



# Purpose-Built Student Accommodation (PBSA): The new reality of student housing in Lisbon.

Gonçalo Pina

Dissertation written under the supervision of professor Peter V. Rajsingh,  
with the collaboration of industry expert André Pinho

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## **Abstract**

**Title:** “Purpose-Built Student Accommodation (PBSA): The new reality of student housing in Lisbon.”

**Author:** Gonalo Nuno Guimares Pina

**Keywords:** student accommodation, student housing, PBSA, students, students in Lisbon, student housing in Lisbon, students housing Portugal, international students, accommodation trends, millennials, generation Z

The real estate market has been in flux. This is also true for the student housing subindustry, being part of this overall market. In more developed countries (such as the United States of America or the United Kingdom) which are leading indicators of trends, the supply of student accommodation is already relatively stable, professional, and a modern offering in the form of PBSAs (Purpose-Built Student Accommodation). PBSAs, as the name implies, are accommodations built with the purpose of being sold to students, offering all the necessary amenities for clients (private bedrooms with bathrooms and sometimes kitchens or kitchenettes) while promoting conviviality and sociability through its set of services (lounges, gym, study rooms).

In Portugal, this kind of accommodation is beginning to appear, however it still constitutes a relatively small share of the market. With the growing number of students in higher education, together with the growth of international students studying in the country, there has been an increase in interest from international companies seeking to invest in the country and in this sector as seen through the number of pipeline projects in development.

This thesis, therefore, aims to study the Portuguese student housing sub-industry, and how PBSA will influence / change the student accommodation market in Portugal, namely in Lisbon, and which disruptors are leading to this change.

## Sumário

**Título:** “Alojamento Construído para Estudantes (PBSA): A nova realidade da habitação de estudantes em Lisboa.”

**Autor:** Gonçalo Nuno Guimarães Pina

**Palavras-chave:** alojamento para estudantes, residências universitárias, estudantes, estudantes em Lisboa, alojamento estudantes em Lisboa, alojamento estudantes Portugal, alunos internacionais, tendências alojamento, millennials, geração Z

O mercado imobiliário está em constante mudança, consequentemente a sub-indústria de alojamento para estudantes, fazendo parte deste mercado, encontra-se também em plena mudança. Nos países mais desenvolvidos e onde as tendências chegam primeiro (como os Estado Unidos da América ou o Reino Unido), este mercado de alojamento para estudantes oferece já uma oferta marcadamente profissional e moderna, pela forma de PBSAs (PurposeBuilt Student Accommodation). As PBSAs, como o nome indica, são alojamento construídos, com o propósito de serem vendidos a estudantes, oferecendo toda a privacidade necessária ao cliente (quartos privados com casa de banho e por vezes cozinha ou kitchenette) ao mesmo tempo que promove o convívio e sociabilidade através do seu conjunto de serviços (lounges, ginásio, salas de estudo).

Em Portugal, as PBSAs começam a aparecer, no entanto constituem ainda a menor fatia deste mercado. Com o verificado crescimento de alunos no ensino superior em conjunto com o também crescimento de alunos internacionais a estudar no país, tem-se notado um aumento do interesse de empresas internacionais com o propósito de investir no país, e isso é facilmente constatado, através do número de projetos em pipeline para os próximos anos.

Esta tese tem como objetivo estudar a sub-indústria de alojamento para estudantes em Portugal e como vão as PBSAs influenciar/alterar o mercado de alojamento para estudantes no país, nomeadamente em Lisboa, e quais os disruptores que estão a levar a esta mudança.

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# 1. Introduction

The Portuguese student housing sub-industry has been known for being informal, nonprofessional and dominated by landlords who rent their spare rooms in private apartments. Another aspect that characterizes this market is the widely discussed lack of beds in comparison to the existing demand. Overall, the student housing sub-industry in Portugal can be divided into four different kinds of accommodation: Private Apartments, University/Religious Residencies, Private Apartment Operators and Private Student Housing. (JLL, 2019)

Private Student Housing (where PBSAs are included) are the latest/newest type of accommodation to arrive to Portugal and consequently the one with the smallest share of the market. It is important to study why it is appearing now and if it will become a dominant part of the market in the next few years. The appearance of this type of accommodation has also occurred at the same time we are seeing an increase in the number of international students. Can both these events be linked?

Another aspect studied in this dissertation was the fact that international students belong to the Millennial generation and to the Generation Z, both being demographics with new demands concerning living requirements. The Portuguese student housing sub-industry dominated by Private Apartments is presently not capable of addressing the evolving needs of students. So, it is important to understand how PBSAs will fit into the market and possibly change it in the near future.

## 1.1. Problem Statement

The problem statement of this dissertation is: How is purpose-built student accommodation going to disrupt the Portuguese student housing sub-industry?

The major catalyst for PBSAs is the increasing number of international students in Portugal (DGEEC, 2019), coupled with the growing number of national students (DGEEC, 2019) and the verified lack of beds in the main cities (Idealista, 2020). Besides that, it is also important to consider that a part of the beds already existing do not meet the quality of European Standards (JLL, 2019). This brings up again the importance of the increasing supply of PBSAs. What is also interesting to study and try to understand is how PBSAs will impact the Portuguese market and if this impact will position them to be the largest share of the supply side of student accommodations in the country in the next few years.

## **1.2. Relevance**

### **1.2.1. Academic Relevance**

The academic relevance of this study is that it presents a new reality in the Portuguese student housing sub-industry. This is a novel topic and there is a lack of academic research and relevant studies about it. It is thus important to study this topic and present the available information to bring insights to the issue. Also, given that this an actual and widely discussed subject , as seen in Henriques (2018,) Lusa (2019) and Soares (2020, it is relevant to try to understand this sub-industry and how it is going to evolve.

### **1.2.2. Managerial Relevance**

In recent years there has been a growth in the number of students enrolled in higher education worldwide, as well as a growth in the number of international students spread around the world. Estimates point to a future of increasing growth (Worx; Uniplaces, 2017). In Portugal, the number of international students has been growing from year to year and this can be traced to several factors: Quality of Life, Programs taught in English, Universities recognized by international rankings (JLL, 2019).

But with this growth of international students in Lisbon, combined with the high number of displaced national students (30%, only in Lisbon, Ministério da Ciência, Tecnologia e Ensino Superior e Ministério do Ambiente, 2017), the problem arises of where and how to accommodate so many people in a country where the lack of beds is a recurring problem (Idealista, 2020).

The supply of student accommodation in Portugal is still very informal and unstructured, making the private apartments the main option for students. The number of PBSAs in the country is scarce and finding other types of quality accommodation (private apartments or University/Religious accommodation) is a difficult task for students. Thus, it is estimated that there is a shortage of 14,000 to 20,000 beds with European quality standards in the main cities of Portugal (Lisbon, Oporto and Coimbra) (JLL, 2019). Adding to this, international students tend to seek accommodations that offer more than just a room. (Chang, s.d.) There has been a shift in demand, so there is need to a create supply as well, and this can be fixed with the new PBSAs in the pipeline (Alves, 2017).

### **1.3. Research Questions**

The two research questions in this study are:

1 - What is the impact of PBSAs in the Portuguese student housing sub-industry?

Here we will study the advantages vs disadvantages of the PBSA model, study consumer perceptions vs. supplier offerings and try to define why this has not become more developed up till now.

- What will the Portuguese student housing sub-industry evolve into, given the widespread availability of PBSAs?

To try to answer this question, we will create future scenarios to posit how the industry might look, and also analyse stakeholders and their reactions to the disruptor and attribute likelihoods to scenarios.

## **2. Literature Review**

### **2.1. International Students**

#### **2.1.1. International Students in a Nutshell**

“An internationally mobile student is an individual who has physically crossed an international border between two countries with the objective to participate in educational activities in a destination country, where the destination country is different from his or her country of origin.” (UNESCO, 2015). Since 2015, this has been the agreed definition of international students by UNESCO, OECD and EUROSTAT. This definition is based on students enrolled in higher degrees with a length of stay in the foreign country of more than 1 year and less than 7 years.

There are two other groups of international students: “foreign students”, students from countries other than the one in which they study, enrolled in a higher degree. These students can have non-resident visas or a permanent resident status. The other group is “credit-mobile students”, which in Europe is commonly referred to as students enrolled in mobility programs such as Erasmus. (Migration Data Portal, 2020)

Having international experience tends to lead to be a better international manager (Javidan, Teagarden, & Bowen, 2010) and students with international experience have more capabilities of being better international managers (Maddux, Galinsky, & Tadmor, 2010). International students not only enrich themselves through the experience of living abroad, but also enhance the host country with their heritage and customs, making nationals more cosmopolitan. In addition, international students are also said to be a valuable financial asset to universities. (Bevis, 2002, Harrison, 2002). International students gain higher education and learn new methods of teaching/working but they are also a valuable source of knowledge and skills that can contribute to the improvement of human capital of the host country. (Berry, 2005).

#### **2.1.2. International Students Around the World**

The number of international students, namely international students at higher education level, has been increasing every year: in 2005 there were 2.7 million students abroad, by 2010 the number was almost two times higher, reaching a total of 4.1 million (OECD, 2012). By 2025 the number is expected to reach 7.2 million students (Wei, 2013).

The United States and Europe are traditional destination countries for international students. An average of 7.5% of the European population is mobile, therefore, considered as international students and this percentage reflects a number of 1.4 million students. (EC, 2015). But new destinations are now competing for market share, making mobility more global. (Wei, 2013 and UNESCO, 2014).

### **2.1.2.1. Millennials and Generation Z**

Different dates can be found to define the Millennial generation time interval. In Hills, Levett-Jones, Lapkin, Boshoff & Jewell (2015), Millennials, also known as Generation Y, comprise those who were born between 1983 and 2002, when in McGlone, T., Spain, J. W., & McGlone, V. (2011), Millennials are defined as being born between 1979 and 2001, and in Dimock, M. (2019), Millennials are considered as those born between 1981 and 1996.

Due to technology, this generation has different expectations and learning styles. When compared with previous generations, Millennials prefer more flexible and accessible on-line teaching methods. (Hills, C., Levett-Jones, T., Lapkin, S., Boshoff, K., & Jewell, K. (2015)).

These students are driven by issues such as socialization, feelings of accomplishment and connectedness, (Noble, S. M., Haytko, D. L., & Phillips, J. (2009)), and the operators of student accommodation are dedicated to offer them the possibilities of fulfilling their issues. Nowadays student accommodation offers many different collaborative spaces to support connections between students in order to achieve success. In addition, new accommodations offer flexible study places, lounges, laundries and kitchens, which allow students to connect with each other and socialize in a comfy space. (Chang, s.d.) Alternatively, Generation Z comprises those born between 1996 and 2011 and are this demographic is seen as the “next big thing for market researchers, cultural observers and trend forecasters” (Williams, 2015). Generation Z is also referred to as the iGeneration, alluding to the iPhone, which was first launched in 2007, when the elders of this generation were only ten years old (Dimock, 2019).

### **2.1.3. Students in Lisbon**

In the last 5 years there has been a yearly increase of the number of students in higher education institutions both in Lisbon as well as in the rest of Portugal (DGEEC, 2019). The weight of international students was also increasing until 2019. Most of international students

in Lisbon are from CPLP countries or from other countries in Europe, mainly Spain, Italy, France, Germany and Poland. Between 2009-2019 there was a 98% increase in the number of international students in Lisbon (DGEEC, 2019). English taught programs and International reputation of courses offered are student requests and they have been increasing exponentially (JLL, 2019).

In Lisbon, the number of students (in higher education) amounts to 116,700 students, which represents 31% of the total of students in the whole country. Most international students are in the capital where there are roughly 17,900 international students. Adding to this, there are 41,600 Portuguese students in Lisbon who are from other parts of Portugal which adds up to a total of more than 59,000 students with accommodation needs (DGEEC, 2019). In Lisbon, students who book a room tend to stay an average of 142 days and to spend 443€ per month (Uniplaces, 2016).

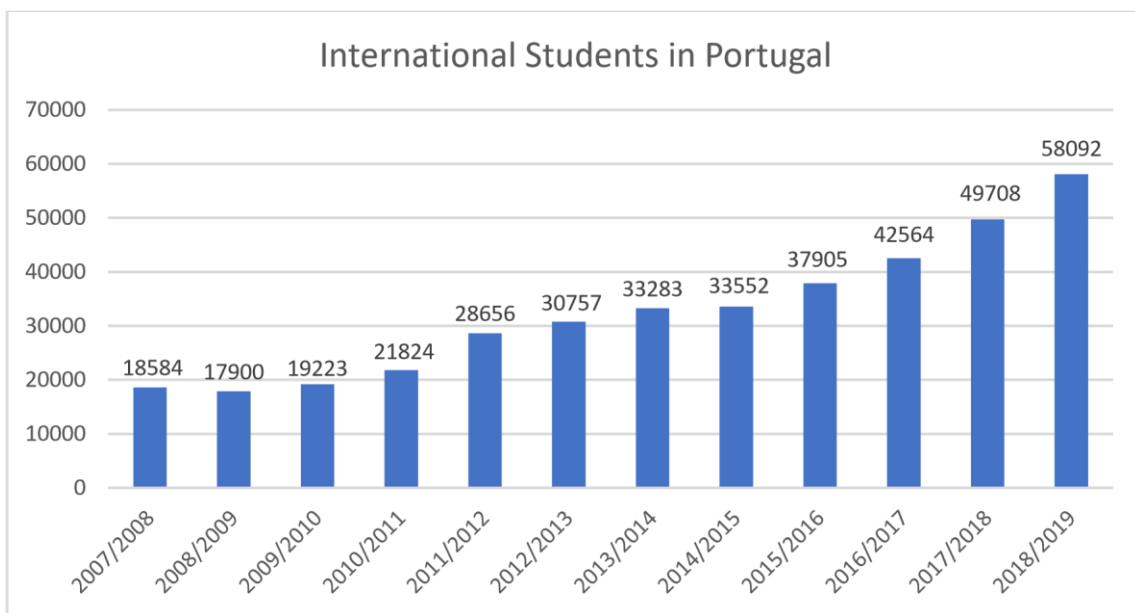


Figure 1 - International Students in Higher Education Institutes 2007-2019 - (DGEEC: 2019)

Enrolled Students in Higher Education 2018/2019			
Nature of the Institute	Men	Women	Total
Public	145.301	165.334	310.635
Private	28.821	39.727	65.548
<b>Total</b>	<b>174.122</b>	<b>205.061</b>	<b>379.183</b>

Table 1 - Enrolled Students 2018/2019 - (DGEEC: 2019)

Foreign Students (by nationality)			
Country	Men	Women	Total
Brazil	8.631	11.849	20.480
Angola	2.208	1.825	4.033
Spain	1.543	2.255	3.798
Cape Verde	1.611	2000	3.611
Italy	1.698	1.780	3.478
France	995	1.317	2.312
Germany	931	1.075	2.006
Guinea-Bissau	1.056	661	1.717
China	428	864	1.292
Poland	417	834	1.251
São Tome e Principe	595	624	1.219
Mozambique	533	486	1.019
Turkey	309	330	639
Romania	207	384	591
Ukraine	151	354	505
The Netherlands	227	248	475
Belgium	167	262	429
Iran	271	156	427
Cech Republic	148	256	404
Ecuador	201	120	321
Other Countries	3.466	4.098	7.564
<b>Total</b>	<b>25.793</b>	<b>31.778</b>	<b>57.571</b>

Table 2 - Top 20 Foreign Students (by nationality) - (DGEEC: 2019)

## 2.2. PBSAs

### 2.2.1. PBSA Definition

PBSA stands for Purpose-Built Student Accommodation. Private operators have recognized the growing trend of students seeking accommodation, and this demand is also associated with a high level of amenities and sense of community. The feeling is more like living in a resort than in an apartment-community, with amenities such as swimming pools, private bathrooms for every bedroom, and high speed wi-fi offered (Fields, 2011).

Amenities in student housing have dramatically transformed over the years and one of the causal factors is generation Y, also known as Millennials, who expect amenities that in

previous times were considered luxuries (swimming pools, private bathroom and also, lounges and gymnasiums) to be standard options today (Earhart & Fields, 2012).

To fulfil these needs, private operators started to build a new and alternative concept of housing that gathers together living, studying and socialization amongst the residents – the PBSA. (JLL, 2019) These requirements need to be fulfilled because student housing has a big impact on student life, not only in relation to grades and school performance, but also in relation to sociability issues. (Bronkema, R., & Bowman, N.A. (2017)).

### **2.2.2. PBSA Demand**

An article from the newspaper *Expresso* reveals that in 2020 the priority for investor in real estate market was student residences (Rito, 2020). The international student market seems to be growing every year (Figure 1) and as mentioned in an article from *Observador*: “In 20 years, the percentage of international students in Universities and Higher Institutes is 5 times higher” (Agência Lusa, 2020). With the growing number of international students, the student housing sub-industry would probably be in serious trouble unless it increases housing supply (Anderson, 2015).

As well as having to consider international students there are also the domestic ones. In some cities, the market of domestic students looking for accommodation is as important as the international market, and this can be seen in the example of Lisbon. In Lisbon, almost 30% of the academic population is originally from other cities around Portugal (DGEEC: 2019). One difference between international students and domestic students is the fact that domestic students tend to be more price sensitive and take more time to accept and be receptive to new products (Cushman & Wakefield, 2019).

Finally, operators must be customer-focused and provide value to three different groups of customers: students, their parents, and the University. Firstly, they need to value the students who live in the residences, secondly there are parents who pay for room and board and, lastly, there is the University which is direct or indirectly represented (Cushman & Wakefield, 2019).

