

Student Housing Management in Australia

Empty rooms: Border restrictions have severely reduced demand for industry accommodation

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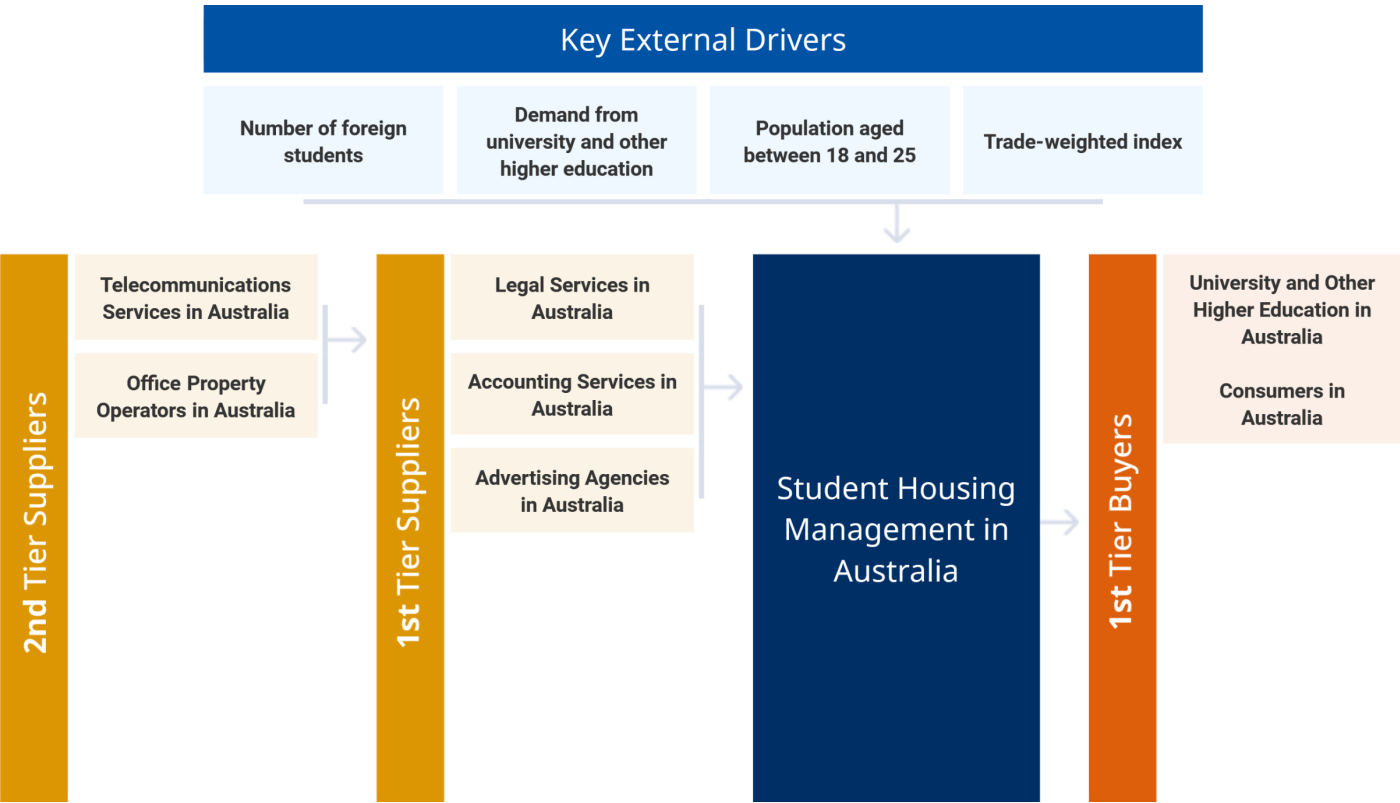
About IBISWorld

IBISWorld specializes in industry research with coverage on thousands of global industries. Our comprehensive data and in-depth analysis help businesses of all types gain quick and actionable insights on industries around the world. Busy professionals can spend less time researching and preparing for meetings, and more time focused on making strategic business decisions that benefit you, your company and your clients. We offer research on industries in the US, Canada, Australia, New Zealand, Germany, the UK, Ireland, China and Mexico, as well as industries that are truly global in nature.

