# Decline in PBSA bookings exposes stark regional divides in UK student housing market



The UK student accommodation sector is undergoing a notable structural shift, marked by a significant decline in Purpose-Built Student Accommodation (PBSA) bookings and pronounced disparities across regional markets. Recent insights shared at the StuRents Summit in London, attended by over 200 industry professionals, revealed that PBSA studio booking rates have fallen sharply from 58% to 44.2% year-on-year, signalling a challenging environment for operators. Despite this downturn, underlying fundamentals remain solid in certain well-positioned markets, while the Houses in Multiple Occupation (HMO) sector has continued to demonstrate resilience, achieving rental growth exceeding 5%.

Analysis presented at the summit highlighted a stark polarization within the market; assets are almost evenly split between outperformers and underperformers. Regional variations are particularly extreme, with the leading city recording booking rates as high as 51%, contrasting with lows of 29% in less favoured locations. Nottingham was cited as a case study of oversupply pressures, where booking rates fell from 96% to 87% year-on-year, accompanied by early signs of rent decreases. Conversely, Leicester displayed more robust fundamentals, with demand consistently outpacing supply growth and stable leasing activity, underscoring the importance of micro-location selection for investment success.

Panel discussions further revealed that student preferences are increasingly gravitating towards Build to Rent options that offer flexible tenancy terms, strong support services, and value for money, blurring traditional distinctions between PBSA and other accommodation types. International students, in particular, favour amenities such as in-room washer/dryer facilities and pet-friendly policies, features commonly associated with Build to Rent schemes. This trend has prompted PBSA operators to innovate and enhance their offerings. Meanwhile, some Build to Rent developments have demonstrated an ability to reduce student tenant exposure, which may mitigate competitive pressures faced by PBSA providers.

The domestic HMO sector has benefited from sustained growth in the UK undergraduate population, which has expanded by approximately 160,000 since 2016. With 77% of British students choosing HMO accommodation over PBSA, and rental values continuing to rise, this sector offers stronger growth prospects. However, the potential introduction of the Renters’ Rights Bill is expected to reshape HMO letting patterns, possibly leading to shifts in seasonal demand cycles. Industry insiders suggest that these changes could create opportunities for PBSA operators to capture domestic students displaced from traditional HMO booking windows, though affordability remains a critical factor influencing student choices.

StuRents’ research stressed the value of high-quality, real-time data in navigating this complex market landscape. Different methodologies can yield contrasting interpretations of supply and demand dynamics, as illustrated by conflicting analyses of Nottingham’s market balance. Access to independent, accurate data coupled with industry expertise is becoming a vital competitive advantage, enabling investors and operators to identify and capitalise on emerging opportunities while managing risks effectively.

Investor sentiment remains cautiously optimistic, despite the sector’s challenges. Live polling at the summit indicated that 80% of attendees are actively seeking new investments, with 48% reporting stable international student demand in 2025. Investment trends corroborate this optimism; annual PBSA investment reached nearly £3.9 billion in 2024, a 14% increase from the previous year, reflecting ongoing confidence in the sector’s long-term prospects. Nevertheless, experts acknowledge the need for strategic recalibration, with a focus on selective city and micro-location targeting as key to sustaining performance in a market marked by heightened competition and evolving student expectations.