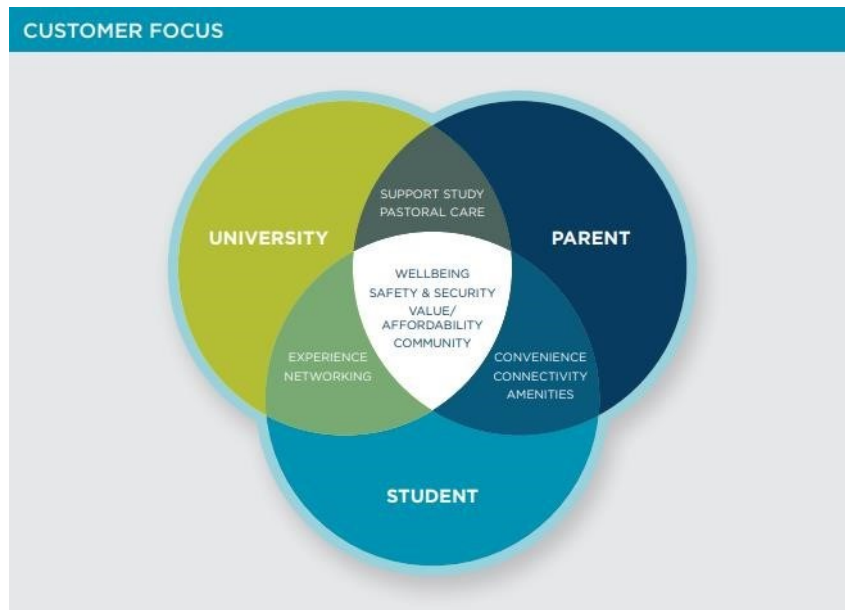


Figure 2 - Customer Focus (Cushman & Wakefield, 2019)

### 2.2.3. Main Markets for PBSA

The United States and the United Kingdom are the two major markets for PBSAs. They are already mature markets and account for a big portion of investments that have been made (INFOGRAPHIC – Top 10 emerging PBSA markets, 2017). As seen in figure 3, the UK is the second most popular destination for international students (Knight Frank, 2019). And as has already been stated, these are the students who are more likely to live in a PBSA. In addition, the number of international students in the UK is expected to continue growing, so the demand for PBSAs in next years is expected to follow in the same way (Brissy, Mitsostergiou, & Roberts, 2020).

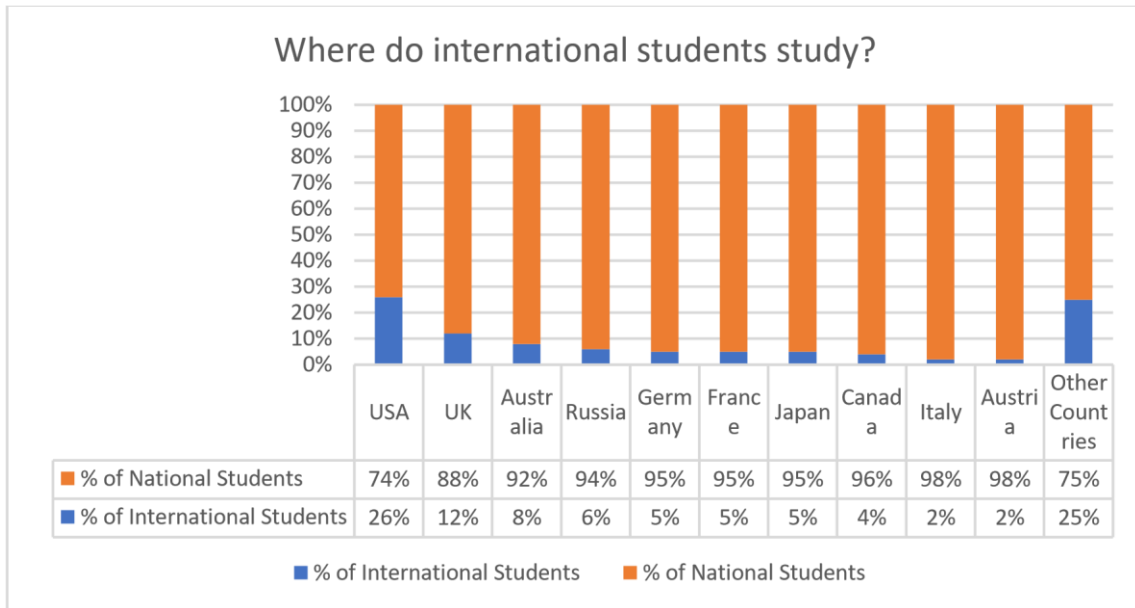


Figure 3 - Where do International Students Study? - (Adapted from Knight Frank, 2019)

Country	Number of Students (2017/2018)	% of Growth in Students	Estimated PBSA Bed Space	Number of International Students (2017/2018)
<b>France</b>	2,7 million	2,7%	340.000	343.000
<b>Germany</b>	2,86 million	1%	274.000	394.000
<b>Italy</b>	1,83 million	1,2%	49.500	93.000
<b>Ireland</b>	184.000	1,6%	30.000	22.000
<b>The Netherlands</b>	683.000	2,3%	-	75.000

Table 3 - EU Markets for PBSA Investment (outside the UK) – (Adapted from Cushman & Wakefield, 2019; Eurostat, 2020)

Besides the UK, in Europe the bigger markets are France and Germany. France already has 350.000 purpose-built beds but it still has an estimated need of 340,000 additional beds, which leaves plenty of room for new investments. It is expected that 60,000 new beds will be created before 2022. In Germany there is still space for 274,000 beds. But here the investment will probably not grow at such a rapid pace because there is a greater and more urgent necessity of replacing old rooms/beds that are becoming obsolete (Cushman & Wakefield, 2019).

Outside Europe, the USA is the biggest market for PBSA. This is because the USA has the largest international student population in the World. Between 2014 and 2019 over 260,000 beds in PBSAs were introduced in the US market. Only 12% of students in the USA can find a

bed in PBSAs. However, with the growing expected number of international students, the market for PBSA operators is likely to continue to grow as well (Green, 2019).

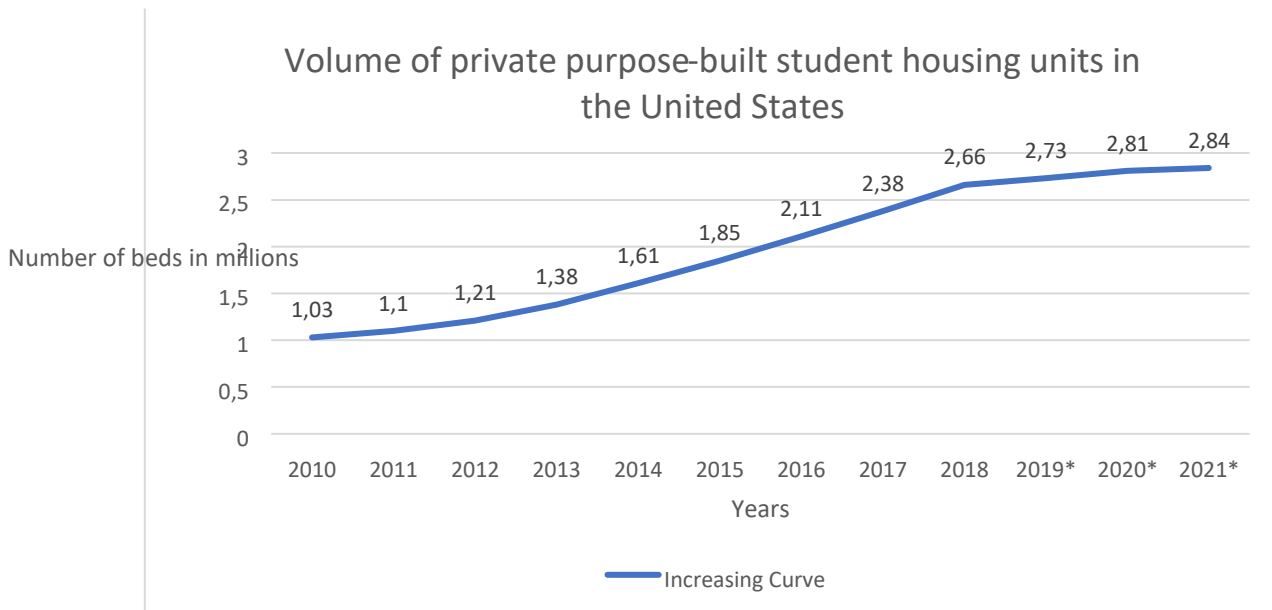


Figure 4 - Volume of Private Purpose-Built Student Housing Units in the United States from 2010 to 2021, by number of beds (in millions) - (Statista Research Department, 2019)

In Australia, another large market for international students, 55% of PBSAs are directed towards foreign students. Nonetheless, in Sydney and Melbourne alone, there is a lack of 140,000 beds (Green, 2019). In 2019 alone, a total of 8,290 new PBSA beds were delivered, mainly within the cities of Sydney, Melbourne, Brisbane and Adelaide (Knight Frank, 2019).

## 2.3. PBSA in Lisbon

### 2.3.1. Types of Student Housing in Lisbon

In Lisbon there are 4 possible types of accommodation for dislocated students: Private apartments, University and Religious student housing, Private Apartment Operators and Private Student Housing, the segment where PBSAs are located (JLL, 2019).

Private apartments hold the biggest share of the accommodation offered in Lisbon (JLL, 2019). On the Uniplaces website alone it is possible to find 6,093 units (information taken at the 21<sup>st</sup> day of January 2021 at (Uniplaces, 2020). But it is quite difficult to count the exact number of available units since one finds advertisements on many different platforms such as Uniplaces, Airbnb and Facebook (JLL, 2019). This type of accommodation can vary from a room to a whole apartment.

University and Religious student housing accounts for a total of 1,800 rooms in the city of Lisbon, distributed into 33 residences. This type of accommodation is characterized by offering cleaning and laundry services, and in some cases, catering is also included in the price (JLL, 2019). Some residences are only intended for female students and others for male students (Pastoral Universitária - Patriarcado de Lisboa, 2020). Another feature that characterizes this kind of accommodation is the activities they have throughout the year, such as those related with the Church or with volunteering (Institutos das Religiosas da Maria Imaculada, 2019) & (Montes Claros Residência Universitária). The major issue concerning these residences is the need for renovation/innovation, as most of them are outdated (JLL, 2019).

Private Apartment Operators, as the name indicates, offer accommodation composed by a bedroom, a private kitchenette/kitchen and a private bathroom. The most usual form of this kind of rooms are Studios or T1 (1 bedroom apartment). Included in the global price of the room it is common to find all expenses included (water, electricity, gas, and Wi-Fi). It is also possible to find some services included in the price, such as swimming pools, lounges, gymnasiums, study rooms, among others (Smart Studios, 2020). In Lisbon there are 1,490 rooms exploited by Private Apartment Operators (JLL, 2019).

Private Student Housing is the sub-sector where PBSAs are located. This type of student accommodation has the smallest market share in Lisbon. The JLL 2019 Report stated that there were only 700 rooms in PBSAs, distributed across 8 buildings. Most rental units are Suites or Studios, but unlike Private Apartment Operators, not every room has a private kitchen and it is instead possible to have access to a common kitchen. Again, this type of accommodation offers all bills included and some additional services to the residents. (Xior Student Housing by U.Hub, 2020)

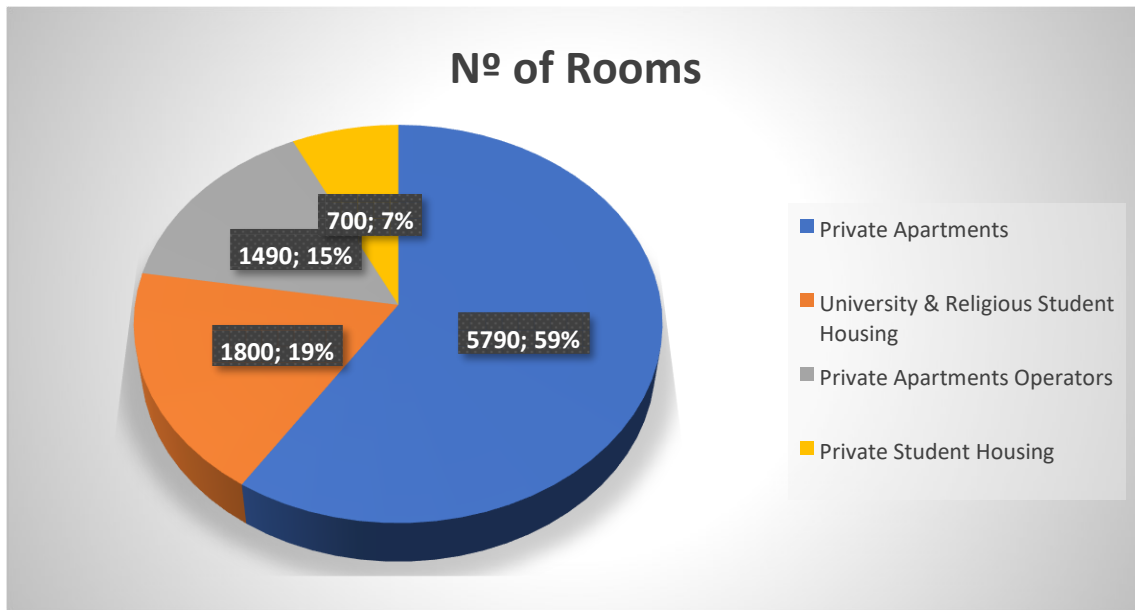


Figure 5 - Accommodation Offer in Lisbon (Adapted from JLL, 2019)

“Nowadays only 13% of displaced students have a bed in University residences” (Paulo, 2018).

A Report by CBRE in 2018 stated that London had 300,000 students and 35,000 beds in PBSAs which means approximately 8.6 students per bed when only referring to PBSAs. But in Lisbon there were 122,000 students and only 600 beds in PBSAs, which gives a result of approximately 203 students per bed.

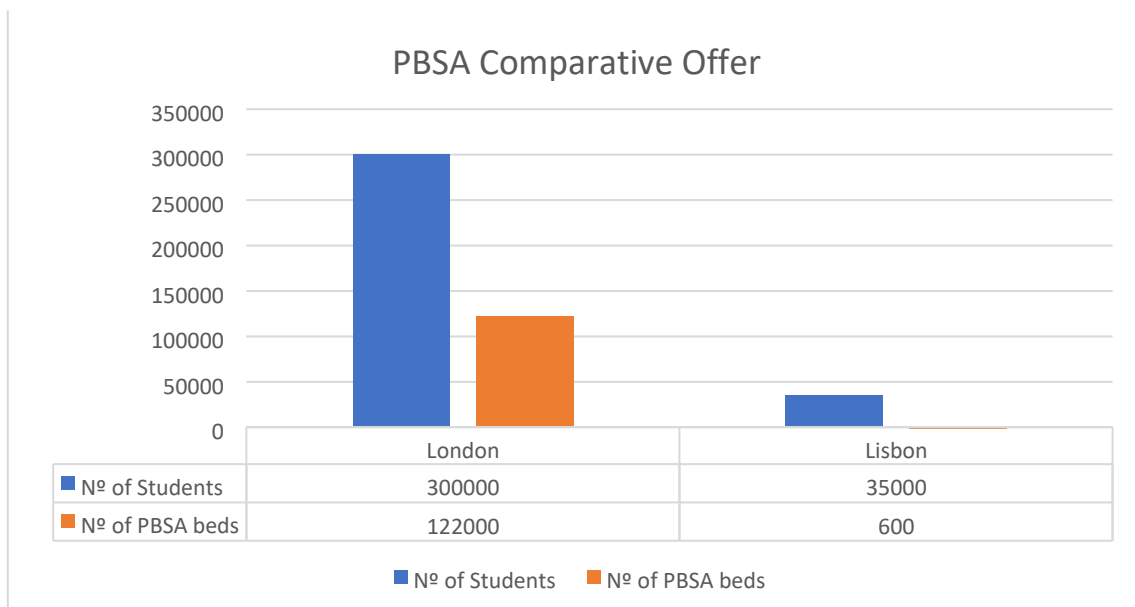


Figure 6 - PBSA Comparative Offer - (Adapted from CBRE, 2018)

### 2.3.2. PBSA in Lisbon

PBSAs have the smallest market share in Lisbon (JLL, 2019). Operators such as Nine Student Living, Smart Studios, Student Ville, U.Hub, Collegiate, Milestone, Livenza and Studentville are represented in Lisbon and new operators entering the Portuguese market are expected. Modernity and comfort represent the focus of the offering associated with these operators (Savills, 2019).

The price range in the private student housing in Lisbon varies between 385€-1.635€, and there are six different typologies of rooms which are recognized and commercialized. (JLL, 2019).

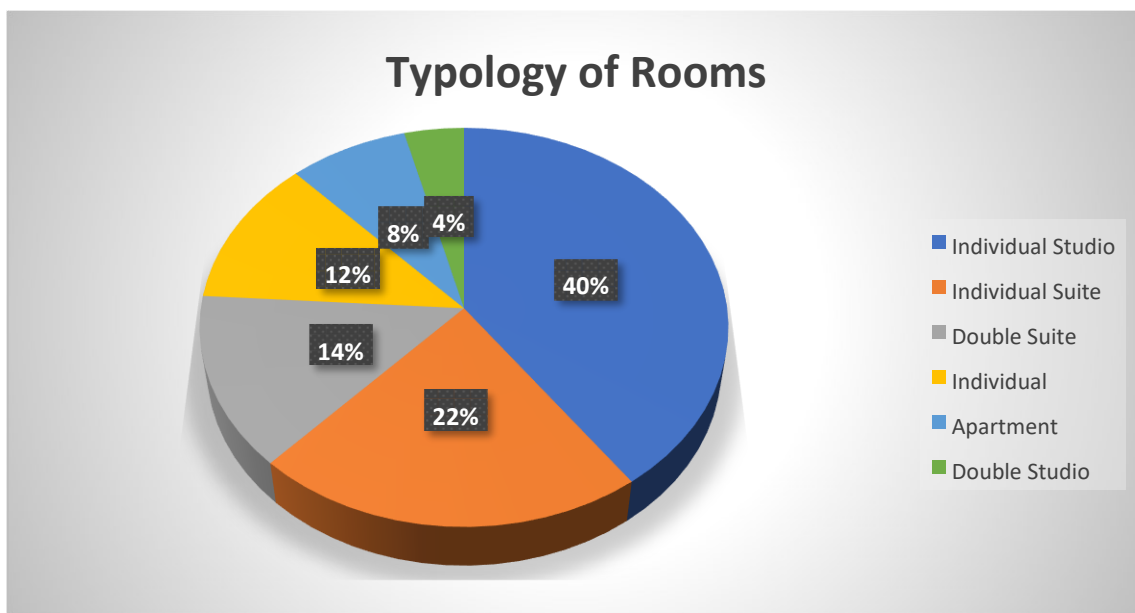


Figure 7 - Typologies of Rooms in Private Accommodation (Adapted from JLL, 2019)

International students make up the largest share of occupancy in PBSAs in Lisbon. When moving into the summer months, the occupants tend to be students enrolled in summer courses and tourists. PBSAs achieve an occupancy rate of almost 100% (JLL, 2019).