About This Industry

Industry Definition	The industry provides management services for student accommodation providers. Student housing managers control and oversee student accommodation, like university campus accommodation and purpose-built student accommodation. Industry revenue does not include rent income from providing student accommodation.
Major Players	UniLodge
Main Activities	<p>The primary activities of this industry are:</p> <p>Managing university-affiliated student accommodation</p> <p>Managing university-affiliated residential colleges</p> <p>Managing purpose-built student accommodation</p> <p>The major products and services in this industry are:</p> <p>Purpose-built student accommodation management</p> <p>University-owned accommodation management</p> <p>Other student accommodation management</p>

Supply Chain



SIMILAR INDUSTRIES

Residential Property Operators in Australia

Complementor

Office Property Operators in Australia

Complementor

Retail Property Operators in Australia

Complementor

RELATED INTERNATIONAL INDUSTRIES

Property Management in the US

Student Accommodation in the UK

Property Management in Canada

Industry at a Glance

Key Statistics

\$315.9m
Revenue

Annual Growth	Annual Growth	Annual Growth
2018–2023	2023–2028	2018–2028
-2.6%	4.2%	



\$86.6m
Profit

Annual Growth	Annual Growth
2018–2023	2018–2023
-2.8%	



27.4%
Profit Margin

Annual Growth	Annual Growth
2018–2023	2018–2023
-0.3pp	



123
Businesses

Annual Growth	Annual Growth	Annual Growth
2018–2023	2023–2028	2018–2028
4.2%	1.4%	



1,247
Employment

Annual Growth	Annual Growth	Annual Growth
2018–2023	2023–2028	2018–2028
1.3%	2.8%	



\$124.3m
Wages

Annual Growth	Annual Growth	Annual Growth
2018–2023	2023–2028	2018–2028
-0.9%	3.1%	



Key External Drivers

% = 2018–23 Annual Growth

0.0%

Population aged between 18 and 25

-5.1%

Number of foreign students

-0.5%

Trade-weighted index

-1.2%

Demand from university and other higher education

Industry Structure

POSITIVE IMPACT

Life Cycle Growth

Capital Intensity Low

Concentration Low

MIXED IMPACT

Regulation & Policy Medium / Steady

Technology Change Medium

Barriers to Entry Medium / Steady

Industry Globalization Medium / Increasing

Competition Medium / Increasing

NEGATIVE IMPACT

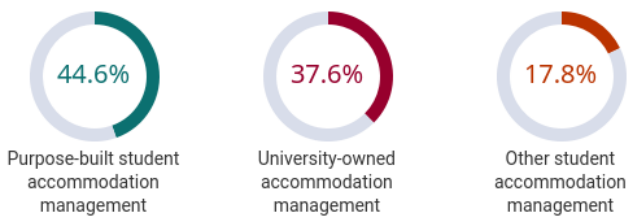
Revenue Volatility High

Industry Assistance Low / Steady

Key Trends

- Weak demand for student accommodation during the COVID-19 pandemic has dampened profitability
- Australian universities and colleges represent a preferred destination for many international students
- Student housing has offered potential for higher yields and a cheaper option for property investors
- The industry's performance will rebound with the recovery of foreign student numbers
- The projected rise in PBSA occupancy rates is forecast to underpin improved profit conditions
- Large management companies are expected to control a rising share of industry properties
- Revenue has fallen due to the decline in international student arrivals during the COVID-19 pandemic

Products & Services Segmentation



Student Housing Management
Source: IBISWorld

Major Players



29.5% UniLodge
70.5% Other

Student Housing Management
Source: IBISWorld

SWOT

S

STRENGTHS

Growth Life Cycle Stage
Low Imports
High Profit vs. Sector Average
Low Customer Class Concentration
Low Product/Service Concentration
Low Capital Requirements

