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A Housing Platform for student accommodation: Creating a Global Brand

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Abstract

Uniplaces, a Lisbon based startup, has become the fastest growing international website for booking student accommodation and it currently operates in forty cities across nine European countries. Uniplaces was able to change a difficult, bureaucratic and old-fashioned process of booking accommodation, into an easier, enjoyable and modern one, by moving it online.

To serve the increasingly mobile student population, Uniplaces is creating a trusted, global brand for student accommodation. It wants to become the reference for students when they are looking for accommodation. To achieve this goal Uniplaces decided to redesign its international expansion strategy in Europe by building different regional sales areas.

This case study offers an overview of the European student housing sector focusing on a future scenario of how Uniplaces can manage the consolidation and expansion of its operations across Europe, as current business development resources are becoming too thinly spread across the continent.

These new regional areas group markets that have similar dynamics regarding the student housing sector. Regional area 1 is formed by Portugal, Spain, Italy and France; Regional area 2 by the United Kingdom; and Regional area 3 by Germany, the Netherlands, Austria and Poland. United Kingdom is a separate case where the sector has already matured, thus the dynamics observed in this market cannot be addressed in the same way as other European markets.

Keywords: Uniplaces, student accommodation, international strategy, regional sales areas.

Resumo

Uniplaces, uma startup baseada em Lisboa, tornou-se no website internacional de reservas de alojamento estudantil de mais rápido crescimento, operando actualmente em quarenta cidades em nove países europeus. Uniplaces foi capaz de mudar um processo difícil, burocrático e antiquado de reserva de alojamento, num mais fácil, agradável e moderno, movendo-o online.

Para servir a população estudantil cada vez mais móvel, a Uniplaces está criando uma marca global confiável para alojamento de estudantes. Ela quer se tornar a referência para os estudantes quando eles estão à procura de alojamento. Para atingir este objectivo Uniplaces decidiu reformular sua estratégia de expansão internacional na Europa através da construção de diferentes áreas comerciais regionais.

Este estudo de caso oferece uma visão geral do sector europeu de alojamento para estudantes, focando-se num cenário futuro de como a Uniplaces pode gerir a consolidação e expansão das suas operações em toda a Europa, uma vez que os actuais recursos para desenvolvimento comercial estão se tornando demasiado distribuídos por todo o continente.

Estas novas áreas comerciais regionais agrupam mercados que têm dinâmicas semelhantes relativamente ao sector de alojamento estudantil. Área regional 1 é formada por Portugal, Espanha, Itália e França; Área regional 2 pelo Reino Unido; e a Área regional 3 pela Alemanha, Holanda, Áustria e Polónia. O Reino Unido é um caso particular, onde o sector já amadureceu, assim sendo as dinâmicas observadas neste mercado não podem ser tratadas da mesma forma como noutros mercados europeus.

Palavras-chave: Uniplaces, alojamento estudantil, estratégia internacional, áreas comerciais regionais.

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Glossary and Acronyms

PBSA – Purpose Built Student Accommodation

HE – Higher Education

SHHS – Second Hand Housing Stock

HMO – Home in Multiple Occupations

REIT – Real Estate Investment Trust

CROUS - Centre Régional des Oeuvres Universitaires et Scolaires

Case Study

Uniplaces – a housing platform for student accommodation

Introduction

One sunny morning on March 8, 2016, while driving to his office a mixture of feelings struck Miguel Santo Amaro. Waiting in traffic, a series of flashbacks were going through Miguel's mind. It was a special day. Uniplaces was opening a new office in Rossio and all the attention was centered in one of the most promising Portuguese startups, Uniplaces. On the one hand he felt an enormous feeling of accomplishment, all the co-founders' hard work and dedication had paid off. No more than five months before, the Lisbon-based startup was able to secure one of 2015's biggest rounds of investment[1]. On the other hand, Miguel knew that despite his housing platform for student accommodation was growing in the right direction, all the 'fresh' money meant new and bigger responsibilities and challenges. The goal was: '*turning Uniplaces in the world's most trusted brand for students*' by developing local partnerships, establishing and reinforcing partnerships with universities, attracting more landlords and providing a service of excellence.[1] But the quest to become the world's leading operator in the student housing sector was a long one and Miguel considered that in the short term, Uniplaces should focus on becoming the European leading operator due to its already established presence in key strategic markets. The goal was to expand their operations to the remaining European markets, seizing the good opportunities for the brand to grow, while consolidating the markets where they were already present.

After a 25 minute drive, Miguel joined Ben and Mariano to meet Martin Reiter to sort some last minute details before the big opening. During the big debut, the management team wanted Martin to present to the whole company a new approach that he designed to consolidate Uniplaces presence, preparing the brand to later expand to more European markets. Martin's new strategic approach would divide the European market into regional areas composed by countries with similar characteristics. Each new area would have an Area Manager that would follow the strategic guidelines defined by Martin's team, responsible for the international roll-out of Uniplaces' brand, and would receive support by a centralized team in Lisbon, responsible for the coordination of these new regional areas.

1 Nearly $24 million, a record for a Portuguese startup, was the amount rose in a Series A funding led by Atomico of Niklas Zennstrom, co-founder and CEO of Skype.

With this news under his sleeves Miguel felt more confident than ever. He was no longer tormented by the challenges in his road to success, because there will be always new and bigger challenges along the way if the goal was to completely '*rethink the overall university experience, starting by housing.*'[1]

Company overview

Uniplaces – creating a global brand

Uniplaces is a Lisbon-based startup founded in 2012 by Miguel Santo Amaro, Benjamin Grech and Mariano Kostelec aiming to transform the global student market. The three friends met while studying at Nottingham University and King's College London, and from personal experience they had become aware of how difficult and outdated the process of finding accommodation for students was.

Uniplaces is an online marketplace for booking student accommodation. It aims to organize the world of student accommodation, sorting out the current mess and fragmentation, making the process of finding and renting accommodation safer and simpler within this sector, which is estimated to be worth in excess of €150bn globally. Its strategy has been redesigning an overwhelming difficult process, usually steeped in bureaucracy and filled with all kinds of obstacles like outdated ads, misleading information, schemes and scams; into a streamlined and modern one by moving it online. Without a booking platform with verified listings, the rental process would remain time consuming and risky for both the student and the accommodation provider. Just like hotels, verified stock and one prevalent booking platform would provide a standardized way for students and accommodation providers to transact enhancing the chances for providers to achieve full occupancy. [2]

With this goal in mind to serve an increasingly mobile student population, Uniplaces has built a secure, user-friendly and high quality environment for students and young professional to safely book their accommodation online. [3] Uniplaces also offers a unique channel for accommodation providers to promote their houses and rooms to students as well as its own service to market the rooms on behalf of accommodation providers who usually lack the expertise to effectively promote their offers. Uniplaces is not only enabling international students to quickly and easily find accommodation abroad, it is also giving accommodation providers a digital and global infrastructure to reach millions of students.

It all started with the founders own savings and their dream of rethinking the whole student experience, starting by accommodation. Since launching the company has raised money four times. The last one, in the fourth quarter of 2015 led Uniplaces to rise to the 'startup major league'. Uniplaces raised € 22 million in Series A[2] funding led by Atomico of Niklas Zennström, co-founder of Skype. The funding round also included existing investors Octopus Ventures and Shilling Capital Partner, and co-investor Caixa Capital. (See Exhibit 1).

The growth of Uniplaces is unprecedented, having expanded from six to forty cities in Europe between 2014 and 2016 across nine different countries (Portugal, Spain, France, UK, Germany, The Netherlands, Poland, Austria and Italy). (See Exhibit 2).With over 40,000 furnished rooms in its inventory the platform has generated more than €23 million in bookings for accommodation providers since launch. Just in 2014 the marketplace grew 1000% in its booking values[3]. This growth is even more impressive because it was achieved by one of the hardest business models in the industry: a two-sided marketplace. Its reach is also astounding, having students booking student accommodation from over 140 different countries.

Launching Uniplaces in Lisbon was definitely one big decision for the founders. They needed a small market to test the product and model before scaling it, and Lisbon was that lab-market. It was the combination of great choice with great timing. On the one hand, Lisbon was the perfect city to launch and center Uniplaces' operations. It provided low costs of living (low rents, services, and wages, crucial in the early days when it was still bootstrapping) compared to the good quality of life as well as a great talent pool with the hunger to create the first 'unicorn'[4] company out of Lisbon. On the other hand, the first incubators in Lisbon were being formed and they were looking for ideas and people to invest.

The next step for Uniplaces is to give a meaning to the €22 million raised. Uniplaces will focus on developing their platform and growing their product team, in order to improve their users' experience while expanding their offers to other European markets yet to be tapped.

Uniplaces' strategy is clear: *"We'll be investing in developing our platform and growing our product team. Obviously, we want to keep improving the experience of*

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[2] Series A financing is the term referring the first round of financing undergone for a new business venture after seed capital. It is the first time that the company ownership is offered to external investors.

[3] Bookings value is how much money the marketplace is delivering in contract of accommodation to its partners from students across the world.

[4] The term refers to a startup company whose valuation has exceeded the somewhat arbitrary value of $1 billion.

our users and continue to innovate to enhance our product leadership. A key part of our product strategy will be developing our mobile proposition, which we will be investing in heavily. That's the tech part. In terms of geographic expansion we look to consolidate our market position in the key 9 European countries where we are operational (UK, France, Spain, Germany, Italy, Poland, Austria, Portugal, Netherlands). Of course we always have an eye on new market opportunities, although we favor building our business off a solid foundation in core markets. USA, Australia, China, and Brazil already represent important markets for us on the demand side and we are excited to develop our position in these markets" [4], said Miguel in an interview to Tech Crunch in November of 2015.

Uniplaces guarantee to accommodation providers

Uniplaces platform also brings value to accommodation providers. Uniplaces provides a unique channel to promote and market local players' rooms and houses to international students. (See Exhibit 3)

In order to have their rooms rented quickly and safely, Uniplaces provides several services that help these providers to push their products to a larger target market. Uniplaces offers a free photo shoot of all landlord's apartments, personalized support and free services and membership.(See Exhibit 4)

One distinctive feature of the service provided to landlords is the Uniplaces Guarantee, designed to protect the landlords. (See Exhibit 5). The Uniplaces Guarantee covers the whole contract value, hence landlords will not lose money or time if tenants leave their properties before the end of the contract. However, only the best landlords are covered by the Uniplaces Guarantee. They have to meet some criteria[5] in order to be eligible to activate the Guarantee. In case the tenant never shows up and the booking is not cancelled the Uniplaces Guarantee cannot be activated as well. This is due to the fact that this is a re-booking guarantee[6], hence Uniplaces needs to have the conditions in place to find a new tenant for the property.

[5] 1- Properties need to be verified by an Uniplaces team; 2- landlords cannot have a valid guest complaint; 3- They have to accept as many booking as they can; and finally 4- Keep the availabilities updated.

[6] If the property/room in question is not empty, then Uniplaces will not be able to re-book it. As consequence the guarantee cannot be activated.

Talent Pool

At Uniplaces there is not one CEO, but rather three co-CEO. '*We know that there is not a tie in our decision making process*', said Miguel Santo Amaro in an interview to Exame Informática in 2015. It makes the founders to communicate more than in one CEO structure. Uniplaces has a management team who are able to relate to their customers' needs. By knowing what students go through when they study abroad, they can help them by providing the best possible experience. For the founders, Uniplaces was not only a substantial better solution among the ones available in the market, but also one that addressed one major pain point of those studying abroad. Uniplaces' priority was well defined: it wanted to dominate the student accommodation segment in Europe.

In 2014, Martin Reiter, ex-vice-president of Airbnb, joined Uniplaces as the man responsible for the company's international expansion. The entrance of the Austrian manager as investor and advisor opened new horizons to Uniplaces. Both Uniplaces and Airbnb were companies that were born to link people, more specifically the ones who are in movement. An Airbnb's guest and an Uniplaces' student were both travelers, although in distinct ways. Martin's goal was to take the company to expand from the 12 cities, where it was present at the time, to 30. Hiring Martin was indisputably the right play for Uniplaces as it is now present in 40 European cities with more than 40,000 room listed in its platform, getting between 500 and 1000 new listings every week.

Higher Education (HE) fueling the student housing sector growth

There has been seen an increase in student flows worldwide as more people have sought HE to improve their employability. Europe's rapidly growing student housing sector has been fueled by Europe's robust and fast-growing student market. The number of higher education students is anticipated to grow to 262 million globally by 2025 [5], being Europe one of the biggest recipients of these students.

According to the OECD, over 4.5 million students studied abroad in 2012, up from 2 million in 2000. This figure is forecast to reach 8 million by 2025. [5] The US, UK, France, Australia, and Germany, accounted for 47% of those students in 2013. While these markets dominate, a key trend has been the emergence of regional hubs attracting mobile students. In Europe, UK is the largest international destination with

388.000 foreign students accounted in 2013 while Germany and France accounted for 301.000 and 295.000 respectively.

Higher education institutions are going through reforms to become more competitive, attracting more students in the international landscape. They are offering routes to employment for foreign graduates such as post study visas. Germany and the Netherlands are two examples of countries implementing this strategy, offering graduate search permits or job seeker visas, of six months and a year respectively. The affordability of higher education in mainland Europe has been a key driver of the growth in student numbers in recent years. Mainland European study destinations have a clear appeal to students when compare to US, UK and Australia. Tuition costs are exceptionally affordable by international standards, especially when combined with the relatively low cost of living and accommodation.

European Student Housing Market

Student accommodation is different from the general housing market because it is quite specific when it comes to demands. As students are paying more for their education, they become sophisticated consumers demanding higher quality facilities for both learning and living. With more pressure to complete courses quickly as possible and mitigate the overall cost of education, the location, quality and support provided within student accommodation are becoming more important.