Collegiate Marquês de Pombal stands out from its competitors as the first luxury residence in Portugal (Savills, 2019). The residence, promoted by Temprano Capital Partners and WP Carey, has a capacity for 330 residents, offering a range of amenities such as, a swimming pool, a sauna, a fitness room, a cinema, a restaurant, a bar, a club lounge, private study and dining rooms, a library and a concierge service (Savills, 2019) and (Palma, 2017). Collegiate Marquês de Pombal offers these commodities from a starting price of €153,00 / week (Collegiate, 2020).

### 2.3.2.1. Future Investments

With the opening of the Nova University Campus in Carcavelos, there have been new investments in the PBSA sector, namely Smart Studios in 2019 with 301 rooms, Milestone Carcavelos Nova in 2018 with 122 rooms, and Milestone Carcavelos Lombos in 2020 with 192 rooms (Smart Studios, 2020) (Milestone - Carcavelos Nova Milestone, 2020). U.Hub also opened a new PBSA in Benfica with 350 rooms in 2020. During the following year (2021) there have already been 2 new investments presented: Smart Studios Alta de Lisboa with 535 rooms and U.Hub Lumiar with 500 rooms (Santos, 2019). Between 2020 and 2022 more than 10,000 beds in PBSAs are expected to be introduced to the market, both in Lisbon and Oporto (Santos, 2019).

### 2.3.2.2. PBSA Demand in Lisbon

Displaced students as well as international students seem to face a big challenge when trying to rent accommodation an affordable price in Lisbon, due to the exponential increase of rents and to scarce supply (Savills, 2019).

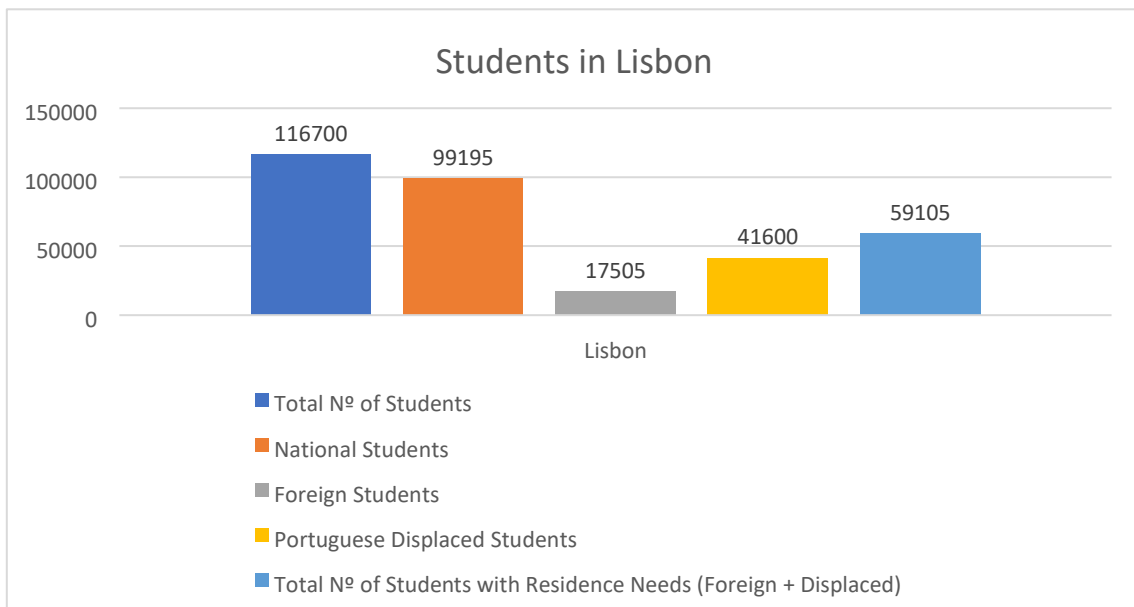


Figure 8 - Students in Lisbon - (Adapted from JLL, 2019)

Of the 116,700 students in Lisbon, 15% are international students (a group that has seen a growth of 98% in the last decade), which represents a total of 17,900 students. Of these 17,900 international students, almost half of this amount are from Portuguese speaking countries. (JLL, 2019).

When searching for a place to rent, students look to live close to their universities or to the city centre and seek easy access to public transport (JLL, 2019). When booking a PBSA, students also demand modern and high-quality facilities, services such as laundry and housekeeping, and common areas for leisure and for work (Savills, 2019). Preferable areas for students to live, in the City Centre and in locations close to main universities, in tier two areas are Avenida Almirante Reis, Campolide, Alcantâra, Belém and Telheiras and in tier 3, Olivais, Alta de Lisboa and Beato (JLL, 2019) & (CBRE, 2018).

### 3. Methodology

The purpose of this paper is to study how purpose-built student accommodation is going to further disrupt the Portuguese student housing sub-industry.

In order to achieve this purpose, two research questions were generated:

RQ 1: What is the impact of PBSA in the Portuguese student housing sub-industry?

RQ 2: What will the Portuguese student housing sub-industry evolve into, given the widespread availability of PBSAs?

To answer the research questions, both primary and secondary data were used. Primary data was collected from semi-structured interviews conducted with industry professionals and from a survey carried out with students. The semi-structured interviews were held with individuals from private companies associated with Student Residences as well as Real Estate companies that have invested or were considering doing so in the city of Lisbon. This sample was defined due to the individuals' ability to contribute to this investigation given their experience and knowledge of the industry. Adding to this, a survey amongst consumers was run to understand points of view of non-professionals in the student housing sector in Portugal. Both the interviews as well as the survey were important contributors to answering the research questions. After the conclusion, a summarized version of the interview's answers is attached in the Appendix.

Secondary data was collected from existing literature such as grade A journals, articles, case studies and reports from companies in the industry. This data contains a review of academic concepts that helped consolidate the concepts and knowledge about the subject matter. Secondary data was also used to answer Research Question 1 and to help to bolster answers to the second Research Question.

<b>Expert Interviews</b>			
<b>Interview</b>	<b>Name</b>	<b>Position</b>	<b>Company</b>
1	Hugo Pereira	Executive Board Member	U.HUB
2	Leonor Pereira dos Reis	Strategic Consultancy & Research	JLL
3	Ana Gomes	Partner - Head of Urban Development	Cushman&Wakefield
4	Paulo Sousa	Chief Marketing Officer	Uniplaces
5	Jonathan Fletcher	President	Palheiro Nature Estate
6	Luciano Homem de Gouveia	Ex-President	Local Accommodation section of the Commercial

			and Industrial Association of Funchal
7	João Teixeira	Unity General Manager	Livensa Living   Temprano Capital Partners
8	Alexandra Simões	Student Apartment Owner	-
9	Patrícia Liz	CEO	Savills Portugal

*Table 4 - Expert Interviews*

## 4. Discussion and Analysis

### 4.1. Advantages vs Disadvantages of PBSA

Advantages:

When asked about the advantages of PBSAs compared to the other existing types of student accommodation identified in the city of Lisbon, most interviewees agreed that modernity, professionalization and the “all-inclusive” package that PBSAs offer are significant advantages. This package was referred to in different ways by interviewees, to describe the form of billed services offered (such as gymnasium, study rooms or cleaning).

Interviewee 1 stated that PBSAs offer a set of services that are more modern – for example, software controls access to the residence, which allows for the possibility of knowing who is in the building and who is not, and also the possibility for students to use their mobile phone to open their room-doors – therefore offering a set of services of greater added value and that are appreciated by students. As stated in the JLL Report of 2019 (where State/Religious residences are described as outdated), the big advantage is professionalization, when compared to Private Apartments and innovation/modernization when comparing to State/Religious residences.

Expert 2 referred to professionalization and the security given to the students and their parents as major advantages. Interviewee 3 answered that independence, comfort and modernization were the three great advantages. In a PBSA residence, the conditions are always good with common areas that tend to be exceptional and locations that are convenient and accessible in terms of public transport, which significantly facilitates student life. PBSAs offer privacy, providing individual rooms to the students (also stated as an advantage by interviewee 8), but at the same time promotes socialization with comfort.

Disadvantages:

The big disadvantage referred to by the majority of interviewees was the cost of PBSAs for Portuguese students. They also stated that the cost is high due to the price of construction and licenses, but all interviewees concluded that there is always a price to pay for quality.

	Individual Room	Individual Room with WC	Double Room	Double Room with WC	Studio	1 Bedroom Apartment
Minimum	180€	320€	150€	-	425€	650€
Medium	328€	439€	349€	350€	565€	1.141€

<b>Maximum</b>	520€	550€	500€	-	670€	1.775€
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Table 5 - Value Referring to the Offer of Private Residencies (Adapted from WORX/Uniplaces, 2017)

	W/ Scholarship / Without Scholarship / Other			
	Individual	Double	Triple	Quadruple
<b>Minimum</b>	73,36€/120€/120€	73,36€/104€/110€	73,36€/91€/105€	95€
<b>Medium</b>	109,62€/200,75€/207,2€	80,69€/155,78€/151,16€	83,91€/135€/135€	95€/135€/135€
<b>Maximum</b>	208€/285,75€/250€	110€/212,5€/212,5€	105€/200€/200€	95€/175€/175€

Table 6 - Value Referring to the Offer of Public Residencies (Adapted from WORX/Uniplaces, 2017)

#### 4.1.1. Consumer Perception vs Supplier Offerings

To better understand consumer perceptions about existing offerings of student accommodation in Lisbon, a survey was conducted amongst consumers or possible consumers and answered by 126 (hundred and twenty-six) respondents. The demographic breakdown was: 1 for ages between 0-17, 92 for ages between 18-25, 23 for ages between 26-39 and 10 for ages over 40.

1. How old are you?

126 respostas

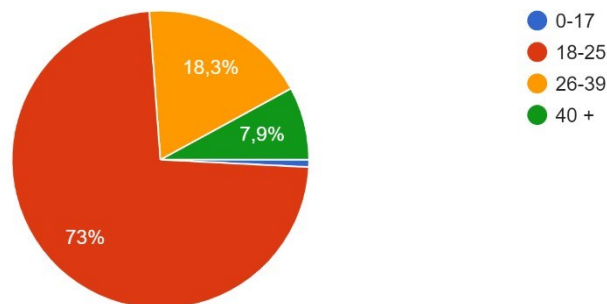


Figure 9 - Age Answers

Among the total responses, 65 respondents answered that they would choose a Student Residence when studying abroad against 61 respondents who answered that they would prefer to stay in a Room in an apartment or in a Religious Residence.

5. If you were to study abroad, which type of accommodation would you choose?

126 respostas

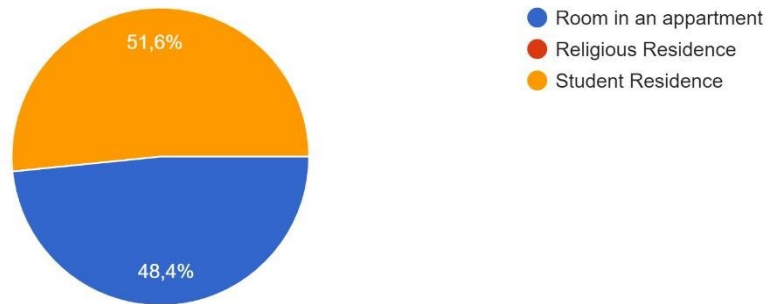


Figure 10 - Preferable Student Accommodation

Given these results, it was important to understand why 48.4% of respondents did not opt for Student Residences. 44.3% of the answers to the question “What is necessary to make you choose Student Residence, instead of your previous answer?” were “Cheaper Student Residences”, which goes exactly in the same way as the biggest disadvantage referred to by experts in the industry. The largest decision factor for choosing between a Student Residence or another type of student accommodation is the price set by the PBSA operators, which most of the time is too expensive given the purchasing power of the Portuguese population.

7. What is necessary to make you choose Student Residence, instead of your previous answer?

61 respostas

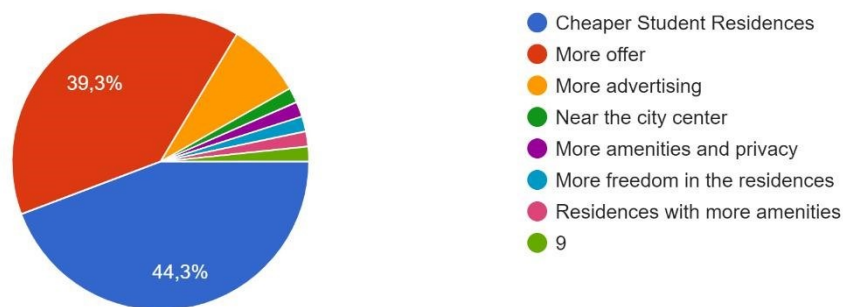


Figure 11 - Reasons not to Choose PBSA

When asked if Lisbon has enough student accommodation at the present moment, people who, in previous answers chose Room in an apartment or Religious Residence mainly said “Maybe” (63.9%) and those who chose Student Residence answered “No” (61.5%). From these answers we may conclude that respondents who chose Student Residence have a deeper knowledge of the reality, probably because they know that PBSA offers in Lisbon are scarce.

On the other hand, for those who previously answered, Room in an apartment or Religious Residence, the notion that Lisbon already has enough student accommodation may be due to the fact that they are not yet aware of the PBSA offerings (a problem raised also by Interviewee 7) believing that the apartments are sufficient.

8. Do you think Lisbon has enough student accommodation at the moment?

61 respostas

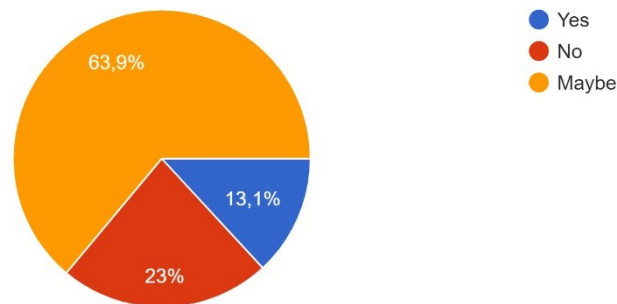


Figure 12 - Do you think Lisbon has enough accommodation (Non-student residence answer)

8. Do you think Lisbon has enough student accommodation at the moment?

65 respostas

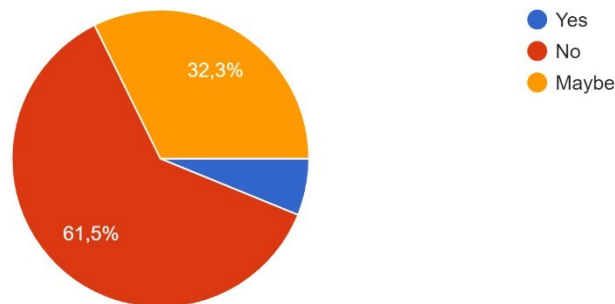


Figure 13 - Do you think Lisbon has enough accommodation (Student Residence answer)

As presented in the Literature Review, an analysis of the JLL 2019 Report demonstrates that the real inventory on offer is: 5,790 rooms in Private apartments, 1,800 rooms University + Religious Accommodation, 1,490 rooms in Private Apartment Operators and finally 700 rooms in Private Student Housing (PBSA).

Through the expert interviews, it was possible to conclude that most interviewees were of the same mind: the Portuguese market is dominated mainly by apartments and there exists a shortage of supply. Both Interviewee 1 and 7 stated that nowadays there is a predominance of private apartments in the Portuguese market. Interviewee 1 added that many of these are in poor

condition, lack natural light and are in parts of the city that are not recommended. So, the inventory on offer is of low quality. Another conclusion taken from interview 1 was that the supply is not sufficient when compared to demand.

Both Interviewees 2 and 3 stated that there is a little bit of everything in Lisbon, although there is a predominance of private apartments. Interviewee 2 also referred to the fact that nowadays the market is more mature and has more potential for growth in relation to PBSA supply and for moving towards professionalization. This means having a large operator who we can be trusted to deliver superior quality. In the last interview, the fact that apartments still dominate the market because PBSA is something still new in Portugal was also mentioned. And even though some residences have appeared in recent years, the supply remains scarce due to the high demand seen every year.

Interviewee 5 also characterized the market as chaotic and argued that with the tourism boom of the last several years many apartments moved to Airbnb or short term rentals, which has shrunk the market.

Year	Students Enrolled in Higher Education	Absolute Variation in the Number of Students	Rate of Change
<b>2015</b>	349 658	-	-
<b>2016</b>	356 399	6 741	1,9%
<b>2017</b>	361 943	5 544	1,6%
<b>2018</b>	372 753	10 810	3,0%
<b>2019</b>	385 247	12 494	3,4%
<b>2020</b>	396 909	11 662	3,0%

*Table 7 - Students Enrolled in Higher Education in Portugal (2015/2020) – (DGEEC/ME-MCTES, 2020)*

#### **4.1.2. Timing of PBSA Appearance**

The reason why PBSAs are appearing at the present time in Portugal was put to the experts and most mentioned that the growing numbers of international students has increased the demand. In Interview 1, the most important factor leading to PBSAs in Portugal was the growing number of international students in our country. In 2014, when U.Hub started to operate in Lisbon there were around 20,000 international students in the city, but by 2019 that number had risen to around 60,000 international students (number provided by Interviewee 1).

This growing number of foreign students has created demand associated with the higher purchasing power of foreign capital, which has begun to justify investment necessary to build PBSAs. Few Portuguese students have the capacity to pay for this type of accommodation.