W

WEAKNESSES

Low & Steady Level of Assistance
High Volatility

O

OPPORTUNITIES

High Revenue Growth (2023-2028)
High Performance Drivers
Population aged between 18 and 25

T

THREATS

Low Revenue Growth (2018-2023)
Number of foreign students

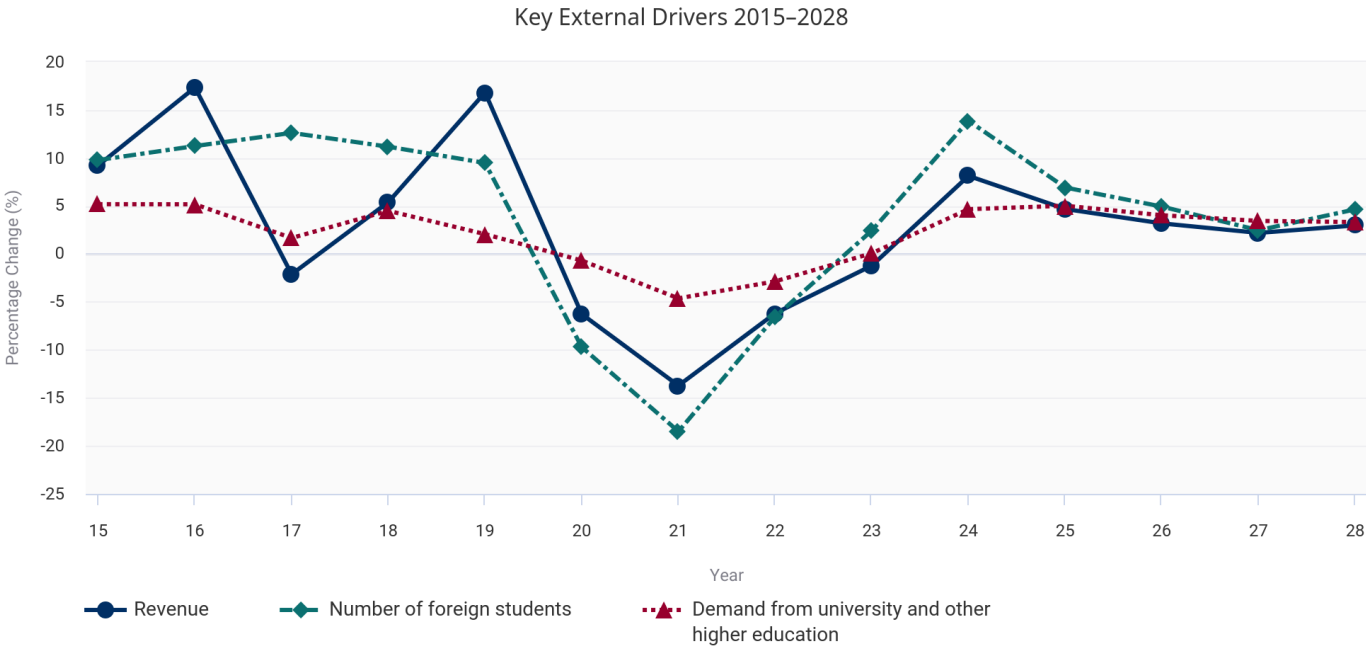
Executive Summary **Empty rooms: Border restrictions have severely reduced demand for industry accommodation**

Before the COVID-19 pandemic, strong growth in the number of international students entering Australia to study at tertiary institutions underpinned the Student Housing Management industry's long-term expansion. More funding for constructing purpose-built student accommodation (PBSA) also aided this growth. Student housing managers help investors with tenant administration, leasing and collecting rent. They also provide traditional property management services, like managing tenant and landlord interactions. Student housing managers generate revenue through a fee on the rental income that landlords receive, which foreign students enrolled in Australian tertiary education institutions pay.

