

MARKET INTELLIGENCE REPORT

# Australian Student Housing Market

Capturing the structural arbitrage in Australia's undersupplied student housing market

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**A\$12B**

TAM

**6%**

PBSA  
PENETRATION

**97%**

OCCUPANCY

**BUY**

VERDICT

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**RAYSolute Consultants**

January 2026

STRICTLY CONFIDENTIAL

# Investment Thesis: Structural Undersupply Creates Compelling Entry Point

TAM

**A\$12B**

Total addressable

PBSA MARKET

**A\$3.6B**

Current capture

SUPPLY GAP

**558K**

beds required

VERDICT

**BUY**

High conviction

## WHY NOW

- 97% occupancy = pricing power
- Pipeline addresses only 43%
- 5-10 years before maturation

## WHERE TO PLAY

- **Sydney** — 84.8 score, #1
- **Melbourne** — 82.3 score, #2
- **Perth** — Selective, 20.7:1

## KEY RISKS

- Construction cost inflation
- Visa policy uncertainty
- Interest rate sensitivity

**BOTTOM LINE:** Australia's student housing market offers A\$12B TAM with only A\$3.6B currently captured. Structural undersupply, defensive demand, and early-cycle positioning support 15-20% IRR through Sydney/Melbourne core + selective Perth development.

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Report Structure — 45 Exhibits Across 9 Sections

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**1 Market Overview & Sizing**  
8 exhibits

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**2 Supply-Side Analysis**  
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1 exhibit

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# 01

## Market Overview & Sizing

Quantifying the A\$12B opportunity and structural undersupply

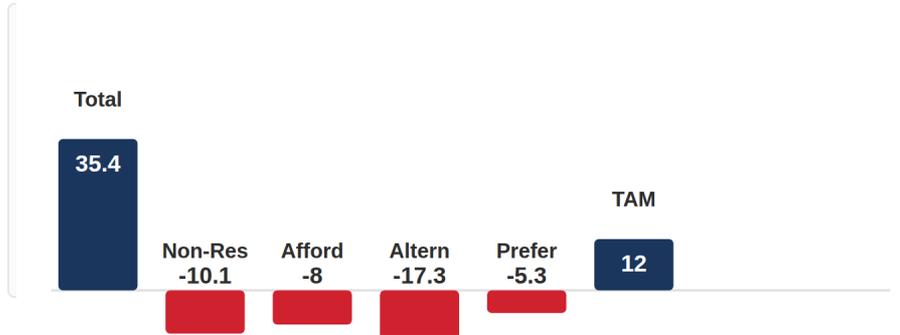
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8 exhibits | E1–E8

## SECTION 1: MARKET OVERVIEW & SIZING

### Exhibits 1 & 2: Comparative Analysis

**EXHIBIT 1**  
**Total Addressable Market**

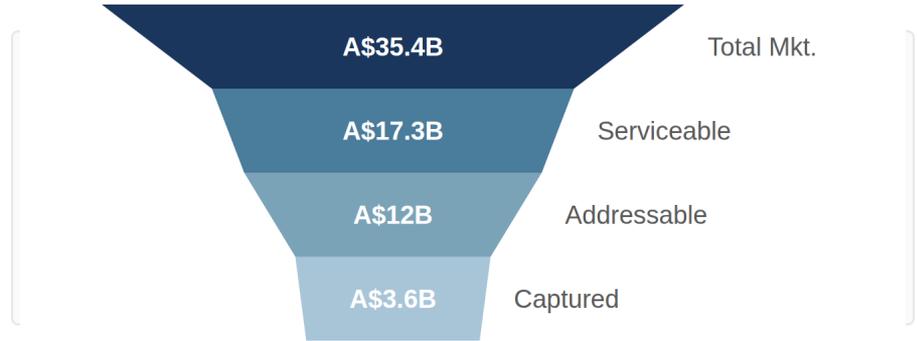


Australian student housing represents a A\$12B total addressable market (TAM) with significant structural undersupply. The waterfall shows: Total student population (A\$35.4B potential) reduced by Non-Resident students (-A\$10.1B), Affordability constraints (-A\$8B), Alternative housing preferences (-A\$17.3B), and other Preference factors (-A\$5.3B), yielding A\$12B TAM. Current market capture stands at only A\$3.6B—70% unserved.

→ **Immediate investment opportunity with multi-decade runway for growth.**

**A\$12B**  
**TAM**

**EXHIBIT 2**  
**Market Funnel Analysis**



**90%**  
**Unserved**

Progressive filtering from A\$35.4B total student market to A\$17.3B serviceable to A\$12B addressable to only A\$3.6B currently captured reveals that 90% of the serviceable market remains unserved. This is fundamentally a supply constraint problem, not a demand problem—creating sustained pricing power for existing operators.

→ **Supply-constrained market supports premium pricing and high occupancy.**

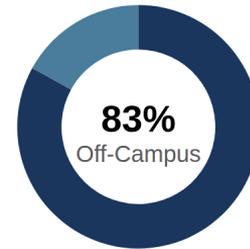
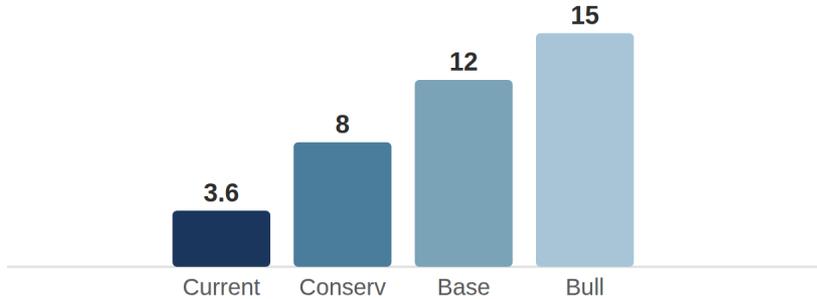
SECTION 1: MARKET OVERVIEW & SIZING  
 Exhibits 3 & 4: Comparative Analysis

EXHIBIT 3  
 Valuation Scenarios

3-4x  
 Upside

EXHIBIT 4  
 Market Composition

83%  
 Commercial



Market valuation scenarios: Current (A\$3.6B captured today), Conservative (A\$8B at modest growth), Base Case (A\$12B projected), and Bull Case (A\$15B at UK penetration). Even conservative estimates imply 2.2x upside from current levels. The UK achieved 54% penetration—Australia at just 6% has decades of growth runway ahead.

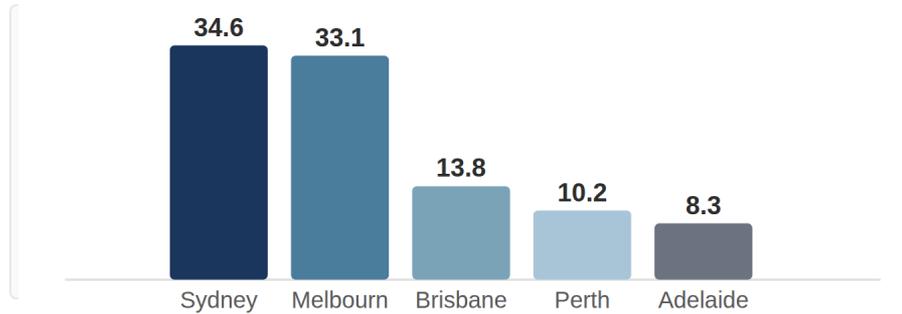
→ **Asymmetric risk-reward profile with limited downside and substantial upside.**

Market split: Off-Campus (commercial PBSA, 83%) dominates as universities systematically retreat from direct accommodation provision due to capital constraints. On-Campus (university-provided housing, 17%) continues to decline. This secular shift from university-provided to commercial PBSA is irreversible and accelerating.