In summary, while the UK student accommodation market faces a period of recalibration characterised by declining PBSA bookings and regional disparities, opportunities remain for well-informed operators and investors. The resilience of the HMO sector and the growing appeal of Build to Rent offerings underscore the diverse strategies needed to thrive in this transforming landscape. Enhanced data-driven decision-making and adaptive service models appear essential as the sector navigates these fundamental shifts.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[6]](https://sturents.com/student-accommodation-news/en/2024/01/30/early-signs-of-a-decline-in-pbsa-occupancy/3240), [[4]](https://utopi.co.uk/news-and-insights/to-re-book-or-not-to-re-book-that-is-the-pbsa-question/)
* Paragraph 2 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[7]](https://www.confused.com/student/student-accommodation-statistics.), [[2]](https://sturents.com/student-accommodation-news/en/2025/02/03/2025-forecasts-for-student-accommodation/3433)
* Paragraph 3 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[2]](https://sturents.com/student-accommodation-news/en/2025/02/03/2025-forecasts-for-student-accommodation/3433)
* Paragraph 4 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[2]](https://sturents.com/student-accommodation-news/en/2025/02/03/2025-forecasts-for-student-accommodation/3433), [[3]](https://knightknox.com/student-property-investment-explained/)
* Paragraph 5 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[2]](https://sturents.com/student-accommodation-news/en/2025/02/03/2025-forecasts-for-student-accommodation/3433)
* Paragraph 6 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[6]](https://sturents.com/student-accommodation-news/en/2024/01/30/early-signs-of-a-decline-in-pbsa-occupancy/3240)
* Paragraph 7 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[5]](https://www.knightfrank.com/research/article/2025/2/pbsa-investment-hits-ps39bn), [[3]](https://knightknox.com/student-property-investment-explained/)
* Paragraph 8 – [[1]](https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/), [[2]](https://sturents.com/student-accommodation-news/en/2025/02/03/2025-forecasts-for-student-accommodation/3433), [[3]](https://knightknox.com/student-property-investment-explained/)

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## Bibliography

1. <https://pbsanews.co.uk/2025/06/18/sturents-reveals-decline-in-pbsa-bookings-and-city-disparities/> - Please view link - unable to able to access data
2. <https://sturents.com/student-accommodation-news/en/2025/02/03/2025-forecasts-for-student-accommodation/3433> - This article discusses the 2025 forecasts for the UK student accommodation sector, highlighting trends such as a slowdown in demand, increased competition among providers, and a potential shortfall in supply. It also addresses the impact of the Renters’ Rights Bill on the House in Multiple Occupation (HMO) market and the importance of high-quality, real-time data for operators to make informed decisions.
3. <https://knightknox.com/student-property-investment-explained/> - This guide provides insights into student property investment in 2025, focusing on the imbalance between increasing student numbers and the insufficient growth in Purpose-Built Student Accommodation (PBSA) supply. It also highlights the resilience and investor confidence in the sector, noting a 14% rise in annual investment in 2024, reaching £3.9 billion.
4. <https://utopi.co.uk/news-and-insights/to-re-book-or-not-to-re-book-that-is-the-pbsa-question/> - This article examines the decline in re-bookings within the PBSA sector, attributing it to factors such as economic pressures and changing immigration rules for international students. It discusses the financial implications of reduced occupancy rates and suggests that operators need to adapt to these challenges to maintain profitability.
5. <https://www.knightfrank.com/research/article/2025/2/pbsa-investment-hits-ps39bn> - This report from Knight Frank reveals that nearly £575 million was invested in the UK PBSA market in the final quarter of 2024, bringing the annual investment total to £3.87 billion. It notes a 14% increase in annual investment compared to 2023, indicating strong investor confidence in the sector despite challenges.
6. <https://sturents.com/student-accommodation-news/en/2024/01/30/early-signs-of-a-decline-in-pbsa-occupancy/3240> - This article highlights early signs of a decline in PBSA occupancy rates, with studio bookings dropping from 58% to 44% year-on-year. It discusses factors contributing to this trend, including increased competition and cautious approaches from operators, and emphasizes the need for accurate market intelligence to navigate these changes.
7. <https://www.confused.com/student/student-accommodation-statistics.> - This article presents statistics on the UK student accommodation market, noting a 66.7% decline in the delivery of new PBSA beds between 2019 and 2023. It also highlights cities like Bristol, which have the highest percentage of PBSA beds in the pipeline for the 2023/24 academic year, indicating regional disparities in accommodation availability.