Favourable immigration policies for foreign students and a relatively low Australian dollar supported strong industry expansion before COVID-19. A depreciating Australian dollar made course and tuition costs cheaper for international students, which encouraged more enrolments. However, international borders closed because of COVID-19, and many international students either returned to their home countries or started their study remotely. A shift to remote online education prompted revenue to drop at an annualised 2.6% to \$315.9 million over the five years to 2022-23. Fewer COVID-19 restrictions have led to a smaller fall of 1.2% in the current year, setting the industry up for strong recovery.

As international borders reopen, the Australian economy will be recovering, and international student numbers will rise once again. This trend is set to support stronger demand for student housing. More international students coming to Australia from expanding Asian economies, especially China and India, will fuel rising occupancy rates and encourage property developers to fund new PBSA properties. However, study costs are on track to lift, due to both an appreciating Australian dollar and the rising cost of living. Higher education fees may also be further deregulated, prompting universities to raise tuition costs and limiting rises in revenue and profitability. Revenue will rise at an annualised 4.2% to \$388.3 million over the five years to 2027-28, representing the industry's return to growth.

Industry Performance



Key External Drivers

Number of foreign students

International students account for most demand for student accommodation in Australia. International students tend to prefer off-campus, purpose-built student accommodation, since it's more convenient and affordable. Long-term growth in the number of international students has been a direct source of demand for student housing. However, the COVID-19 outbreak, remote learning directives and international borders closing disrupted the inflow of foreign students, threatening the industry's performance. The number of foreign students is rising by 2.4% in 2022-23.

Demand from university and other higher education

The industry derives most of its demand for accommodation from students attending university or other higher education institutions. Higher enrolment numbers directly lift industry demand. Demand from universities and other higher education institutions is rising by 0.1% in 2022-23 as international students begin to return to Australia.

Population aged between 18 and 25

People aged between 18 and 25 are the main demographic that needs student accommodation. While not all people in this age bracket attend higher education or require student accommodation, this demographic's growth expands the industry's potential market. Relatively slow population growth in this demographic compared with the overall population has constrained industry expansion. The population aged between 18 and 25 is climbing by 1.7% in 2022-23, providing an opportunity for industry expansion.

Trade-weighted index

The trade-weighted index represents the Australian dollar's value compared with a basket of currencies of its major trading partners. A weaker Australian dollar dampens education costs for international students and lifts demand for student accommodation. The Australian dollar is appreciating by 1.9% in 2022-23, which could constrain demand from international students.

Industry Performance 2015–2028



Student Housing Management
Source: IBISWorld

Current Performance

Revenue has fallen at an annualised 2.6% to \$315.9 million over the five years to 2022-23, including a drop of 1.2% in the current year, when profit margins will fall to 27.4%.

The industry focuses on international students as its key demographic

- The Student Housing Accommodation industry appeals to both international and domestic students. However, university-affiliated housing tends to meet most of domestic students' demand for accommodation. This is particularly true in Melbourne and Sydney, where many universities have long-established college dormitories and halls of residence. Domestic students also opt to live in share houses or at home with their families to save money.
- International students continue to account for most of the industry's demand. While the number of international students fell during COVID-19, numbers are recovering in the current year to support decreased vacancies. Recovering numbers are therefore stabilising profit margins.

Fewer international students entering Australia has damaged revenue

- The COVID-19 outbreak in March 2020 significantly dampened the industry's performance. International border restrictions meant that international students either returned to their home countries or studied remotely instead of travelling to Australia.
- Student housing managers tend to target their marketing efforts towards international students, and they are ramping up these efforts in the current year as borders reopen.
- Falling international student numbers cut the industry's key target market, and caused high vacancy rates in student accommodation. Recovery in the current year and borders reopening are limiting falls in revenue.

Limited fluctuations and stable growth in the long term encourage participation

- Even though revenue slumped during the COVID-19 pandemic, new entrants have continued to be attracted by long-term growth in international student numbers. The number of beds available in new purpose-built student accommodation buildings has also been climbing.
- While COVID-19 caused a short-term drop in staff numbers, employment is recovering in the current year as international students return to Australia. Enterprise and establishment numbers have continued to ramp up regardless of challenging conditions, encouraged by stable long-term growth trends.
- There are different operating structures for providing student accommodation, and the industry's scope is limited to revenue earned through property management services.