→ **Universities are natural partners, not competitors—partnership opportunities abound.**

SECTION 1: MARKET OVERVIEW & SIZING  
 Exhibits 5 & 6: Comparative Analysis

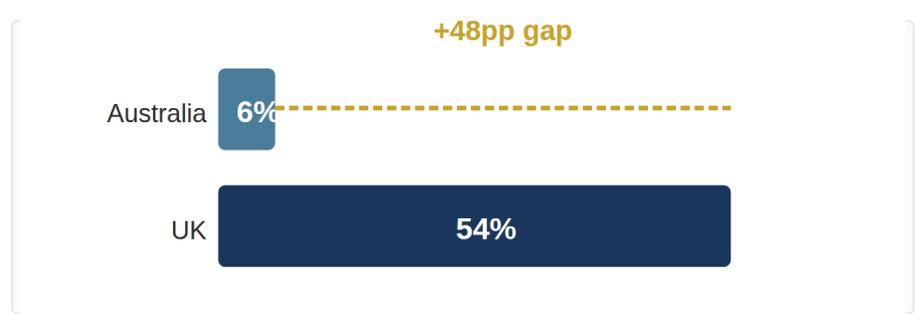
 EXHIBIT 5  
 Geographic Revenue Distribution

 68%  
 Top 2


Sydney (34.6%) and Melbourne (33.1%) together capture 67.7% of total student housing market revenue, reflecting the concentration of Go8 universities and international student preferences for these gateway cities. Brisbane (13.8%), Perth (10.2%), and Adelaide (8.3%) represent secondary markets with selective opportunities.

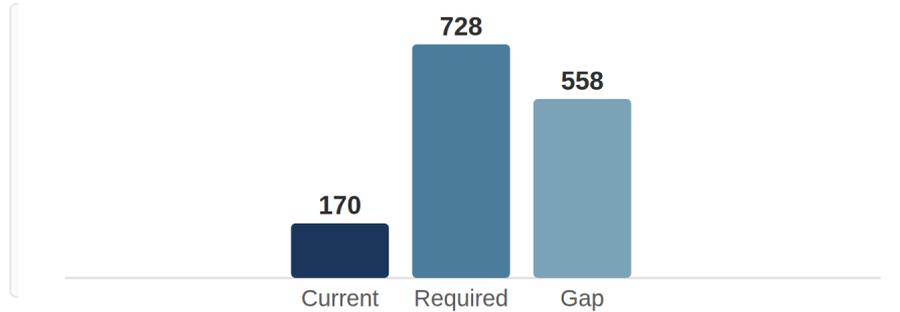
→ **Core portfolio should be 70%+ Sydney/Melbourne; selective expansion elsewhere.**

 EXHIBIT 6  
 Penetration Gap Analysis

 48pp  
 Gap to UK


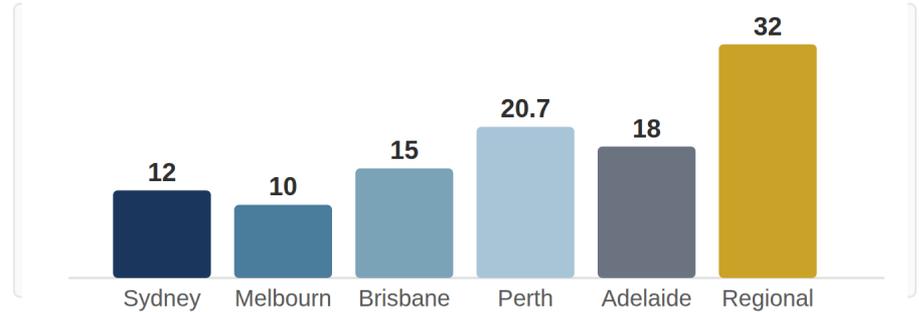
Australia's PBSA penetration of just 6% compared to UK's mature market at 54% represents a 48-percentage-point gap. Even conservative convergence to 25% penetration would imply 4× current supply levels—a multi-decade development runway with limited risk of oversupply given structural demand growth.

→ **Long runway for growth with minimal oversupply risk in core markets.**

**SECTION 1: MARKET OVERVIEW & SIZING**  
**Exhibits 7 & 8: Comparative Analysis**
**EXHIBIT 7**  
**Bed Deficit Analysis**
**558K**  
 Bed Gap


Current bed count: 170K total (132K PBSA + 37K on-campus). Required beds to match UK: 728K. Gap: 558K beds needed. At A\$150,000 per bed development cost, closing this gap requires A\$84B in capital. This scale requirement precludes rapid competitive entry and protects incumbents.

→ **Barrier to entry protects existing operators; scale advantages compound.**

**EXHIBIT 8**  
**Supply-Demand Intensity**
**32:1**  
 Peak Ratio


Regional analysis reveals severe supply-demand imbalances: Sydney operates at 12:1 students per bed, Melbourne at 10:1, Brisbane at 15:1, Perth at an extreme 20.7:1, Adelaide at 18:1, and regional markets up to 32:1. This intensity supports 97%+ occupancy rates and 5-8% annual rental rate increases across the portfolio.

→ **Pricing power secured by structural undersupply; rate growth sustainable.**

# 02

## Supply-Side Analysis

Competitive landscape, concentration, and operator economics

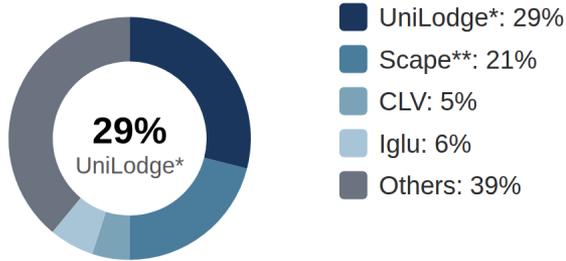
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8 exhibits | E9–E16

## SECTION 2: SUPPLY-SIDE ANALYSIS

### Exhibits 9 & 10: Comparative Analysis

**EXHIBIT 9**  
**Market Concentration Analysis**

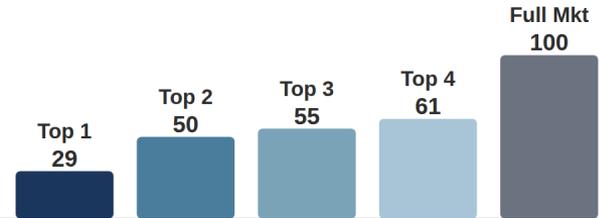


UniLodge\* (29%) leads as Australia's largest PBSA manager with ~45,000 beds under management contracts. Scape\*\* (21%) is the largest owner-operator with ~19,000 owned beds. CLV (5%) manages 27,000 beds for university clients. Iglu (6%) is the second-largest vertically integrated owner. [\*Manager model \*\*Owner-operator model]

→ **Consolidation play viable; acquire subscale operators at book value.**

**55%**  
**CR3**

**EXHIBIT 10**  
**Cumulative Market Share**



**39%**  
**Fragmented**

While the top 4 operators (UniLodge, Scape, CLV, Iglu) control 61% of total beds, the remaining 39% is fragmented across 50+ subscale operators with fewer than 1,000 beds each. This fragmented tail represents the primary M&A target zone. Note: Atira was acquired by Scape in 2019 and fully rebranded by May 2022.

→ **Fragmented tail offers accretive M&A opportunities at attractive valuations.**

## SECTION 2: SUPPLY-SIDE ANALYSIS

## Exhibits 11 &amp; 12: Comparative Analysis

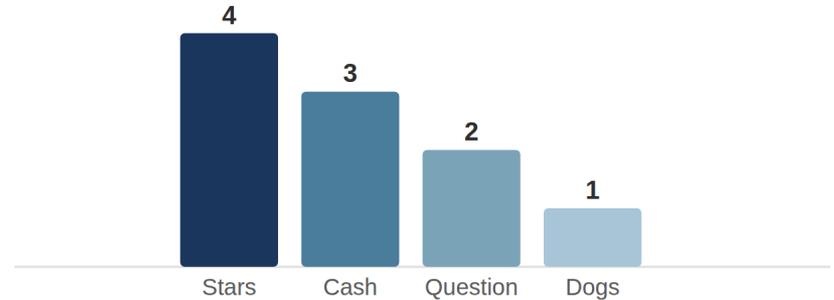
 EXHIBIT 11  
 Operator Capability Assessment

 5  
 Key Factors


Capability assessment across five dimensions—Scale (beds under management), Geographic Coverage (city presence), Product Quality (amenities and design), University Partnerships (exclusive agreements), and Technology (booking and operations systems)—reveals differentiated competitive positions. Scape leads on 4 of 5 dimensions; UniLodge leads on partnerships.

