

Purpose-Built Student Accommodation Index 2025

Purpose-built student accommodation recorded total returns of 3.4% in the year to September 2025.

Commentary

The CBRE Purpose-Built Student Accommodation (PBSA) Index reported total returns of 3.4% in the year to September 2025. Capital values fell by 2.0%, but income returns of 5.4% ensured that total returns remained positive, albeit at a lower level than in the previous year.

A total return of 3.4% for PBSA contrasts with a total return of 9.3% for the wider commercial real estate market in this period, based on the CBRE UK Monthly Index. However, this follows three years where PBSA assets outperformed commercial real estate overall.

The shift in performance is driven by several factors. Occupancy levels were lower this year, causing net income to decline by 1.6%, while there was a small increase in yields. As a result, capital values declined this year after four consecutive years of increases.

However, performance varied markedly between locations. Assets in super prime markets saw capital values rise by 2.8%, contributing to total returns of 8.0%. In contrast, London assets saw values fall by 0.8%, while assets in prime regional markets saw values fall 3.8% year-on-year.

The 2025 results are based on 72 assets, totalling over 25,000 beds, as of September 2025. The index is focused on assets that are directly let to students. Assets let exclusively on nomination agreements are excluded, while assets that are subject to high levels of capital expenditure are also removed from the sample to ensure a like for like comparison between valuation dates.

All PBSA property, year to September 2025

3.4% YoY

Total return

-2.0% YoY

Capital growth

5.1% end Sep

Net initial yield

74.6

Net : Gross ratio

5.4% YoY

Net income return

-1.6% YoY

Net income growth

+5bps YoY

Yield shift

£3.7bn

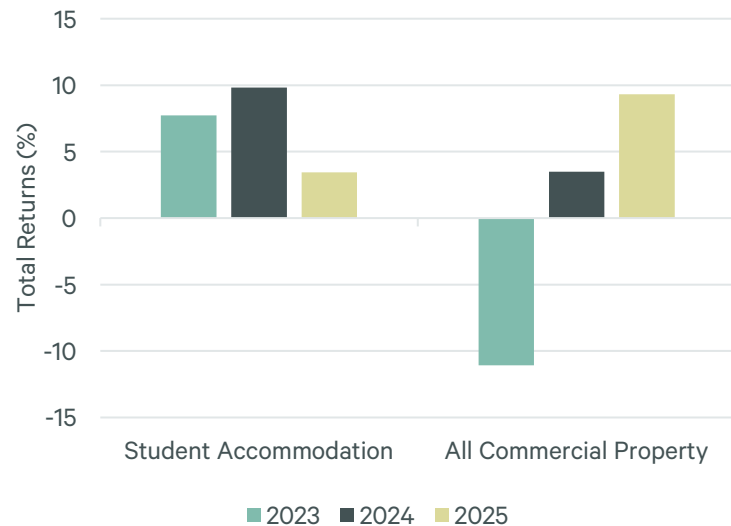
Total capital value

Source: CBRE Research, Q3 2025

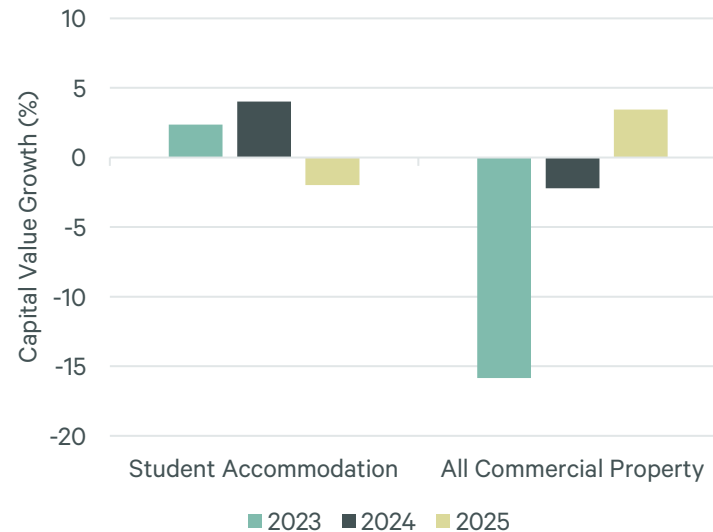
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Purpose-built student accommodation saw lower returns in the year to September 2025 than the wider commercial property market