Student accommodation attracts property investors

- Student housing is an alternative asset class for property investors. It tends to be cheaper than standalone dwellings, and can return a higher yield.

- Student housing management is more complex than traditional real estate. Marketing student accommodation requires extensive networks and global reach, while managing affiliations with higher education institutions is an ongoing task and requires expertise. Therefore, student housing managers tend to provide more value in their services than traditional property managers, and they also charge higher fees.

Student housing managers need significant expertise

- Developing student housing is similar to residential development – a consortium of investors provides funding to build a residential facility specifically for student use, and individual rooms are sold to retail and institutional investors that receive rent from students.
- A specialised property manager, whose role often goes beyond simple tenant administration, manages the whole building. However, the building's exact structure can depend on the individual project.
- Specialised property managers offer services like security, tenant screening, administration, site management and marketing, and are usually experts in marketing student housing to international students.

Historical Performance Data

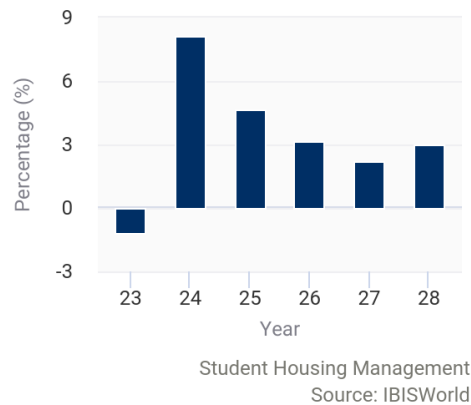
Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)
2013-14	273	174	161	83.0	847	N/A	N/A	93.7	N/A
2014-15	298	195	168	88.0	919	N/A	N/A	104	N/A
2015-16	350	230	173	91.0	1,073	N/A	N/A	124	N/A
2016-17	342	226	181	98.0	1,089	N/A	N/A	122	N/A
2017-18	361	240	186	100.0	1,169	N/A	N/A	130	N/A
2018-19	422	287	197	108	1,412	N/A	N/A	154	N/A
2019-20	395	257	208	108	1,369	N/A	N/A	146	N/A
2020-21	341	236	205	110	1,267	N/A	N/A	132	N/A
2021-22	320	223	212	121	1,237	N/A	N/A	126	N/A
2022-23	316	221	217	123	1,247	N/A	N/A	124	N/A

Industry Outlook

Outlook

Industry revenue will rise by an annualised 4.2% to \$388.3 million over the five years to 2027-28, when profit margins will widen to 27.7%.

Industry Outlook
2023–2028



Rising numbers of foreign students are set to stimulate demand

- As international student numbers recover to pre-COVID-19 levels, foreign enrolment will rebound, and Australia will remain a preferred destination for tertiary education.
- While the industry recovers from the pandemic, existing purpose-built student accommodation (PBSA) will meet demand for student housing. However, developers will restart deferred development projects and demand will climb. Infrastructure constraints among Australian universities may limit their ability to host students.
- Even though university placement caps have been removed, universities have a finite number of places. Growing demand for technical and vocational education will support student housing managers' profitability, as more international students start enrolling in these courses.

Greater tuition costs may limit tertiary enrolment

- The cost of studying is climbing, which may pose a challenge to international students that want to study in Australia. These higher costs are associated with both tuition and living costs.
- The Australian dollar is appreciating, contributing to mounting rent and tuition fees. However, rises are unlikely to significantly limit the number of international students enrolling in Australian courses.
- If the government continues to deregulate higher education fees, Australian universities will boost their courses' prices – sometimes to over \$25,000. This change will make universities more expensive for foreign students, which has the potential to dampen demand from international students.