→ **Capability gaps in technology and product quality offer differentiation paths.**

 EXHIBIT 12  
 BCG Growth-Share Matrix

 4  
 Quadrants


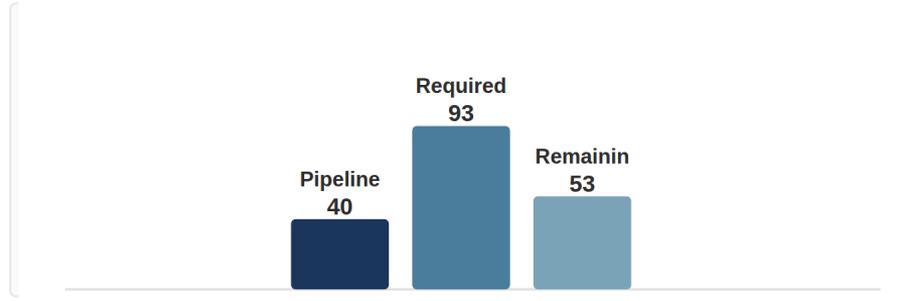
BCG matrix across four quadrants: Stars (high share, high growth)—Scape Sydney, Iglu Melbourne; Cash (Cash Cows: high share, low growth)—UniLodge Melbourne, legacy assets; Question (Question Marks: low share, high growth)—Perth new entrants, Brisbane expansion; Dogs (low share, low growth)—regional subscale assets requiring divestiture.

→ **Invest in Stars, harvest Cash Cows, evaluate Question Marks, divest Dogs.**

## SECTION 2: SUPPLY-SIDE ANALYSIS

## Exhibits 13 &amp; 14: Comparative Analysis

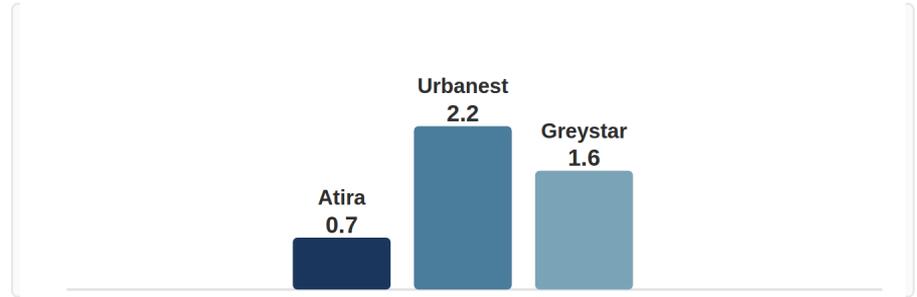
 EXHIBIT 13  
 Development Pipeline Analysis

 43%  
 Gap Addressed


The current development pipeline of approximately 40,000 beds under construction or in planning addresses only 43% of the immediate 93,000-bed gap required to reach 15% penetration. Even with full pipeline delivery by 2028, structural undersupply will persist through 2030+, providing visibility on sustained high occupancy and continued rental rate growth.

→ **Greenfield development remains attractive; no oversupply risk through 2030.**

 EXHIBIT 14  
 Institutional Capital Pipeline

 A\$4.5B  
 Since 2019


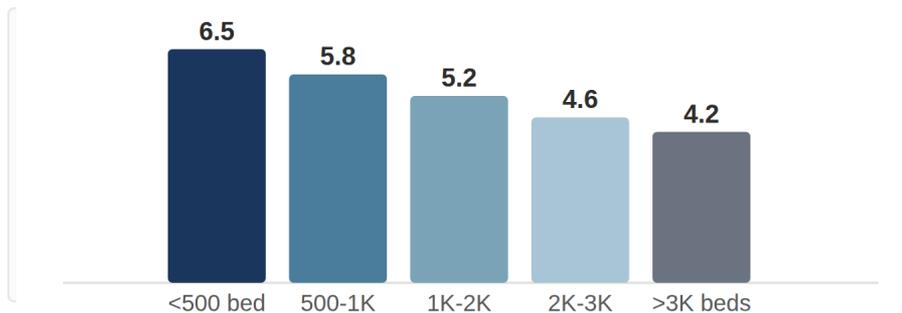
Major transactions since 2019: Greystar acquired GIC-Wee Hur portfolio for A\$1.6B (Dec 2024, 5,662 beds); Scape acquired Urbanest for A\$2.2B (2020) and Atira for A\$680M (2019). Knight Frank reports A\$1.8B YTD in 2025 alone. Cap rate compression from 6.5% to 5.0% reflects PBSA's transition from 'alternative' to 'core' allocation.

→ **Asset values supported by institutional demand; exit liquidity improving.**

## SECTION 2: SUPPLY-SIDE ANALYSIS

## Exhibits 15 &amp; 16: Comparative Analysis

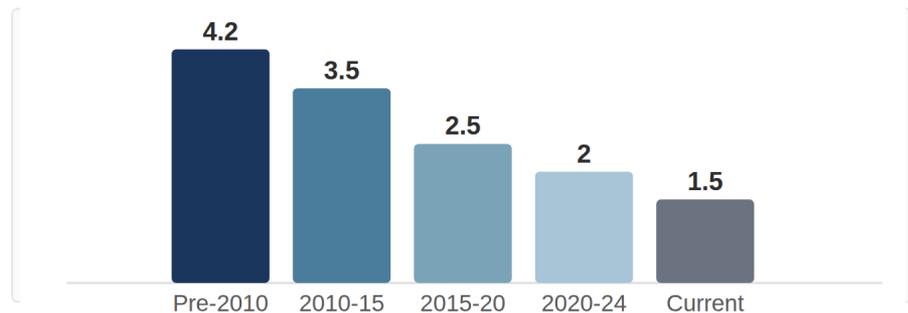
 EXHIBIT 15  
 Scale Economics Analysis

**35%**  
 Cost Advantage


Scale generates significant operating cost advantages: operators with 3,000+ beds achieve A\$4,200 cost per bed annually versus A\$6,500 for sub-500 bed operators—a 35% cost differential. This economic moat strongly favors consolidation strategies and creates substantial barriers for small-scale new entrants attempting greenfield development.

→ **Scale is essential; pursue consolidation to capture operating leverage.**

 EXHIBIT 16  
 Entry Cohort Value Creation

**3.5×**  
 Early Mover


Historical entry cohort analysis: Pre-2010 entrants achieved 3.5-4.2× equity multiples through cap rate compression and rental growth; 2010-2015 entrants tracking to 2.5-3.0×; 2015-2020 entrants at 2.0-2.5×. Current market entrants should conservatively underwrite to 1.5-2.0× MoM. Early mover advantage is real but not yet exhausted.

→ **Attractive returns still available; underwrite conservatively at 1.5-2.0× MoM.**

# 03

## Demand-Side Analysis

Student demographics, segmentation, and wallet share

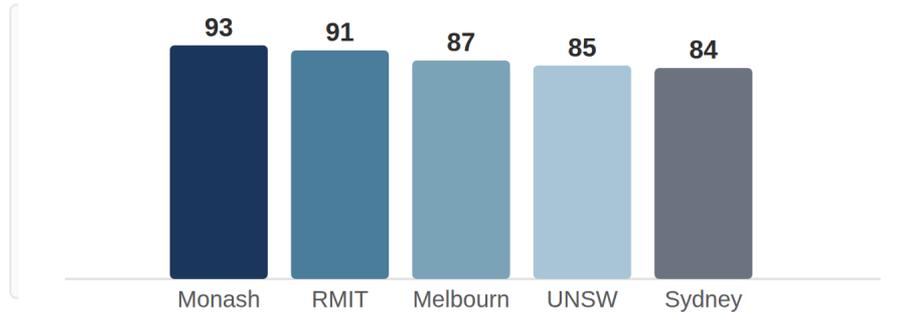
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6 exhibits | E17–E22

## SECTION 3: DEMAND-SIDE ANALYSIS

## Exhibits 17 &amp; 18: Comparative Analysis

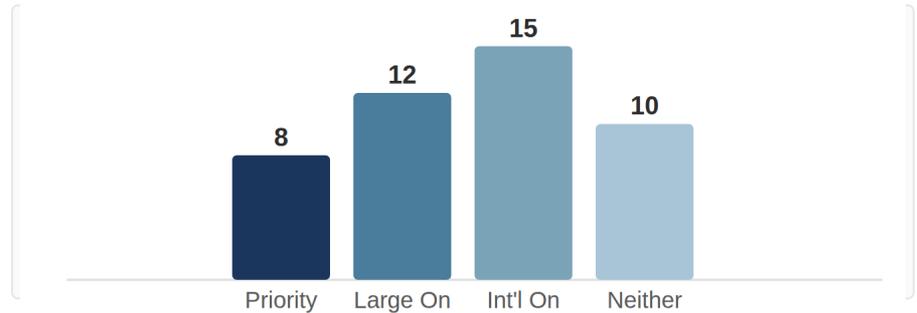
 EXHIBIT 17  
 Top Universities by Enrollment

 440K  
 Top 5 Students


Australia's top 5 universities by enrollment—Monash (93K), RMIT (91K), Melbourne (87K), UNSW (85K), and Sydney (84K)—together enroll 440,000 students representing 29% of total national enrollment. These institutions are priority targets for PBSA co-location, exclusive partnership agreements, and pipeline site selection strategies.