When asked about the timing of the appearance of PBSAs in Lisbon, interviewee 2 said that for almost anything related to real estate, Portugal is a country that follows trends. Many of those trends are being defined by Millennials and Generation Z. Besides that, the growth in tourism that has been steady in recent the years which has brought many international students to Lisbon. Before tourism took off, Portugal was not even on the map with regard to every category of real estate, not just for the student housing sub-industry. Interviewee 2 concluded by saying that, “Not all sectors have such great growth potential as PBSAs.”

During the third interview, Expert 3 said that there were two or three reasons that could explain why PBSAs are only appearing now. The first reason is an economic one – in other countries there is larger purchase power than in Portugal, so students and their parents have a greater willingness to pay for this kind of accommodation. Then, there is also the cultural situation. In Portugal students have the tendency to pursue higher studies in their hometowns. Dislocated students tend to be the ones from Portuguese islands and those who do not have any educational institutions close to home. This is distinct from the situation in the UK and the USA, where the tradition is for 18 year-olds to leave home to study in other cities, which, in turn, leads to the search for accommodation.

Interviewees 3 and 7 also spoke about how tourism has led to an increase in the number of international students in our country. Students seek to take advantage of the unique conditions in Portugal, such as its climate, its cheap lifestyle, and also conditions related to efforts made by Portuguese Universities to offer courses in English, which also attract more and more foreign students. These factors align and are catalysts for increasing the number of PBSA accommodations in Lisbon and Portugal.

#### **4.1.3. What is the impact of PBSA in the Portuguese student housing sub-industry?**

The growth of tourism in Portugal, and consequentially in Lisbon, has put the country on the map for new visitors and for new incoming students. The increase of international students in Lisbon has brought up the already controversial question of the lack of beds for students in the city. In addition to the articles already mentioned in this document with regard to the lack of

beds (Figure 6, Figure 7 and (Lusa, 2019)), when asked in the questionnaire about the number of beds in Lisbon, most respondents replied that offerings were scarce. Since Lisbon has mostly rooms in apartments, there was a lack of higher levels of professionalization and modernization in the market, which would allow the city to come closer to existing offerings in the largest European markets. In addition to these factors, an increasing number of foreign students represents a consumer with greater purchasing power than the Portuguese consumer, thus justifying investments of the size needed for PBSAs. Thus, in 2014, development of the first Purposed-Built Student Accommodation in Lisbon began. Bearing all this in mind, the growth in the number of foreign students coupled with scarce supply, caused the experts to conclude that there is likely no other real estate area with such strong growth potential as PBSAs.

The expected growth of this type of real estate is bolstered by its numerous advantages pointed out by the experts, the main ones being that in PBSAs there is a 24-hour reception, these are modern buildings, there is a recognized professionalization and security both for parents and for students.

## **4.2. Future Scenarios for Stakeholders**

With regard to the future perceived by the Experts, there was consensus that the future is bright and positive. This optimism can be justified by several factors discussed during the interviews, such as the growing numbers of international students that are not expected to decline, numerous projects in the pipeline, and the hope for the stabilization of prices which would allow for higher numbers of Portuguese students to book PBSA rooms when they decide to study in a city other than their hometowns. Even Interviewees 4 and 8, who found it more difficult to predict the future, believed that in a normal situation (without Covid-19), the market has the capacity to keep growing. Another important aspect to refer to is the fact that most interviewees believe that growth of PBSAs will expand to other cities with University Campuses rather than only Lisbon and Oporto.

In Interviews 1 and 7, acknowledging 2020 as a difficult year the Experts expected that a recovery will occur in 2021. They also mentioned that 2019 was a good year and anticipated that 2022 will be at least as good as 2019. Therefore, the prognosis is for continued upside because there is still plenty of space to grow and there are already several projects in pipeline that reinforce the prognosis. In addition, both Experts stated that there are new projects of universities offering English medium programs that will help the industry to keep on expanding.

When asked about the future, Interviewee 2 said that there would not be a break in the market after the pandemic. Of course Covid-19 has affected students' plans, but this setback does not mean cancellations but only postponement. Strategic Consultancy & Research from JLL also adds that there is a dynamism in the market and that the pipeline has not changed due to the pandemic with 4,800 beds in the pipeline.

Regarding the question about the future of this sub-industry, Interviewee 3 revealed that she expected that PBSAs are going to get a greater share of the market compared to other types of accommodation. Apart from this, prices are likely to stabilize due to increased supply with more competition in the market.

An article from the newspaper *Expresso* (Rito, Investidores imobiliários já elegeram uma prioridade para este ano: residências para estudantes, 2020) stated that there is an increasing number of investors focused on the residential sector and alternative segments. There are several projects in different cities such as the U.Hub group working in a strategic partnership with the Belgian company Xior (a major player in the European university accommodation market). This entity has several developments in Lisbon and Oporto. This partnership foresees a phased investment of €130 million, that will create 1.800 new beds in the two cities. In the article it is also mentioned that an estimated 10.000 new beds will hit the market by 2022.

Another article in *Idealista*, refers to PBSAs as an emerging market with potential to grow based on the fact that Portugal does not have international standard student residences at present. Another important point in the article is that at the beginning of this wave of interest in developing student residences, the main focus was international students. But currently this is changing and there are projects planned for local students too (Santos, 2019).

All these trends are bullish for this sub-industry. A report from Savills (Lisbon Student Housing Market Report - 2019 | 2020) estimates that 3,000 new beds will enter the market over the next few years, and if the projects proposed by various international groups bring fruition, it is possible to say that the pipeline will increase.

Obviously, the number of planned new future beds may differ from projected numbers, but all sources are clear about the market being undersupplied and that there are already pipeline projects that will be completed in the next several years. Even with these projects there is still space to continue to invest because demand still overwhelms supply.

### **4.2.1. Stakeholders and the Disruptor**

This thesis has sought to examine a disruptor (student accommodation and the catalysts for this) that is leading to changes in the broader housing sector in Lisbon. Most interviewees concurred that the appearance and consequent growing numbers of international students in Lisbon is a catalyst for more PBSAs as a rising phenomenon in the residential housing market. Besides that, Interviewees 3, 4 and 7 also pointed out that change of strategy from investors was a further catalyst for PBSAs.

Interviewee 1 said that international students are the major factor driving PBSAs in Lisbon, due to the fact that these individuals recognize and seek the associated level of professionalism (a point also stated several times by Interviewee 7, and mentioned by all the interviewees). International students feel safer and more comfortable in this environment. A key factor leading to the increase of international students is the rising number of programs taught in English making it likely that in the future there will be even more students arriving in the country. During the 4<sup>th</sup> and the 7<sup>th</sup> interviews, Government investment in Universities was also mentioned as a potential factor to increase capture of international students.

In Interview 2 the answers were almost the same. The disruptor found was the increasing number of international students in Portugal. The Expert also stated that from 2009/2010 until now the number of foreign students has increased by more than 350%. In addition to the increasing number of international students in Portugal, there was the rising number of tourists in the country that has helped increase the visibility of the country.

The third Interviewee also agreed that the growing number of international students led to the appearance and consequent increase of PBSAs in Portugal. But this Expert pointed out two additional factors. The first is that real estate investors began to look more into student accommodations as a part of their residential portfolios. The second point is that Portugal is also following a general European tendency. In countries like Spain or Italy, investments started in 2014/2015 but in Portugal they only began in 2016 with real estate development companies recognizing that the supply in Portugal was close to zero.

This increase in the number of international students in Portugal has already been shown in this document. In Figure 1, it is possible to notice and better understand the evolution of the number of international students enrolled in Higher Educational Institutes. In 2007/2008, the number was of 18,584 students and in 2018/2019 the number grew to 58,092 students, confirming what the picture presented by the Experts.

### 4.2.2. Future Scenarios

As this is a Thesis under the seminar “Future of Industries”, part of the project entails building future scenarios, to try to understand what can happen to the Portuguese student housing sub-industry in future years. According to this, with the help of existent information, three positive scenarios were calculated\*. From these three options, the first one only regards information about the city of Lisbon, and the next two relate to all of Portugal. Besides all this, a negative scenario was also calculated.

But first it was important to analyze how the disruptor for this industry is evolving, which can be seen in the table below:

Year	Nº of Students	Rate of Change
2015	33.552	-
2016	37.905	13%
2017	42.564	12.3%
2018	49.708	16.8%
2019	58.092	16.9%
<b>Average</b>	-	<b>14.75%</b>

*Table 8 - Evolution of Foreign Students in Portugal (Adapted from DGEEC: 2020)*

If this average growth continues in the coming years, this is will be the estimated number of foreign students in Institutes of Higher Educaton:

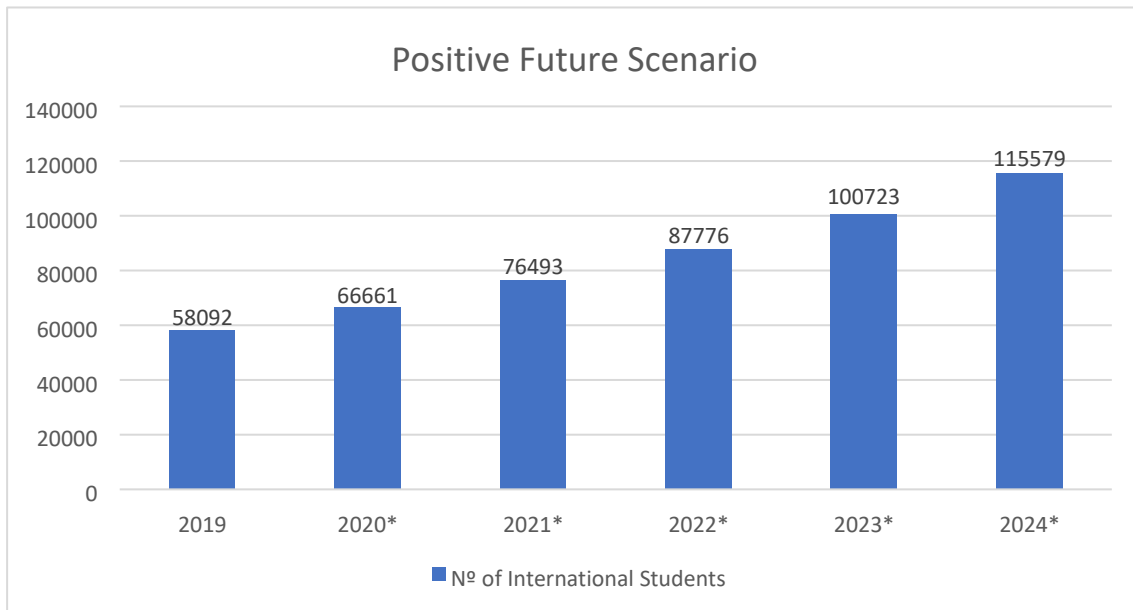


Figure 14 - Positive Future Scenario of International Student Growth

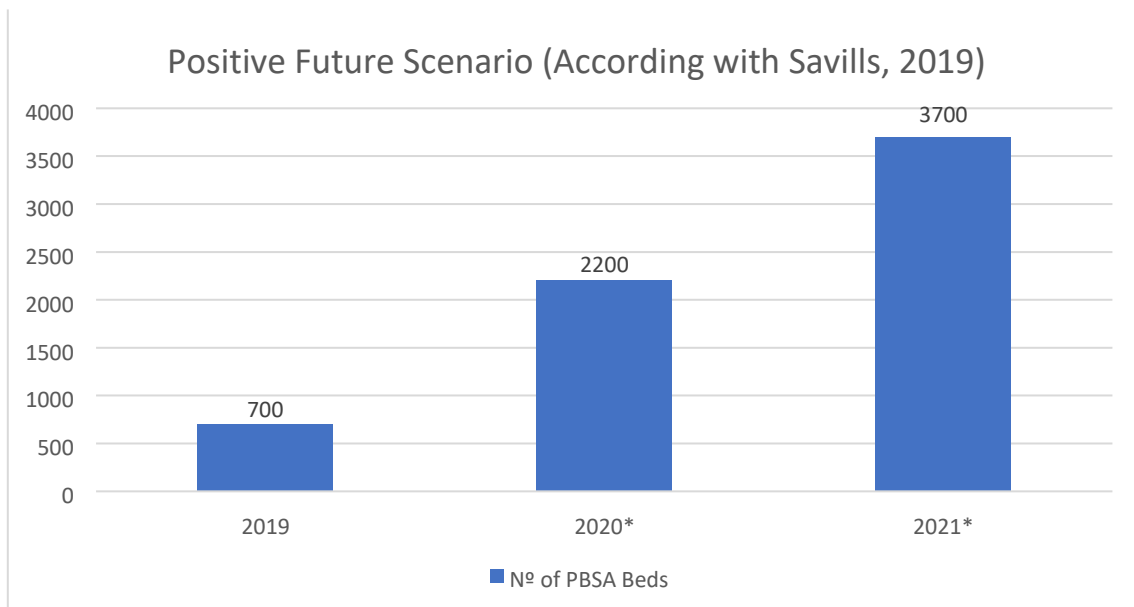


Figure 15 - Positive Future Scenario - Lisbon - (JLL, 2019) & (Savills, 2019)

The first scenario for PBSAs was calculated with the help of the Lisbon Student Housing Market Report 2019|2020 from Savills. This report states that in the combined years of 2020 and 2021 3,000 new beds in PBSAs are expected to reach the market. This number of beds (3,000) was divided equally between the two years, and then summed up to the total number of beds in 2019.

\*Note: In all 3 scenarios, for PBSA, the data from the year of 2019 was taken from JLL Report 2019.

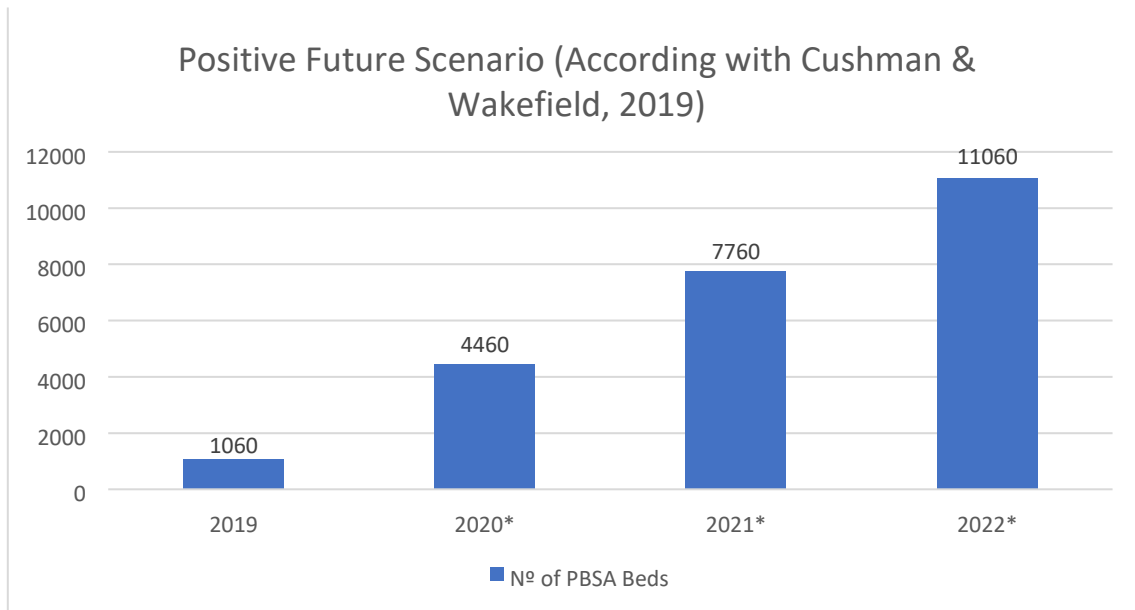


Figure 16 - Positive Future Scenario - Portugal - (JLL, 2019) & (Cushman & Wakefield, 2019)

The second scenario was calculated with the help of the European Student Accommodation Guide 2019 from Cushman & Wakefield. The report states that in the next 3 years (2020, 2021, 2022) 10,000 new beds in PBSAs are expected to be added to the Portuguese market. These 10,000 beds were divided between the three years (3,400 in 2020, 3,300 in 2021 and 3,300 in 2022), and then summed up to the total number of beds in 2019. For the third possible scenario, there is a most optimistic projection.

From analysis of Table 1 and Figure 1, it is possible to conclude that given the increasing number of students in Higher Education Institutes and Universities in Portugal, coupled with the increasing number of international students in the country, the second scenario is probably most likely to describe the situation.

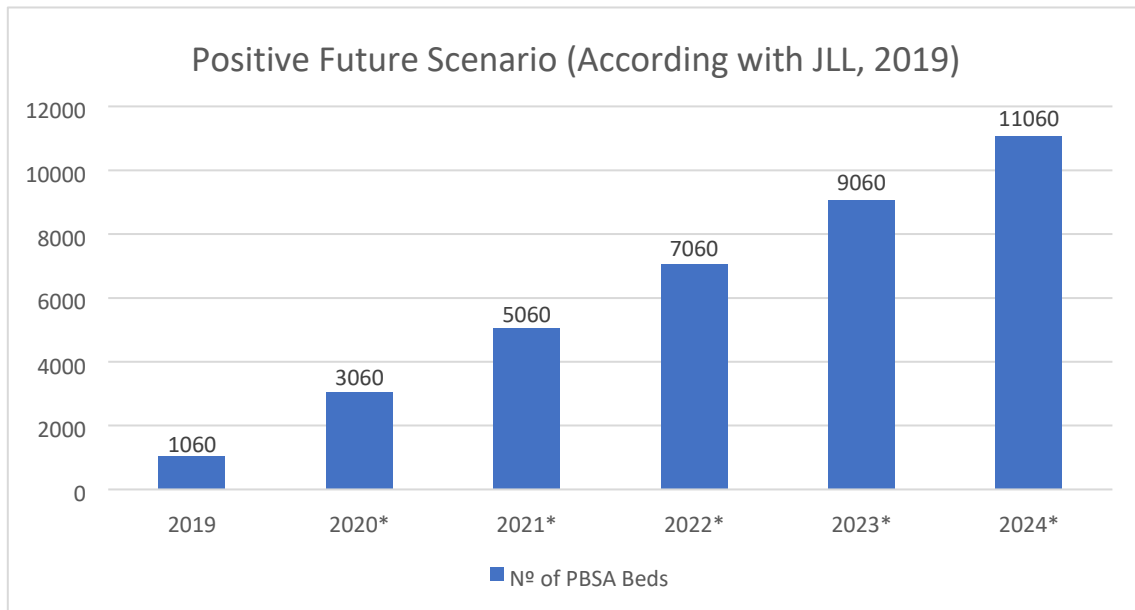


Figure 17 - Positive Future Scenario - Portugal - (JLL, 2019)

A third scenario was calculated with the help of the Portugal Student Housing – Report 2019 from JLL. The report states that in the next 5 years (2020, 2021, 2022, 2023, 2024) 10,000 new beds in PBSAs will be added to the Portuguese market. These 10,000 beds were divided between the five years equally, and then summed up to the total number of beds in 2019.