While student housing markets in the US and UK can be considered mature, many in major European cities are still in their infancy. There is an underlying supply and demand imbalance in all European markets. Across Europe, the provision rate[7] of Purpose Built Student Accommodation (PBSA) is structurally low. (See exhibit 6)

The provision of student housing and the behavior of students across Europe varies significantly between countries. Typically, students in southern Europe tend to live in their home town or region, the majority living at home with parents. In Italy, for example, in 2013 73% of students lived with their parents. (See Exhibit 7) In contrast, in northern Europe, students are more likely to live in PBSA or seek housing in the private sector. These cultural trends have implications on the demand for PBSA in some markets, thus investors need to accurately analyze market dynamics before jumping into markets that might look attractive at first glance. They are now turning

7 The provision rate is calculated as the total places in student halls over the total number of student registrations across the cities.

to mainland Europe for new opportunities, where there is a huge mismatch between demand for quality accommodation and supply and the sector is about two decades behind the sector in UK. The idea of student housing as a purpose-built property sector was almost non-existent in Continental Europe. Notwithstanding, Netherlands is leading the way in moves to expand the student beds sector in Continental Europe. [6]

Exhibit 8 offers an overview how the European Union members, excepting Malta and Bulgaria, compare to each other regarding both HE and student accommodation sectors. Considering the HE sector it is possible to compare student populations and respective international share. Regarding the student accommodation sector, it is possible to compare and analyze the types of accommodation each market provides, weekly average rents as well as national provision rates.

The fundamentals of the European market remain solid. There are two main drivers that are shaping the sector in Europe: institutional investors are keen to tap into emerging, alternative asset classes that have the potential for stable and long-term returns, and, more importantly, demand among students for quality accommodation is growing rapidly, leading to a chronic shortage in many markets. [6]

Portugal

The sector in Portugal is a niche market with great potential. Portugal has a structurally undersupplied student housing sector with an informal and unstructured supply of student accommodation, of which only 10% is university run. The big bulk of supply comes from indirect private promoters and landlords in an informal way. The Portuguese student housing sector is typified by an unfair competition due to a strong informal housing sector, not taxed by Portuguese authorities allowing accommodation providers to have different cost structures and so more competitive when compared do the regulated market. [2]

There are PBSA opportunities; however the trinomial location-value-quality has to be extremely competitive for investors to take them. The Portuguese market is more suited for Private University Residences and potential economies of scale can be captured since second hand housing stock (SHHS) and houses in multiple occupations (HMO) are usually of lower quality and offered at high prices.

Portugal HE sector is growing in relevance, and Portuguese universities are being recognized by the quality of their educational programmes, designed to attract more international students. In the 2013/2014 academics year Portugal had nearly 393.300 students enrolled in HE institutions, of which 31.000 were international students.

There is also a dynamic entrepreneur ecosystem linking incubators and universities to promote cities as destinations and talent retention centers. Lisbon, Porto and Coimbra are the cities receiving more students and for which the three factors location-value-quality seem more attractive. However, Braga, Aveiro and Faro are cities that have been growing on the back of their increasing student population and should not be disregarded as potential markets for the platform.

Germany

Germany has seen rapid growth in student numbers, which have increased by 36% between 2002 and 2012. In 2012 international students accounted 11% of all enrolments in Germany. Unlike many other European countries, the German HE system is highly decentralized[8].

The big bulk of accommodation for students in Germany is provided through Studentenwerk publicly funded halls. There is one local Studenterwerk[9] in each university town or city that provides services to students of HE. The accommodation is relatively affordable by European standards, averaging €57 per week. Although German cities feature relatively low down the cost of living and renting scale on a European level, given the affordability of accommodation provided by the country's Studenterwerk, their provision rate is low. Exhibit 9 depicts how German cities compared to each other in terms of rents, provision rents and market strength. Market strength takes into account the quality of national HE institutions, costs of living and course fees. This means that a city with strong market strength has good quality HE institutions, low cost of living and low HE fees. Therefore, cities with strong market strength rank low in terms of market risk. The greatest investment opportunities lie in established university towns or cities with a low provision of student housing and higher cost of living and student rent, but with low market risk. In the German case Darmstadt stands out as an opportunity, given higher cost of living and particularly low provision of student housing when compared to the national average levels. [5]

[8] Decentralization in education entails transferring powers and decision-making authority to lower levels of government. Most often, education responsibilities are transferred to general-purpose governments at the regional or local levels.

[9] Studentenwerk is a semi-governmental institution which provides a range of services to college and university students, including accommodation. It is present in each university town or city in Germany.

There is currently limited institutional investment, and local player Youniq - Germany's largest private operator, is targeting the upper tiers of student accommodation market. Private accommodation provision is expected to grow rapidly: private providers accounted for only 6% of all student accommodation in the 30 largest university cities in 2000, and the figure has risen to 16% in 2015. New investment is forecast to push the figure further to around 22% by 2020. [5]

France

France is a globally appealing student destination with an ambitious public student housing programme. Domestic student numbers have surged in a weak French economic environment. French students who enrolled in higher education rose from 63.9% in 2012 to 67.3% in 2013, and the international student population is anticipated to rise from 12% to 30% of all students in French HE institutions by 2020 due to more competitive tuition fees for international students. [5]

The provision of student accommodation is structurally different than in other European markets. In 2013, it was estimated that student housing provision in France accounted for 342.500 rooms of which nearly half, around 161.500, were publicly owned.

The market expects that private delivery will slow. It has been eclipsed by the government project[10] of 40.000 public students housing beds to be delivered by 2017. The increased funding from government is forecast to double the number of rooms managed by the Centre régional des œuvres universitaires et scolaires (CROUS)[11] by 2020 close to 220.000 units. The French student housing market is dominated by domestic investors, notably real estate companies, though some international players have entered the market in recent years, as established student cities with international profile like Paris present great opportunities for investment. (See exhibit 10)

The Netherlands

The Dutch market is one growing fast into maturity, with high interest from investors. It is a market characterized by large-scale PBSA developments, especially in Amsterdam the largest student city in the country, which will add around 5.500 beds to the existing stock of almost 22.000 in 2015/2016. The current qualitative mismatch concerns demand being very much oriented towards individual units, while supply generally consists of rooms with communal facilities. Nevertheless the number and

10 The project is part of CROUS portfolio.
11 CROUS is a French public student body that manages social housing units dedicated to students.

scope of new projects shows that the student housing market is developing rapidly into a market with products for all types of students.

Student housing in the Netherlands is shared among social housing corporations, the private student housing market, and the open market. According to data from kamernet.nl the average rent within the 10 largest cities with a research university is €354 per month. [7] In Amsterdam over 70% of all rooms are priced at over €450 per month. (See exhibit 11)

The Dutch market is gaining investment interest not only by the Dutch government, which has been proactive about increasing the supply of student housing, but also from private and institutional investors.

There are some cities that expect to be targeted by investors, namely Utrecht where the average rent for student accommodation is one of the highest (€100 per week) and where the supply is most limited; Maastricht with considerable medium to high rents and medium supply; and Leiden with medium level rents and limited supply. (See exhibit 12)

Italy

The decreasing numbers of new students in Italy has been offset by the staggering increase in the number of international students, growing by an average of 10% per annum over the past decade (2003-2013) due to the fact that more universities introduced in their programmes courses in English. PBSA is typically provided by universities and rents in dedicated student accommodation range from less than €50 per week in the cities of Lecce and Taranto to over €100 per week in Milan. Italy has one of the lowest provision rates in Europe just 2% as most Italian students live with their parents and study in universities of their home region.

Italy has not seen any significant institutional investment in its student housing market and since it is unlikely that there will be any new supply of student housing from the public sector in the near future due to the poor state of Italy's national finances, new opportunities arise for investors. Milan poses the greatest opportunities for investment, given its large student base, high quality institutions and low levels of PBSA. (See exhibit 13)

Spain

Although a fast growing market fueled by an increasing foreign demand, it still remains structurally undersupplied. The number of international students has double between 2005/2006 and 2013/2014, but still only accounts for 3% of all students. This is the result of educational programmes reforms in Spanish HE sector, where HE institutions are pursuing a policy of attracting more international students by offering more courses in English.

Around 80% of the student housing stock is university run. The average rent of dedicated student accommodation is €92 per week. Like the Italian students, Spanish students have a strong tendency to live at home during their studies. The strongest private operators in Spain are domestic and work under administrative concession agreements with public universities. Strong competition comes from small scale landlords in the private sector.

The demand for high-quality private accommodation is expected to increase, driven by the growing numbers of student population. Apartment-type accommodation has become the most popular choice because it offers intimacy in university surroundings at a highly competitive price in both public and private sectors. (See exhibit 14) As regards the number of beds by province, Madrid offers the highest number, with 180 halls of residence and a total of 18,603 beds, followed by Barcelona, Salamanca, Seville and Valencia. These four cities combined accounted for almost 50% of the national total. Barcelona accounted for 82% of all beds in Catalonia, Salamanca for 39% of all beds in Castilla y León, Valencia for 35% of all beds in the Community of Valencia and Seville for 60% of all beds available in Andalusia. [8] (See exhibit 15)

Austria

Austria student population grew by 8% between 2010 and 2012 up to 360.00, of which 23% are international students mainly from bordering countries. Student accommodation is rarely provided by universities directly, hence the big bulk of student housing is provided by the private rental market in the form of dormitories, shared-flats and student apartments. OeAD, an Austrian student housing company, specially provides accommodation for international students with around 6000 places spread across Austria. [5]

Austria is typified by a low proportion of students living with their parents by European standards which opens good opportunities for investors to invest in dedicated student accommodation developments to cater to the needs of a more independent student population. Rents across the Austrian student housing sector average €69 per week and range from €65 per week in Innsbruck to €74 in Vienna. The national provision rate is 16%. The best opportunities for investors could be found in Vienna where student rents are relatively higher than national average and there is a low provision rate.

Poland

Poland has one of the largest student populations in Europe, nearly 1.5 million students. There are over 400 study programmes taught in English, and the high quality of these programmes at relatively low prices has proven to be an attractive mixture. [9]

The quality of student housing in Poland cannot keep up with the quality of education it offers to international students, as students expect more than to live in multiple occupied rooms. [9] Students care more about convenience and fair standard of living and price is no longer the basic criterion to determine the choice of accommodation.

Student halls from public universities, totaling 137.000 beds, only cater for merely 8.8% of the student population in Poland. Over 90% of the supply comes in different forms provided by the private sector. However, renting from the private sector is not only much more expensive than to live in dormitories, it offers quite insecure tenancies on the still immature and not institutionalized rental market in Poland.

There is no relevant supply of private operated student housing schemes in Poland; nevertheless some investments have been made in Wroclaw, Poznan and Lodz. Stable populations of students in large Polish cities as well as the growing number of foreign students create a firm foundation of demand for student housing investments.

United Kingdom – *a different game on its own*

UK student housing market has rapidly matured into a mainstream asset class. [10] Nevertheless, the UK student housing market is a structurally undersupplied market as all core UK markets register a demand-supply imbalance regarding student accommodation. Exhibit 16 shows that all markets have less accommodation provided by the private sector than by the university sector. It also shows a large percentage of

(SHHS) and (HMO)[12], which clearly demonstrates that the market lacks in a major way from dedicated student accommodation facilities. With student numbers increasing due to the removal of caps on student numbers the imbalance is not expected to be corrected within the short term. The removal of caps on student numbers is creating a polarization of UK universities and an arms race has begun to capture market share. [11]

Undoubtedly, UK's HE sector is the one of the key actors fueling the growth in the student accommodation market. There are nearly 2.5 million students in the UK and London has one of the largest concentrations of students of any city around the world. In the 2013-14 academic year there were 290.000 full-time students in London, of which 28% were from overseas, and numbers are set to continue to grow. The provision of private sector beds has expanded 15-fold since 2007, and in 2015 there were 52,000 university-managed beds and 27,500 private sector beds in London. [10] The Cushman & Wakefield UK Student Accommodation Tracker recorded over 539,200 PBSA bed spaces in 2015 in the UK market, up 19,300 (4%) from the previous year. Full-time student numbers reached 1.69 million in 2013/14, up by 1% from 2012/13. [11] Exhibit 17 shows that despite the significant investment into the PBSA sector [13], it is noticeable that at national level, PBSA only represents nearly one third (both private and university PBSA) of the total student accommodation supply whereas in London, the major UK student market, this figure is even lower, representing only one quarter of the total student accommodation supply. Portsmouth and Cardiff have the lowest levels of PBSA when compared with student numbers while Oxford, Cambridge and reading have the highest rates with all three above 50%. (See Exhibit 21)

There are over 200 operators in the market, with nearly two thirds (62%) of private sector bed spaces controlled by the top 10 operators. UNITE is by far the largest operator with more than double the amount of rooms managed by the closest competitor Liberty Living (42,000 to 19,000). CRM has only the fourth largest portfolio but the widest geographical reach being active in 26 markets across UK. [6]

The attraction of UK student accommodation sector has been driven by the story of structural undersupply and positive rental growth. The contra cyclical dynamic

[12] SHHS and HMO are not dedicated student accommodation facilities. However, due to the demand overload those facilities were converted to accommodate students in need.

[13] PBSA has seen enormous amounts of financing since 2010. In the first half of 2015 the sector reached a record amount of investment surpassing the US market for the first time, which is remarkable when considering that Us student population is 10 times greater than the UK. (See exhibit 18 & 19) The number of beds provided by private PBSA and university PBSA rose 28% and 3% respectively, which resulted in a 12% increase of the total number of beds provided by PBSA facilities between 2013 and 2015.(See exhibit 20)

will remain the driving force behind investment in the medium term. The upsurge in investment has also been largely driven by portfolio acquisitions with the major deal[14] in 2015 hitting the £1.1 billion mark.