→ **Focus BD efforts on Top 10 universities; secure exclusive partnerships.**

 EXHIBIT 18  
 University Targeting Matrix

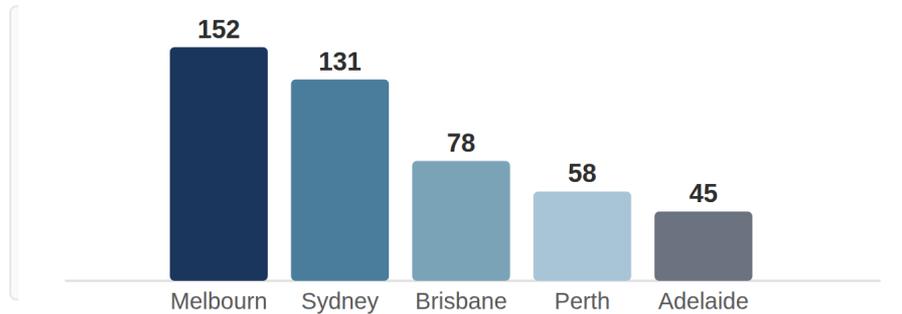
 8  
 Priority Unis


Universities combining large total enrollment (>50,000 students) with high international student intensity (>30% of total) warrant priority focus for site selection and partnership development. Eight universities currently meet both criteria: UNSW, Melbourne, Sydney, Monash, RMIT, UTS, Deakin, and Macquarie. This represents a concentrated, actionable opportunity set.

→ **Prioritize these 8 universities for partnership and co-location strategies.**

SECTION 3: DEMAND-SIDE ANALYSIS  
 Exhibits 19 & 20: Comparative Analysis

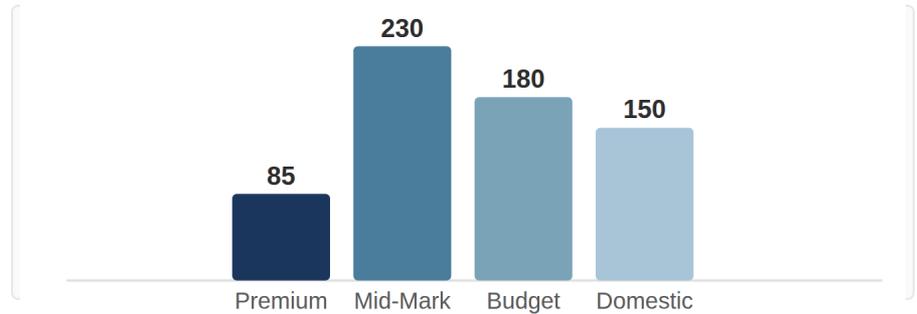
 EXHIBIT 19  
 International Student Distribution

 152K  
 Melbourne Int'l


City-level international student distribution: Melbourne leads with 152,000 international students, followed by Sydney (131K), Brisbane (78K), Perth (58K), and Adelaide (45K). Higher international student concentrations correlate with stronger PBSA fundamentals: longer average stays (2-3 years), higher price acceptance, and family co-funding support.

→ **International student density drives PBSA demand quality and pricing power.**

 EXHIBIT 20  
 Demand Segmentation Matrix

 230K  
 Mid-Market


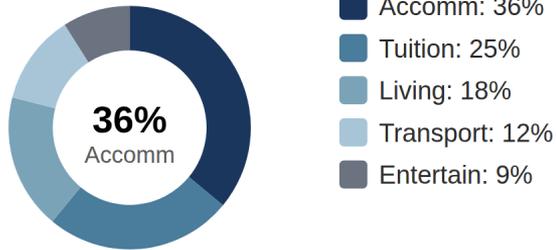
The 645,000 addressable students segment into four tiers: Premium International (85K)—willing to pay A\$600+/week; Mid-Market International (230K)—A\$400-600/week target range; Budget-Conscious (180K)—A\$250-400/week price sensitive; Domestic Relocators (150K)—mixed preferences. Mid-Market International is the largest and fastest-growing segment.

→ **Mid-Market International is the strategic priority—largest volume, best unit economics.**

SECTION 3: DEMAND-SIDE ANALYSIS  
 Exhibits 21 & 22: Comparative Analysis

EXHIBIT 21  
 Student Annual Expense Structure

**36%**  
 Share of Wallet

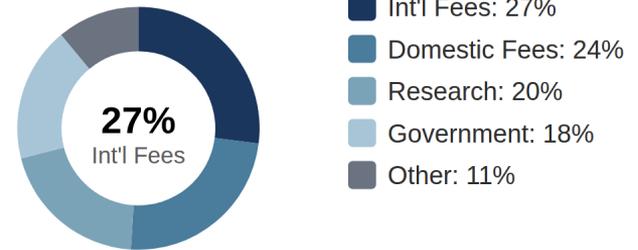


Student annual expense breakdown: Accommodation (36%), Tuition (25%), Living (18%), Transport (12%), and Entertainment (9%). Accommodation costs represent the largest variable cost component in the student budget, supporting defensive demand—students cut discretionary spending before compromising on housing.

→ **Housing demand is resilient; last expense to be cut in budget pressure scenarios.**

EXHIBIT 22  
 University Revenue Composition

**A\$12.3B**  
 Int'l Fee Revenue



University revenue composition: International Student Fees (27.2%, A\$12.3B), Domestic Student Fees (24%), Research Grants (20%), Government Funding (18%), Other Income (11%). International fees are the single largest revenue category, creating structural economic dependency that aligns university and PBSA operator interests around international student attraction and retention.

→ **Universities are economically aligned; joint lobbying on visa policy beneficial.**

# 04

## City-Level Strategy

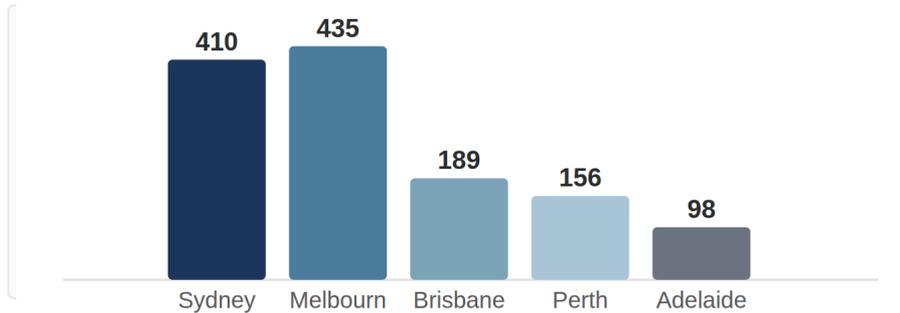
Geographic prioritization and investment zone classification



6 exhibits | E23–E28

SECTION 4: CITY-LEVEL STRATEGY  
 Exhibits 23 & 24: Comparative Analysis

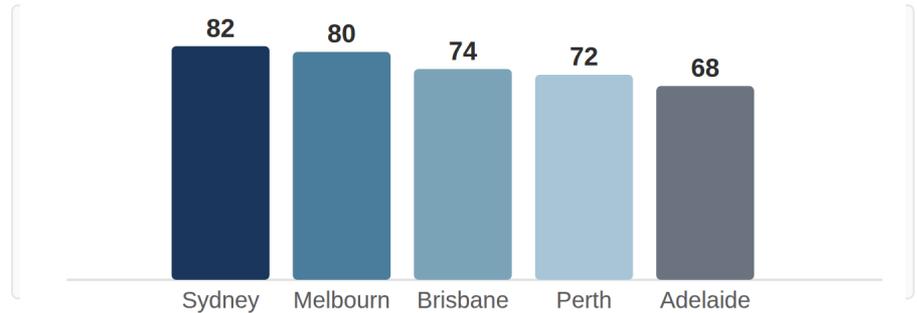
 EXHIBIT 23  
 City Supply-Demand Analysis

**12:1**  
 Sydney Ratio


City-level supply-demand analysis reveals structural undersupply across all major markets: Sydney's 410,000 students compete for 34,000 PBSA beds (12:1 ratio); Melbourne's 435,000 students for 44,000 beds (10:1); Brisbane 189,000/12,600 (15:1); Perth 156,000/7,500 (20.7:1); Adelaide 98,000/5,400 (18:1). No market shows adequate supply.