Student housing management firms are on track to consolidate to retain market share

- The industry's return to strong revenue growth is encouraging new student housing managers to enter the industry, fuelling more rises in employment numbers to service accommodation facilities.
- Existing housing management firms will be consolidating, since larger firms will be exerting their influence and lifting their market share. The United States and United Kingdom have mature student accommodation markets, and the Australian industry is set to follow in these markets' footsteps.
- More influential management companies will be controlling a greater market share. By partnering with universities, management firms will take advantage of universities' brands and good reputations to attract more students.

Performance Outlook Data									
Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)
2022-23	316	221	217	123	1,247	N/A	N/A	124	N/A
2023-24	342	236	224	127	1,314	N/A	N/A	131	N/A
2024-25	358	246	227	128	1,354	N/A	N/A	136	N/A
2025-26	369	254	230	130	1,383	N/A	N/A	139	N/A
2026-27	377	259	232	130	1,403	N/A	N/A	142	N/A
2027-28	388	267	234	132	1,430	N/A	N/A	145	N/A
2028-29	399	274	235	133	1,457	N/A	N/A	148	N/A

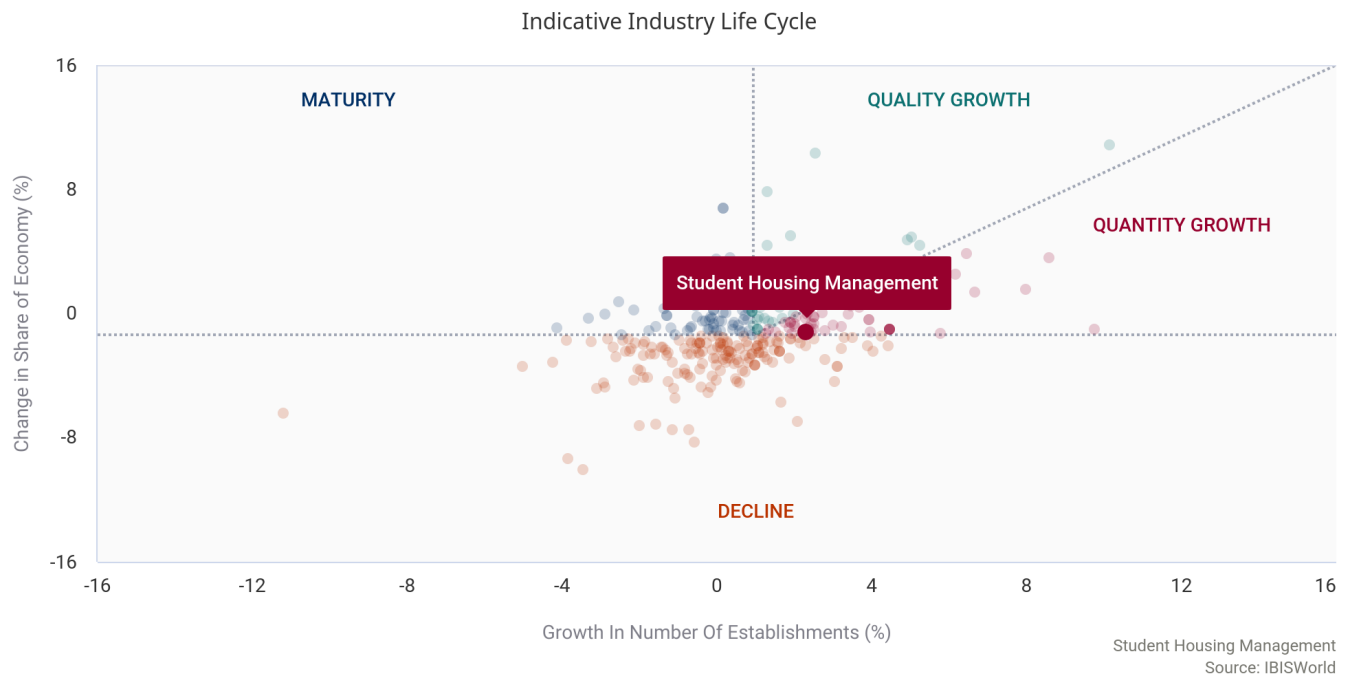
Industry Life Cycle The life cycle stage of this industry is ✔ Growth

LIFE CYCLE REASONS

The slump in the number of international students followed the COVID-19 outbreak

Industry participation is expected to rise at a solid pace over the long term

The industry involves limited technological change



Contribution to GDP

The industry's contribution to the economy is lower than overall GDP growth, largely because COVID-19 affected its target market – international students – in the short term.