One key feature of UK's student accommodation sector is the partnerships between private providers and universities. Universities have been able to strike long term contractual agreements on student accommodation with private institutions. This is a win-win situation for both parties. Universities are paid handsomely for such deals; they are able to procure student accommodation to their own design and specification without having directly fund construction; they can attract students with rents fixed at very low levels; and finally they are able to exercise an option of acquisition of the accommodation upon expiry of the lease. On the other hand, institutions are attracted to such arrangements because of the security of income flow underpinned by the covenant of the university.

It is expected that the university arms race will continue with more leasing deals celebrated with private investors and heavy expenditure in marketing. Increasing investor appetite for larger portfolios of development and funding opportunities with access to scalable platforms as well as suitable operating platforms and savvy branding present huge opportunities. Differentiation (e.g better social spaces for students to interact) in more saturated markets will bring more flexibility and efficiency. Finally, the supply is expected to grow but developers and investors need to carefully account for the fact that some markets are approaching market equilibriums. New players are changing the structure of the market and the quality of the product. New PBSA is light-years ahead of the older stock, however, the sector is also facing challenges: planning hurdles, rising costs, supply nearing saturation point in some towns, and an increasingly unfriendly visa regime.

Traditional booking process

Finding student accommodation used to be a very difficult, outdated and stressful process. Most of the useful information about the rooms was scattered across multiple different sources: universities' websites and noticeboards, local newspapers, flyers, real estate agencies, landlord listings, multi-purpose website and student unions'

14 Canada Pension Plan Investment Board's (CPPIB's) purchase of Brandeauz's Liberty Living Portfolio for £1.1bn. (See exhibit 22)

websites. Students had to spend time and effort gathering all the details in order to find a room with the best match for location, price and living conditions. Students often applied to a variety of different places to potentially stay because they could not afford to only apply to one place since there was no guarantee that the place was the right one.

In this process, students had to go through the hassle and stress of dealing with landlords directly. Moreover, students were often exposed to scams and fraudsters. It was not that uncommon that private ads many times provided misleading information about the accommodation. These accommodation providers would ask a fee in advance to a non-existing room, leaving students without money and the promised accommodation.

Finding accommodation was a costly and bureaucratic process, even more for international students. Most of the times, the process was even more costly when it was not possible finding accommodation before going abroad. Students would need to pay for short-term accommodation in hotels and hostels, normally during one or two weeks before the term began, while looking for a suitable place during their studying experience in a new country.

There was no cost-efficient mechanism to ensure the information that students were gathering about the rooms and accommodation providers was true or not. Furthermore, the best accommodations were often found via local acquaintances and friends, which made nearly impossible for overseas students to find the perfect place to stay.

Student Housing Platforms

The student housing market is arguably one of the biggest industries not yet digitalized. [12]

Dedicated Student accommodation sector is a niche market still largely unexplored. The existing accommodation providers do not have an efficient way to reach out to students and differentiate themselves from the informal student housing market that prevails in large university centers where unprofessional accommodation providers do not comply with any security or fiscal obligations. Overall, the industry is highly fragmented and many properties are owned and managed by individuals or small businesses that lack the brand equity to market effectively to students globally. The fragmentation creates lack of awareness among the students. Moreover, universities are not equipped to deal with the accommodation needs of their students. Students have specific needs, and some years ago there was no single, organized way for them to find suitable accommodation. Private market solutions did not offer the quality and information that was needed, and looking for accommodation online was risky and inefficient. The internet had also decreased transparency since anyone could create a listing without any level of verification. In most cases notice board ads were brought online without any added value for students. Private providers recognized the huge opportunity to investment in PBSA, yet there were only a small number of complimentary online channels for accommodation providers to reach out effectively to students. [2]

There was in the student housing market room for solutions to aggregate the scattered information about accommodation on different multiple sources and build a 'one-stop-shop' platform where students could easily search and book their rooms safe and effortlessly. What Uniplaces and other similar platforms do is provide a way of interaction between accommodation providers, universities and private owners, the ones providing dedicated student accommodation, and students, the ones who are looking for a suitable accommodation.

housinganywhere.com

Housing Anywhere is a startup founded in 2009 by a group of students from the Rotterdam School of Management. In 2010 it expanded to other universities teaming up with institutions that offered exchange programs in the Netherlands. Universities saw the platform as a welcome addition to the current housing solutions they offered and by paying an annual fee to the company, the service were offered free of charge to students.

This international accommodation website seeks to solve the big housing problems encountered by both incoming and outgoing students and young people across Europe and beyond. It is a platform where the demand and supply of short term accommodation can come together. The website is a network for students, and consists of three different membership profiles: swappers, looking to exchange/swap accommodation; renters, wanting to rent accommodation; and home owners, offering/subletting accommodation like private landlords. It is purely a platform where students can rent out their rooms to other students while they are overseas on an internship or exchange semester. It also should be seen as an additional housing service that universities can offer to their incoming exchange students, besides the current facilities. [13]

Overwhelmingly they have offered more than 65.400 rooms across 4519 cities in 139 countries. Since launching no scams or problems have been reported proving how safe booking accommodation through the platform can be.

Student.com

Launched initially as Overseas Student Living (OSL) in 2011, the web-based platform that matches students with professional landlords was rebranded as Student.com in 2015.

Student.co is the world's leading global marketplace for student accommodation. The website helps students finding their perfect home to make the most of their university experience. It has teams in London, New York and across Asia, including Hong Kong and Shanghai, working to deliver the brand's promise of total peace of mind throughout the journey of finding accommodation. It is creating the new international student experience using leading-edge architecture, by building products that serve students in over 20 languages, across web, mobile and social. The web-based platform facilitated $110 million in bookings in 2015 alone, while it lists properties in 426 cities in proximity to 1,000 universities. [12]

The listings on Student.com are displayed on an interactive map subdivided by different neighborhoods. The website assigns the user to a personal booking consultant, who contacts the student to verify their details and needs, including choice of room, roommate, tenancy length, price and student status. The service is free for students and it takes its commission as a cut from bookings. [15]

The company had been entirely bootstrapped but early 2016 took on its first institutional funding to expedite its growth in key markets. The company raised combined Series B and C funding of $60 million led by global investment firm VY Capital, with participation from Expa, Horizons Ventures, former Google exec turned Xiaomi VP Hugo Barra, and, interestingly, Spotify founders Daniel Ek and Martin Lorentzon. [12]

Studentstay.co.uk

Studentstay.co.uk is a digital platform that aims to take the frustration out of finding proper student accommodation, making the process of booking smoother. The platform, which has multimillion-pound backing from south-east Asian investors, was launch in December 2015. It signed several partnership deals with a number of major student accommodation operators, both trusted student accommodation operators in the market as well HMO landlords with with-quality buildings. It is a 'one-stop shop' that allows students to search for accommodation by applying filters, such as location and distance from a university, but does not provide preferential listings. It is an independent platform proud of having a level playing field, so there are no premium listings. Students can book directly with StudentStay.co.uk – or through an integrated operator booking system. A dedicated 24/7 live chat help service is available to help deal with student enquiries.

Through partnerships with STA Travel, Amazon, Booking.com and Skyscanner, the platform provides discounted travel and other products targeted at students. Interestingly, the platform also provides a homestay service for students in the 16-18 age bracket. [10]Studentstay.co.uk is more than a booking platform – it is a hub that provides something fun and attractive for students.

Overcoming the conundrum of a two-sided marketplace

It is easy to understand where the challenge lies in growing both supply and demand at the same time. If the marketplace grows demand too fast, its users will under-experience what it has to offer. As there will not be enough supply to offer, they will not buy as variety or volume is scarce, and will flock. On the other hand, if it grows supply too fast, it will not have enough buyers to demonstrate its added value for its partners and they will stop engaging or leave the marketplace. [16]To achieve such overwhelming growth in 2014 Uniplaces found which side had the best 'value-risk ratio'[15].

Within a marketplace, Uniplaces found that each side has a volume of risk[16] when engaging with it. Risk is a function of time and commitment within a specific

[15] [[Σ Value Add Ons - Σ Resources Debt)/(Risk x Minimum Engagement Required)]

[16] Risk, being a function of opportunity cost in this case, is the sum of the medium/long term effect of a bad first trial experience with the product and how likely they are of ever reconsidering the company to solve that same problem in the near future. It is like a Net Promoter Score (NPS) that cannot be quantified but it can be extrapolated.

industry. The numerator is what Uniplaces call 'targeted feature value' and it is basically what can be built on top of the product/business that adds valued targeted at each side of the marketplace. This value is the sum of all add-ons that can be created to generate more value, both business-wise as product-wise, minus the actual cost (speed and resource cost) of building them. The marketplace point of action is defining the risk of each side coming to the platform and failing to find what they need, and how that experience can impact the decision to come back in the future. [16]

Also, mapping potential acquisition channels allowed Uniplaces to define acquisition costs, required resources and test different conversion rates. The goal is always to prioritize what to tackle with the existing workforce in order to maximize how much the company is spending with its marketing team. The idea behind this is to focus on few channels and go very deep and granular, instead of tackling multiple channels. The next step is to map the acceptable cost per acquisition (CPA). Uniplaces defined two different CPA's, known as cycle CPA's: testing mode[17] and run-rate mode[18].

In a nutshell, comparing both ratios for supply and demand and laser focus on the highest result, mapping potential acquisition channels as well as its CPA's, allowed Uniplaces to ramp up the marketplace faster at a lower cost.

Poised to become the European leading operator

The mismatch between demand and supply is expected to persist due to the fact that investment in the PBSA sector has not been able to keep up with a growing share of the globally mobile student population. This mismatch is the attractive element for investors, but the quality, cost and location of this demand varies significantly between institutions, cities and countries and needs to be understood by the pioneers who seek to develop new product, since returns on student accommodation will not be the same everywhere and some markets will be more difficult to penetrate successfully than others.

For a marketplace like Uniplaces, consolidating its position is the natural path for its international strategy in the pursuit to become a global brand Uniplaces is using

[17] Testing mode means that the platform accepts a higher CPA and believes it can optimize overtime.

[18] Run-rate mode is the company's CPA goal that gives sustainable economic units for the business and should be the Key Performance Indicator of each marketing channel managers.

its newfound wealth to fuel list consolidate growth and expand across mainland Europe in the next couple of years.

During the meeting with Martin Reiter before the big opening of the new office, they were discussing how Uniplaces current operations were not sustainable to reach the growth and scope they were trying to achieve. In the meeting Martin was suggesting that Uniplaces should divide the European market in regional areas in order to better address markets and students' needs. Martin's strategy received the support from the management team. Nevertheless, Miguel, Mariano and Ben were reluctant regarding several aspects of the strategic plan. They wanted to know from Martin: *How many regions was Martin thinking about? What would be the underlying strategic guidelines of each region? Did it make sense to approach the UK market differently from the other European markets? Who was going to be responsible for each region? What were the potential markets to penetrate in the near future? Who would be responsible for the roll-out? Would it be the Lisbon based team or the new regional teams?*

Martin did not have the answers to all of those questions but he was pleased that his vision for growing and expanding the brand across mainland Europe received the approval and support by the management team. Miguel, Ben and Mariano were thrilled with Marin's proposition for consolidation and international expansion but a regional strategy would require more time and effort than any other challenge so far, so they understood alignment and coordination were critical to succeed.

Exhibits

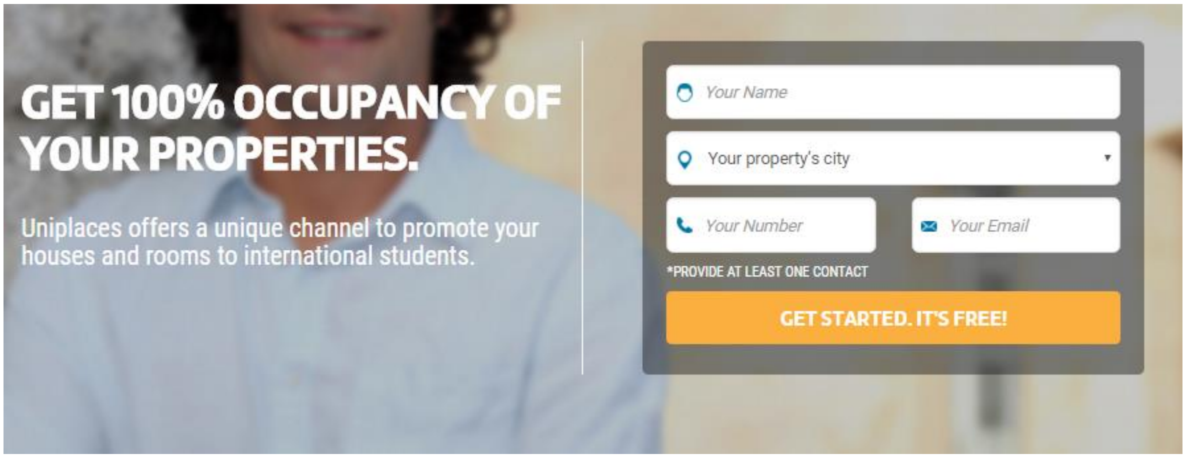
Exhibit 1 – Uniplaces' rounds of financing

Year	2012	2013	2014	2015
Investment Round type	Seed Round	Seed Round	Series A	Series A
Amount Raised (thousands)	€ 200	€ 824	€2.715	€22.000
Investors	Shilling Capital Partners, Alex Chesterman (founder of Zoopla.co.uk and LOVEfilm.com) and William Reeve (co-founder of LOVEfilm.com)	Shilling Capital Partners, Alex Chesterman (founder of Zoopla.co.uk and LOVEfilm.com) and William Reeve (co-founder of LOVEfilm.com)	Octupus Investments, former investors and Rob McClatchey (managing director Barclays)	Atomico, Octupus Ventures, Shilling Capital Partner, Caixa Capital and other angel investors (e.g founders of King.com, Klarna, Supercell, Albion and Trivago)