→ **Undersupply is universal; all major markets support new development.**

 EXHIBIT 24  
 City Investment Attractiveness

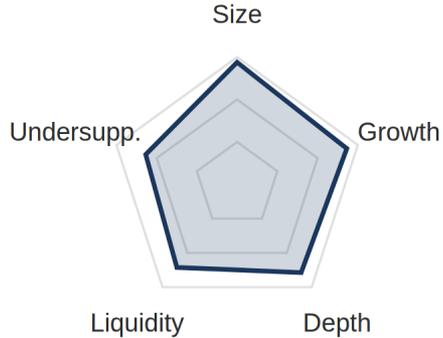
**20.7:1**  
 Perth Intensity


Multi-factor city attractiveness assessment: Sydney and Melbourne dominate the upper-right quadrant (large market size, moderate undersupply, strong fundamentals). Perth shows the highest undersupply intensity at 20.7 students per PBSA bed but smaller absolute market size. Brisbane and Adelaide offer selective opportunities with improving fundamentals.

→ **Core allocation to Syd/Melb (70%); selective Perth for highest undersupply.**

SECTION 4: CITY-LEVEL STRATEGY  
 Exhibits 25 & 26: Comparative Analysis

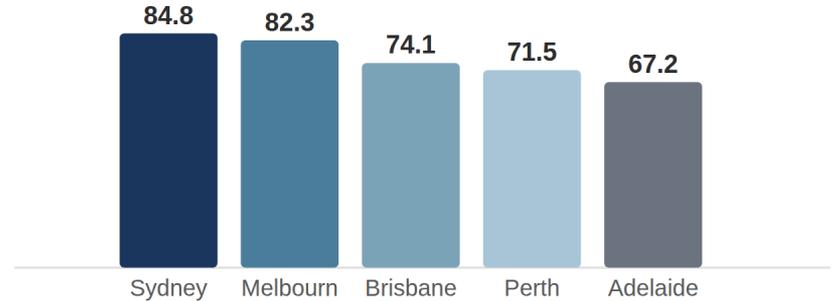
 EXHIBIT 25  
 Multi-Dimensional City Scoring

**95**  
 Sydney Size Score


Multi-dimensional scoring across five factors (0-100 scale): Sydney leads on Market Size (95) and Growth Potential (90); Melbourne excels on Depth (92) and Liquidity (88); Perth shows exceptional Undersupply Score (92) but lower marks on other dimensions; Brisbane balanced at 70-75 across all factors. Weighted composite required for investment decisions.

→ **Sydney/Melbourne for balanced exposure; Perth for undersupply play.**

 EXHIBIT 26  
 Composite City Rankings

**#1**  
 Sydney Rank


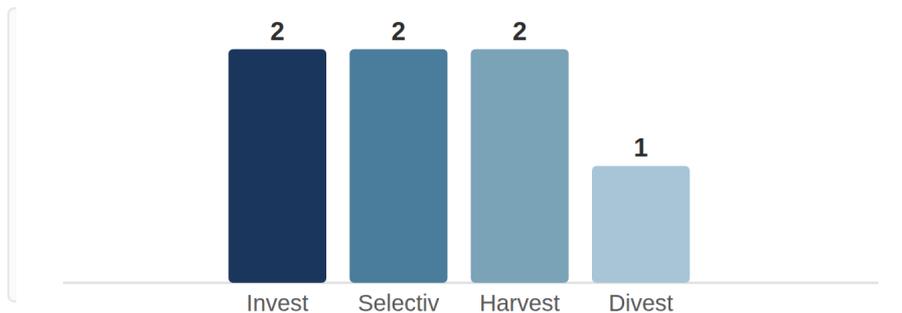
Weighted composite city rankings based on market size (25%), growth potential (25%), undersupply intensity (20%), operational fundamentals (15%), and investment liquidity (15%): Sydney #1 (84.8), Melbourne #2 (82.3), Brisbane #3 (74.1), Perth #4 (71.5), Adelaide #5 (67.2). Top 2 cities warrant 70%+ of portfolio allocation.

→ **Allocate 70%+ to Sydney/Melbourne; 20% Brisbane/Perth; 10% Adelaide/selective.**

SECTION 4: CITY-LEVEL STRATEGY  
 Exhibits 27 & 28: Comparative Analysis

EXHIBIT 27  
 Investment Zone Classification

2  
 Core Markets

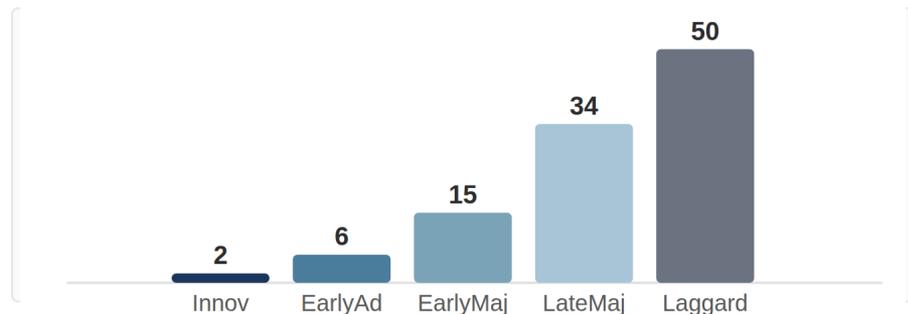


Four-zone strategic classification: INVEST ZONE (Sydney, Melbourne)—deploy capital aggressively, pursue both development and acquisition; SELECTIVE ZONE (Perth, Brisbane)—opportunistic entry on attractive specific deals; HARVEST ZONE (Adelaide, Canberra)—optimize existing assets, no new capital; DIVEST ZONE (Regional)—exit subscale positions.

→ **Clear capital allocation framework; discipline on zone boundaries essential.**

EXHIBIT 28  
 Market Adoption S-Curve

5-10yr  
 To



S-curve adoption across five phases: Innov (Innovators, 2-6%)—Perth and Adelaide; EarlyAd (Early Adopters, 6-15%)—Sydney and Melbourne; EarlyMaj (Early Majority, 15-34%)—no Australian market yet; LateMaj (Late Majority, 34-50%); Laggard (50%+). Australia is approximately 5-10 years from the inflection point where adoption accelerates.

→ **Timing window remains open; 5-10 years of growth runway before maturation.**

# 05

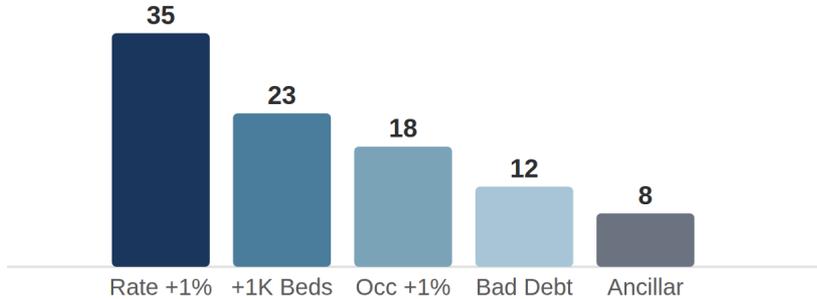
## Financial Performance

Revenue drivers, ROE decomposition, and value creation



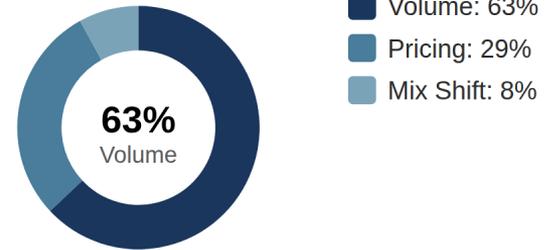
4 exhibits | E29–E32

**SECTION 5: FINANCIAL PERFORMANCE**  
**Exhibits 29 & 30: Comparative Analysis**
**EXHIBIT 29**  
**Revenue Sensitivity Analysis**
**A\$35M**  
 Per 1% Rate

**EXHIBIT 30**  
**Growth Attribution Analysis**
**63%**  
 Volume Share


Portfolio revenue sensitivity analysis: +1% rental rate increase generates A\$35M incremental annual revenue; +1,000 additional beds generates A\$23M; +1% occupancy improvement yields A\$18M; 1% reduction in bad debt adds A\$12M; ancillary services expansion contributes A\$8M. Rate optimization is the highest-margin lever available to operators.

