VANTAGE POINT

PURPOSE BUILT STUDENT ACCOMODATION MARKET

PORTUGAL 2025

Better never settles

SECTIONS

PBSA IS MAKING WAVES IN PORTUGAL'S REAL ESTATE MARKET!

A severe shortage of supply is leaving students struggling to find affordable accommodation. New developments are progressing slowly, and the near absence of a traditional residential rental market is pushing students and young professionals towards alternative living solutions. Meanwhile, strong investor interest increases competition for limited opportunities, placing the PBSA sector firmly in the spotlight.

Demand drivers are equally compelling: Portuguese universities are climbing in global rankings, the cost of living remains relatively low and the country offers excellent weather, delicious food, rich cultural and leisure activities, and stunning beaches — including world-class surfing. Increasingly, universities in Portugal are joining international student exchange programs, offering comprehensive academic experiences that include accommodation in private PBSA developments.

This year's report explores the current market fundamentals — supply, demand and recent investment activity — and takes a closer look at rental growth trends in Lisbon and Porto over the past three years. We also provide insights into what the future may hold, considering the upcoming development pipeline.

Although the first modern larger PBSA schemes only began operating eight years ago, the market in Portugal is clearly consolidating and gaining maturity. All indicators suggest a promising and steady path forward — with fundamentals pointing clearly in one direction: up!

Despite seeing the growth of PBSA across the whole of Portugal, Cushman & Wakefield (C&W) has chosen to primarily focus on the markets of Greater Lisbon and Greater Porto as these encompass the largest proportion of students and private PBSA projects. We are also mainly focused on larger projects, with a minimum of 100 beds, so any details on smaller schemes or second-tier locations will not be addressed in this document.

When presenting data on Lisbon, we are always considering PBSA projects located in Greater Lisbon.

01
DEMAND

PBSA FUNDAMENTALS

Demand

- The official data on student enrollment are available only up to the 2023/24 academic year
- The data indicate a slight increase in the number of students attending higher education in Portugal, although the overall trend appears to be stabilizing
- The number of international students has declined marginally compared to the previous year.

Chart 1 - Evolution of Higher Education students in Portugal 2012 - 2024

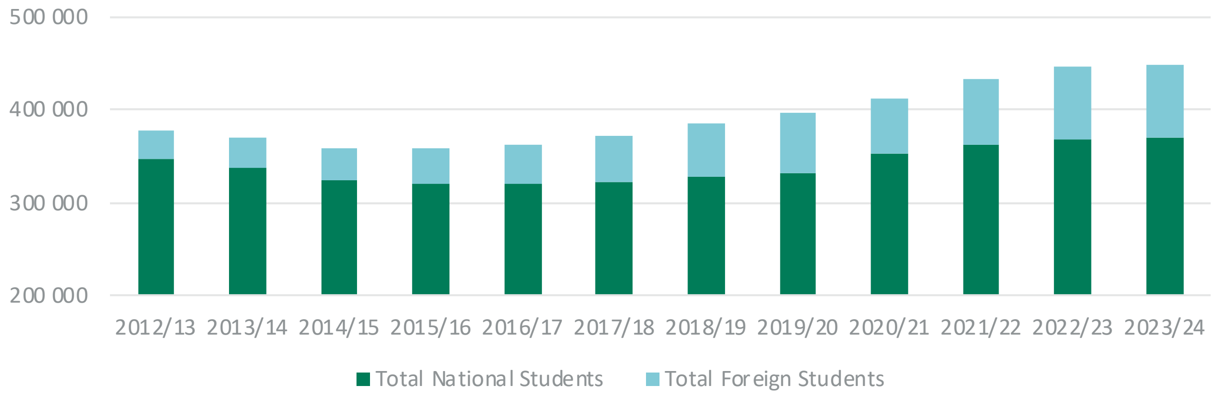
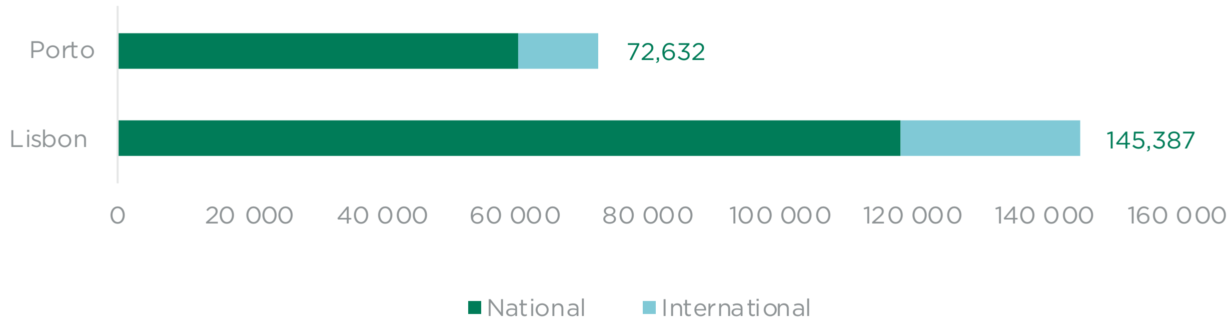


