceived obstacles, management risk, is overcome. Dealing with many hundreds of individual occupiers makes managing more costly and time consuming than a single-tenant office building, and poor management can mean reputational risk.

Investor attitude to risk is changing too, increasingly looking at assets on a case-by-case basis, rather than by asset class. Even in the office world, corporate leases are shortening as corporations hedge against future technological disruption. Multiple occupiers on flexible leases are becoming more commonplace. In future, a broad mix of individual tenants, spreading income risk among many occupiers (if managed efficiently), may be seen as preferable regardless of the use class.

Investment key European markets, share of sectors



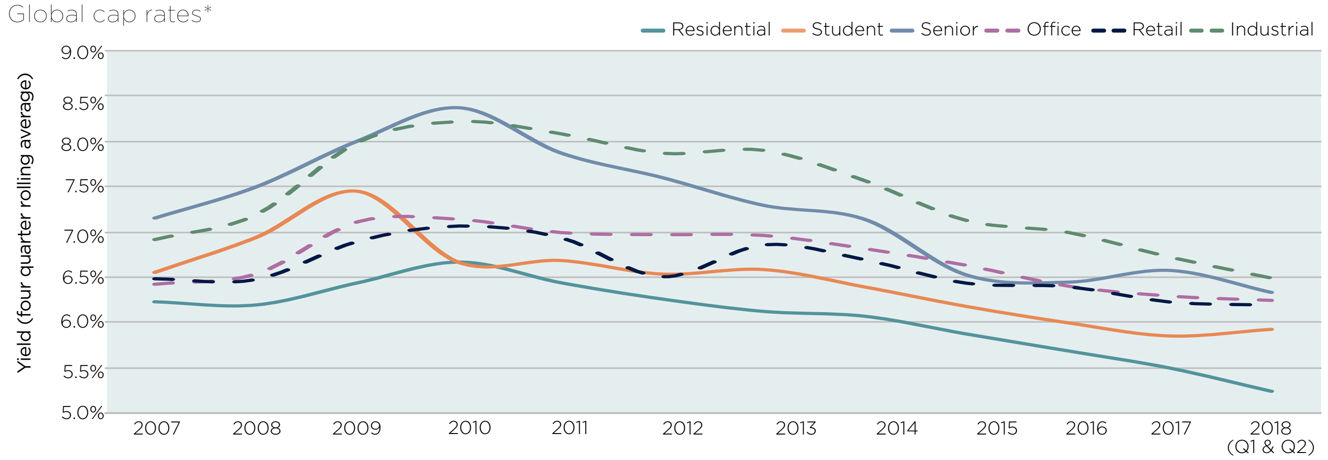
Source: Savills World Research

Prime net multifamily and student housing yields

Country (focused on core cities)	Prime net multifamily* yields	Prime net student housing yields
Australia	N/A	6.75%
Austria	3.50%	3.75%
Belgium	N/A	<5.00%
Czech Republic	4.00%	5.00%
France	3.00%	4.25%
Denmark	3.75%	4.25%
Sweden	2.75%^	4.25%
Germany	2.10%	3.80%
Ireland	4.00%	5.00%
Netherlands	3.00%	4.75%
Norway	3.00%	4.00%
Spain	3.57%	5.25%
United Kingdom	4.30%	4.50%
Prime London	*3.50%*	*4.00%*
United States	5.30%	5.91%

Yields are net of transaction costs, except in France, Denmark and Spain
*based on investor value (not owner occupier yields)
^for second-hand housing, for new developments 4.25%
Source: Savills World Research

Yield compression across all sectors
Global cap rates*



*weighted towards US given high share of global volumes
Source: Savills World Research using RCA

The regulatory framework

Regulatory regimes vary significantly across Europe, the US and Australia

The rapid expansion of institutional investment into residential sectors in the United States can be attributed in part to the homogeneity of this large market. It offers a relatively consistent regulatory framework between states. Investors in the European market have to navigate a much more diverse set of regulations with big differences between countries.

The table below sets out some of the key regulations and stances towards residential (multifamily) markets in different countries. It is interesting to note that Germany and Sweden, characterised by stronger regulatory headwinds, have the largest residential investment markets on the continent.