Exhibit 2 – Uniplaces' markets

Country	Portugal	Spain	United Kingdom	the Netherlands	Italy	France	Germany	Poland	Austria
Cities	Lisbon	Madrid	London	Amsterdam	Rome	Paris	Berlin	Warsaw	Vienna
	Porto	Barcelona	Manchester	Rotterdam	Milan		Munich		
	Coimbra	Valencia	Nottingham	The Hague	Bologna		Hamburg		
		Granada	Leeds	Utrecht	Florence				
		Sevilla	Cardiff	Groningen	Padua				
		Salamanca	Leicester		Turin				
		Zaragoza	Sheffield						
		Cadiz							
		Cordoba							
		Murcia							
		Malaga							
		Alicante							
		Palma de Mallorca							

Exhibit 3 - Value proposition for landlords

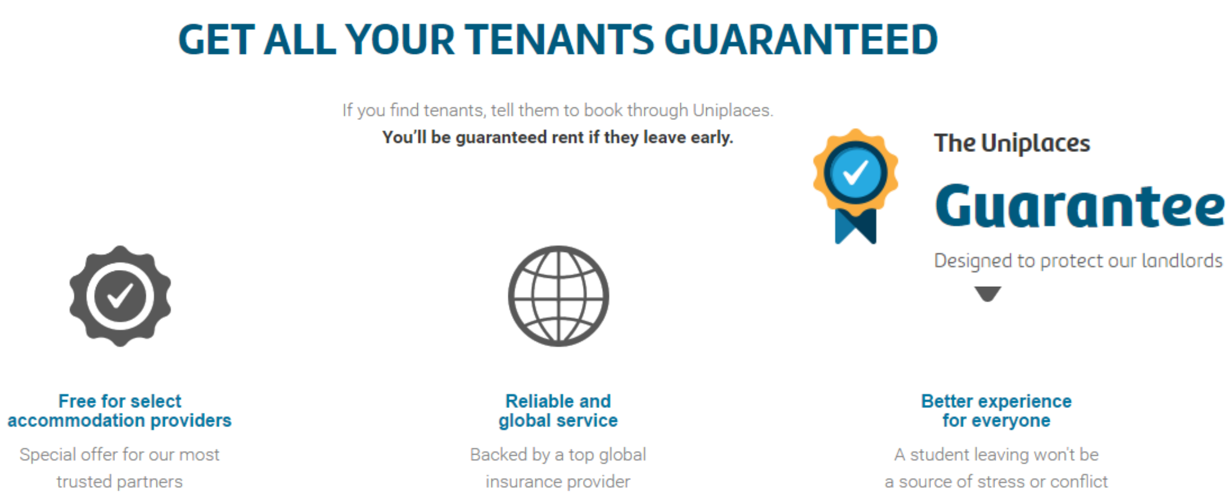


Source: Uniplaces.com

Exhibit 4 - Service provided to landlords

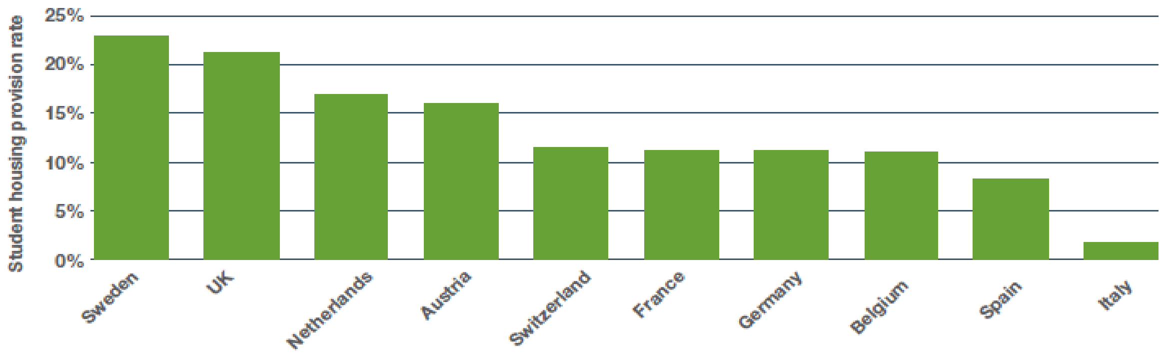
Source: Uniplaces.com

Exhibit 5 – Uniplaces guarantee



Source: Uniplaces.com

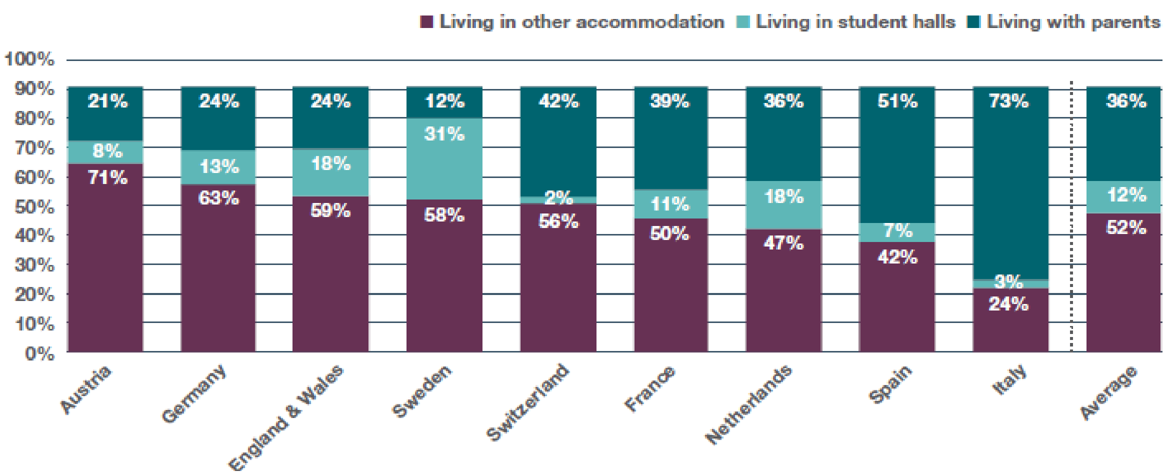
Exhibit 6 – Student housing provision rate in European markets



Source: Savills World Student Housing. (2014)

The provision rate is calculated as the total places in student halls over the total number of student registrations across the cities.

Exhibit 7 – Student accommodation by type (2013)



Source: Savills World Student Housing. (2014)

Exhibit 8– Comparison of the higher education and student accommodation sectors in 26 European Union member states

Country	Austria	Belgium	Croatia	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland
Cities with potential	Vienna and Graz	Ghent, Brussels and Leuven	Zagreb, Dubrovnik and Split	Nicosia, Limassol and Larnaca	Prague, Brno and Ostrava	Copenhagen, Aarhus, Odense, Aalborg	Tallinn and Tartu	Helsinki, Turku, Oulu, Tampere and Jyväskylä	Paris, Montpellier and Lyon	Munich, Berlin, Darmstadt and Mainz	Athens, Thessaloniki, Heraklion	Budapest, Szeged and Debrecen	Dublin, Galway and Cork
Student Population	360.000	450.000	164.000	33.000	430.000	260.000	65.000	309.000	2.300.000	2.500.000	360.000	359.000	200.000
International students (%)	23%	8%	0.6%	30%	11%	9%	3%	9%	12%	11%	7%	6%	10.5%
Types of Student Accommodation	i. Student accommodation in private sector (dormitories, flat-share, student apartments and halls of residence); ii. On-campus accommodation is rare	i.Housing managed by University or School ; ii. Accommodation rented by private owners or companies (Studios; communal apartments; homestays, individual rooms called 'Kots', Redidencia)	i. University managed accommodation (dormitories and student residences); ii. Private sector (Apartments, hostels, motels and hotels)	i. Student Residence Halls; ii. Private apartments	i. University managed accommodation (dormitories and university PBSA); Private sector (apartments and share-flats)	i. University managed accommodation (Dormitories, Residence halls); ii. Private sector (apartments, shared-flats, collectives and shared housing)	i. University managed accommodation (Dormitories - apartment type, hostels); ii. Private sector (apartments, shared-flats)	i. SOA's Student Housing Foundation (student residence halls and apartments) ii. Private sector accommodation (apartments, shared-flats, studios homestays)	i. university managed accommodation; ii. Publicly owned(social housing units, private managed apartments); iii. Private sector (apartments, shared-flat, PBSA)	i. Studentenwerk accommodation; ii. University managed accommodation; iii. Private sector (apartments, shared-flats, PBSA)	i. University managed accommodation (Residence Halls); ii. Private sector (apartments, houses, shared-flats, hostels, homestays)	i. Univeristy managed accommodation; ii. Private sector accommodation (apartments, shred-flats, hostels)	i. University managed accommodation (Residence halls); ii. Private sector (apartments, houses, shared-flats, log-term student hostels, homestays)
Average Rent	€69/week [€74 in Vienna]	€66/week [€43 Leuven - €78 Brussels]	€40/month (university dormitories); €38 - €63/week (private sector)	€100-€300/week	€63/week	€65-€85/week; over €125 in Copenhagen	€30-€65/week	€75-€100/week	€86/week	€57/week	€50-€70/week	€40-€70/week	€75-€100/weel
Provision Rate (%)	16%	11%	low	low	low to medium	low to medium	very low	low	11%	11%	low	low	low

Country	Italy	Latvia	Lithuania	Luxembourg	Poland	Portugal	Romania
Cities with potential	Milan, Turin, Rome and Bologna	Riga, Jelgava and Liepaja	Vilnius, Kaunas and Klaipèda	Luxembourg city	Warsaw, Krakow, Wroclaw, Łódź and Poznan	Lisbon, Porto and Coimbra	Bucharest, Iași, Cluj-Napoca and Timişoara
Student Population	1.800.000	74.000	175.000	6.300	1.550.000	400.000	620.000
International students (%)	3%	7%	2%	56%	3%	8%	3%
Types of Student Accommodation	i. University managed accommodation (Residence halls, dormitories, PBSA); ii. Private sector (PBSA, apartments, shared-flats,)	i. University managed accommodation (Dormitories, Residence halls); ii. Private sector (apartments, shared-flats, hotel, hostels)	i. University managed accommodation (Dormitories, Residence halls); ii. Private sector (apartments, shared-flats, hotel, hostels)	i. University managed accommodation (Student houses, Residence Halls); ii. Private sector (apartments, shared-flats, hotel, youthhostels, scouts chalets, house sharing)	i. University managed accommodation (Dormitories, Student Residences); ii. Private sector (Apartments, Studios, Shared-flats, hostels, hotels)	i. University managed accommodation (Residence halls, dormitories and PBSA); ii. Private sector (apartments, shared-flats, student houses, PBSA, youthhostels)	i. University managed accommodation (Student houses,Student Hostels; Residence Halls); ii. Private sector (apartments, shared-flats, hotel, youthhostels, scouts chalets, house sharing, Guesthouses, Homestays)
Average Rent	€75/week	€40-€70/week	€40-€60/week	over €100/week	€50-€70/week	€85/week	€40-€65/week
Provision Rate (%)	2%	low	low	low to medium	0.1%	3%	medium

Country	Slovakia	Slovenia	Spain	Sweden	The Netherlands	United Kingdom
Cities with potential	Bratislava and Košice	Ljubljana and Maribor	Madrid, Barcelona, Valencia, Seville and Salamanca	Lund, Gothemburg, Stockholm and Uppsala	Amsterdam, Maastricht, Groningen, Rotterdam and Utrecht	London, Oxford, Cambridge, Liverpool, Birmingham, Manchester and Edimburgh
Student Population	210.000	100.000	1.900.000	460.000	670.000	2.500.000
International students (%)	4%	1%	3%	8%	10%	17%
Types of Student Accommodation	i. University managed accommodation (Dormitories); ii. Private sector (Student houses, apartments, shared-flats, hotel, youthhostels)	i. University managed accommodation (Dormitories); ii. Private sector (Student houses, apartments, shared-flats, hotel, youthhostels)	i. University managed accommodation; ii. Accommodation run by Religious bodies; iii. Private sector (private apartments, shared-flats, small scale PBSA)	i. Off-campus (university affiliated housing and private rooms) - $1.645-$2.663/ per semester; ii. Studio apartment - $2.193/per semester;	i. University managed accommodation (Residence halls, dormitories and PBSA); ii. Private sector (student hotels,apartments, shared-flats, student houses, PBSA); iii. Recycled shipping containers	i. University managed accommodation (Residence halls, dormitories, PBSA); ii. Private sector (PBSA, apartments, shared-flats,)
Average Rent	€30-€50/week	€30-€50/week	€92/week	€81/week	€100/week	€139/week
Provision Rate (%)	medium	low	8%	23%	17%	21%

(1) The data for student populations and international students relate to the 2013/2014 academic year.

(2) Provision rate refers to the national provision rate and it is calculated as the total places in student dedicated accommodation over the total number of students' registrations at national level. For the cases where it was not possible to quantify the provision rate due to the lack of accurate information, a qualitative scale.

Qualitative scale for national provision rates: very low (<5%); low (5% - 10%); low to medium (11%-20%); medium (21%-30%)

(3) Data for Malta and Bulgaria was not collected due to the lack of information.