Given the Global Student Property Report 2019 from Knight Frank, the expected growth of the market supply in Lisbon, for the next three years (2020, 2021, 2022) is just 3%. So, the 3% rate was applied to the number of PBSAs already existing in the city in 2019.

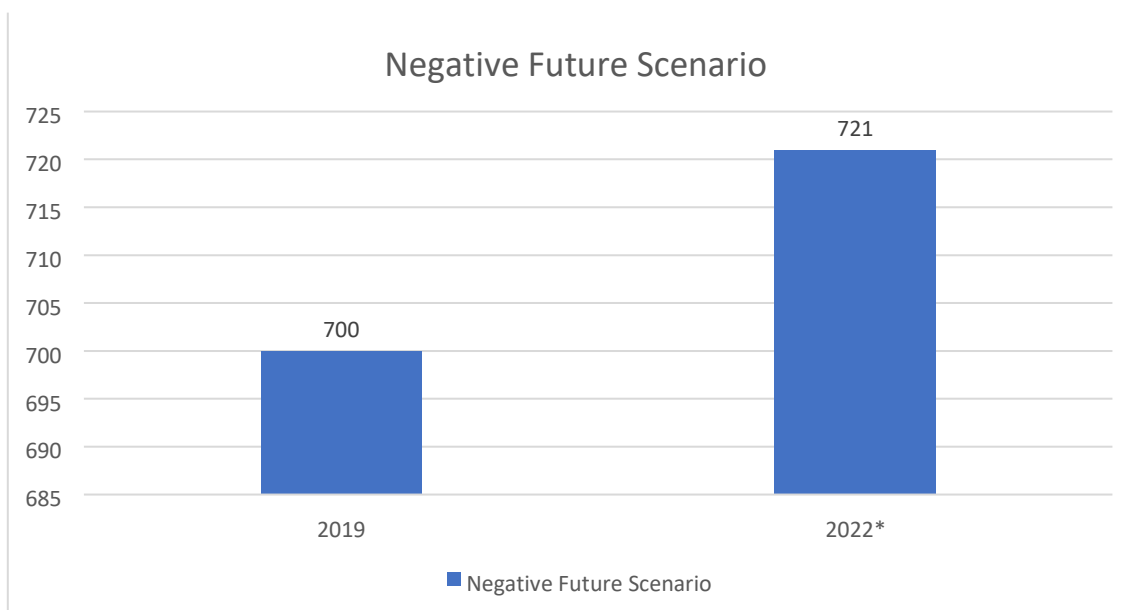


Figure 18 - Negative Future Scenario - Lisbon - (JLL, 2019) & (Knight Frank, 2019)

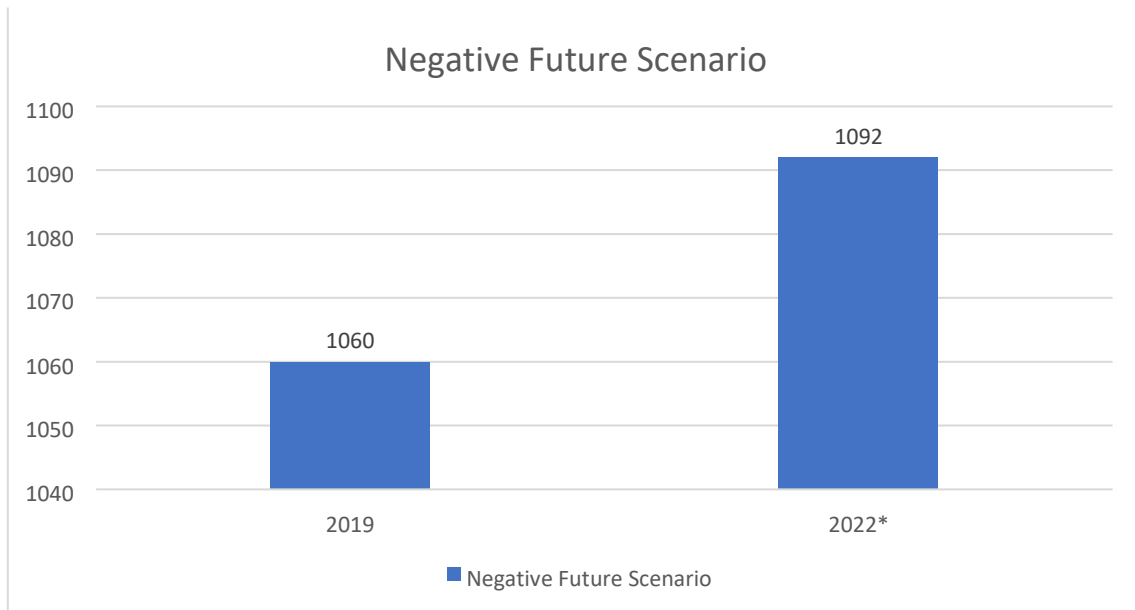


Figure 19 - Negative Future Scenarios - Portugal - (JLL, 2019) & (Knight Frank, 2019)

In this case the 3% rate was applied to the total number of PBSA beds in Portugal. This is clearly considered a negative case, due to the increasing number of students as well as the lack of beds that already a phenomenon in the country.

#### **4.2.3. What will the Portuguese student housing sub-industry evolve into, given the widespread availability of PBSAs?**

By way of conclusion, we can assert that with the widespread availability of PBSAs in Portugal, and especially in Lisbon, we expect the market will turn towards more professional and modern product offerings in line with European Standards seen in major markets such as in the U.K. and France. All interviewees stated that a slowdown in investments is not expected to happen, even though 2020 was a year marked by Covid-19 pandemic, which created a decrease in demand.

Expert 3 believed that PBSAs will gain market share over the next several years and also that prices will stabilize. This stabilization will likely be caused by higher selection and prices becoming more competitive. Finally, this expert anticipated that co-living will be the next step for PBSAs, where residences will accommodate more than students thus having a greater social mix.

Another important factor to bear in mind is the site of construction. Since large cities are already at full capacity of construction in the city centers, new PBSAs will have to move to city

outskirts and surroundings. This trend is already noticeable, as new investments (already in pipeline for the city of Lisbon) are expected to happen at Alta de Lisboa, such as U.Hub Lumiar (the biggest residence of the company) (Lopes, 2019) and Smart-Studios with 531 expected rooms (Lopes, 2019).

## 5. Conclusion

The present thesis studies the future of student accommodations in the city of Lisbon, which is undergoing change with respect to the nature of existing offerings in the market, as well as seeing increasing inventory being created.

The accommodation offering for students in Lisbon has changed in recent years and this trend will persist into the near future. Initially, the supply was largely based on private apartments and sometimes only rooms within those apartments. This has associated problems, such as the fact that these accommodations are poorly regulated and an informal industry (with cases of houses and rooms not declared to the tax authorities) and sometimes an offering that does not meet quality standards seen in other European countries.

The major disruptor that has led investors to pay more attention to this market and start building projects was the exponential growth of international students. Around 2014/2015 Portugal experienced a tourist boom, which increased its international exposure. In addition to this, the growing number of university courses taught entirely in English has helped expand the country's international student population. With the growth of these students and the everincreasing number of nationally displaced students, there was a need to increase the scarce supply of accommodation for students. PBSAs then appeared. Purposed-Built Student Accommodation are private residences, built for the sole purpose of accommodating students, offering services ranging from all-inclusive rentals, study rooms, to gyms and 24-hour manned receptions.

The appearance of these residences addresses a gap in the national market and, at the same time, places the Portuguese market on a more equal footing with the rest of Europe and even with the American market, where professionally built and managed student residences represent the major share of the market. In the coming years it is expected that more projects will continue to appear, following a market trend of offering students a type of accommodation that strives for modernity and professionalism.

The future scenarios posited in this thesis show that in Lisbon, as in other large cities such as Porto or Coimbra, the size of the offering will increase in coming years, and this was corroborated by the number of pipeline projects in the various cities. However, according to the experts interviewed, even in the most positive scenario, this growth will still not be enough to meet existing and rising demand.

To conclude, with regard to PBSAs, the industry stakeholders have already identified a failure in the market and begun to act to address the gap cover that same failure. For PBSAs to continue to grow in Portugal, which is likely to happen, investors will have to pay attention to customers and their needs, which are increasingly demanding.

In appendix 2 you can find a table with a summary of the interview answers. This table was created to make it easier for readers by highlighting key ideas.

## **6. Limitations and Future Research**

This Thesis presents limitations related to the primary data generated. The questionnaire mainly had sample responses from Portuguese subjects. In a future study it would be important to have a more international perspective on the subject, and, in this way, compare the Portuguese and international views on the market. Another question that can be raised about the questionnaire is the fact that most of the answers are from a younger demographic, which is important for the topic in question. But it would also be useful to have a view of an older population, such as parents of current students.

Regarding the expert interviews, they were all conducted with Portuguese with people based in Portugal, since it was difficult to reach foreign experts to participate in this study. Only 10 experts were interviewed for this study and their views might be highly idiosyncratic and therefore limitedly generalizable. Future research could also address the future scenarios by broadening the scope of stakeholders and presenting their perspectives in even greater detail. In a future study, it would also be interesting and worthwhile to get foreign investors and players to participate in the study.

Since this type of accommodation is new in Portugal, there is still not much information published, and the limited quantity that exists is limited to reports from companies in the sector or articles from newspapers. Even foreign literature on the subject is not very extensive, presenting limitations for carrying out detailed study on the future of the industry.

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## Appendices

### Appendix I – Interview Script

My name is Gonçalo Nuno Guimarães Pina and I am a student of the Master in Business, in Católica Lisbon School of Business and Economics. I am currently making my Thesis and this interview is part of the Thesis Dissertation with the title: **Purpose Built Student Accommodation (PBSA): The new reality of student housing in Lisbon.**

First, let me thank you for accepting to give me this interview, your contribute will be of the most importance, to better analyse the industry and to improve and have a deeper knowledge about the Portuguese reality.

The aim of this interview is to have a better understanding about the industry through the eye of a qualified professional and to know how this sub-industry will evolve in the future.

#### Questions:

1. Which company do you represent?
2. For how long is your company in Portugal? And what is the main focus of your business?
3. What is your position in the company?
4. What is your perception about the Portuguese student housing sub-industry?
5. Who looks for accommodation in Portugal?
6. How can you characterize a PBSA accommodation?
7. Why, in your vision, is PBSA a better model than the other ones (private room in an apartment, religious accommodation)?
  - a. What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? Do you see any disadvantage in it?
8. While in other cities (such as London for example), PBSA is widely developed, the same does not happen in Portuguese cities, like Lisbon. Why do you think, only now, PBSA is appearing in our cities?
9. So, what do you think it was the disruptor that is leading to this change?
10. What is your opinion about the scenario of this sub-industry in the next 5 years?  
Does your company have any planned future investment?
11. Do you believe that PBSA has space to develop in the Portuguese market and have the biggest market share of student housing in the next years?

## Appendix II – Summary of Insight

Interview	Perception about the Portuguese student housing sub-industry?	Who looks for accommodation in Portugal?	Characteristics of PBSA?	Advantages of PBSA?	Disadvantages?	Why only now, PBSA is appearing in our cities?	Disruptor that lead to the change?	Scenario in the next 5 years?	Can PBSA have the biggest share of the market in the next years?
1	Mainly Apartments; Informal, not professional and not modern; Shortage of supply; Increasing demand; Changing market.	More Portuguese (in absolute number); PBSA mainly foreigners.	Pack of services; Common areas; Staff 24h.	Pack of services offered; Professionalism; Innovation and Modernization.	Construction costs.	Appearance of foreign students; Number of Portuguese able to pay did not justify the investment.	Foreign students; + Fully English taught programs.	Positive; 2021 recovery; 2022 like 2019 with several investments;	PBSA will gain market share in the next 10/20 years; Potential to have the largest market share.
2	Similar answer as in Interview 1.	Similar answer as in Interview 1.	New buildings; Pack of services.	Professionalism; Security.	Price for the Portuguese customer.	Follow trends in larger countries; Millennials and Generation Z are setting trends; Tourist boom that attracted foreign students.	Growth of foreign students.	Positive; There are about 4800 beds in the pipeline.	There is room for PBSA to grow.
3	Similar answer as in Interview 1.	Similar answer as in Interview 1.	Rooms with private bathroom and kitchenette; Pack of services; Adaptability to customer needs; Common areas.	Privacy of the rooms; Quality of common areas; Good location and Accessibilities; Modernization.	Price (but which is allied with quality).	More purchasing power in other countries; Cultural issues; Follow trends.	Change of strategy by investors; Tourist boom that attracted foreign students.	Room for 5/10 of growth, mainly in Lisbon; Prices will stabilize and become more competitive; New concepts will appear.	Believe that PBSA will gain market share.

4	Shortage of supply; Increasing market, with more investments every year.	Not Applicable.	Rooms with private bathroo and kitchenette and sometimes a shared kitchen; Common areas.	Depends on what each one is looking for.	Depends on what each one is looking for.	Increase of demand.	Changes in Domestic market; Increase of international demand; Foreign investment in real estate; Government investments in Universities.	With Covid is hard to say, but in normal situation, it will continue to grow.	
5	Chaotic; Some apartments changed to AirBnb (more lucrative).		Large unities; Pack of services.	Better contracts.	None.	Market need (low supply).	Increasing price of student housing.	The industry it-self should develop as Lisbon becomes more an more attractive to foreign students.	
6	Mainly Apartments; Shortage of supply.	More Portuguese to apartments.		It depends of what you are looking in an accommodation.	It depends of what you are looking in an accommodation.			Should keep growing in cities with University campus.	
7	Similar answer as in Interview 1.	More foreigners in PBSAs	Pack of services; Unique; Staff 24h.	Security; Easy reservation process; Professionalism.	Don't see any. PBSA are nowadays the best accommodation system.	Better education offer on the part of Universities; More foreign students; Increased demand.	Investment change on the part of foreign investors, who noticed a market failure.	5/10 years will be the period of expansion; There are projects already for the next 4/5 years;	Yes I believe; With the added value and the expected increase in offer, I believe that in the short term it will be the preferred method of accommodation.
8	Similar answer as in Interview 6.	More Portuguese (in absolute number); More Portuguese looking for apartments/room in an apartment.		Individual rooms; Cleaning included; Modernization.	Price; Location. Sometimes more peripheral than the apartments.	Due to the predominance of demand for apartments (which was the first offer to appear).		Increase in the offer of apartments and PBSA, which is already possible to note.	Hard to know for now.
9			Rooms with private bathroom and kitchenette and sometimes a shared kitchen; Pack of services; Staff	Costs, Cleanliness of the bedroom, quality and location.	Depends on each one perception (ex: costs, privacy/busy place).	Increasing number of international students adding to the amount of displaced students.	Increasing demand; Lack of suitable offer; International investment.	Large pipeline of PBSA projects; Explore medium sized University cities;	The share will continue to grow.

## Appendix III – Interview 1

Hugo Pereira (U.Hub) – 35 minutes

### Questions:

1. Which company do you represent? – U.Hub
2. For how long is your company in Portugal? And what is the main focus of your business? Começámos com um projeto na Alameda ao pé do Técnico com 32 quartos que foi a nossa primeira residência, nós reabilitamos 1 edifício completamente, um edifício antigo dos anos 30 e fizemos ali 16 quartos e 16 estúdios e vimos logo que o mercado estava muito recetivo àquele tipo de oferta, uma oferta bem apresentada, bonita, moderna. Essa residência abriu em Setembro de 2015, mas as obras começaram ainda no ano de 2014, demorando mais ou menos 1 ano. Depois compramos 1 edifício passado pouco tempo e abrimos uma segunda residência em Fevereiro de 2016, ao pé de Picoas e passado 6 meses, portanto em Setembro de 2016 abrimos a 3ª que foi a de Alvalade. Todas estas 3 residências eram de pequena/média dimensão, entre 32 e 66 quartos e que eram edifícios reabilitados, ou seja, nós pegamos e edifícios existentes e reabilitamos e alteramos as casas de banho e divisórias. A partir dessa fase mudamos um pouco a estratégia e começamos a olhar para residências de maior dimensão e entramos naquilo a que os ingleses chamam PBSA (Purpose-Built Student Accommodation). Começamos então a olhar para terrenos em que pudéssemos construir uma residência de raiz, nova e de maior dimensão, estando sempre a apontar para valores acima dos 250 quartos. Essa 2ª fase desenvolvemos 4 residências, 2 já abriram em Benfica e na Asprela, Benfica com 340 quartos e Asprela com 450 quartos e temos outras 2 em fase de licenciamento e esperamos abrir em 2022, as 2 com cerca de 500 quartos, 1 em Lisboa e outra no Porto. No ano passado fizemos uma parceria com a Xior em que eles entraram no capital e hoje em dia temos umas residências em que eles são nossos parceiros de negócios e sócios, ou seja, temos residências Xior, mas que também são U.Hub, portanto mistas.
  - a. Já que falamos de Picoas, Alvalade e Alameda, apesar de já não existir, considera essas residências PBSA, ou apenas a partir do aparecimento de Benfica e Asprela é que podemos falar desse conceito?

Apenas a partir de Benfica e Asprela, pois PBSA implica terem sido construídas desde raiz

e as outras na prática foram adaptações. Dando um exemplo prático: o nosso produto é um produto em que a casa de banho é sempre individual/privativa. Na Alameda, como o edifício era antigo e não tinha a estrutura adequada, nós não conseguimos fazer isso, ou seja, metade dos quartos tinha casa de banho partilhada. Há uma casa de banho por piso, partilhada pelos 4 quartos existentes nesse piso. Aí está uma grande diferença. Como não foi construído de raiz a pensar nisso, era difícil de implementar aquilo que é o nosso produto.