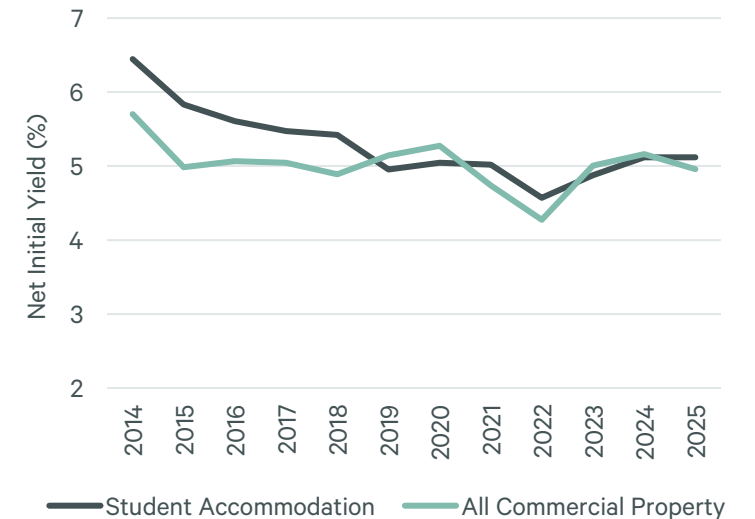
Asset class: Total return



Asset class: Capital value growth



Asset class: Net initial yield

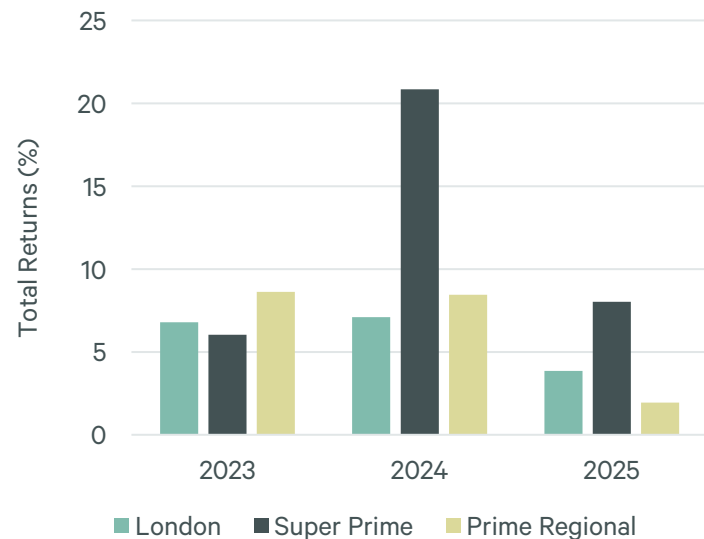


Source: CBRE Research, Q3 2025

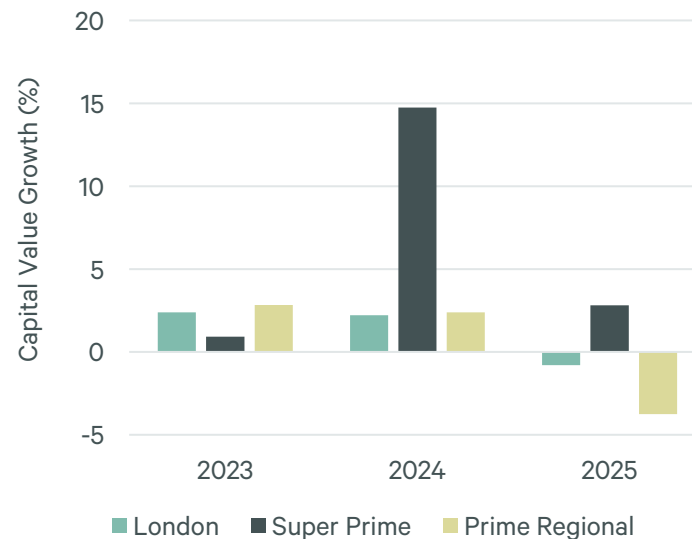
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Assets in Super Prime markets recorded the highest returns, as capital values and net income rose during the last 12 months, contrasting with results for other locations

Regional split: Total return



Regional split: Capital value growth



Regional split: Net income growth



Source: CBRE Research, Q3 2025

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