Exhibit 9 – Student housing provision and costs – Germany [19]

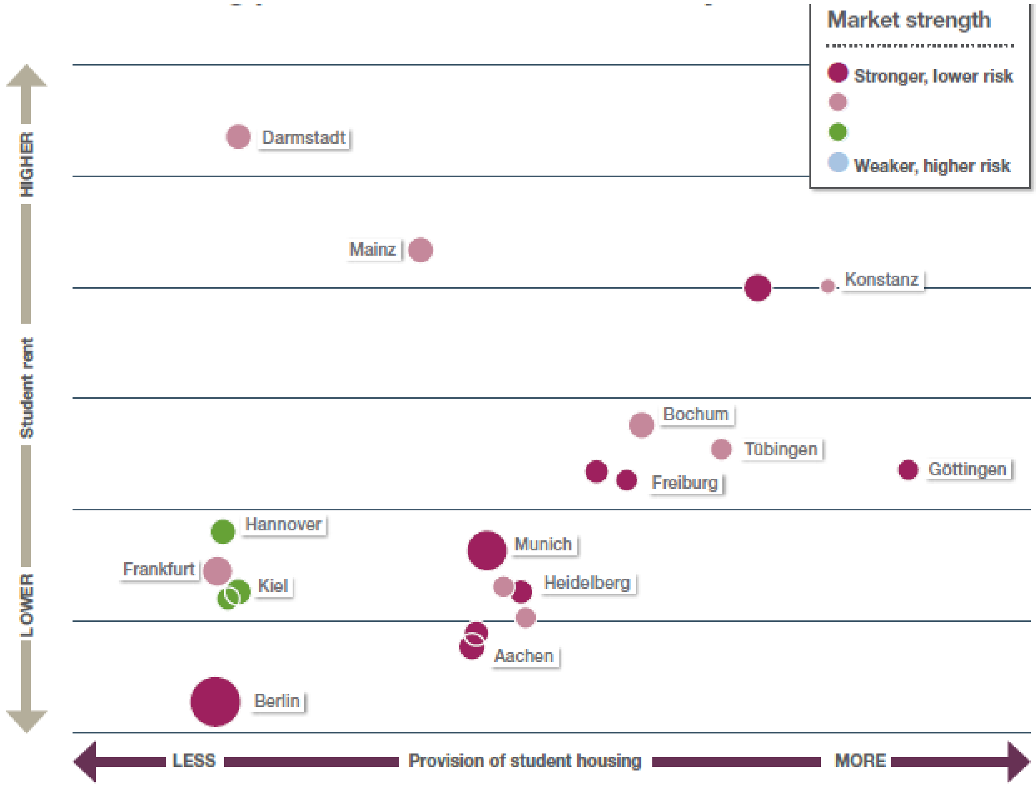


Exhibit 10 – Student housing provision and costs – France [19]

Exhibit 11 – Supply of rooms by asking rent in The Netherlands [7]

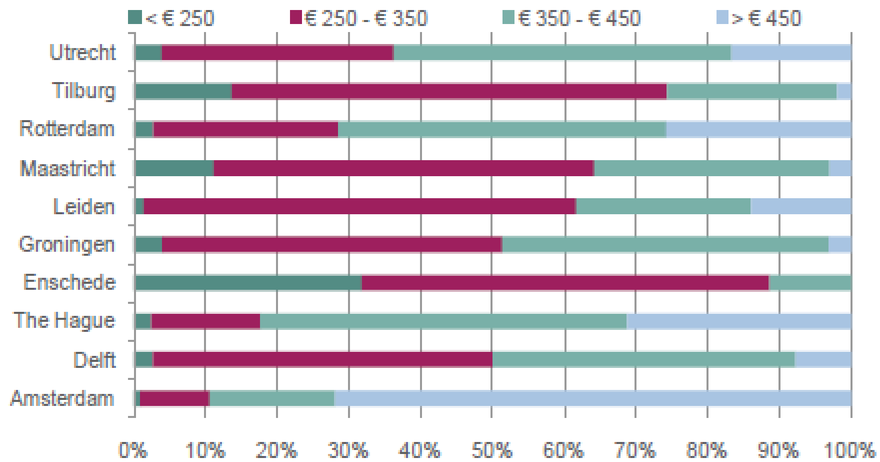


Exhibit 12 – Student housing provision and costs – The Netherlands [19]

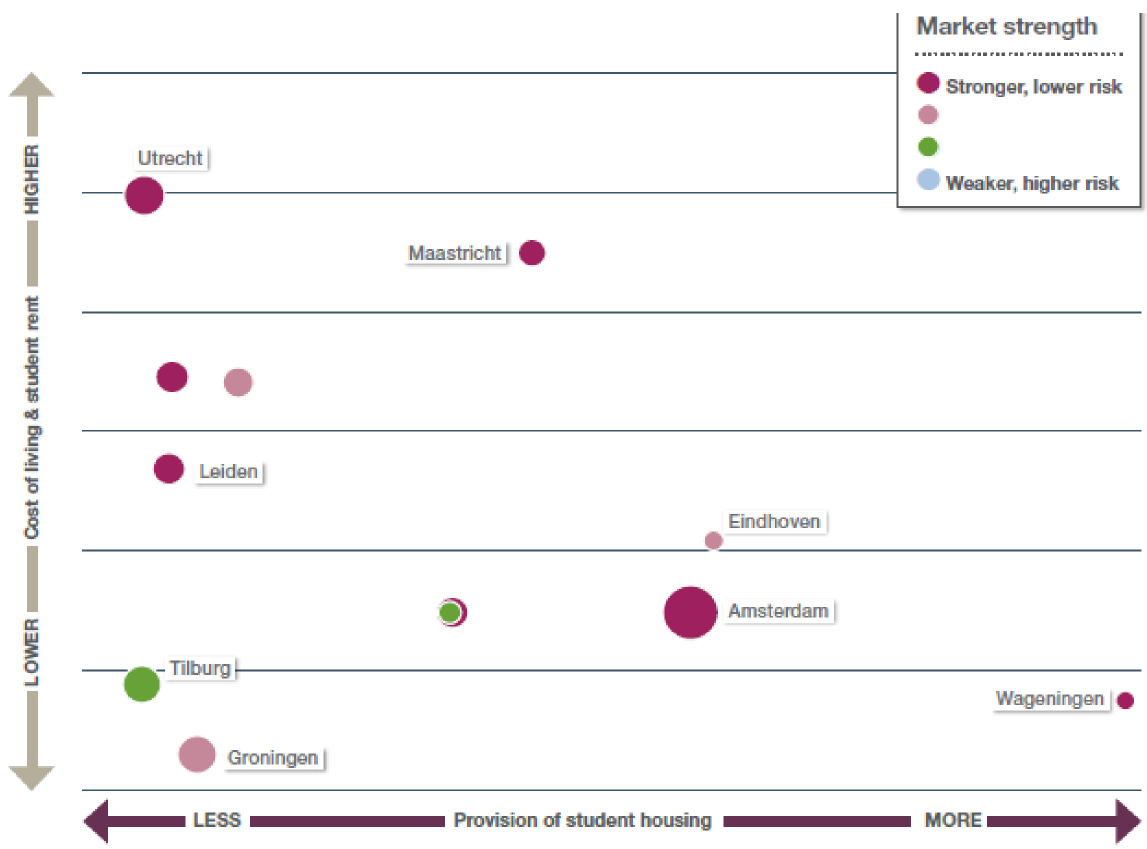


Exhibit 13 – Student housing provision and costs – Italy [19]

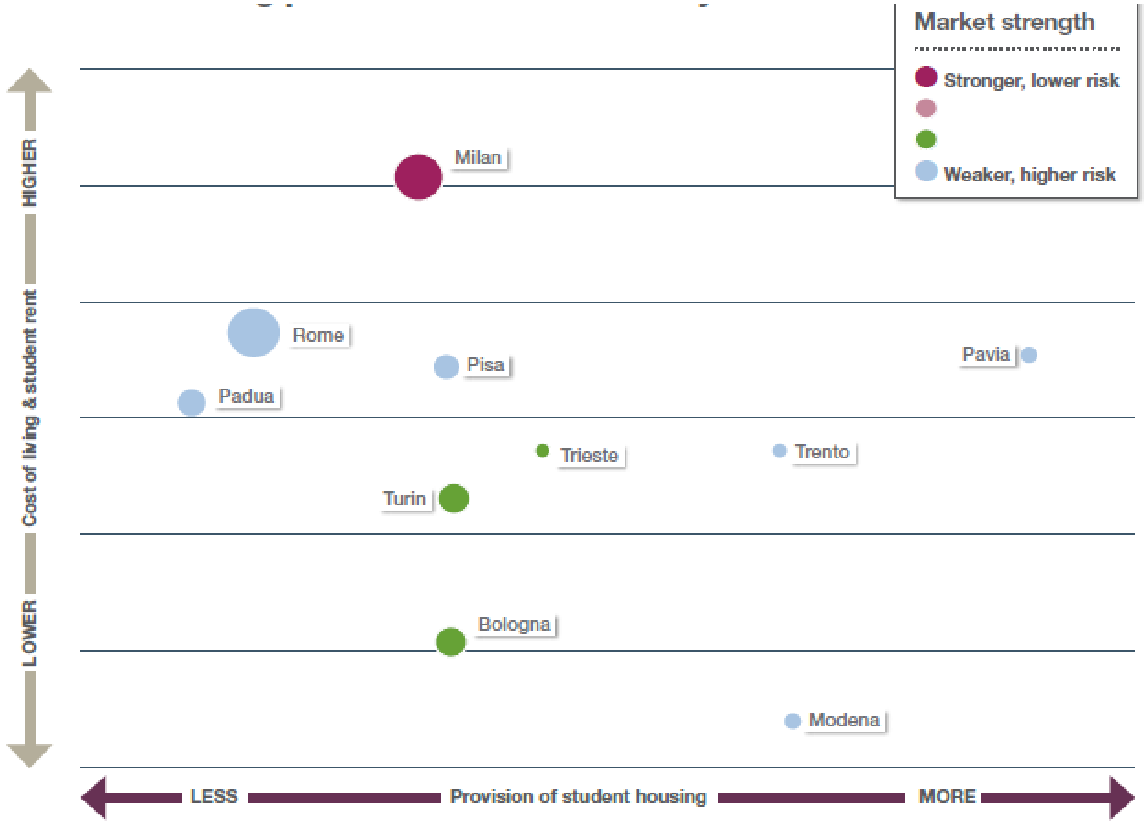


Exhibit 14 – Average price by type of university accommodation (Spain) [8]

Exhibit 15 – Student housing provision and costs – Spain [19]

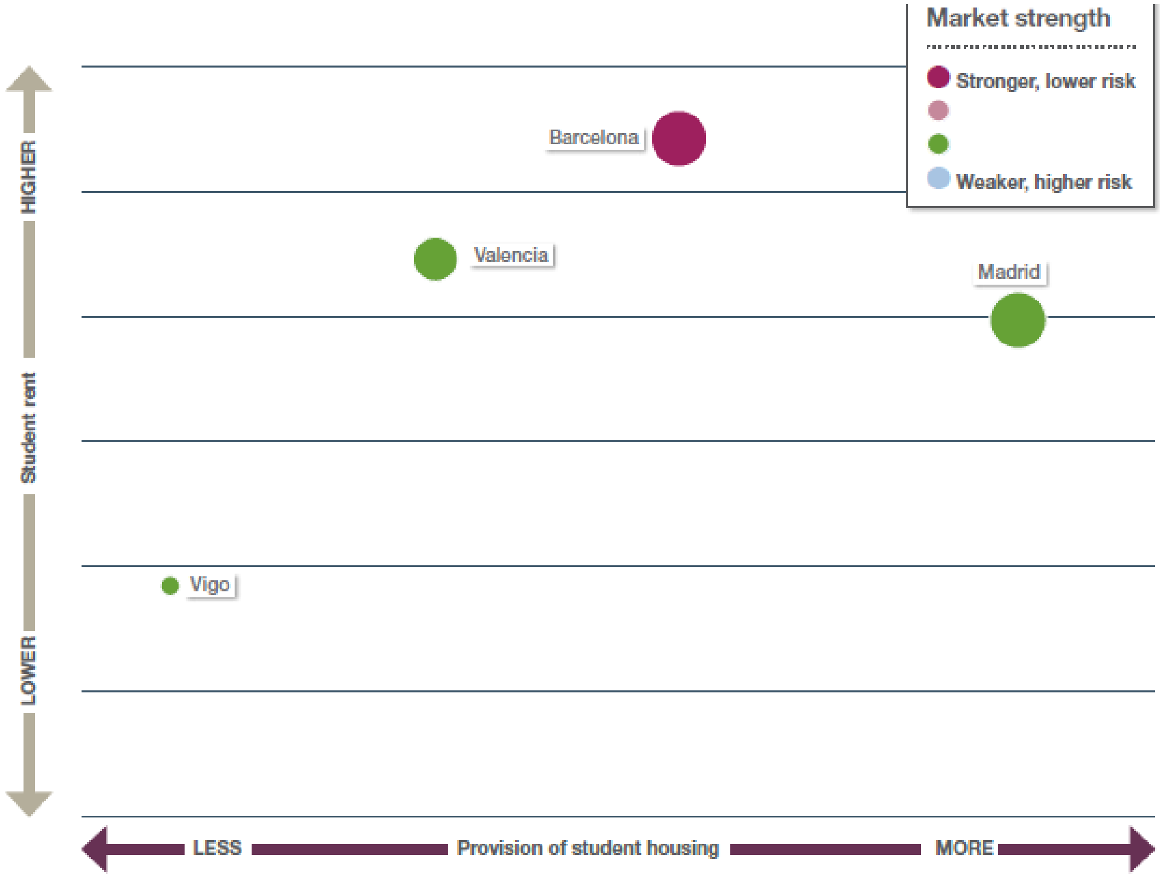


Exhibit 16 - UK student accommodation markets by type. (2013)[17]