→ **Prioritize rate optimization; invest in amenities that justify premium pricing.**

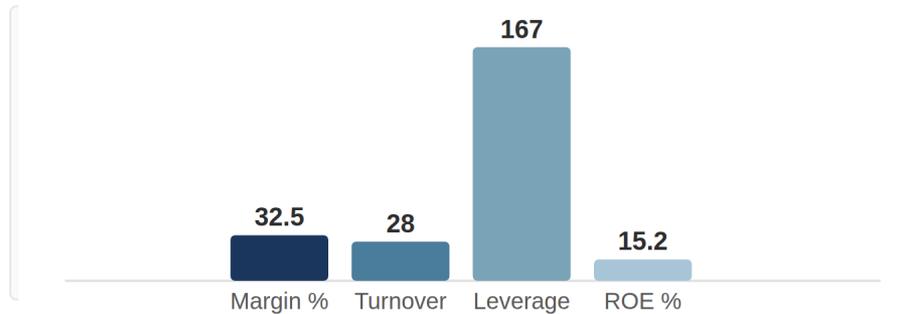


Historical revenue growth attribution analysis: Volume expansion (new beds, higher occupancy) accounts for 63% of growth; Price/rate increases contribute 29%; Mix shift toward premium products adds 8%. While volume remains the primary growth driver, rate optimization offers higher-margin contribution with lower capital intensity and faster implementation.

→ **Balance volume growth with rate optimization; rate offers superior marginal returns.**

SECTION 5: FINANCIAL PERFORMANCE  
 Exhibits 31 & 32: Comparative Analysis

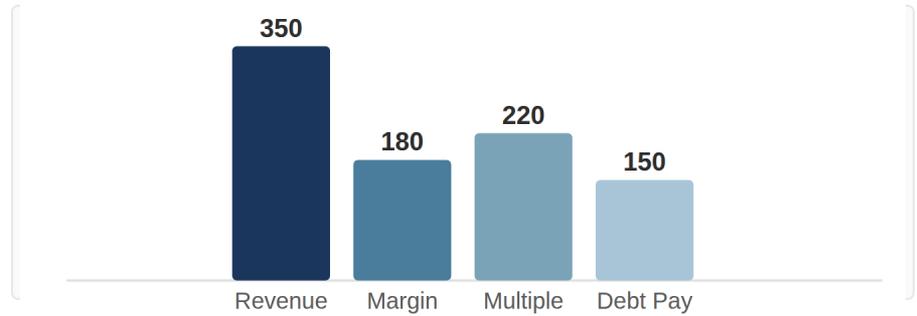
 EXHIBIT 31  
 DuPont ROE Decomposition

 15.2%  
 ROE


DuPont decomposition of sector 15.2% ROE: Net Profit Margin (32.5%) × Asset Turnover (0.28×) × Financial Leverage (1.67×) = 15.2% ROE. The high margin profile (typical of real estate) offsets inherently low asset turnover. Modest leverage (1.67× or 40% LTV) preserves upside optionality while managing downside risk in rate-sensitive environment.

→ **Margin protection is critical; modest leverage appropriate given rate sensitivity.**

 EXHIBIT 32  
 Value Creation Bridge

 1.8×  
 MoM Multiple


Value creation bridge to 1.8× money-on-money return: Revenue growth contributes +A\$350M (operational improvements, rate optimization); Margin expansion adds +A\$180M (scale economies, operating leverage); Multiple expansion provides +A\$220M (cap rate compression, institutional demand); Debt paydown returns +A\$150M. Diversified drivers reduce execution risk.

→ **Multiple value creation levers provide resilience; not dependent on single driver.**

# 06

## Risk & Scenarios

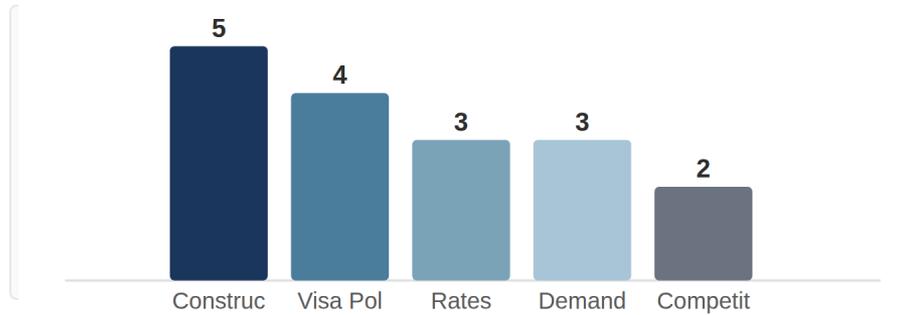
Risk assessment, scenario planning, and Monte Carlo simulation

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5 exhibits | E33–E37

SECTION 6: RISK & SCENARIOS  
 Exhibits 33 & 34: Comparative Analysis

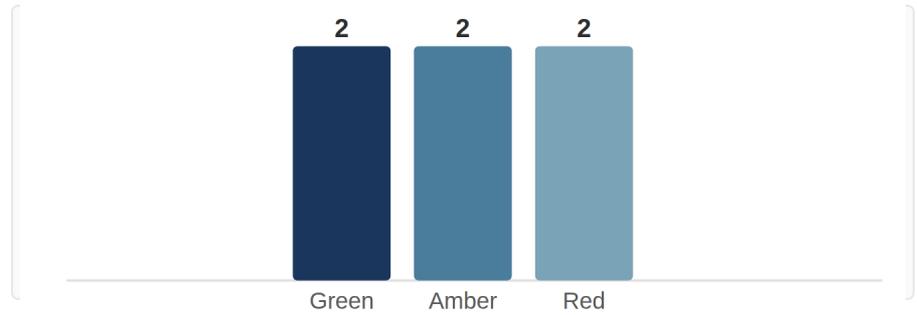
 EXHIBIT 33  
 Risk Assessment Matrix

 5/5  
 Top Risk Score


Risk severity assessment (1-5 scale): Construction Cost Inflation—CRITICAL (5/5) in Sydney/Melbourne due to labor shortages and material costs; Visa Policy Changes—HIGH (4/5) given recent government rhetoric; Interest Rate Sensitivity—MODERATE (3/5) with hedging available; Demand Cyclical—MODERATE (3/5); Competitive Entry—LOW (2/5) given barriers.

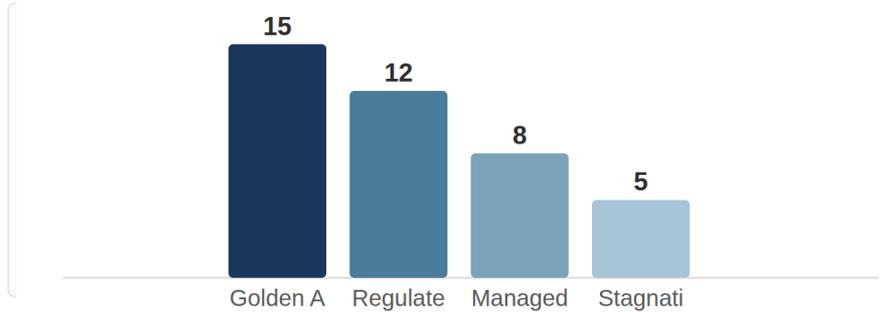
→ **Construction cost is primary risk; mitigate through fixed-price contracts, phasing.**

 EXHIBIT 34  
 City Health Dashboard

 2/6  
 Green Markets


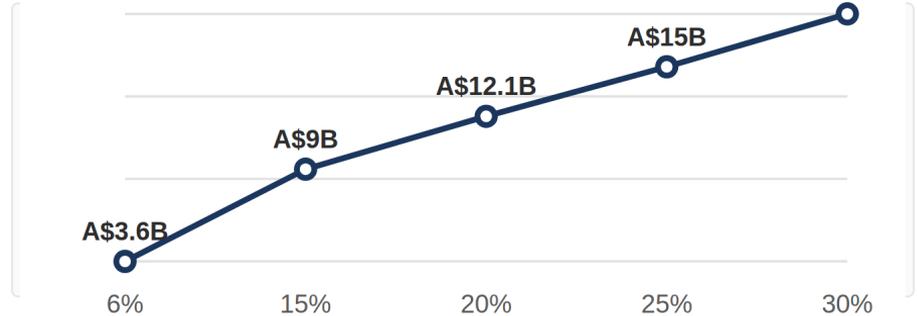
Traffic light city health assessment: GREEN (proceed aggressively)—Sydney, Melbourne; AMBER (selective, deal-specific)—Perth, Brisbane; RED (avoid new investment, optimize existing)—Canberra, Regional markets. Only 2 of 6 major markets warrant aggressive new capital deployment. Discipline on market selection is critical to portfolio returns.