Chart 2 - Number of Students in Higher Education in Lisbon and Porto – 2023/24



Source: DGEEC

02

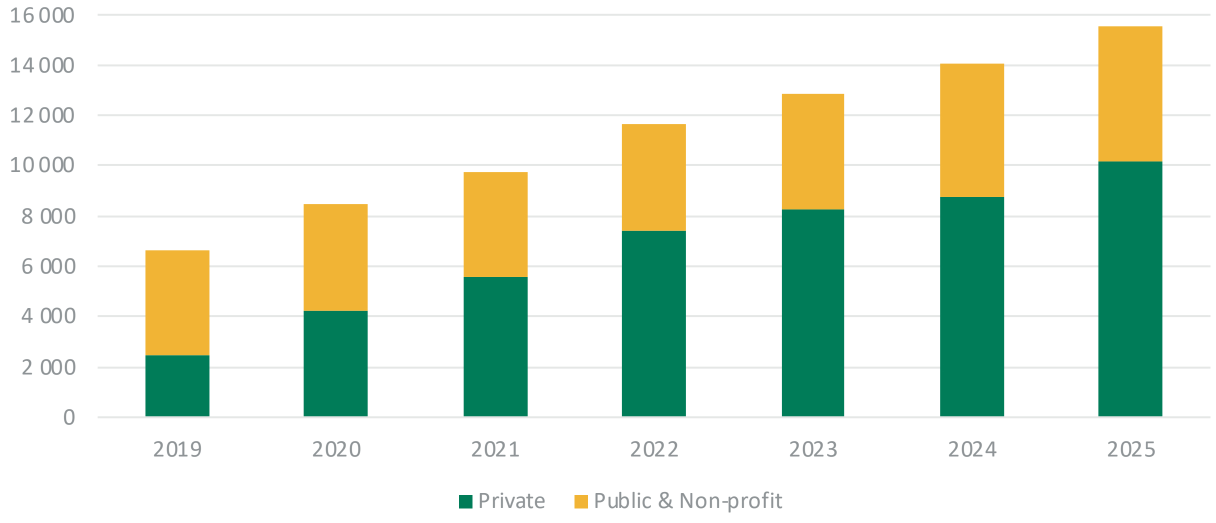
SUPPLY

PBSA FUNDAMENTALS

Supply

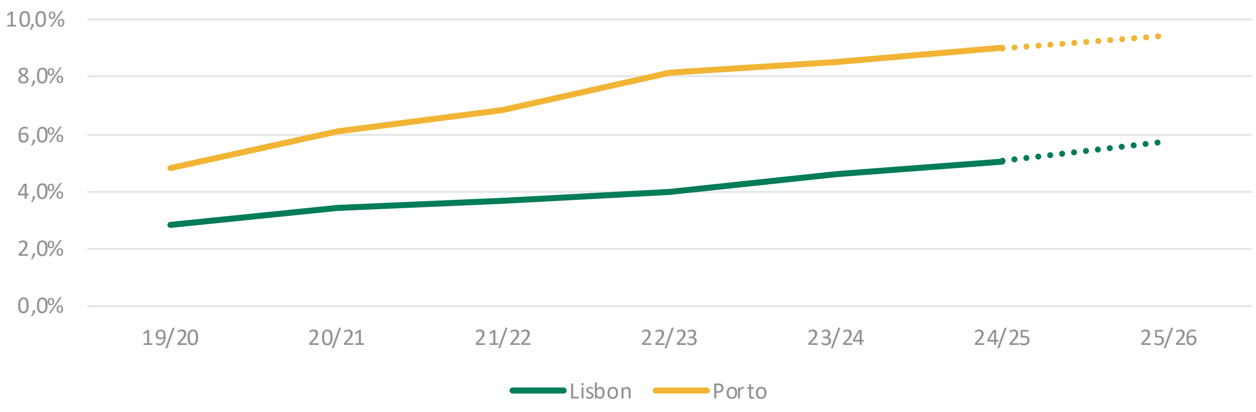
Supply growth in Greater Lisbon and Porto over the past 12 months has grown modestly, with approximately 1,500 new beds added through both public and private initiatives. This represents an increase of 8.5% in total stock.