Residential market investability Cross-border investor perspective

Mostly positive | Balanced | Mostly negative

Country	Rent regulation	Typical tenure	Taxes	Government stance toward rental markets
US	In most states rent is freely set. Where there is rent regulation, it typically does not extend to new builds	6 months to a year (lease)	Foreign investors are taxed on US-source rental income at a 30% rate without offsetting deductions	Positive, recent tax reform set to make renting more appealing
UK	Can be freely set at the start of a lease or renewal, no rent caps	Typically 6 months to 3 years	Institutional investors still have to pay taxes such as additional 3% SDLT surcharge on second properties	Positive, but risk of rent regulation in the medium term
Ireland	Open market but increases can only happen every second year. Additional caps in certain designated pressure zones	6 months rolling into 6 years	Non-Irish resident companies are subject to Irish income tax at 20% on Irish rental income	Loosening regulation to spur construction
Australia	Freely set at beginning of tenancy, increases can be disputed in most states if deemed excessive to market level	Tenancies can be ended without grounds at the end of a fixed term, which can be as short as 6 months	Proposed from the 2019-20 tax year, international investors in residential real estate will be taxed at 30%	Negative (given tax environment), but poor housing affordability could change attitudes in the future
Denmark	Freely set for properties first occupied after 1992	Indefinite with mutual 3-month notice period	Institutional investors invest as part of a company structure. Subjecting them to the corporate tax level of 22%	Positive, but legislation favours tenants
The Netherlands	Outside of social housing, rent is freely set where the landlord can increase the rent every 12 months	Indefinite as standard, but some flexibility	Rent is generally free of VAT. This does not apply to short stay rent - but in this case, VAT on costs are deductible	Positive, but legislation favours tenants
France	Rents freely set at beginning of tenancies, but can only be increased based on a rent reference index	Typically 3 years	Basic rate of 20% of tax on the net rental income of non-residents	Tenants given good protection and strong governmental control
Germany	Can be freely set for first lettings but caps on increases apply	Indefinite, fixed contracts very occasionally permitted	Institutional investors are often limited to an income tax rate of 15% plus solidarity surcharge	Rent regulation already in place, but there are some exemptions
Sweden	Set freely on purpose-built buildings for 15-year terms	Indefinite with mutual 3-month notice period	30% CGT on profits from rental properties	Private providers of rental accommodation need to be state approved

Source: Savills World Research

How does the treatment of student housing differ?

Residential asset classes are increasingly viewed as one by investors, but are still often treated quite separately by regulators

- The Netherlands: rent restrictions are applicable to student accommodation (just like the residential sector). Some municipalities have loosened their policies on student accommodation, however, and have even granted subsidies for student housing developments. The Student Hotel has worked around rent restrictions by also offering short lets to other occupiers.
- UK: the treatment of PBSA applications varies widely between Local Planning Authorities. It is classified as Sui Generis as it does not fall within a certain use class.
- France: there are very favourable tax incentives for individuals investing in student accommodation under the Censi-Bouvard laws.
- Germany: student accommodation is classified as residential but is exempt from various sections of tenancy law. To qualify for these exemptions, the property must focus on students and have a high tenant turnover.
- Ireland: the National Student Accommodation Strategy aims to accelerate the supply of PBSA through the development of relationships and nomination agreements between PBSA providers and higher education institutions.
- Australia: Brisbane City Council is the first council in the country to implement incentives for increasing PBSA supply. By reducing infrastructure charges for developers of student accommodation.

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World Research

Paul Tostevin
Associate Director
+44 (0) 20 7016 3883
ptostevin@savills.com

Sean Hyett
Analyst
+44 (0) 20 7409 8017
sean.hyett@savills.com

Residential Capital Markets

Marcus Roberts
Director
+44 (0) 7807 999 187
mroberts@savills.com

James Hanmer
Director
+44 (0) 20 7016 3711
jhanmer@savills.com

Ben Norrington
Consultant
+44 (0) 20 7016 3765
ben.norrington@savills.com

Andrew Bushby
Director, Savills Studley
+1 (0) 212 328 3944
abushby@savills-studley.com

James Snaith
Associate Director
+44 (0) 7968 550 439
jsnaith@savills.com

Joe Guilfoyle
Director
+44 (0) 20 7016 3767
joe.guilfoyle@savills.com

Conal Newland
Director - Australia
+61 (0) 2821 58 863
cnewland@savills.com.au

Raymond Genre-Grandpierre
Director – France
+33 1 44 51 73 19
rgg@savills.fr

Valuations

Nick Harris
Director
+44 (0) 20 7409 8185
nharris@savills.com

Melanie Bailey
Director
+44 (0) 20 7016 3729
mbailey@savills.com

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CURSO/GUÍA PRÁCTICA
RESIDENCIAS DE ESTUDIANTES.
Inversión inmobiliaria en residencias universitarias y de estudiantes.

Índice

¿QUÉ APRENDERÁ?

- **La gestión integral práctica de residencias de estudiantes.**
- **El proceso de inversión inmobiliaria en residencias universitarias y de estudiantes.**
- **El régimen legal de las residencias universitarias y colegios mayores.**
- **El régimen interno de las residencias de estudiantes, universitarias y colegios mayores.**
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PARTE PRIMERA

Las residencias de estudiantes y universitarias como oportunidad de inversión inmobiliaria internacional.

Capítulo 1. El mercado inmobiliario de las residencias de estudiantes.


1. Las residencias universitarias o de estudiantes desde la perspectiva de los inversores institucionales generalistas.