→ **Maintain discipline; reject deals in AMBER/RED markets regardless of apparent value.**

**SECTION 6: RISK & SCENARIOS**  
**Exhibits 35 & 36: Comparative Analysis**
**EXHIBIT 35**  
**Scenario Planning Matrix**
**3×**  
 Outcome Range


Four macro scenarios modeled: GOLDEN AGE (A\$15B)—supportive visa policy + strong demand + constrained supply; REGULATED BOOM (A\$12B, base case)—current trajectory continues; MANAGED GROWTH (A\$8B)—modest headwinds, slower adoption; STAGNATION (A\$5B)—adverse visa policy, demand shock. The 3× range between scenarios requires staged commitment.

→ **Stage capital deployment; structure for optionality across scenarios.**

**EXHIBIT 36**  
**Penetration Sensitivity Analysis**
**A\$18B**  
 30% Scenario


Market size sensitivity to penetration assumptions: At current 6% penetration, PBSA market size is A\$3.6B; at 15% (conservative target) A\$9.0B; at 20% (base case) A\$12.1B; at 25% (optimistic) A\$15.0B; at 30% (UK convergence) A\$18.1B. Each 5 percentage point increase in penetration adds approximately A\$3B to the addressable market—penetration is the primary growth lever.

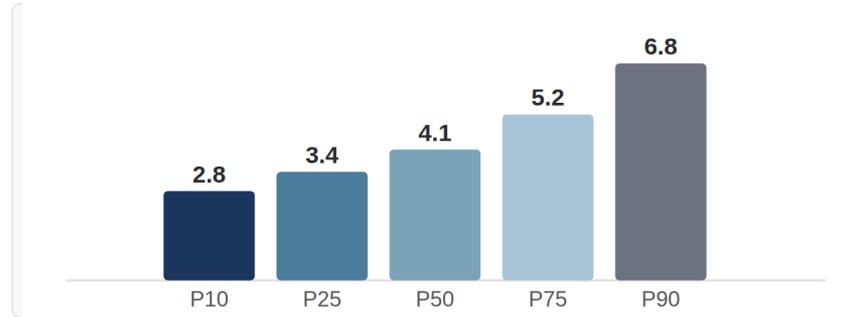
→ **Penetration is the key variable; monitor leading indicators closely.**

## SECTION 6: RISK &amp; SCENARIOS

## Exhibit 37: Monte Carlo Simulation Results

P50 outcome of A\$4.1B with 90% confidence interval of A\$2.8-6.8B

**A\$4.1B**  
 P50 Outcome



Monte Carlo simulation (1,000 iterations) incorporating uncertainty in penetration, pricing, costs, and demand growth yields: 90% confidence interval A\$2.8-6.8B; P25 (conservative) A\$3.4B; P50 (median...

→ **Underwrite conservatively (P25-P50); structure for upside participation (P75+).**

# 07

## Strategic Frameworks

Porter's Five Forces, Ansoff Matrix, and real options



4 exhibits | E38–E41

SECTION 7: STRATEGIC FRAMEWORKS  
 Exhibits 38 & 39: Comparative Analysis

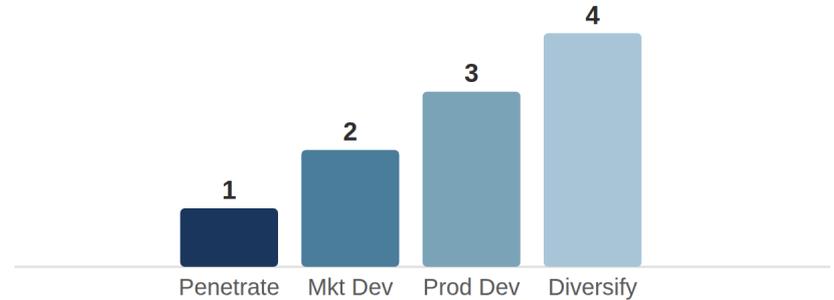
 EXHIBIT 38  
 Porter's Five Forces Analysis

 3.2/5  
 Attractiveness


Porter's Five Forces assessment: Buyer Power—LOW (2/5, 97% occupancy limits alternatives); Supplier Power—HIGH (4/5, construction labor/materials constrained); Industry Rivalry—MODERATE (3/5, oligopoly with rational pricing); Threat of Substitutes—LOW (2/5, limited quality alternatives); Threat of New Entrants—MODERATE (3/5, capital intensive). Net: Moderately Attractive (3.2/5).

→ **Industry structure favorable; supplier power is primary structural concern.**

 EXHIBIT 39  
 Ansoff Growth Strategy Matrix

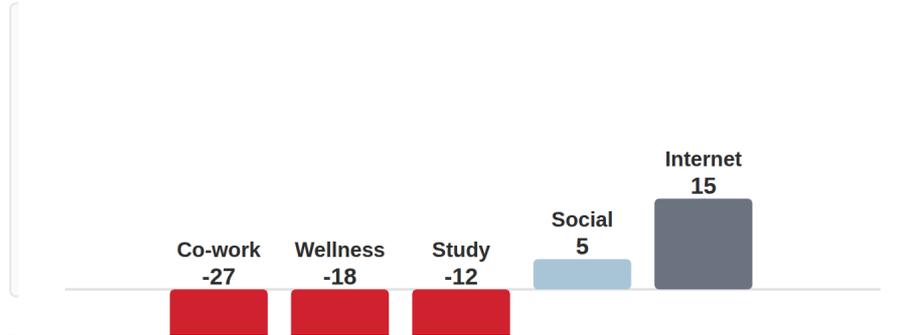
 #1  
 Penetration


Ansoff matrix strategic priorities ranked 1-4: (1) Penetrate—intensify Sydney/Melbourne presence through acquisition and development; (2) Mkt Dev (Market Development)—selective Perth/Brisbane entry for geographic expansion; (3) Prod Dev (Product Development)—premium and co-living formats; (4) Diversify—adjacent sectors (BTR, senior living) only after core is established. Focus beats breadth.

→ **Resist diversification temptation; penetration in core markets is the priority.**

SECTION 7: STRATEGIC FRAMEWORKS  
 Exhibits 40 & 41: Comparative Analysis

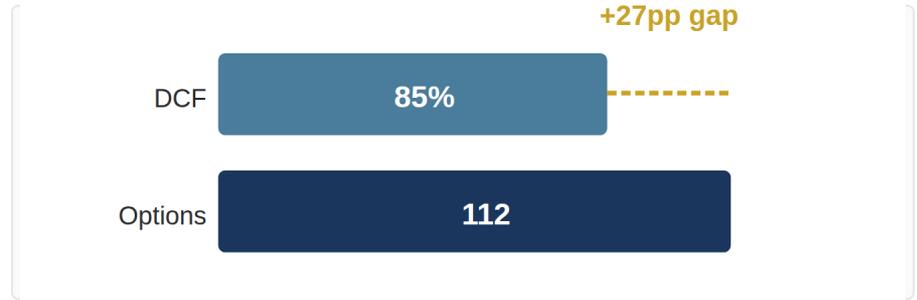
 EXHIBIT 40  
 Kano Feature Analysis

 -27  
 Co-work Gap


Kano model feature analysis reveals satisfaction gaps: Co-working Spaces show -27pt gap (expected but underdelivered); Wellness/Gym Facilities -18pt gap; Study Rooms -12pt gap; Social Events +5pt (exceeds expectations); High-Speed Internet +15pt (now a basic requirement, well-delivered). Investment in co-working and wellness would differentiate operators.