Chart 3 - Student Accommodation Beds in Lisbon and Porto 2019 - 2025



Source: Cushman & Wakefield

Chart 4 - Growth of Provision Rate (%) in Lisbon and Porto 2019 - 2025



Source: Cushman & Wakefield

PBSA FUNDAMENTALS

Supply

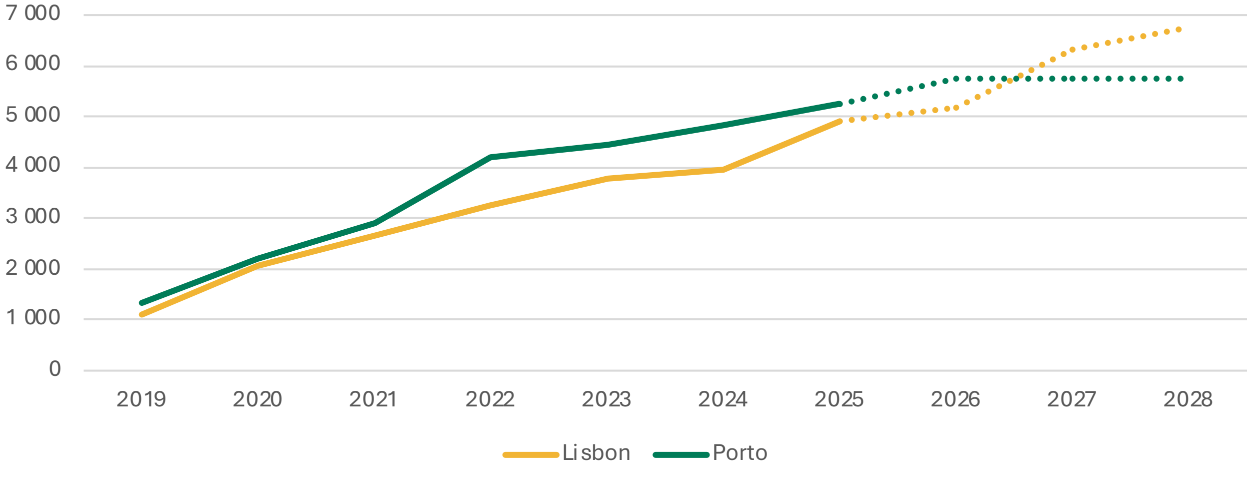
Despite an 8.5% increase in available beds in Lisbon and Porto, the provision rate (bed-to-student ratio) in both cities remains low, well below the European average of ca.12%.