3. What is your position in the company? - Executive Board Member

4. What is your perception about the Portuguese student housing sub-industry? (... ouvir a 1ª resposta) – Havia uma predominância de apartamentos no mercado português. Eu conheço bem o mercado e a oferta que existe, até porque já trabalhei também na Uniplaces. Há muitos quartos com poucas condições, com pouca luminosidade em sítios mais duvidosos e mal decorados, conclusão, havia uma oferta de baixa qualidade. À medida que ao longo dos anos foi aumentando a procura, a oferta acabou por se tornar escassa. Entre a altura em que nós começámos, 2014, e o ano passado, 2019, os estudantes estrangeiros passaram de cerca de 20.000 para 60.000, e todos esses novos estudantes estrangeiros são estudantes que precisam de quarto. A oferta não dava conta da procura. Fazendo um paralelismo com o mercado da hotelaria: aqui há umas décadas atrás, o mercado de alojamento era composto por residenciais, casas de pastos, havia uma série de conceitos e ao longo do tempo foram começando a surgir hotéis, maiores, mais profissionais e conseqüentemente surgiram as cadeias de hotéis e todas as suas variações. Hoje em dia são quase inexistentes as residenciais, e as que existem são muito antigas. No fundo é este passo da profissionalização que se está a dar nos dias de hoje nas residências de estudantes.

5. Who looks for accommodation in Lisbon? – Temos 2 mercados muito diferentes, o aluno estrangeiro e o aluno nacional. Em termos de número absoluto, o número de alunos portugueses deslocados é maior, mas é um mercado com menor poder de compra. Portanto há muitos desses alunos que estão em residências subsidiadas pelo Estado ou pela Igreja ou têm algum tipo de condições especiais. No caso das nossas residências, como estamos num patamar mais alto, já temos 50/50, mas este 50/50 nas nossas residências, eu acho que não são o reflexo do mercado. Nós temos 50/50 porque os portugueses, se calhar, não têm poder de compra para o produto que nós estamos a oferecer. Se calhar, se for para residências mais caras como da Collegiate, o número se calhar já é de 60%/70% de estrangeiros. Mas se for para as residências das próprias

Universidades, como por exemplo do Técnico ou da Universidade de Lisboa, aí se calhar já são 90% portugueses. É portanto um mercado que se segmenta ao tipo de produto.

- a. Podemos então dizer que são os estrangeiros que procuram PBSA, mas os portugueses como há falta de oferta, também acabam por procurar esse tipo de alojamento? – Eu não colocaria dessa forma. Acho que os portugueses que têm poder de compra, querem ir para PBSA, porque percebem que é um bom sítio para se estar, há salas de estudo, há ginásio, há convívio, há eventos, etc. Agora há uns que gostariam de ir mas não têm dinheiro para pagar. Na minha opinião, acho que toda a gente gostaria de ir para PBSA, sejam portugueses ou estrangeiros.
6. How can you characterize a PBSA accommodation? – A grande diferença é a dimensão, não só por ter mais quartos, mas também pelo conjunto de serviços que oferece. Receção 24 horas, ou seja, há sempre lá alguém a quem o estudante pode recorrer para perguntar alguma coisa ou para o ajudar, e essa é uma grande diferença. Espaços comuns generosos, normalmente 3 / 4 metros quadrados de espaço comum por quarto, ao multiplicar isso por 300 quartos, como é obvio, conseguimos ter espaços comuns maiores, salas de estudos, ginásios, sala de televisão, lounge. As zonas comuns são zonas que transmitem logo ao cliente que aquele sitio é uma experiência diferente e o facto de ter lá pessoas 24h torna também a experiência diferente, o que não acontece num edificio de habitação, onde a pessoa chega e não está lá ninguém para a receber. Aqui os nossos clientes conhecem a nossa equipa e a nossa equipa conhece os estudantes, o que torna o ambiente bastante diferente.
7. Why, in your vision, is PBSA a better model than the other ones (private room in an apartment, religious accommodation)? What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? – Há um conjunto de serviços que são mais modernos, por exemplo, nós temos controlo de acessos para saber quem está na residência, os estudantes podem usar o telemóvel para abrir a porta do quarto, temos um serviço de internet de topo, gerido por uma empresa externa especializada. Temos um conjunto de serviços de muito valor acrescentado e que os alunos gostam muito. No que diz respeito às residências do Estados, há uma grande diferença, que é a oferta de quartos duplos, que nós não temos e que este anos até deu nas notícias que iriam ter de reduzir a capacidade de quartos duplos devido à pandemia do Covid-19. No

que diz respeito às Religiosas, são mais tradicionais, às vezes até com horários de funcionamento e de entrada e saída dos alunos, mas a grande diferença é que algumas delas têm comida/ serviço de refeições incluído, o que não acontece nas nossas residências.

Concluindo, a grande vantagem em relação aos apartamentos é a nossa profissionalização e em relação aos outros tipos de residências é a Inovação e modernização. Comparando mais uma vez com a Hotelaria, se uma pessoa vai para um hotel de 4 estrelas, a qualidade será diferente do que num de 3 ou 2 estrelas. No fim, a qualidade reflete-se no preço.

- a. Do you see any disadvantage in it? – Há uma grande desvantagem que tem a ver com o custo. Nós para construirmos uma residência como a de Benfica, temos de seguir todas as regras legais e mais alguma, ou seja, temos de ter, sistema de proteção contra incêndios super sofisticados, portas corta-fogo, temos de ter uma série de requisitos que as residências antigas não têm. Portanto há muitas coisas que acabam por encarecer o produto, que são boas claro, mas que tornam o inconveniente do produto ser caro. Cumprindo as regras todas, não há hipótese de termos um produto barato. Eventualmente, para alguns estudantes poderá não ser o ambiente indicado, pois são locais com muita gente. Em termos de control de entradas e saídas nós não controlamos os estudantes como noutras residências. Aqui não podem entrar estranhos, isso nós controlamos, mas não controlamos os horários de cada estudante. E nem todas as pessoas gostam destes ambientes com tanta gente, preferem coisas mais intimistas.
8. While in other cities (such as London for example), PBSA is widely developed, the same does not happen in Portuguese cities, like Lisbon. Why do you think, only now, PBSA is appearing in our cities? – Boa pergunta! Eu por acaso lemro-me, quando voltei para Portugal em 2005, de vir de Inglaterra e questionar-me porque não havia mais e a verdade é que se passaram 10 anos até 2014 e continuou a não existir nenhuma oferta desse género. Eu acho que, provavelmente, um dos fatores foi o de não haver estudantes estrangeiros. Este crescimento, que eu falei há pouco dos 20.000 para os 60.000 criaram uma procura que tem capacidade para pagar e relacionando isso com o custo que se tem de pagar para construir um PBSA, o numero de portugueses que teriam dinheiro para comprar era reduzido e não justificava o investimento. Foi fundamentalmente o estímulo dos estudantes estrangeiros e de Erasmus que levou a este aparecimento de PBSA. Acho

que é um mercado que tem tendência para crescer, mas não pode crescer depressa demais. O que acontece às vezes é que o imobiliário leva algum tempo a acontecer, por exemplo, estas nossas residências que irão abrir em 2022 já começaram há 2 anos atrás. Demora-se muitos anos a por um projeto no mercado e às vezes aparecem muitos projetos e a oferta e procura têm de se adaptar, se calhar quem tinha apartamentos para estudantes, se calhar deixam e começam a alugar a turistas. Este ajuste entre oferta e procura, nem sempre está equilibrado e, portanto, há alguns pontos de desequilíbrio. Neste momento há muitos presentes a ser desenvolvidos, como os nossos, mas acho que agora vai haver um abrandamento por causa da crise, mas depois irá haver uma 2ª onda de novas residências. Mas acredito que haja uma crescente quota de mercado daquilo que é alojamento estudantil organizado, ou seja, o que no UK anda a volta dos 40% mais ou menos, do total enquanto que aqui anda nos 3% a 5%. Há ainda um longo caminho para fazer, à medida que se assiste a uma migração deste mercado informal para este mercado mais profissional.

9. So, what do you think it was the disruptor that is leading to this change? – Os estudantes estrangeiros têm algum peso, como disse anteriormente. No entanto, as pessoas gostam de um bom serviço e de um produto, ou seja, se eu puder escolher, se calhar escolho uma coisa de maior qualidade. Havia pessoas, portuguesas, que ainda não conheciam este tipo de oferta, mas que ao conhecerem até preferem. Antigamente até havia quem comprasse apartamentos em Lisboa para os filhos virem estudar para Lisboa, mas isso começou a deixar de acontecer. Muitas vezes os portugueses que estudam lá fora até vão para alojamentos do tipo PBSA e gostam, mas por vezes desconhecem que cá esse tipo de alojamento também existe, agora. Os estrangeiros têm sempre um grande peso no aparecimento dos PBSA, porque reconhecem o profissionalismo e os pais sentem-se mais seguros em deixar os filhos numa coisa profissional e onde sabem que os filhos têm sempre segurança e alguém com quem falar se necessário. É reconfortante tanto para os pais como para os estudantes.

Há um fator fundamental para o crescimento no número de alunos estrangeiros, e isso aliás está comprovado, que é o número de cursos oferecidos em inglês. Para além da Católica e da Nova aparecerem em vários rankings internacionais, há ainda um défice no número de cursos em inglês em Portugal. Se pegarmos na Holanda e na Bélgica que são países vizinhos, vemos que a Holanda tem um número muito maior de alunos

estrangeiros e isso deve-se ao facto de oferecerem inúmeros cursos em inglês, enquanto que isso na Bélgica não acontece.

- 10.** What is your opinion about the scenario of this sub-industry in the next 5 years in Lisbon? Does your company have any planned future investment? – O futuro é positivo. Este ano foi um ano difícil, no entanto, eu acredito que o próximo ano será de recuperação, não sendo 100% normal devido ao medo que poderá existir. Mas espero que em 2022 tudo volte ao normal e que seja um ano parecido com 2019 e a partir daí ser uma base de crescimento, pois ainda há espaço para crescer. Há novos projetos de novas universidades a oferecerem cursos em Inglês, portanto acho que há potencial para continuar a crescer. A longo prazo vejo que os estudantes vão continuar a querer estudar em outros países pois é uma experiência interessante e enriquecedora e por isso não vejo como sendo um mercado que vá desaparecer. Disto isto, quem está no meio desta turbulência, acaba por ser afetado, por exemplo, havia uma residência da Livenza que foi adiada a abertura. O mesmo aconteceu no Porto com uma outra empresa. Mas temos que reagir e o futuro é positivo.
- 11.** Do you believe that PBSA has space to develop in the Portuguese market and have the biggest market share of student housing in the next years? – Sim, acho que vai ganhar quota de mercado nos próximos 10/20 anos. O PBSA tem sempre uma questão que é importante ter em consideração, nós temos sempre de ver qual é o uso alternativo que os terrenos poderiam ter, por exemplo, se o turismo está muito forte, nós depois não temos terrenos para fazer PBSA, porque esses terrenos vão ser comprados para fazer hotéis, ou seja, às vezes o crescimento não está apenas limitado pela procura mas pela oferta também.
- 12.** Speaking of that alternative use. There is any possibility of use your residencies for other thing other than student accommodation? – Sim, claro que é possível. Considerando o ano letivo de Setembro a Julho, sobra Agosto. Nós temos tido uma ocupação de 60%-70% em agosto de pessoas que vêm fazer cursos de verão, cursos executivos ou cursos de português, no entanto é um nicho de mercado que ainda tem espaço para se desenvolver. Há quem dê utilização para turismo, mas esse não é o nosso posicionamento. Há também aquele estudante que quer ficar com o quarto por vários anos, ficando o quarto ocupado com coisas do estudante durante o ano inteiro.
- 13.** Moving to other cities rather than Lisbon or even Oporto. Do you have anything planned or do you know anything about PBSA appearing in cities like Coimbra or Evora for

example? – Sim há concorrentes nossos que estão a desenvolver em Coimbra, por exemplo. Portanto Coimbra sim, que é a 3ª maior cidade em termos de estudantes, mas já Évora não tenho ouvido tantas coisas, mas acredito que sim, até porque tenho ouvido falar em projetos noutras cidades como Covilhã ou Braga e até Aveiro e Faro. Por vezes vêm-nos oferecer terrenos para essas localizações.

14. Today, due to the limited existing offer, there are still few operators. Do you believe that new brands will appear with the growth of the market? – Eu diria que há uma tendência para que apareçam players internacionais que querem entrar no mercado português. Esses players têm 2 hipóteses, ou desenvolvem uma marca própria ou compram uma local, portanto não me surpreenderia se houvesse alguma consolidação e começasse a ver um dos gigantes das residências Europeias a fazer essas compras. No entanto irão aparecer umas novas. Existe já, supostamente, o interesse de um operador Espanhol e um Holandês à procura de terrenos em Portugal. Mas não sendo o mercado Português um mercado gigantesco, não será de esperar que haja 20 marcas diferentes.

Agradeço-lhe imenso as suas respostas.

## **Appendix IV – Interview 2**

Leonor Pereira dos Reis (JLL) – 45 minutes

### **Questions:**

1. Which company do you represent? – JLL. Antes de mais deixa-me referir que apesar do relatório do ano passado sobre alojamento de estudantes em Portugal não ter sido da minha autoria, sou eu que estou neste momento a pegar mais nisto a fundo, para fazer as atualizações deste ano. Estou a fazer em parceria com um colega meu que teria muito a acrescentar nesta entrevista certamente. Eu estou há 2 anos na JLL e comecei em Consultoria e Research.
2. In the student housing sub-industry, what is the main focus of your business? – Nós posicionamo-nos desde muito cedo neste mercado, graças aos nossos Reports. Estávamos a receber as tendências do resto da Europa e fizemos um trabalho que ainda não havia cá. Estamos em à frente em quase todos os parâmetros de student housing em Portugal, apesar de termos competição, o que para nós é excelente. Estes suportes são ótimos para manter os investidores esclarecidos. Nós podemos estar em todas as fases do projeto, seja na procura de terrenos (departamento de promoção imobiliário),

construção de novas residências a partir do zero ou para reaproveitamento de edifícios existentes, ou até na fase de Capital Markets, ou seja, transações, onde por exemplo estão os 2 grandes portfólios de student housing que foram transacionados o ano passado. Podemos ainda estar na fase intermédia, ou seja, consultoria, onde analisamos mercados, por exemplo mercado de Lisboa e damos alguns indicadores, como o número de estudantes por nacionalidade, por faculdades, analisamos também o produto em si, qual será o segmento em que se encaixa. Não fazemos a parte da comercialização, isso cabe ao operador fazer.

3. What is your position in the company? – Agora estou mais focada em Research, e o que forçou isso foi a pandemia, que fez com que agora tivéssemos de produzir muito suporte para os investidores. Os nossos investidores presentes em Portugal queriam muito o apoio do que estava a acontecer lá fora, que normalmente acontece um bocadinho antes do que em Portugal, e que acabam por ser os motores do que acontece nos mercados mais secundários. No caso do student housing acaba por seguir um bocado esta tendência, ou seja, seguir um bocado o que se passa nos países mais desenvolvidos da Europa e depois passar para os mercados secundários.
4. What is your perception about the student housing sub-industry, in Lisbon? – Há um bocadinho de tudo. Começou até um bocadinho no limite com alguns apartamentos de alojamento local a poderem servir para alojamento de estudantes também. O Porto segue mais ou menos as mesmas tendências de Lisboa. Eu tirei o meu Mestardo na Católica e assisti, por vezes, a colegas meus que tinham dificuldade em arranjar alojamento e acabavam por arrendar apartamentos do Airbnb por vezes. Hoje em dia o mercado está a estabelecer-se muito mais como um mercado mais maduro, para PBSA. Potencial para o PBSA, para a profissionalização do mercado, onde há um operador, uma empresa grande por trás e onde há uma confiança e uma qualidade obviamente muito superiores. Há muitas razões para acreditar que o nosso mercado já está mais maduro para receber mais investimentos em PBSA. O dinamismo está cá, mesmo com a pandemia. Este ano por exemplo, foi o ano, ou dos anos, com mais candidaturas ao ensino superior, falando dos alunos nacionais, e este é aumento que veio para ficar. Mesmo sendo o PBSA um produto de investimento, o que vai encarecer o produto, há espaço para ele. Mesmo que a nossa classe média, muitas vezes não tenha o poder de compra necessário para PBSA, há espaço no mercado para a sua co-existência com outros tipos de alojamento. Até porque o número de camas necessárias em Lisboa está longe de ser cumprido.

5. How is the Portuguese market characterized? – Para PBSA, a procura será em maior parte de alunos estrangeiros. Alunos Portugueses deslocados, serão em menor parte, apenas aqueles com maior poder de compra. Claro que existem alunos Portugueses a procurar PBSA, mas para já a maioria serão alunos internacionais. Apenas com uma democratização de preços nos PBSA é que poderia haver um aumento de alunos portugueses. Mas acredito que no futuro a ideia passe por captar também mais alunos nacionais claro.
6. What are the main features of a PBSA accommodation? – Antes de mais uma nova construção, seja um edifício completamente novo ou uma reabilitação de um edifício já existente, tendo no final as mesmas características e serviços que o construído do zero.
7. Do you believe that PBSAs are a better accommodation model than the other ones (private room in an apartment, religious accommodation)? What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? – A profissionalização e a segurança que o PBSA oferece tanto a alunos como aos pais, que muitas vezes são quem paga o alojamento, são talvez as maiores vantagens.
  - a. Do you see any disadvantage in it? – Nunca tinha pensado muito nisso. Mas o preço em Portugal para os portugueses, pode ser sem dúvida uma desvantagem, mas as condições não têm nada a ver com a restante oferta.
8. While in other countries, PBSA is widely developed, the same does not happen in Portugal. Why do you think, only now, PBSA is appearing in our country? – Acaba por ir um bocado ao encontro do que eu disse no início. Em pouca coisa, no que toca ao imobiliário, nós seremos dos que vão estar à frente do resto do mundo, nós apanhamos e seguimos sempre as tendências que vêm lá de fora. Isto são tudo produtos muito motivados por fatores demográficos e onde se tem mais massas, ou seja, países maiores e economias mais fortes, são quem passe as tendências aos restantes países. Tens os millennials e a geração Z que estão a definir imensas tendências em vários mercados e que estão a causar mudanças enormes, mudanças essas que são primeiro notadas em países como os EUA, UK e Alemanha e só depois passam para outros. Em Portugal só chega mais tarde, por vezes até algo mais tarde que em Espanha. Para além disso, foi também com o crescimento do turismo que muitos alunos “descobriram” Portugal como destino para estudar também. Antes era mais difícil, pois nem estávamos no mapa, e isso notou-se no ramo imobiliário inteiro, não só no segmento de Student housing. Mas sim, os países mais consolidados são os EUA e o UK, às vezes até por fatores culturais,

onde o ir estudar para fora é mais natural, o que às vezes não acontece cá. Concluindo, nem todos os setores os setores têm um potencial tão grande de crescimento como o PBSA, não só em Lisboa ou Porto, mas também em outras cidades como Aveiro, Braga, etc...