→ **Prioritize co-working and wellness investment to close satisfaction gaps.**

 EXHIBIT 41  
 Real Options Valuation

 +32%  
 Option Premium


Comparative valuation: DCF (Discounted Cash Flow) values a representative project at A\$85M using fixed assumptions; Options (Real Options approach) incorporating staging flexibility, expansion options, and abandonment optionality values the same project at A\$112M—a +32% premium. This option value supports phased development strategies over single-stage commitment.

→ **Structure deals with embedded optionality; phased development captures upside.**

# 08

## Operational Metrics

Pricing analysis, occupancy trends, and university capacity

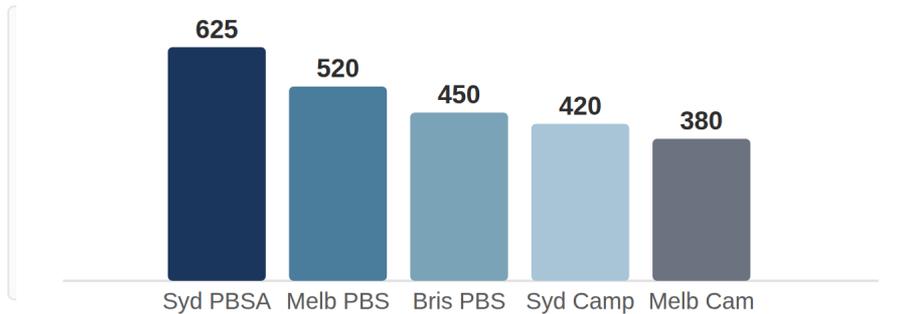


3 exhibits | E42–E44

SECTION 8: OPERATIONAL METRICS  
 Exhibits 42 & 43: Comparative Analysis

**EXHIBIT 42**  
**PBSA vs On-Campus Pricing**

**49%**  
 Sydney Premium

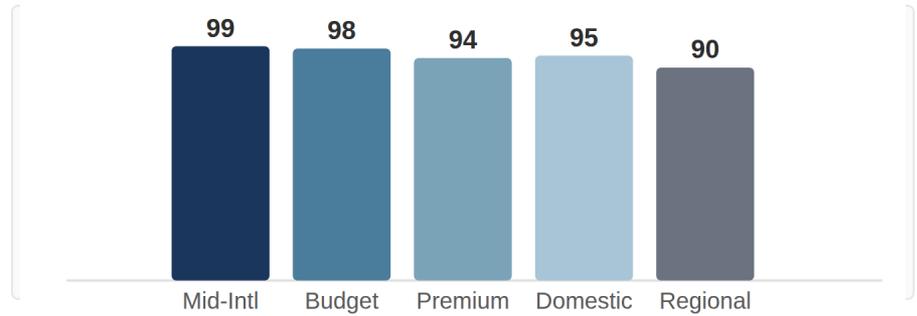


Pricing comparison (average weekly rent): Sydney PBSA A\$625 vs on-campus A\$420 (49% premium); Melbourne PBSA A\$520 vs on-campus A\$380 (37% premium); Brisbane PBSA A\$450 vs on-campus A\$340 (32% premium). Premiums reflect superior product quality, location convenience, and amenities—sustained by structural undersupply. Perth shows rate inversion opportunity.

→ Premium pricing sustainable while undersupply persists; quality justifies gap.

**EXHIBIT 43**  
**Occupancy by Market Segment**

**97%**  
 Avg Occupancy



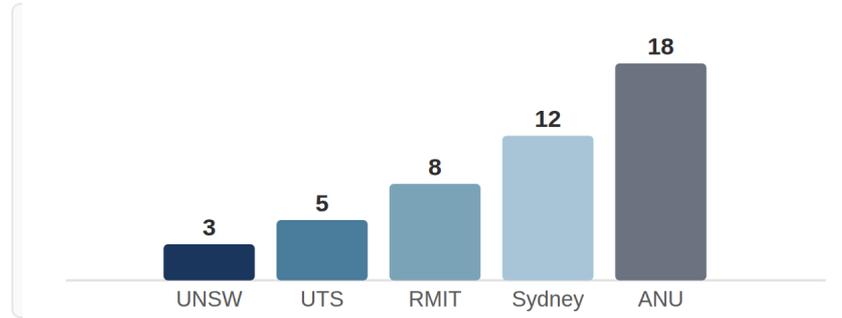
Segment occupancy analysis: Mid-Market International 99-100% (crisis-level undersupply); Budget/Value 97-99% (strong demand from price-sensitive students); Premium CBD 93-95% (slight softness at top of market); Domestic-Focused 94-96%; Regional 88-92% (weakest fundamentals). The undersupply crisis is most acute in mass-market segments serving international students.

→ Mid-Market International offers best risk-adjusted returns; Premium shows softness.

## SECTION 8: OPERATIONAL METRICS

## Exhibit 44: University Housing Capacity

Universities with &lt;5% capacity offer best partnership opportunities

**High**  
 Opportunity


University on-campus housing capacity analysis reveals partnership opportunities: Universities with minimal on-campus capacity (<5% of enrollment)—UNSW, UTS, RMIT, Macquarie—present excellent partners...

→ **Target universities with <5% on-campus capacity for partnership development.**

# 09

## Conclusions

Investment thesis confirmation and recommendation

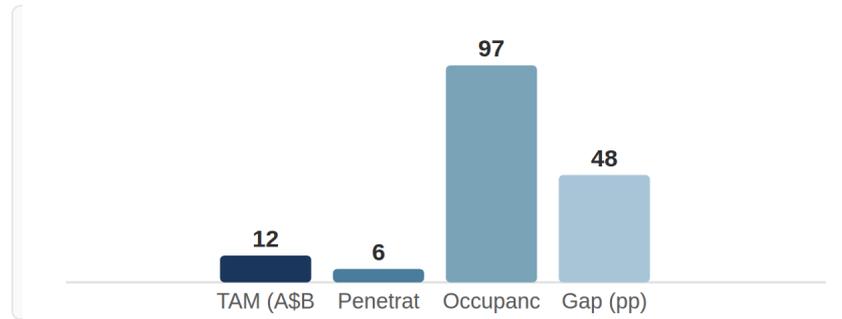


1 exhibits | E45–E45

## SECTION 9: CONCLUSIONS

## Exhibit 45: Executive Summary Dashboard

Investment thesis confirmed with BUY recommendation at high conviction

**BUY**  
 Verdic


Investment thesis confirmation: A\$12B TAM with only A\$3.6B currently captured (70% unserved); 170K current beds (132K PBSA + 37K on-campus) with 558K gap; 6% penetration vs UK 54% (48pp headroom); 97%...

→ **Initiate investment program; deploy capital into Sydney/Melbourne core assets.**

# Glossary of Abbreviations & Key Terms

## MARKET & INDUSTRY

- PBSA** Purpose-Built Student Accommodation  
**TAM** Total Addressable Market  
**CR3** Concentration Ratio — combined share of top 3 firms  
**M&A** Mergers & Acquisitions  
**Penetration** PBSA beds as % of student population

## KEY OPERATORS

- UniLodge** Largest manager (~45K beds); third-party model  
**Scap** Largest owner-operator (~19K owned beds)  
**CLV** Campus Living Villages — 27K beds  
**Iglu** 2nd largest owner; GIC & Macquarie backed  
**GIC** Govt of Singapore Investment Corp  
**Greystar** Acquired GIC-Wee Hur portfolio (A\$1.6B)

## FINANCIAL METRICS

- Cap Rate** Capitalization Rate —  $\text{NOI} \div \text{Property Value}$   
**NOI** Net Operating Income  
**IRR** Internal Rate of Return  
**MoM** Multiple on Money — total returned  $\div$  invested  
**DCF** Discounted Cash Flow valuation  
**RevPAB** Revenue Per Available Bed

## FRAMEWORKS & OTHER

- BCG Matrix** Stars, Cash Cows, Question Marks, Dogs  
**Kano Model** Customer satisfaction framework  
**FIRB** Foreign Investment Review Board  
**YTD** Year to Date  
**BtR** Build to Rent  
**EBITDA** Earnings Before Interest, Tax, Dep., Amort.

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# Thank You

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[www.raysolute.com](http://www.raysolute.com) | [info@raysolute.com](mailto:info@raysolute.com)

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