Assuming a 1% annual growth in the student population over the next two years, and even if all planned public and private developments are delivered, provision rates for Lisbon and Porto are expected to remain below 10%, still far from the European benchmark.

Year-on-year growth in the number of beds has been modest, particularly in Lisbon, due to several persistent challenges:

- Lengthy and complex licensing processes
- Limited availability of suitable land
- Only a small share of the public beds announced in 2020 have been completed, and some major public projects have been placed on hold.

Chart 5 - Private Student Accommodation Beds in Lisbon (2019 -2025 and pipeline)



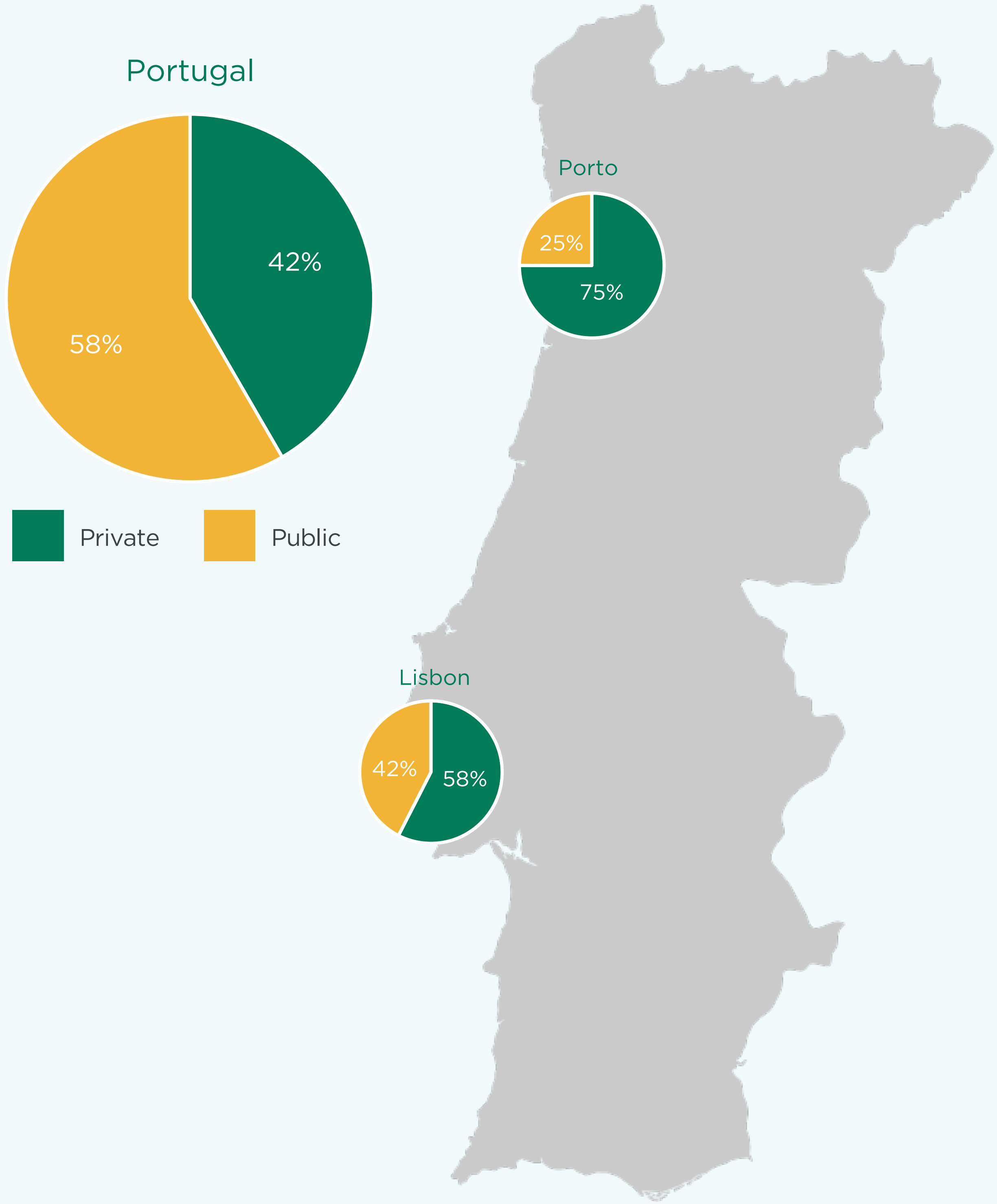
Source: Cushman & Wakefield

According to the current development pipeline, supply in Porto is expected to continue growing until 2026, after which it should stabilize. In Lisbon, supply is projected to increase steadily over the next three years, with the city anticipated to surpass Porto in the number of private beds by 2027. Even so, the provision rate in Lisbon will remain low as Porto has approximately half the number of students in Higher Education than Lisbon.

PBSA FUNDAMENTALS

Supply

Chart 6 - Private vs Public Beds (Q2 2025)



03

RENTS

PBSA FUNDAMENTALS

Rents

Chart 7 - Weighted average of the average rental growth in private PBSA schemes in Lisbon and Porto

2022/2023	2023/2024	2024/2025	2025/2026
14%	10%	12.3%	*9.3%

Source: Cushman & Wakefield

Available data on rents in private PBSA projects over 150 beds in Lisbon and Porto up to 2022 is limited. However, as in other European cities, records show that rents in some projects remained stable during the 2020/21 and 2021/2022 academic years following the Covid-19 pandemic with some discounts applied, especially in Porto where supply was higher and the number of students lower.

The growth shown in chart 7 is based on rental values collected by Cushman & Wakefield and, to ensure a like-for-like comparison, reflects the following criteria:

- Only the main private PBSA projects with over 100 beds currently in operation were considered.
- Rental values refer exclusively to standard individual studios — one-person units with a private bathroom and kitchenette.
- Rents considered are for full academic year subscriptions (10 months) starting from the beginning of the term.
- Figures for 2025/26 (*) are estimates based on rents currently being asked for the new academic year and include projects scheduled for completion by the end of September 2025, which are already actively accepting reservations.