9. So, what do you think it was the disruptor that is leading to this change? – O crescimento de alunos estrangeiros a estudar em Portugal. Este aumento foi de +350% desde 2009/2010 até agora.
10. What is your opinion about the scenario of this sub-industry in the next 5 years, in Lisbon? – Não acho que vá haver paragem, a seguir a estes meses de pandemia. Claro que o Covid afetou os planos de estudantes, mas a perspetiva não é de cancelamentos, mas apenas adiamentos, o que fará com que este mercado não pare. Por isso sim, o futuro é positivo. Temos dinamismo comprovado, o nosso pipeline continua não alterou, estando cerca de 4.800 camas em pipeline.
11. Do you believe that PBSA has space to develop in the Portuguese market and have the biggest market share of student housing in the next years? – Vai haver sempre mercado para os vários tipos de alojamento, depende muitas vezes das características inerentes às pessoas que procuram o alojamento. Há quem valorize coisas de qualidade com muitos serviços e há quem não valorize esses serviços. Mas sim, há espaço para o mercado de PBSA crescer, até porque hoje em dia esse mercado não está totalmente servido. Ou seja, não há ainda oferta de PBSA suficiente para quem o procura, por isso sim, há espaço para continuar a crescer.
12. Do you think operators will continue to invest only in Lisbon, or they will rapidly look for other cities like Braga, Aveiro or Coimbra? – O foco está muito no Porto. Há investidores a “olhar” e interessados nas restantes cidades sim, mas ainda sem grandes avanços, ao contrário do Porto onde as transações já estão a acontecer.

Agradeço-lhe imenso as suas respostas.

## **Appendix V – Interview 3**

Ana Gomes (Cushman & Wakefield) – 44 minutes

### **Questions:**

1. Which company do you represent? – Cushman & Wakefield.

2. For how long is your company in Portugal? And what is the main focus of your business? – A Cushman está em Portugal desde 1991, e por isso, vai fazer 30 anos para o próximo ano. A Cushman em Portugal está a tentar trabalhar mais para a área de residências de estudantes desde 2016. O que nós fazemos essencialmente é a compra e venda de projetos para residências de estudantes e em paralelo, como suporte para essa atividade, tentamos saber o máximo possível do mercado de residências de estudantes, para poder dar a melhor resposta possível a quem procure terrenos ou edifícios para transformar em residências de estudantes. Por isso, nós temos uma área e uma equipa na Europa que tem uma ou 2 pessoas em Londres que fazem a ligação com os vários escritórios pela Europa fora e que tentam ter uma abordagem mais Europeia para os diferentes para os diferentes operadores e promotores que têm residências de estudantes que têm unidades por vários países da Europa e tentamos com as equipas locais dar a melhor resposta possível a esses operadores. Se por exemplo, procuram espaços em Lisboa ou no Porto, também querem saber como o mercado está a evoluir, quantas camas é que existem, quantas estão em pippeline, quantas estão em licenciamento, quantas estão em construção, quais os preços praticados e por aí fora. Portanto, nós tentamos levantar essa informação para estarmos dentro do mercado e como é que o mercado funciona, quem vem o que está a procurar e quais as localizações mais adequadas.
3. What is your position in the company? - Partner - Head of Urban Development
4. What is your perception about Lisbon's student housing sub-industry? – Ainda é muito constituído por apartamentos, mas está a mudar. A razão para ainda haver muitos apartamentos, passa pelo facto deste mercado mais moderno da oferta de residências de estudantes como há no resto da Europa, é relativamente recente em Portugal. Só começou a crescer verdadeiramente em 2016/2017 e mesmo assim começou mais depressa e mais cedo no Porto do que em Lisboa, também por várias razões. A procura era igualmente grande nas 2 cidades e a falta de oferta também era muito elevada nas 2 cidades, no entanto os preços no Porto são menos elevados e há uma grande diferença que é o facto de no Porto, na principal área Universitária, que é o Campus da Asprela, havia terrenos disponíveis. Havendo terrenos disponíveis, foi muito mais fácil para os promotores identificarem localizações e começarem a construir. Outro facto importante é que no Porto os projetos são aprovados mais rapidamente. Portanto, criou-se ali um movimento mais dinâmico do que em Lisboa. Em Lisboa, tem sido mais difícil aos

promotores encontrarem terrenos a preços minimamente acessíveis dentro da cidade, porque querem as melhores localizações, ao pé do metro e relativamente próximos da Universidade, o que faz com que compitam com o mercado habitacional ou com alojamento local. Por isso, os preços são muito, muito altos e é extremamente difícil de competir. Nos últimos anos abriram algumas residências em Lisboa, mas a oferta continua a ser muito baixa em comparação com a procura, o que leva a que muitos estudantes tenham de optar por quartos ou apartamentos partilhados, porque não há mais alternativas.

5. How is the Lisbon market characterized, in term of students? – Os alunos internacionais serão aqueles que procurarão mais as residências de estudantes, pelo facto de terem um maior poder de compra. Nós falamos diretamente com os alunos, o que sabemos é através de estudos que são feitos e depois são tornados públicos. O que nós sabemos é que o estudante nacional, normalmente tem mais dificuldades em pagar rendas mais altas, e estamos a falar de rendas que por vezes são na ordem dos 700€ ou 800€ por mês. O problema é que a oferta a valor mais baixo é escassa nas residências, o que leva a procura doméstica a ter dificuldades em suportar esses custos. No entanto, com o crescimento da oferta em residências, é expectável que o preço diminua nos próximos anos. Por exemplo, a primeira residência que apareceu em Lisboa, com características de PBSA, foi a Collegiate, que tinha valores a começar nos 850€ e a acabar nos 1.100€ por mês, o que não é realista, pensando no mercado doméstico. Há medida que foram aparecendo mais residências, notou-se uma descida de preços e essa será a tendência para o futuro, com o aparecimento de mais oferta.
6. What are the main features of a PBSA accommodation? – Os alojamentos que existiam antes de aparecer o PBSA, eram residências de estudantes públicas, de Universidades ou a entidades Religiosas ou os quartos em apartamentos. Estas residências mais modernas (PBSA), têm vários conceitos de quartos, os primeiros a aparecer em Portugal foram os Estúdios, pequenos apartamentos/micro apartamentos com casa de banho e kitchenette e depois com um conjunto limitado de serviços de apoio, sendo que outros, como na Collegiate, já têm um conjunto muito mais alargado de serviços de apoio que até tornam os projetos um bocadinho luxuosos, com piscina, ginásio, salas de jantar que podiam ser reservadas para dar festas de jantar pessoais e privados. Portanto há todo um conjunto de serviços que apareceram, quando não existia nada. O que eu diria que é comum neste tipo de projetos é uma adaptação cada vez maior às necessidades de quem

os paga. Hoje em dia, vê-se cada vez mais esta tentativa de criar zonas comuns/sociais, quer seja através de uma cozinha grande ou através de grandes zonas de convívio, porque há uma grande preocupação pelo well-being e pelo estado mental dos estudantes. Depois claro há outros pormenores que vão sendo adaptados/melhores a estes edifícios dado o tempo em que vivemos.

7. Do you believe that PBSAs are a better accommodation model than the other ones (private room in an apartment, religious accommodation)? What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? – Sem dúvida que a grande vantagem é a independência. Porque a ideia que eu tenho é que na maioria das residências religiosas, não há quartos individuais, há quartos partilhados e por vezes dormitórios. Nas residências Universitárias acontece o mesmo. Hoje em dia isso é cada vez mais difícil de conviver porque as pessoas gostam do seu espaço privado. Os quartos alugados ou casas alugadas, é preciso ter sorte nas pessoas com quem se aluga, sendo que por vezes se fica um bocadinho exposto aos feitios e maneiras de ser de quem está a arrendar a casa ou quarto. Numa residência (PBSA) a oferta de condições é sempre muito boa, os espaços tendem a ser de qualidade, as localizações geralmente são boas e são acessíveis em termos de transportes, o que facilita a vida aos estudantes. Mesmo tendo essa privacidade do quarto mantêm as condições de promover o contacto social entre as pessoas com algum conforto. A questão do conforto e da modernidade do espaço também são importantes e ambas acontecem com maior regularidade em PBSA do que nos outros espaços.
- a. Do you see any disadvantage in it? – O único senão é mesmo o preço, mas não há almoços grátis. A qualidade tem um custo.
  - b. Do you agree that having someone 24hours available, as it happens in PBSA, gives the parents, as well as students, a greater comfort and feeling of safeness or do you think that security is something equal between all types of accommodation? – Tenho a certeza absoluta que a segurança será maior nas PBSA e é maior em 2 sentidos: como disse, é maior para os pais, pois estes podem a qualquer momento contactar a receção, se não conseguirem falar com os filhos. Por outro lado, nestes espaços, as pessoas que estão na receção são geralmente as mesmas, por isso conhecem bem os estudantes e ajudam os próprios residentes em situações do dia a dia. O mesmo não seria igual em apartamentos por exemplo.

8. While in other cities PBSA is widely developed, the same does not happen in Lisbon. Why do you think, only now, PBSA is appearing in Lisbon? – Bom, isso tem a ver com 2 ou 3 razões. Primeiro vem a questão económica. As pessoas têm mais poder de compra noutros países e por isso têm outra disponibilidade para pagar alojamento do que aqui em Portugal. Depois vem uma questão cultural. As pessoas em Portugal, tendencialmente, tentam ir estudar para uma Universidade perto de casa. Se, por exemplo, for de Lisboa, a não ser que seja uma situação extremamente excecional, não vai tentar entrar na Universidade do Porto ou Coimbra e vice-versa. Têm tendência a ser deslocados, estudantes que realmente não têm oferta universitária perto de casa ou os estudantes das ilhas que também são comuns. Até porque o custo de estudar fora de casa envolve vários custos, que por vezes não são possíveis de suportar. Noutros países, como o UK, há muito a tradição das pessoas saírem de casa aos 18 anos para irem estudar e vão tendencialmente para outra cidade e têm de encontrar alojamento, isso lá é normal, e nos EUA a mesma coisa.
9. So, what do you think it was the disruptor that is leading to this change? – Há 2 ou 3 fatores que devemos considerar. Nestes últimos anos, os investidores em imobiliário têm olhado cada vez mais para o ramo residencial, onde se encontram as residências de estudantes. O crescimento neste setor tem sido exponencial e a tendência é que assim continue. Pelo contrário, podemos verificar que o investimento em retalho, como por exemplo Centros Comerciais, foi forte até 2012, mas desde então baixou muito, por causa da quebra no consumo e por causa do crescimento do e-commerce e isso foi uma das razões que despoletou a mudança de estratégia dos investidores e o setor residencial cresceu também devido a isso. Para além deste primeiro fator, Portugal segue uma tendência Europeia. Em Espanha e Itália por exemplo, os investidores começaram a investir em 2014/2015, Portugal vem sempre um bocadinho mais tarde, o que se verificou a partir de 2016. Os investidores começaram a reparar que a oferta em Portugal é de facto muito reduzida, e que mesmo apesar da pandemia e da crise económica, a procura está cá, e a oferta é quase inexistente e mesmo que se construa tudo o que está em pippeline, a oferta continuará a estar muito aquém da procura. O 3º fator aconteceu durante os anos seguintes à última crise, em que o nosso país foi muito procurado para turismo e por estudantes que queriam tirar partido das condições únicas que o nosso país tem em termos de clima e boas condições para viver. Temos boas praias, boas condições para viver, principalmente para quem vem de fora e tem poder de compra, ao mesmo

tempo as Universidades portuguesas fizeram um esforço para melhorar a oferta de ensino e começaram a criar cursos em inglês, para maior atração de alunos estrangeiros. Foi este conjunto de fatores que levaram a um crescimento de residências de estudantes.

10. What is your opinion about the scenario of this sub-industry in the next 5 years, in Lisbon? – Eu acho que o PBSA vai ganhar quota de mercado, face aos restantes alojamentos sinceramente. Acredito que vai ganhar mercado e que os preços irão estabilizar, pois com uma oferta cada vez maior, os preços têm de se tornar mais competitivos. Acho que as residências de estudantes vão cada vez mais tornar-se flexíveis e crescerá o conceito co-living. Neste conceito, a residência poderá albergar alunos e não só, havendo assim uma maior mistura social.
11. Do you believe that PBSA has space to develop in Lisbon and have the biggest market share of student housing in the next years? – Eu acho que nós próximos 5/10 anos há espaço para crescer, ainda por cima em Lisboa onde se construiu muito pouco. Se me perguntasse no Porto, acho que nos próximos 10 anos já teria dúvidas, ou seja, eu acho que ainda há espaço para construir mais residências de estudantes no Porto, mas se calhar daqui a 10 já atingimos o máximo permitido pelo mercado. Em Lisboa há uma falta de oferta de alojamento, eu conheço alguns projetos em licenciamento, mas mesmo assim ainda não oferta suficiente para a procura existente.
12. Talking about other cities with big Universities. Do investors look to other cities rather than Lisbon and Oporto? – Começam a olhar, mas é preciso ter cuidado. Em Braga por exemplo há um polo Universitário importante e extremamente dinâmico, especialmente politécnico, e sabemos que os investidores andam à procura de terrenos e não há grande oferta. Aveiro também tem procura pelas mesmas razões, e tem registado cada vez mais estudantes estrangeiros. Coimbra também há procura, mas é mais difícil, pois ao contrário de Aveiro e Braga não se tem desenvolvido tanto a nível empresarial. Em Coimbra há ainda a questão das Repúblicas que oferecem um alojamento muito barato. Évora é ainda muito pequeno e o Algarve é muito à base de estudantes locais, para além de no Inverno haver uma oferta de apartamentos muito grande, que são apartamentos que normalmente são alugados a turistas no Verão, mas que no Inverno ficam vazios. O problema destas cidades é que um promotor não vai construir uma residência e depois cobrar rendas de 300€, não é viável, tem prejuízo. Para haver lucro tem de cobrar rendas à volta de 400€/450€ mês, por mais barata que seja a construção e por mais barato que seja o terreno, por isso em algumas cidades estes projetos não são viáveis. Ou seja,

Braga e Aveiro há procura, Coimbra há procura, mas é preciso ter atenção a outros fatores, nas restantes cidades é mais complicado, porque são Universidades muito locais.

## **Appendix VI – Interview 4**

Paulo Sousa (Uniplaces) – Interview made by e-mail

### **Questions:**

1. Which company do you represent? - Uniplaces
2. For how long is your company in Portugal? And what is the main focus of your business? - Uniplaces is in Portugal since 2012 and the main focus is Real Estate Services and information services.
3. What is your position in the company? - Chief Marketing Officer
4. What is your perception about the Portuguese student housing sub-industry? - In a very broad terms, Portugal in the last years started to be a destination to travel, to work, to study, to invest and live, consequences of many policies carried out by the Portuguese government.  

In the case of universities, efforts made by both the government and the universities had as effect that nowadays Portuguese universities are highly rated abroad, with partnerships with universities of world renown, which led to an increase in interest in Portuguese universities and as consequence an increase and constant growth of international students in the last years. The increasing students demand and also the pressure of tourism has led to an increase in investments and supply.
5. How is the Portuguese market characterized? - It is growing, improving its structure and offer, and adapting to new needs.
6. What are the main features of a PBSA accommodation? - Purpose built student accommodation is housing specifically built for university students, properties usually are:
  - Self-contained studio with private kitchens with shared living space.
  - Residence with ensuite bedrooms with shared kitchen, dining and living facilities.
7. Do you believe that PBSAs are a better accommodation model than the other ones (private room in an apartment, religious accommodation)? - Well, my opinion is what

is better is related with the demand of each individual, considering what is looking for, according to their needs, and of course the type of experience they want to live.

- a. What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? Do you see any disadvantage in it? - This has to do with each person's criteria and the process they use to make take their decision.
8. While in other countries, PBSA is widely developed, the same does not happen in Portugal. Why do you think, only now, PBSA is appearing in our country? - Demand started to increase, and market started to react and adapting to new needs.
9. So, what do you think it was the disruptor that is leading to this change? - Many factors and not just one, had an impact on the changes and growth that we have been witnessing, changes on demand in the domestic market, increase of international demand, foreign investment in real state, but we should praise the investment done by government institutions and universities have made in efforts to implement strategies focused on the quality of teaching and internationalization of education.
10. What is your opinion about the scenario of this sub-industry in the next 5 years? - At this moment, with the impact of Covid-19, it is difficult to make predictions, but in a normal situation, it would continue to grow,
11. Do you believe that PBSA has space to develop in the Portuguese market and have the biggest market share of student housing in the next years? - I don't have enough data and research to be able to answer this question.

## **Appendix VII – Interview 5**

Jonathan Fletcher (Palheiro Nature Estate) – Interview made by e-mail

### **Questions:**

1. Which company do you represent? - Palheiro Nature Estate
2. For how long is your company in Portugal? And what is the main focus of your business? - 28 years. Our main focus is tourism and real estate development.
3. What is your position in the company? - President
4. What is your perception about the Portuguese real estate market? - The Portuguese real estate market has boomed in cities Lisbon and Porto whilst remaining much slower in rural areas.