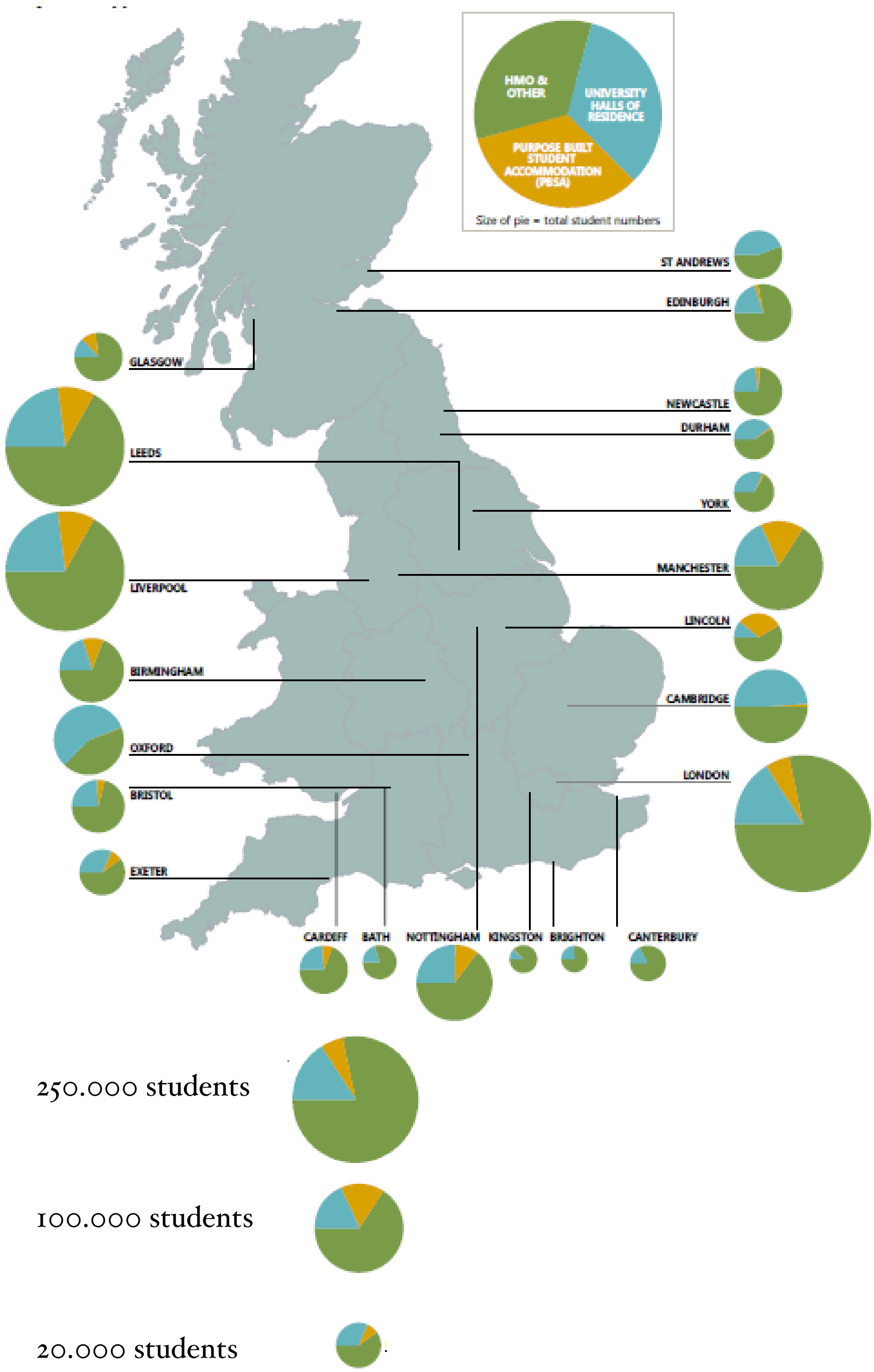


Exhibit 17 – Student accommodation by type. (UK average and London). 2015 [10]

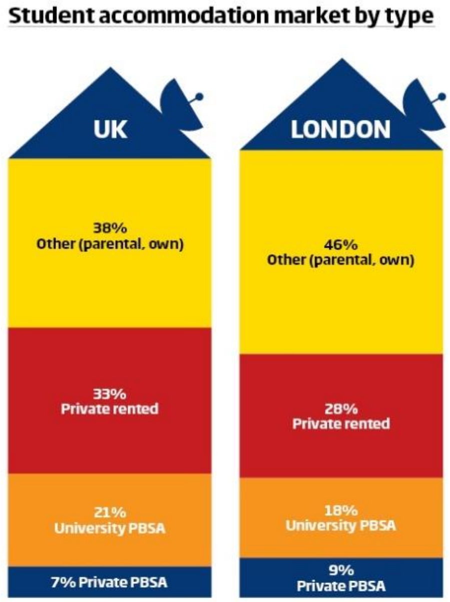


Exhibit 18 – UK's PBSA investment (2010-2015) [10]

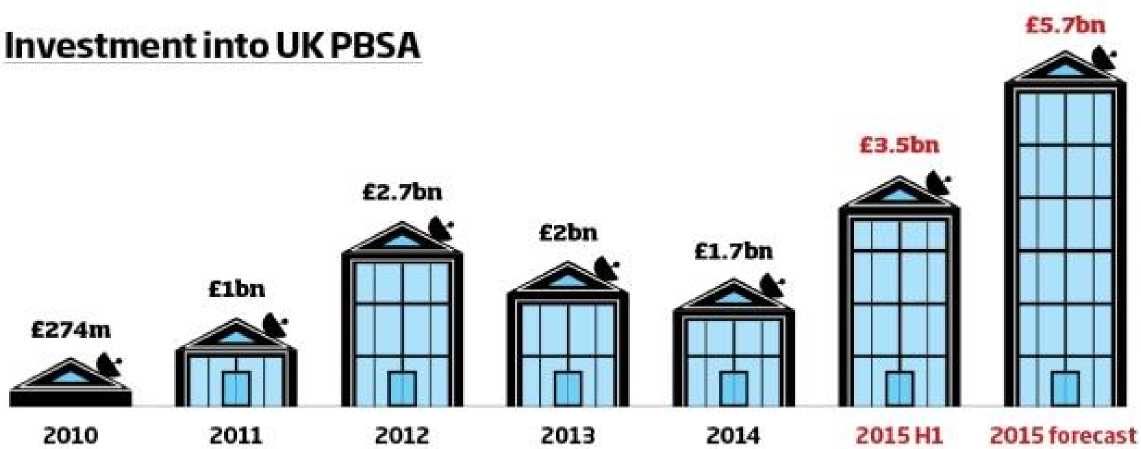


Exhibit 19 – Global student housing investment (2007- 2015) [10]

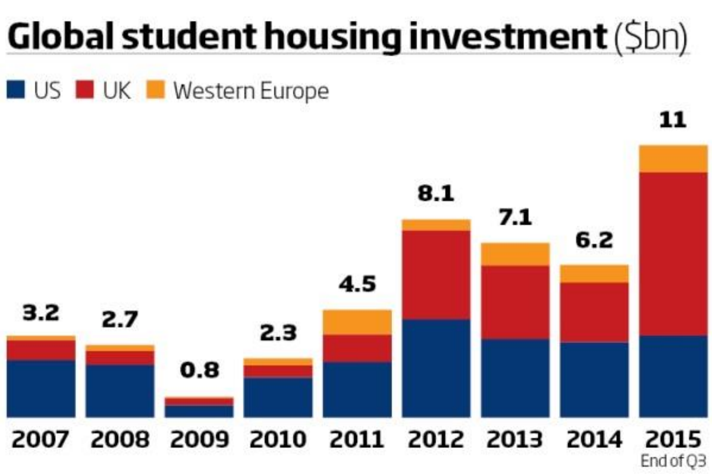


Exhibit 20 – Trend in UK's PBSA numbers (2013-2015) [11]

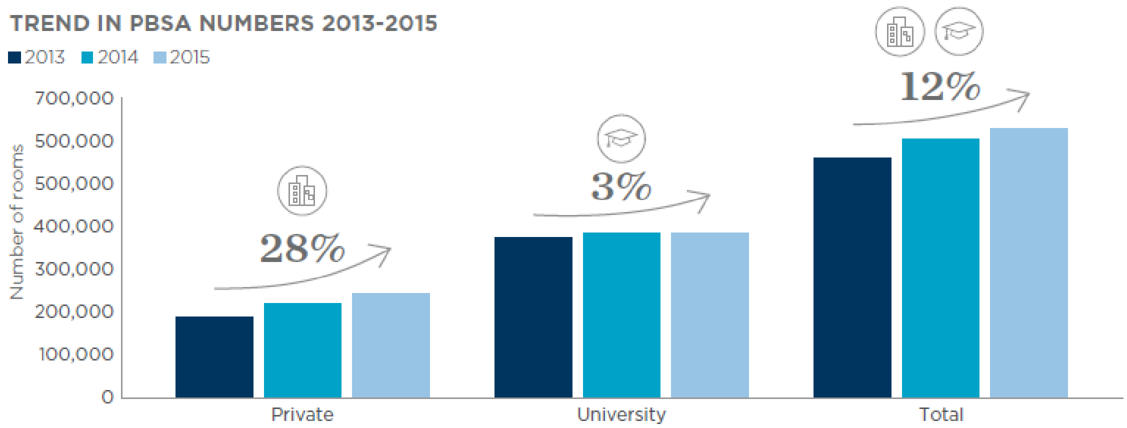
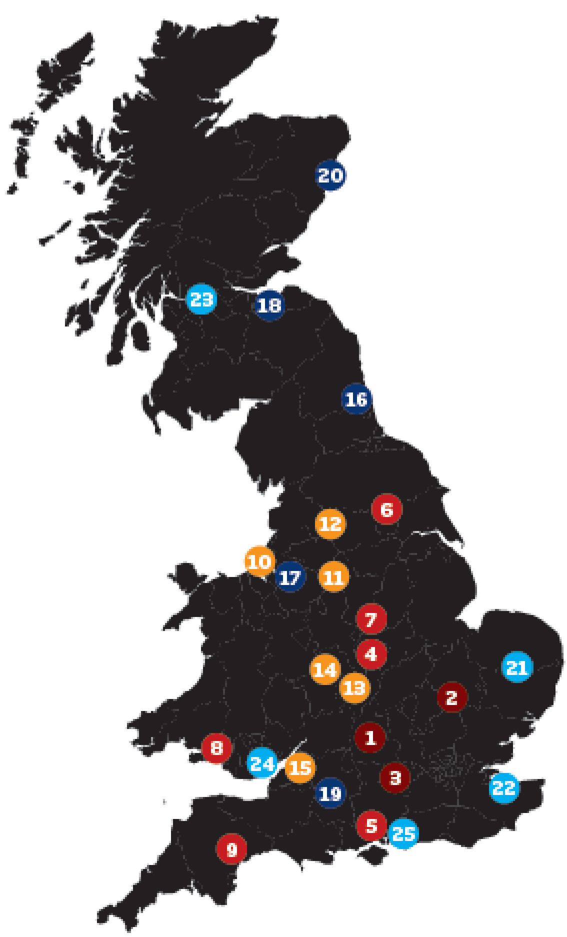


Exhibit 21 – PBSA share in the top 25 UK student towns and cities. [10]



Regional view: top 25 UK student towns and cities

		FULL-TIME STUDENTS	PBSA BEDS	PBSA SHARE %
1	Oxford	32,375	18,915	58%
2	Cambridge	33,540	18,714	56%
3	Reading	11,925	6,036	51%
4	Leicester	29,170	13,632	47%
5	Southampton	21,840	10,008	46%
6	York	20,005	8,693	43%
7	Nottingham	51,745	21,562	42%
8	Swansea	12,255	5,015	41%
9	Exeter	18,265	7,268	40%
10	Liverpool	53,245	20,829	39%
11	Sheffield	47,585	17,830	37%
12	Leeds	50,265	18,688	37%
13	Coventry	38,170	13,978	37%
14	Birmingham	59,010	21,211	36%
15	Bristol	39,310	14,117	36%
16	Newcastle	42,215	14,521	34%
17	Manchester	77,130	25,961	34%
18	Edinburgh	47,205	14,982	32%
19	Bath	18,690	5,894	32%
20	Aberdeen	21,250	6,520	31%
21	Norwich	16,210	4,247	26%
22	Canterbury	29,130	7,557	26%
23	Glasgow	53,495	13,399	25%
24	Cardiff	59,430	10,262	17%
25	Portsmouth	17,990	3,014	17%

Exhibit 22 – Top 10 investment deals in UK. (2015) [11]

PROPERTY	TOWN	BED SPACES	PRICE	PURCHASER
Brandeaux / Liberty Living Portfolio	UK	16,748	£1,100,000,000	Canada Pension Plan Investment Board (CPPIB)
The Nido Portfolio	London	2,521	£600,000,000	Greystar Real Estate Partners
Westbourne Portfolio	UK	5,867	£540,000,000	Greystar Real Estate Partners
Pure Student Living Portfolio	London	2,150	£532,000,000	LetterOne Treasury Services
Student Castle Portfolio	UK	2,153	£330,000,000	CPPIB Liberty Living
Ahli United Bank Portfolio	UK	2,100	£271,000,000	Unite UK Student Accommodation Fund (USAF)
Assam Place	London	346	£110,000,000	Greystar Real Estate Partners
Paul Street	London	456	£108,600,000	Apache Capital
Union Portfolio	UK	839	£83,000,000	LetterOne Treasury Services
ISL	London	347	£70,000,000	Round Hill Capital

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Literature Review

The Emerging Importance of Regional Strategy

Regional leaders need new skills and tools to adopt the new paradigm of regional development. This need takes many forms, but the most pressing need is designing a strategy process and a set of analytic tools that help regional leaders reach strong consensus on sensible investment priorities.