PBSA FUNDAMENTALS

Rents

Since 2022/23, rents in both cities have consistently risen by a minimum of 10% year-on-year. However, it is crucial to note that these figures represent nominal increases and do not reflect inflation, which reached 7.8% in 2022 (the highest in 30 years) and 4.3% in 2023, according to Statistics Portugal (INE).

The rental growth recorded in 2022/2023 was the highest observed in recent years. This was driven by growing inflation, rising construction costs and increased interest rates. Additionally, and more importantly, the end of pandemic-related uncertainty and the return of student mobility were key factors boosting demand during this period, despite the increase in supply in both Lisbon and Porto.

Over the past two academic years, average rental growth has remained consistently strong, particularly in Lisbon. Porto has experienced a gradual market correction, as rents have historically trailed those of the capital, despite offering similarly high-quality developments and a broad range of services and amenities.

A big driver of rental growth in PBSA is the general shortage of housing. With twice the student population of Porto and a much larger general population, Lisbon's housing market remains under intense pressure. The shortage has become so acute that the limited market of apartments traditionally rented and shared by students is now being occupied by families who are unable to afford home ownership.

As a result, students are increasingly left with no viable alternative but to turn to purpose-built student accommodation (PBSA). This spillover from the broader housing crisis has further intensified demand for PBSA, contributing to the upward pressure on rents in the sector.

Estimates for the new academic year based on asking prices for reservations suggest continued strong rental growth in both cities, around the 9% mark (weighted average for Lisbon and Porto). As these are asking prices for the start of the academic year, they may adjust over the coming months.

When comparing public and private student accommodation in Lisbon, the pricing gap is notable, even considering the disparity in services and amenities offered. While this difference has been more pronounced in the past, it remains relevant today. Another key factor is that public student housing tends to be in secondary cities, whereas in both Lisbon and Porto, the supply of private accommodation already surpasses the number of public beds.