5. In recent years, Lisbon has seen an increase of local accommodation (such as Airbnb). In your opinion, which factors led to this kind of investment? - Lisbon has always been architecturally stunning. Property prices approx. 10 years were very cheap in relation to other European cities. Grants were made available to encourage investment to restore the ageing and largely derelict housing stock.
  - a. Do you believe these investments are still growing in number, or are we seeing a slowdown in investments? - Big slow down as investing to create air b and b properties is much less attractive due to increased competition and constantly more complicated and tougher taxation regime for this sector.
6. Going to the student housing sub industry. What is your perception about the Portuguese student housing sub-industry? - In cities this sector has suffered due to increase in price of renting due to the air b and b segment. Students have had to move further and further away from the desirable areas to find affordable accommodation.
7. Can you characterize this market? - Chaotic, has become less desirable for home owners to rent to students since the rise of the more lucrative air b and b market.
8. In recent years, Lisbon has seen an increase of Private Student Residences being built. In your opinion, which factors led to this kind of investment? - Is it possible to relate this factor with the ones that led to an increase in investments like Airbnbs? These investments came out of necessity as student accommodation was becoming more and more expensive and harder to find as the stock diminished. Also student accommodation has become a political issue as many parties have lobbied for some sort of solution to this growing problem. To do nothing would have been political suicide.
9. Do you believe that PBSAs (commonly known as Private Student Residences) are a better accommodation model than the other ones (private room in an apartment (or Airbnb), religious accommodation)? - Yes (although I am not familiar with the product).
  - a. What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? Do you see any disadvantage in it? - I would imagine that the students are better protected contractually than in an air b and b with a shorter contract.
10. What is your opinion about the scenario of this sub-industry in the next 5 years? - This industry should develop as Lisbon becomes more and more attractive place to choose to study especially for overseas students.

## Appendix VIII – Interview 6

Luciano Homem de Gouveia (Local Accommodation section of the Commercial and Industrial Association of Funchal) – Interview made by e-mail

### Questions:

1. Which company do you represent? – Anteriormente representava a Secção de Alojamento Local da Associação Comercial e Industrial do Funchal, atualmente represento a Servisib, Serviços, Gestão e Projectos Imobiliários, Lda., empresa integrada no Palheiro Natura Estate.
2. For how long is your company in Portugal? And what is the main focus of your business? - Há cerca de 15 anos. Turismo residencial e property management.
3. What is your position in the company? – Na secção da ACIF era Presidente, na Servisib ocupo o cargo de Gerente.
4. What is your perception about the Portuguese real estate market? - O mercado imobiliário na Madeira tem mantido, nos últimos anos, um nível de actividade constante, não se tendo verificado um boom como em Lisboa ou Porto. Com um mercado local pequeno, a procura tem sido animada pelos emigrantes e estrangeiros que procuram beneficiar dos incentivos fiscais estabelecidos. A maior parte do mercado tem-se centrado no Funchal e na zona oeste da ilha. A maior parte da procura está concentrada em propriedades cujo preço oscila entre os 350 e 700 mil euros.
5. In recent years, Lisbon has seen an increase of local accommodation (such as Airbnb). In your opinion, which factors led to this kind of investment?
  - a. Do you believe these investments are still growing in number, or are we seeing a slowdown in investments? - A Servisib tem como actividade principal o alojamento local, e desenvolve-o junto dos Tour operators tradicionais e das plataformas digitais como o airbnb, booking, etc. A nossa oferta centra-se, essencialmente, nos imóveis situados no Palheiro Village, permitindo um rendimento aos respectivos proprietários. Alguns proprietários adquiriram imóveis motivados pelo rendimento do alojamento local e pela sua valorização. Outros, utilizam a habitação durante períodos mais ou menos longos e colocam no mercado de AL o resto do ano, de modo a cobrirem os custos de manutenção, condomínio, etc. No final de 2018, as camas em AL, representavam cerca de 20% da oferta turística da Madeira.

6. Going to the student housing sub industry. What is your perception about the Portuguese student housing sub-industry? – Maioritariamente composto por apartamentos privados, sendo, no entanto, de notar uma procura superior à oferta, principalmente em grandes cidades como Lisboa ou Porto.
7. Can you characterize this market? – É difícil, pois o mercado na Madeira é diferente do mercado do continente. Mas há um grande número de alunos nacionais deslocados, que certamente representarão grande parte da procura.
8. In recent years, Lisbon as seen an increase of Private Student Residences been built. In your opinion, which factors led to this kind of investment? Is it possible to relate this factor with the ones that led to an increase in investments like Airbnbs? – O alojamento local na forma de Airbnb apareceu e cresceu muito com o boom turístico dos últimos anos. Não sei se é possível relacionar esse crescimento com o crescimento de residências para estudantes.
9. Do you believe that PBSAs (commonly known as Private Student Residences) are a better accommodation model than the other ones (private room in an apartment (or Airbnb), religious accommodation)?
  - a. What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? Do you see any disadvantage in it? - Na Madeira, apesar de termos Universidade, não existe massa critica para investir nesse tipo de oferta. No que toca às vantagens e desvantagens, a meu ver são sempre relativas, pois depende do que cada pessoa procura e por conseguinte será difícil de apontar uma vantagem ou uma desvantagem geral que a todos sirva.
10. What is your opinion about the scenario of this sub-industry in the next 5 years? - Julgo que em cidades com um Campus Universitário com alguma dimensão, é um investimento atractivo.

## **Appendix IX – Interview 7**

João Teixeira (Livensa Living) – 37 minutes

### **Questions:**

1. Which company do you represent? – Livensa Living. A Livensa pertence 100% à Temprano Capital Partners. A Temprano é uma empresa com vários negócios em Real Estate e um deles que começou há 4 anos a ser construído e em 2019 abriu-se as 2

primeiras residências com a marca Livensa. Eles decidiram entrar no mercado de residências para estudantes, para já na Península Ibérica, com a abertura de 2 residências em 2019, 1 no Porto e 1 em Barcelona e com um projeto de crescimento de curto/médio prazo com a abertura de mais residências e em 2020 houve a abertura de mais 7 residências (6 em Espanha e 1 em Portugal).

2. For how long is your company in Portugal? And what is the main focus of your business? – Em 2019, com a abertura da primeira residência da Livensa, no Polo Universitário de Paranhos (Livensa Living Porto Campus). A marca Livensa nasceu há mais tempo com o plano de negócio, com o planeamento de quantas residências se iriam abrir e é um plano que não é fechado. Às vezes surgem oportunidades e o número de aberturas ou não, pode variar.

- a. How many rooms, in general, has a Livensa Living residence? – No Porto Campus são 548 quartos, na Boavista são 340 quartos, em Lisboa são 524 quartos e em Coimbra não tenho a certeza, penso que será à volta de 320/330, será a mais pequena até ao momento.

3. What is your position in the company? – Cada residencia tem 1 Diretor e eu sou o Diretor da residência Livensa Living Porto Boavista (a segunda a abrir no Porto).
4. What is your perception about the Portuguese student housing sub-industry? – As PBSA era algo que faltava em Portugal, enquanto que lá fora já é um mercado maduro, como por exemplo no Reino Unido, onde já existem inúmeras residências. Não só no Reino Unido, como por toda a Europa e nos Estados Unidos. Em Portugal é um mercado que ainda está a crescer e nasceu, penso eu, que em 2019 onde se verificou um boom no aparecimento de residências e de vários players que estão a surgir e investir em Portugal. Quem já passou pela vida académica, sabe perfeitamente a dificuldade que era arranjar um quarto no Porto, em Lisboa, Coimbra, Braga ou mesmo em Faro, é muito difícil e a oferta era escassa. A oferta pública também é praticamente inexistente, eu penso que eles cobrem cerca de 3% ou 4% da procura, portanto o mercado de alojamento estudantil notava uma falta muito grande de oferta, ao passo que a procura é enormíssima. Desde 2019 que começaram a aparecer várias residências, em 2020 continuaram a aparecer mais, há projetos, e falando do Porto que é a realidade que eu conheço melhor, a abrir para o próximo ano letivo. Tenho ideia que pelo menos 1.500 camas vão abrir de certeza aqui no Porto. Ou seja, não só este aparecimento das PBSA veio cobrir uma clara falta de camas, como veio seguir as tendências Europeias.

5. Who looks for accommodation in Portugal? – A nossa maior fatia são estrangeiros (65%) contra 35% de portugueses. Temos até portugueses do próprio distrito do Porto que vêm para cá, porque os pais preferem este tipo de alojamento, com segurança, vigilância, apoio da receção 24h. Nos estrangeiros, destacamos os Brasileiros.
6. How can you characterize a PBSA accommodation? – Uma mensalidade que engloba várias coisas, quarto, eletricidade, água, internet, ginásio, piscina, receção 24h, videovigilância, biblioteca, áreas de estudo, eventos, cinema (onde se podem apresentar trabalhos também), workshops. Ou seja, algo que não vai conseguir encontrar noutro tipo de alojamento. Para além de que o foco das equipas que aqui trabalham, é dar serviço e mais do que isso, oferecer um serviço de qualidade e dar atenção aos nossos clientes, ajudando-os em tudo o que nos é possível.
7. Why, in your vision, is PBSA a better model than the other ones (private room in an apartment, religious accommodation)? – Devido ao que foi dito na resposta anterior.
  - a. What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? – Segurança e facilidade com que se consegue arranjar alojamento, muito graças à Internet, onde consegue logo fazer uma reserva connosco. Esta rapidez ajuda-nos mais com os estrangeiros. Com os nacionais eles vêm normalmente fazer uma visita de reconhecimento. Para além da Profissionalização, o que por vezes pode não acontecer nos apartamentos. Do you see any disadvantage in it? – Não vejo nenhuma. Hoje em dia é o melhor Sistema que o mercado pode oferecer. No meu caso, se fosse pai, e necessitasse, era o sistema que seguia, ou seja, onde deixaria os meus filhos. Era mesmo algo muito necessário em Portugal.
8. While in other cities (such as London for example), PBSA is widely developed, the same does not happen in Portuguese cities, like Lisbon. Why do you think, only now, PBSA is appearing in our cities? – Melhorar na oferta das Universidades, com o aliciamento de estrangeiros para estudar cá. Com o conseqüente aumento de procura, houve agora esta oportunidade de negócio. O boom turístico que tivemos há uns anos não ajudou o mercado de residências, pois o investimento focou-se muito em hotéis e similares, passando só mais tarde para as residências, muito por causa dos estrangeiros que decidiram cá ficar a estudar.
9. So, what do you think it was the disruptor that is leading to this change? – A mudança no investimento, por parte de empresas estrangeiras, que se aperceberam de uma

falha/oportunidade no mercado e começaram a investir, como já o faziam no resto da Europa.

**10.** What is your opinion about the scenario of this sub-industry in the next 5 years? Does your company have any planned future investment? – 5 a 10 anos será o período de expansão. Eu sei que já há vários projetos em construção e alguns em planeamento para os próximos 4 ou 5 anos. Mas depende também da conjuntura internacional... este era para ser um ano de grande expansão, mas devido ao Covid, os projetos tiveram de ser adiados. Mas até daqui a 10 anos é esperado um crescimento em Portugal. Talvez em 5 anos mais em Lisboa (2021/2022 e 2022/2023), Porto e Coimbra e depois passando para outras regiões como Braga, Guimarães, Faro, o interior, estas regiões com unidades ligeiramente mais pequenas.

**11.** Do you believe that PBSA has space to develop in the Portuguese market and have the biggest market share of student housing in the next years? – Sim acredito. Resumindo, perante as mais valias que estas residências privadas trazem ao mercado, com a melhoria de serviço, a facilidade de acesso ao alojamento e tudo o que já falamos anteriormente, aliado à grande oferta que está prevista para os próximos anos, acredito que no curto prazo será o método preferencial de vir viver enquanto se estuda em Portugal. Até porque os estrangeiros já estão habituados a procurar residências, o estudante português é que ainda não conhece tão bem, por ser um mercado relativamente novo.

Maioritariamente capital estrangeiro, mas algum português em residências mais pequenas.

## **Appendix X – Interview 8**

Alexandra Simões – 25 minutes

### **Questions:**

- 1.** What is your relationship with the Portuguese student housing sub-industry? – I owe 23 rooms in the city of Coimbra, and my only target/customers are students.
- 2.** For how long are you related with the industry? And what is the main focus of your business? – The first apartment I bought was in 2002 and the last one (at least until now) was bought in 2007. My main focus is to rent rooms to students, I don't rent the entire apartment to 1 person, my customers can only rent rooms, and nowadays I have a total of 23 rooms. Some years ago I was linked with the University of Coimbra and my rooms were published in their communication channels. With that link I was also able to

receive certificates (published by the University) that certified the quality of my rooms. But nowadays I ended that partnership and I rent my rooms by my own. Inicialmente alugava só a raparigas, hoje em dia os meus apartamentos são mistos. Uma coisa que existe sempre nas minhas casas é uma sala de estar com televisão, pois eu quero que as pessoas se sintam em casa e tenham um espaço onde possam socializar umas com as outras. Isto é algo que não acontece em todos os apartamentos, eu sei que existem apartamentos iguais aos meus em que não há salas, tudo foi transformado em quartos e em que inclusivamente há quartos interiores, o que não acontece nos meus.

3. What is your perception about the Portuguese student housing sub-industry? – Há uma predominância de portugueses. No que toca aos apartamentos e aos quartos em apartamentos, os portugueses são quem procura mais este tipo de alojamento, os estrangeiros por norma, contactam a Universidade, e esta acaba por lhes dar algum tipo de indicação acerca dos alojamentos na cidade. No entanto, também já tenho tido alguma procura de estrangeiros, seja por verem as minhas placas nas minhas casas, seja por indicação de colegas que ficaram nos meus apartamentos e depois passaram a mensagem.
4. How is the Portuguese market characterized? – Há muitos apartamentos, este tipo de alojamento continua a liderar a oferta em Portugal e ainda há algum crescimento no número de apartamentos disponíveis. É importante não esquecer que a minha 1<sup>a</sup> casa está no mercado há 20 anos e nessa altura não havia grande oferta disponível, de lá até agora tem havido um grande crescimento na oferta.
5. Please describe, in general, what is the offer of your accommodation? – A minha renda não inclui contas, ou seja, os estudantes pagam-me a renda e as contas (eletricidade, gás, água) são à parte. Tenho apenas 2 casas em que incluiu as contas da TV e internet, por serem casas mais antigas e poderem de certo modo estar em desvantagem em relação às restantes casas. No entanto, a limpeza está incluída em todas as casas, 1 vez por semana.
6. Do you believe that PBSA have any advantages, comparing to your offer of accommodation? – Os quartos individuais, a limpeza incluída e a modernidade são vantagens claro.
  - a. Do you see any disadvantage in PBSAs? – O valor da renda não é para qualquer pessoa e a localização por vezes, sendo mais periférica, em relação aos apartamentos, pode constituir uma desvantagem também.

7. While in other countries, PBSA is widely developed, the same does not happen in Portugal. Can you explained me why in Portugal we still have more accommodation likes yours, instead of PBSAs? – Porque foi a primeira oferta a aparecer no mercado.
8. What led you into this industry? – Garantir um futuro para os meus filhos e porque este é um mercado que não acaba, vai sempre haver estudantes, crescendo que no início não havia muita oferta.
9. What is your opinion about the scenario of this sub-industry in the next 5 years? – É difícil de fazer uma previsão dessas, no entanto eu acredito que vai haver um crescimento na oferta, seja de apartamentos, seja de PBSA, pois tanto de um como de outro tipo de alojamento, nota-se já um aumento na oferta.
10. Do you believe that PBSA has space to develop in the Portuguese market and have the biggest market share of student housing in the next years? – É difícil de saber isso ou de chegar a uma conclusão dessas para já.

## **Appendix XI – Interview 9**

Patrícia Liz (Savills Portugal) - Interview made by e-mail

### **Questions:**

1. What are the main features of a PBSA accommodation? - It is a form of student housing specifically built –primarily by private developers- for this purpose. It is configurated around self-contained studios or “cluster” flats, or residency halls containing ensuite bedrooms. They include private kitchenettes or shared kitchen, dining and many living facilities and amenities. Most of the time there is also residence management in place to enhance the experience of the students.
2. Do you believe that PBSAs are a better accommodation model than the other ones (private room in an apartment, religious accommodation)? - It really depends on the particular needs and interests of the student, for example in regards to costs, experience and quality. However, PBSA has the real advantage of being designed with the student in mind, and this has an impact in attributes such as location, amenities and student services.
3. What are the advantages for students to rent a PBSA room, instead of a traditional one in an apartment? Do you see any disadvantage in it? - Overall costs, the cleanliness of

the bedroom, the quality of the accommodation, and the location of the property are seen as very important by students. The disadvantages will depend on each student's perception, but usually they can relate to costs, privacy or being a busy place.

4. While in other countries, PBSA is widely developed, the same does not happen in Portugal. Why do you think, only now, PBSA is appearing in our country? - The number of students enrolled in higher education in 2020 increased by 3.0% compared to 2019, that is, from 385.247 to 396.909, out of which 15% are international. Portugal is increasingly seen as a great student destination due to a combination of factors such as quality of living, affordable living costs, quality of teaching, international environment, among many others. From a supply standpoint, in Portugal it is estimated that there are about 114.000 displaced students and if we take into account only the university accommodation that currently adds up 15.965 beds, only 14% of students have guaranteed accommodation. This has created a huge opportunity for PBSA operators.
5. So, what do you think it was the disruptor that is leading to this change? - A combination of market attractiveness for students, lack of suitable accommodation supply and improved foreign investor sentiment towards the Portuguese economy.
6. What is your opinion about the scenario of this sub-industry in the next 5 years? Do you believe that PBSA has space to develop in the Portuguese market and have the biggest market share of student housing in the next years? - There is a large pipeline of PBSA projects in development right now, primarily in Porto and Lisbon. The next step in investor confidence will be to explore medium sized university cities. Even though some locations may look slightly oversupplied, the market fundamentals of strong demand should suffice for a good asset performance. It is likely that PBSA will continue to grow its share in this market segment.