Well-identified investment priorities carry even more urgency as economies undergo a fundamental transformation. In the face of these shifts, regional economies are rapidly emerging as critical factors for supporting globally competitive firms (OECD 2007).

Regions can compete globally by focusing on their unique assets. The challenge is to link and leverage these assets in new and different ways. Identifying and making investments require a new strategy process and tools to guide complex decision-making at a regional level.

To succeed, regional leaders must avoid two common traps: fragmentation and insularity. Fragmentation arises when individuals and organizations pursue their own agenda of individual projects disconnected from a broader regional strategy. Insularity arises when regional leaders pursue old strategies of recruitment without learning that the rules guiding global competition are changing in a fundamental way. (U.S. Economic Development, 2009)

Under a regional competitiveness approach to economic development, designing and implementing a strategy is a continuously evolving process that must adapt to the unique economic and institutional landscape of a particular region. Regional development process has three key elements:

i. A *collaboration* (the Who)
ii. The *strategic outcomes* the collaboration must achieve (the what)
iii. The *ongoing, strategic process* by which key outcomes are achieved (the How)

The Who: A regional partnership

An effective regional strategy process turns a diverse set of partners into a resilient, trusted network of leaders. Network theory has been recently adapted to regional partnership, and it can serve as a valuable framework for thinking how regions can design and organize sophisticated investment strategies. (Cross and Thomas 2009) A new mindset has to be built: collaboration to compete. Otherwise, economic development degenerates into a practice of poaching businesses from neighboring jurisdictions.

The What: Strategic outcomes

The regional strategy process aims to produce the outcomes necessary for the region to compete most effectively and sustain its growth. Three outcomes are critical:

i) **An open, resilient regional partnership**.

ii) **Flexible strategic action plan.** This strategy is founded on the region's main competitive advantages. Through continuous evaluation and revision, the strategy maintains the leadership's focus on a handful of transformational outcomes to unlock the region's distinct potential. They represent frameworks or maps that enable leaders to decide which way to act given certain triggers.

iii) **A shared set of investment priorities.** A strategic investment agenda that links competitive advantages to new market opportunities.

The How: Strategic Process

The three desired outcomes are the result of a regional strategy process specifically designed to achieve them. Developing an effective regional strategy requires weaving together three key component processes: collaboration, analysis and coaching.

1-Collaboration involves building the trust by which a very diverse set of regional actors become a partnership focused on the region's economic future. A sustainable economic development strategy requires regional leaders to understand and accept the legitimacy of one another's needs and goals. Collaboration, to be sustainable, should be disciplined, pragmatic, and fast.

2- Analysis is the parallel process that must support effective regional strategy. The overriding objective is focus—identifying economic niches where the region has a competitive edge to withstand the pressures from global markets.

3 – Coaching is the third component of a strategic process in which regions often rely to overcome their inexperience. A neutral leader (a coach) can build new bonds of trust by communicating effectively with all parties as the strategy process unfolds. The coach guides the design of an entirely new regional strategy process, coordinates that process, and connects collaboration to analysis in complementary ways. The coach enables the parties to see their interests in a new frame and to see larger patterns.

Regional Strategies

Despite globalization, regional distinctions (cultural, political, legal and economic) are not disappearing. Global powerhouses, capitalize on regional differences, crafting strategies that complement their global and individual country tactics. As an example, by creatively blending regional strategies, Toyota surpassed Ford as World's second largest automaker in 2004.

A firm that has a significant international presence probably has something called a 'global strategy', which almost certainly represents an extraordinary investment of time, money and energy. However it is sometimes proven less satisfactory as a road map to cross-border competition, which motivates companies that perform well internationally to apply a regionally oriented strategy in addition to – or even instead of – a global one. (Chemawat, 2007)

Leaders of successful global companies have grasped two important truths about the global economy. First, *geographic and other distinctive factors* have not been submerged by globalization; they have actually *become more important*. Second, *regionally focused strategies when coordinated with local and global initiatives, can significantly boost a company's performance.* (Chemawat, 2007)

Increasing cross-border integration has been accompanied by high or rising levels of regionalization which corroborates the idea that *regions are not an impediment but an enabler of cross-border integration.* (Chemawat, 2007)

The Regional Strategy Menu

According to Ghemawat, regional strategies can be classified into five types, each with distinct strengths and weakness. Ghemawat ordered them according to their relative complexity, starting with the simplest; however that does not mean that companies necessarily progress through the strategies as they evolve. *Good business is about striving to maximize value, not complexity*. (Chemawat, 2007)Therefore, capable companies can and will often use elements of several strategies simultaneously.

The Home Base Strategy

Companies usually start their international expansion by serving nearby foreign markets, excepting those few that are virtually born global. Home base strategies work well when the economics of concentration outweigh the economies of dispersion. Moreover, the presence of any factor that collapses distance within the local region will encourage companies to favor a single-region, home based strategy.

The Portfolio Strategy

This strategy involves setting up or acquiring operations outside the home region that report directly to the home base. It is usually the first strategy adopted by companies seeking to establish a presence outside the markets they can serve from home. The advantages of this approach include faster growth in nonhome regions, significant home positions that generate large amounts of cash, and the opportunity to average out economic shocks and cycles across regions. Although conceptually simple, it actually takes time to implement, especially if a company tries to expand organically. And even though companies can build regional portfolio more quickly through acquisition, time is still an important factor to consider.

The Hub Strategy[19]

It is a strategy often adopted by companies that want to add value at the regional value. Hub strategies usually involve transforming a foreign operation into a stand-alone unit. In its purest form, a hub strategy is simply multiregional version of the home base strategy whereas a regional headquarters can be seen as a minimalist version of a hub strategy. Multiple hubs can be very independent of one another, the more regions differ in their requirements, the weaker the rationale for hubs to share resources and policies. The challenge in executing a hub strategy is achieving the right balance between customization and standardization.

The Platform Strategy

Interregional platforms go a step further by spreading fixed costs across regions. They tend to be particularly important for back-end activities that can deliver economies of scale and scope. The idea behind it is not to reduce the amount of product variety on offer but to deliver variety more cost-effectively by allowing customization atop common platforms explicitly engineered for adaptability. Platforming can run into problems when mangers push standardization too far.

[19] Originally formulated by McKinsey consultant Kenichi Ohmae, a hub strategy involves building regional bases, or hubs, that provide a variety of shared resources and services to local (country) operations.

The Mandate Strategy

It is a similar to platform strategy which focuses on economies of specialization. It awards certain regions broad mandates to supply particular products or perform particular roles for the whole organization. Global firms operating in the consulting, engineering and financial services sectors often feature centers of excellence that are recognized as repositories of particular knowledge and skills, and are charged with making that knowledge available to the rest of the firm. There are some risks associated with assigning broad geographic mandates to particular locations, since mandates can allow local, national or regional interests to unduly influence, or even hijack a firm's overall strategy.

As companies evaluate the risk and opportunities of different regional strategies, it is of extreme importance to clarify what is the firm's definition of region. Any firm can interpret the regional strategies at different geographic levels. The trick consist in focusing in more than one level, which foster flexibility by helping companies adapt their ideas of regional strategies to different geographic levels of analysis. Innovations as enhanced clustering techniques, offer better measures for analyzing networks, and expanded data on bilateral, multilateral, and unilateral country attributes to visualize new definitions of regions.

Leadership from the top, aimed at promoting a 'one-company' mentality is often the only way forward. Companies should approach regional strategy flexibility, putting in place a wide variety of arrangements that take into account not only the company's existing structure but also competitive realities, region by region.

In a nutshell, embracing regional strategies calls for flexibility, creativity, and analysis of the ever changing business context. In a highly regionalized world, the right regional strategy (or strategies) can create more value than purely global or purely local ones can.

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Teaching Note

Introduction

The following scenario was elaborated to illustrate some challenges startups face when they are expanding internationally. The case does not try to reflect any real situation to which the management team and Martin were confronted. However it is possible that Uniplaces will face a similar scenario in the future.

Uniplaces currently has one team based in Lisbon responsible for the planning of its international expansion across Europe. This model is no longer sustainable to address the needs of its growing business. Thus, a simplified way of managing new markets does not allow Uniplaces to seize and unlock all the potential it has in its markets as well as in new ones. Martin decided to develop a new strategy of managing its markets. This new strategy to support the geographical roll out of Uniplaces will segment Uniplaces presence in the European market into three different regional areas, each one managed by a new Regional Manager recruited by Martin.

By thinking strategy at the regional level, Martin and the management team expect to create a network of regional headquarters to further enhance the presence and independence of its operations in each region while supporting the company geographical expansion in the European market.

Despite globalization, regional distinctions (cultural, political, legal and economic) are not disappearing. Uniplaces need to capitalize on regional differences, crafting strategies that complement their global and individual country tactics.

The purpose of the following chapter is to provide the instructor with a structured possible orientation plan towards the relevant case issues, identifying the key aspects of Uniplaces case study. In addition, some suggestions and recommendations for class discussion are also provided at the end of the chapter to further enhance the comprehension of Uniplaces operations and student housing sector dynamics.

Learning Objectives and use of the case

The goal of this case study is to provide students some strategic insights about how companies can redesign they called ‘global strategy’ by dividing their business into regional areas of action. The case has also the purpose of understanding that companies’ international strategy can evolve, encouraging students to reflect about how the new regions should be formed in other to continue to deliver value for both sides of the marketplace while helping Uniplaces achieving the goal of becoming European leading operator.

This case study was developed with the following learning objectives:

i. To have a grasp of how marketplaces like Uniplaces provide value for students and landlords.
ii. To provide a more comprehensive understanding of the Student Accommodation European market and its markets dynamics.
iii. Understand and interpreting external factors that influenced the company's decision of redesigning its international strategy.
iv. To foster creative thinking and idealize potential solutions for Uniplaces new international strategy of regional headquarters.

The present case study can be taught in strategy courses and international business challenges courses for both undergraduate and master students.

Suggested Questions

The following section provides recommended questions for students to prepare and discuss after a comprehensive reading of the case.

The *core question* of this case concerns Martin's hypothetical decision of dividing the European markets into regional areas to improve operational efficiency - getting more quality and diverse listings to cater to the needs of more students.

1. **Given that Uniplaces is present in nine countries, how many regions should Martin form under his new strategy?**

Students should be able to explain which countries form each region and why.

To further enhance the comprehension of this case study the following questions are recommended:

Imagine that one of the regions is formed by just the United Kingdom market.

2. **Why do you think the UK market is a *game on its own*?**

3. **What would be a possible strategic plan to be implemented by the new Regional Area Managers in each region?**

The instructor should ask students to elaborate a simple strategic plan (could be just bullet points) of possible guidelines to be followed and implemented by the new Regional Area Managers in each region.

To foster students' strategic thinking the following questions are recommended.

4- Who is going to be responsible for the penetration in new markets?

5- What can Uniplaces do or add to increase the engagement of both sides in its platform?

Case Analysis and Recommendations for discussion

This section provides the instructor with the writer's own view of what the possible answers should be and cover. The case describes a hypothetical scenario, thus the writer's view does not reflect the only possible answer.

Question 1 - Given that Uniplaces is present in nine countries, how many regions should Martin form under his new strategy?

It is the writer's view that students should be aware than Uniplaces is a startup company, therefore due to limited resources to build regional headquarters and recruit new regional area managers, the number of regions should be between three and four regions.

For a greater level of accuracy, the writer believes that to Uniplaces consolidate its presence in this markets it should divide its operations into three different regional areas.

Regional Area 1 – Portugal, Spain, France and Italy;

Regional Area 2 – UK;

Regional Area 3 – Germany, the Netherlands, Austria and Poland

The numeration of the regions does not relate to any level of importance is just for the purpose of differentiate the regions.

The definition of the regional areas is not static. As a consequence, the instructor should not assume that students will reach the same exact conclusion proposed by the writer. The instructor should value a well-founded reasoning based on the information the case provides.

In order to determine how many regions Martin will form under his new strategy of regional headquarters, one should understand and analyze each market characteristics and dynamics.

What are the aspects to be considered by students to group the markets into regional areas?

i. **Geographical proximity**
ii. **Similar market dynamics**

ii.i Southern Europe vs Northern Europe
ii.ii Type of accommodation supply
ii.iii Provision Rates
ii.iv Investment in the student housing sector

iii. **Consolidation vs Expansion**
iv. **Stage of Development**

Regional Area 1 – Portugal, Spain, France and Italy.

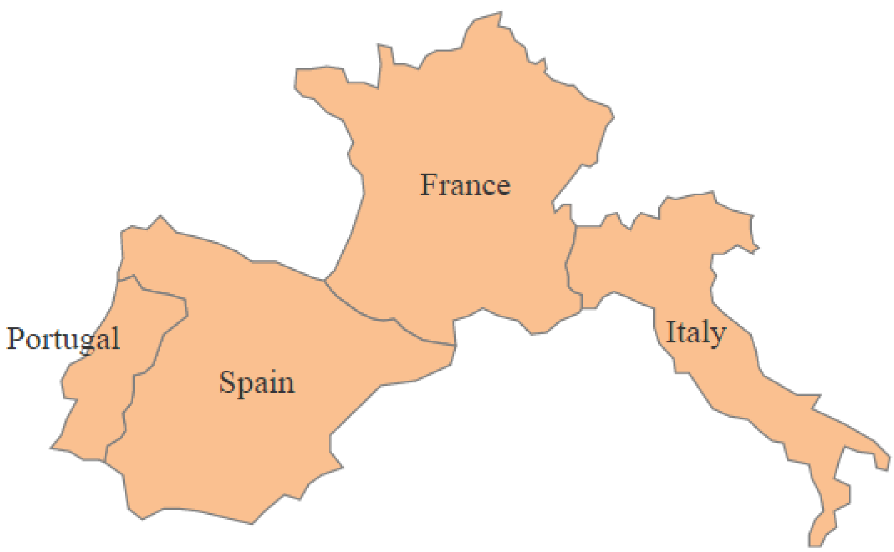

Image 1 – Regional Area 1 (Portugal, Spain, France and Italy)

This regional area is characterized by *neighboring southern European countries* that have *similar student housing market dynamics*. *University managed accommodation is a substantial part of the supply of student housing* in these markets. In Spain this figures reaches the 80%. The approach that Uniplaces has to take in these markets is considerably different. Leveraging partnerships with HE institutions is undoubtedly one efficient way to increase the business and consequently its market share in these markets.