Market Saturation

More housing managers are entering the industry despite short-term drops in revenue, and existing firms are expanding their establishment numbers.

Innovation

Student housing management firms have had to become more competitive by improving their service quality and offerings – including providing shared lifestyle assets like swimming pools, or access to third-party services like gyms and tutors.

Consolidation

Larger student housing management firms are acquiring more properties, as they consolidate to increase their market share and economies of scale.

Technology & Systems

Technological changes in the industry tend to focus on improving software to make delivering services cheaper and more efficient. Advances in computing and communications enhance recordkeeping and stakeholder communication.

Products & Markets

Supply Chain

Key Buying Industries

1st Tier

University and Other Higher Education in Australia

Consumers in Australia

Key Selling Industries

1st Tier

Legal Services in Australia

Accounting Services in Australia

Advertising Agencies in Australia

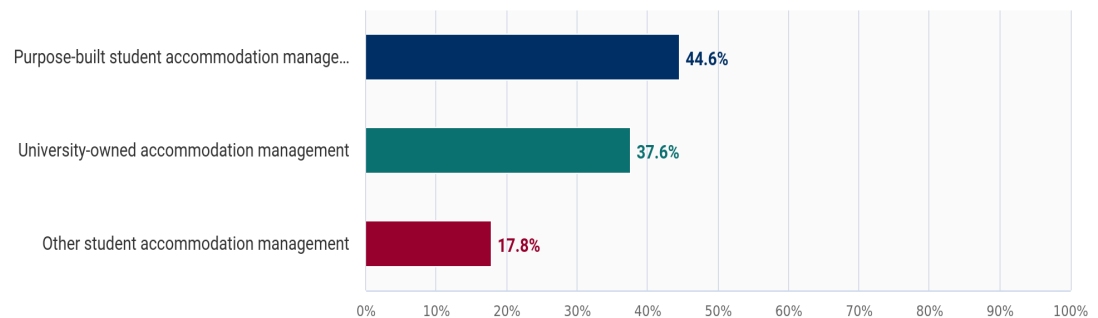
2nd Tier

Telecommunications Services in Australia

Office Property Operators in Australia

Products & Services

Products and Services Segmentation



2023 INDUSTRY REVENUE

\$315.9m

Student Housing Management
Source: IBISWorld

Purpose-built student accommodation endured the COVID-19 pandemic

- The industry plays a role in managing purpose-built student accommodation (PBSA). Property developers need property managers' services to generate a return on their investment.
- Unlike university-affiliated accommodation, developers and managers for PBSA are not supervised. How much communal space there is varies – some developments have private bathrooms and kitchens, while others have communal facilities. Larger properties have amenities like lounge areas, swimming pools and gymnasiums.
- As more developers cater to niche markets, the range of PBSA is expanding. Even though international student numbers slumped during COVID-19, PBSA segment revenue is climbing as the total stock of PBSA beds expands.

High costs and structural complexity are dampening the university-owned accommodation sector

- University-owned accommodation is dormitory-style properties with single rooms for students, full catering, communal bathrooms and limited cooking facilities. Traditional university colleges focus on pastoral care for students and provide an academic environment.
- Senior on-campus academics act as tutors and caretakers for colleges. Property management services are important to ensure these institutions run smoothly and comply with occupational health and safety regulations. In-house building managers often provide these services, while catering and cleaning are outsourced.
- Due to their cost, the student accommodation sector is growing out of the residential college model. The segment is falling as a share of revenue.