PBSA FUNDAMENTALS

Rents

In **public student residences in Lisbon**, average monthly costs are significantly lower:

INDIVIDUAL ROOMS RANGE FROM	SHARED ROOMS COST BETWEEN	INDIVIDUAL STUDIOS ARE PRICED BETWEEN
€253 to €413	**€170 and €354 per bed**	**€588 and €775**

By contrast, private PBSA studios in Lisbon typically range from €650 to €1,500 per month, depending on location and quality of amenities and premium features.

Public student accommodation prioritizes students receiving scholarships and financial aid, which means that a significant number of displaced domestic students are left with little choice but to turn to private housing options.

04

INVESTMENT TRANSACTIONS

PBSA INVESTMENT MARKET

Transactions

Four investment transactions were concluded over the last 12 months:

PROJECT	LOCATION	BUYER	TYPE	#BEDS
Andy Portfolio (2 assets)	Covilhã / Braga	Stoneshield Capital	In operation	554
Micampus Lumiar	Lisboa	Stoneshield Capital	Construction completed	412
Micampus Alta de Lisboa	Lisboa	Stoneshield Capital	Construction completed	224
PBSA Project Asprela	Porto	Hines	Under construction	573

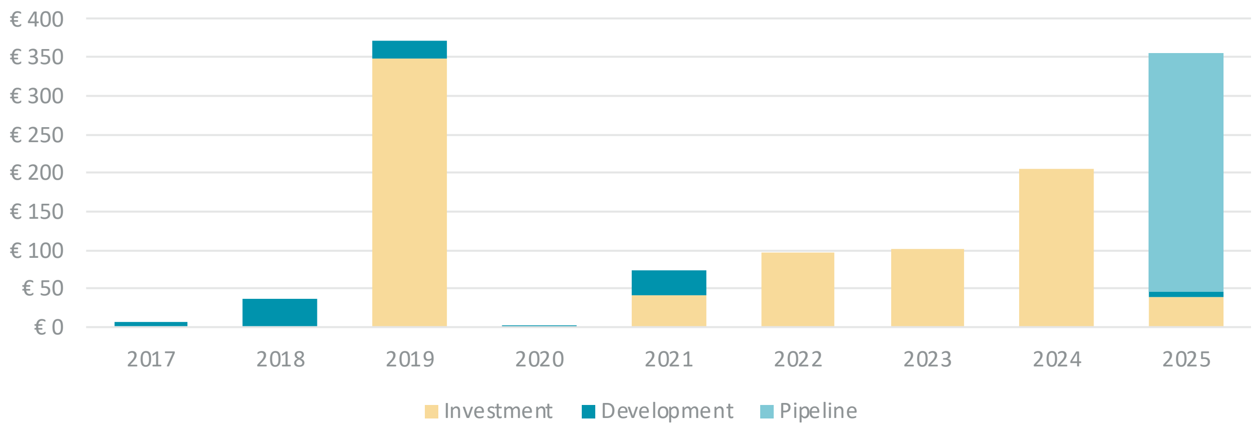
Source: Cushman & Wakefield

- Lisbon and Porto remain the primary focus for investors in the PBSA sector. However, the sale of two operational assets in secondary cities — Covilhã and Braga — totaling 554 beds, marked a noteworthy transaction, signaling growing interest beyond the main urban hubs.
- Stoneshield Capital, a relatively new entrant to the Portuguese market, continues to expand its portfolio, having taken ownership of the projects previously included in the Move (Smart Studios) portfolio in Alta de Lisboa and Lumiar.
- Hines made its entry into Portugal through the acquisition of a development in Asprela, which is being delivered by Garcia Garcia.
- Prime reference yields — used as benchmarks for the current PBSA market — currently range between 5.25% and 5.50%, reflecting a slight compression over the past year.
- Average pricing per bed in Lisbon and Porto has increased, now sitting between €100,000 and €120,000. The sale of the Home & Co operation in Campo Pequeno to Xior, which transacted last year at €152,000 per bed, remains an outlier.
- The ongoing sale of the Livensa portfolio in Iberia, publicly announced and expected to close in December 2025, includes five premium assets in Portugal totaling 2,470 beds. Brookfield Asset Management is the seller and Nido Living is the buyer. If successful, this acquisition will position Nido Living amongst the leading PBSA operators in Portugal.