These markets are also typified by *a large proportion of their student population living with their parents* which clearly has impacts on the demand for PBSA. This indicates that a substantial share of students looking for dedicated student accommodation in these markets is international students. Taking this into account, Uniplaces should target rooms close to HE institutions since location is one of the most important factors for international students when booking accommodation online.

Portugal, Spain, Italy and France are countries with *low provision rates*, which is coherent with a large proportion of students living at their parents' home. But low provision rates should have been a good sign for investors and developers. There is enough potential to be seized in these markets due to a huge mismatch between demand and supply of PBSA, however *institutional investment remains low*. Moreover, these southern countries (Portugal, Spain and Italy) are characterized by the poor state of their public finances and public-funded investment projects are not to be expected in the near future. The reason for low institutional and private investment in France is different from the other countries. It happens that nearly half of the rooms are publicly owned and the French state continues to invest heavily in the sector in order to soften the demand for PBSA.

Students should be capable to understand that this is a *region that needs consolidation more than expansion*. Uniplaces is already present in major university cities in these markets and market research shows that those cities are the right ones for a platform like Uniplaces. Those cities are the recipients of most students in those markets, thus an online channel for accommodation providers to reach out effectively to students adds enormous value to the sector ecosystem. Analyzing exhibit 2, students can conclude that Uniplaces has a strong presence in these markets. It is present in Portugal's three major university cities (Lisbon, Porto and Coimbra); in Spain in ten cities being Madrid, Barcelona, Valencia, Seville and Salamanca the most important ones; in Italy in six, being Milan the most important market and in France in Paris. One could argue that Uniplaces should expand its presence in France because it is only present in one city, Paris. It is the writers' view that such finding could lead students to include France in another region, or even to consider the French market as a region on its own[20]. Nevertheless, research shows that Paris is the market that will drive growth in the French student housing sector that is why consolidation brings more value than expansion in the writers' perspective.

The student housing sector is still in its infancy across the majority of European markets especially in these four countries. And although the sector has growing in relevance it cannot be considered as a mainstream asset class.

[20] Considering that the French market could be allocated to another region should be considered valid. The same cannot be said, if students consider the French market as a region on its own. The French student housing sector is far from maturity and the sector has not become a mainstream asset class.

Regional Area 2 – United Kingdom

Image 2 – Regional Area 2 (United Kingdom)

A different game on its own

The United Kingdom is a *separate case* in the European context. The student housing sector has reached *maturity* and has become a *mainstream asset class*. In 2015, it has overtaken the US as the *preferred destination for investment* regarding the student housing sector. This is significant given that US student population is ten times greater than the UK one. It is a market with 2.5 million students of which 17% are international, making UK the biggest recipient of international students in Europe.

The sector has a close relationship with the Higher Education sector. The removal of caps on university student numbers is creating some interesting dynamics in both sectors as universities are trying to increase market share by becoming more attractive. Proper student accommodation that is able to cater to the needs of students is becoming one of the most important differentiation features for universities. It has been noted *several partnerships between private providers and universities* to foster the growth in the sector.

Although there are more than 200 operators (developers and investors) in the market, the *private sector is highly concentrated* as the top 10 operators account for 62% of bed spaces. The *rise in investment has been driven by portfolio acquisitions and institutional investment* and the top 10 investments deals are of a magnitude that the other European markets will not be able to match in the near future.

Even though all UK markets are structurally undersupplied, *national provision rate is medium*, around 23%. Globally, *PBSA sector represents one third of the total student* *accommodation supply* in the market, which is considerable higher than the majority of European markets.

Students should be perceptive to the fact that *Uniplaces needs to expand more than consolidate* in this market due to point that there are several opportunities to capture in markets like *Oxford, Cambridge, Liverpool and Birmingham* that have large student bases with medium to high provision rates. Therefore, markets with both large demand and supply are Uniplaces 'sweet spot', yet that potential needs to be seized as quickly as possible because other platforms like studentstay.co.uk and student.com are already building brand awareness and increasing market share in this prosperous market. Although not urgent, consolidation in London and Manchester markets should take part on the new regional area manager's strategic plan for the region as a medium-term goal.

In a nutshell, students should realize that the *UK market dynamics are unique*, and thus no other European market is at the same level. United Kingdom is a market that is now at a more developed stage because investors and developers understood the importance and potential of the sector years ago. This also answers question 2 about why is UK considered a *different game on its own.*

Regional Area 3 – Germany, the Netherlands, Austria and Poland

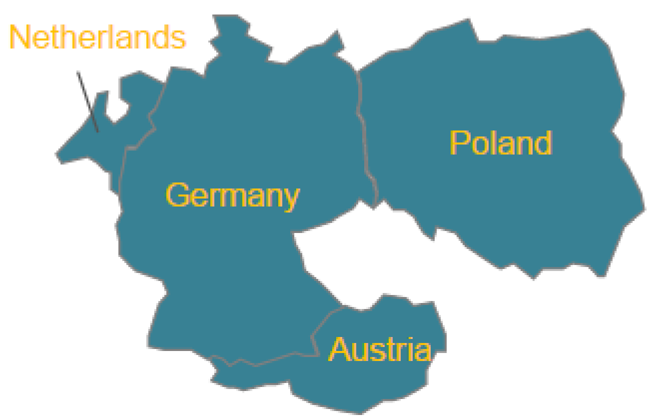

Image 3 - R*egional Area 3 (Germany, the Netherlands, Austria and Poland)*

The student housing sector has matured in the UK, and in spite of existing opportunities in that market, investors are now looking for more profitable possibilities in mainland Europe. Investors and developers are now concentrating their attention in markets like the Netherlands Germany, Austria and Poland that have *enormous potential to generate high yields* in the near future.

This regional area is composed by neighboring central Europe countries with specific dynamics when it comes to HE and student accommodation. *Student numbers and more importantly international students' number have been growing rapidly* which secure a stable demand for quality student accommodation in the years to come.

The Netherlands and Germany are markets where private accommodation is expected to grow rapidly due to *large-scale PBSA investments and developments* by both domestic operators and more currently by foreign players. But investment is targeting the upper tiers of the student market accommodation and analysts are putting in question such strategy followed by developers, once there are some dynamics[21] to account for in both markets.

The inclusion of countries like Austria and Poland in this region was not done from market similarities but from an intrinsic need to learn from neighbor countries more developed in terms of their student housing sector. It is the writer's view that there are *synergies that can be captured* by both Polish and Austrian student housing sector. They have all it takes to become a significant asset class for investors, as stable populations of students in large Polish and Austrian cities as well as the growing number of foreign students create a firm foundation of demand for student housing investments. The situation Poland and Austria are going through is the same the Netherlands and Germany were going through some years ago. They have growing student population *looking for accommodation in the private sector* but the market is highly fragmented, unprofessional and not institutionalized. The vast majority ends up renting from small buy-to-let landlords with little or no relevant experience or qualification.

It is a Regional Area where *Uniplaces needs to expand rather than consolidate* because it need to be present in more markets within this region in order to fully capture the potential it offers to the brand. On the on hand it needs to *develop partnerships with investors and developers that are heavily investing in the Netherlands and Germany*. On the other hand it needs to *build brand awareness and presence early stage in Austria and Poland as the platform of reference for providers to reach out students effectively*.

Question 3- What would be a possible strategic plan to be implemented by the new Regional Area Managers in each region?

This question aims to evaluate students' capacity to understand the value that an online platform for booking student accommodation like Uniplaces brings to the European student housing sector and how its strategy should be coordinated with market dynamics to deliver

[21] Since the beginning of 2015, Dutch government maintenance grants have been converted to loans. The increased financial burden will obviously impact the demand of student accommodation as students might start to look for more affordable housing. The German HE is highly decentralized and accommodation is relatively affordable for European standards. Investors targeting the upper end of the market could result in less attractive programmes propositions for international students as accommodation is a substantial part of students' budget.

value to both students and accommodation providers, and consequently grow Uniplaces business.

For each region students will have to present some strategic guidelines that Uniplaces should follow and implement to grow its business in a sustainable way in order to become the leading operator in Europe. The recommendation for consolidation or expansion should be different in their nature; hence students should clearly distinguish what are the steps that Uniplaces should follow according to each region's characteristics.

Regional Area 1 strategic guidelines

This region calls for market *consolidation*, thus the overall goal is to *increase the number of listings* of each market in the platform to reach a larger and diverse student base effectively and increase market share.

This region alone accounts for half of the total cities where Uniplaces is present. A regional headquarters strategy would require Martin to *assign a bigger team* to this region to fully address these markets' needs. The location of the new regional headquarters is something that Martin should also carefully plan. The recommendation should consider a *central location within the region* that will improve operational efficiency. Madrid and Barcelona are two potential headquarters location for this region.

How can the new regional team increase the number of listings in Uniplaces platform?

Uniplaces' new regional team should be able to identify where the platform can add more value by connecting landlords and students in a more effective way as well as what is the type of preferred accommodation at the local level.

Uniplaces should focus on:

- ❖ Build partnerships with HE institutions that run a substantial part of student accommodation supply in this region;
- ❖ Form a team of university ambassadors to create brand awareness within student associations to increase demand on its platform;
- ❖ Find new listings close to HE institutions and with quality amenities that can really change students' university life;
- ❖ Partnering with CROUS to become the platform of reference in France, allowing Uniplaces to increase substantially its offer in the French market. With the partnership, CROUS would have an effective online channel to reach out to students.

Regional Area 2 strategic guidelines

For the UK market, Uniplaces should build a regional headquarter in London led by Martin, someone that truly understands the unique dynamics of the market and its strategic importance within the European market, to coordinate local operations and grow the business.

Uniplaces should focus on:

- Expanding the platform to Oxford, Cambridge, Liverpool and Birmingham.;

- Trying to get more SHHS and HMO listings in its platform. These types of student accommodation account for a large part of the supply and an online channel would definitely add value to landlords by providing an online channel to reach out to students and also to students that otherwise would have to deal directly with the landlords by facilitating the booking process;

- Partnering with top 10 operators (both investors and developers) like Unite, Liberty Living or CRM, to become the promoter of their student accommodation supply. Martin should see these strategic partnerships as essential to grow the business because these players are looking for new opportunities outside UK, targeting countries like the Netherlands and Germany. Thus, having already an established partnership with these players can leverage new opportunities in countries where the student housing sector is developing rapidly.

- Consolidating its position, increasing market share in London and Manchester, two of the biggest UK student markets and where the student housing sector is growing at a fast pace.

Regional Area 3 strategic guidelines

This region has two different distinct dynamics: one in the Netherlands and Germany which have been seen increasing institutional investment as global operators are being attracted by these markets' potential to expand in a major way the supply of PBSA; and another in Austria and Poland where the supply is highly fragmented and the sector is still unprofessional and not institutionalized but where there are big opportunities for large scale developments in the private sector since university managed accommodation can only marginally cater to students' needs.

Uniplaces should focus on:

- ❖ Expanding its presence as soon as possible in Poland, namely in Krakow, Wroclaw, Poznan and Lodz to capture the enormous potential the Polish student accommodation sector by providing local landlords an online channel to reach both domestic and international students more effectively.
- ❖ Targeting small scale landlords as well as SHHS and HMO due to the lack of PBSA development in Polish and Austrian student housing sector.
- ❖ Partnering with private sector players because it is what will support the growth in student housing sector in this region.
- ❖ Targeting more affordable listings with good location and diverse amenities that improve university's experience, whose demand will increase due to changes in HE sector.

4- Who is going to be responsible for the penetration in new markets?

The fourth question is related to Uniplaces' strategy to roll-out across Europe. Uniplaces aims to continue to expand their operations to more European markets. This comes at a time where Uniplaces is already dedicating time, money and effort to its consolidation strategy, creating regional headquarters to efficiently coordinate regional operations. With this in mind, students should be able to understand that the new regional headquarters cannot focus on mew potential markets on the short time because they do not have resources necessary to face the pressure of conducting multiple strategies at the same time. Therefore, it is the Lisbon based team, which is supporting the new regional sales areas that should be responsible for the brand's roll-out. This team will analyze and evaluate which markets should be worth penetrating and then jointly with the regional headquarters, develop a framework to include new potential markets in the regional areas already defined or build new regional areas if market dynamics call for it. By doing so, Uniplaces will have some leeway to coordinate both consolidation and expansion strategies.

5- What can Uniplaces do or add to increase the engagement of both sides in its platform?

One thing Uniplaces is already doing to increase the engagement is the development of its mobile proposition. Creating a mobile app might improve the experience of booking accommodation as students will be able to search, analyze and compare rooms at a distance of few touches in a smartphone.

If Uniplaces cares about empowering global student mobility, they should definitely aim to be more than a booking agency. I would not say that they should become a concierge service but rather an online booking platform that offers additional services from phone contacts, to cheap flights and buying books, to the coolest bars and restaurants, improving the experience of studying abroad.