PBSA INVESTMENT MARKET

Transactions

Chart 8 – PBSA Investment Volume (2017-2025)



Source: Cushman & Wakefield

Source: Livensa Living Website - Cidade Universitária

PBSA INVESTMENT MARKET

Key Trends and Takeaways

1

A significant undersupply continues to affect the market, particularly in Lisbon, where many projects face repeated delays due to licensing issues.

2

Compounding the supply-demand imbalance is the lack of alternative housing solutions. The broader housing crisis has intensified, with apartment rentals increasingly absorbed by families unable to purchase homes, leading to limited availability for students.

3

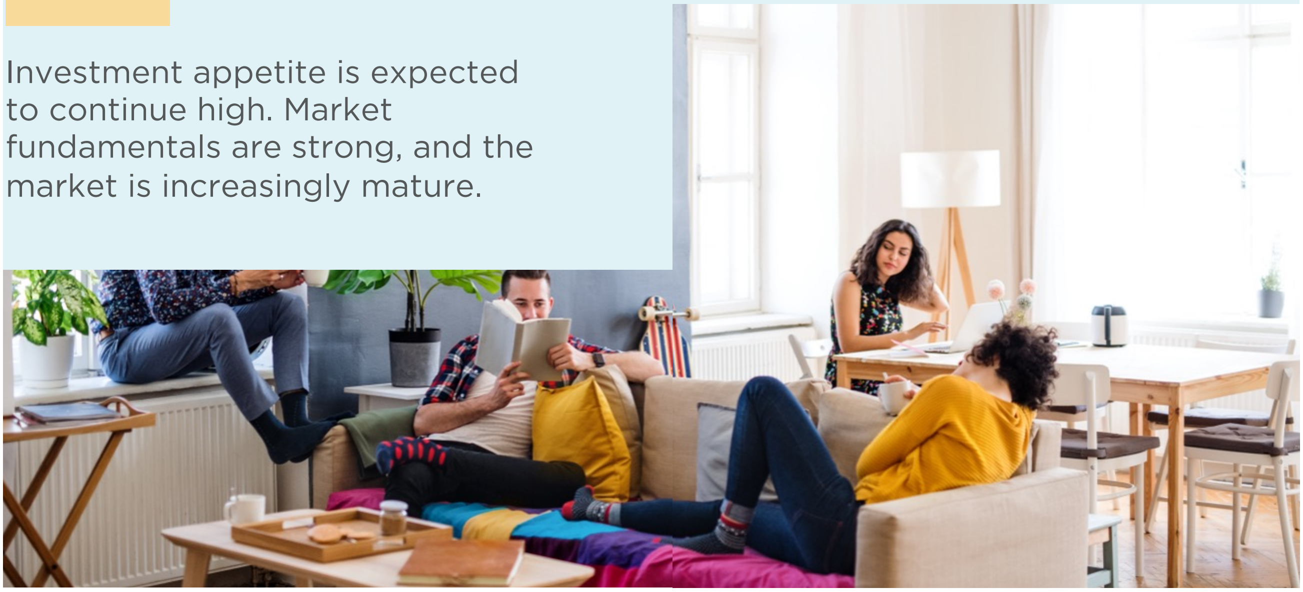
With the current undersupply and low provision rates, occupancy should continue high

4

Rental growth is expected to continue high across the PBSA sector in Portugal, especially in Lisbon

5

Investment appetite is expected to continue high. Market fundamentals are strong, and the market is increasingly mature.



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ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture.

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