Demand for other forms of student accommodation is relatively stable

- Housing managers also provide other types of student accommodation, like short-term accommodation rental supplies alongside specific short-term educational courses (e.g. language immersion courses); and for tertiary courses run in remote desert, rainforest or rural locations.
- Short-term accommodation tends to be organised through the industry provider, which organises accommodation from existing hotels, motels, serviced apartments and occasionally allocating students to host families.

- The revenue share from other forms of student accommodation is remaining relatively stable, despite fluctuations in other segments.

Demand Determinants

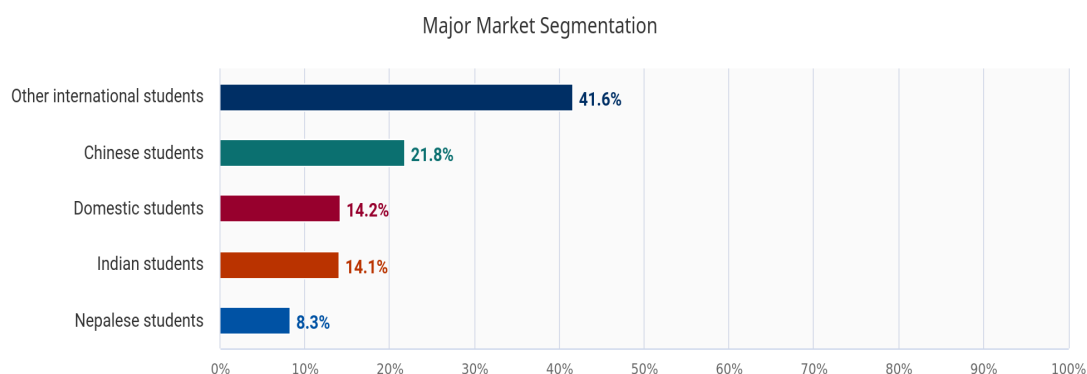
The industry is made up of international students and domestic students, which have different motivations for living in student accommodation.

These major markets' preferences affect the choices that property developers make, and therefore the industry's activities. Demand for student accommodation fell sharply after the COVID-19 outbreak, because of restrictions on foreign travel and remote learning requirements to ensure social distancing.

Demand from international students for student accommodation can be volatile, and growth in the total student enrolments drives its performance. Changes to immigration law or the Australian dollar's strength can significantly affect Australia's attractiveness to international students in the short term. Economic circumstances in students' home countries can also influence demand. International student enrolments tend to rise when the Australian dollar is weak, and immigration laws encourage the inflow of foreign students.

Growth in the population and domestic university enrolments affects demand from domestic students. This market is attuned to student accommodation's social and lifestyle benefits. These students can also substitute student accommodation for private rental markets. As vacancy rates decrease, price increases and landlord selectivity push students out of private rental markets.

Major Markets



2023 INDUSTRY REVENUE

\$315.9m

Student Housing Management
Source: IBISWorld

Chinese student numbers have remained down following COVID-19

- While China is the largest source of international students, most have been studying remotely because of COVID-19. Compared with before the pandemic, the number of Chinese students living and studying in Australia has plummeted.
- Since China has a rising middle class and a well-established upper class, more Chinese students have been able to afford to study abroad. Education quality and recognition are important for Chinese students, and international study is viewed as reputable.
- Despite Australia's international student market recovering, Chinese students' commencements have remained down by over 13% compared to 2021. The market's revenue share is continuing to fall.

Falling international student numbers have expanded the domestic students market

- Domestic students are a relatively small market for student housing managers, as most domestic students live at home or in share houses that are not included in the industry. The population aged between 18 and 25 has been inching upwards, supporting demand from the domestic market.
- Growth in demand for purpose-built student accommodation from domestic students has been from postgraduate students. However, domestic students can more easily use accommodation-sharing websites to find housing.
- The COVID-19 outbreak damaged international student numbers, forcing these students to study remotely from their home countries. Lower international student numbers are expanding domestic students' revenue share.

A depreciating Australian dollar has supported Indian student commencements

- Students from India represent one of the fastest-growing markets for student accommodation. The Indian students market has been rising as a share of revenue, particularly since most opted to continue to study in

Australia during the COVID-19 pandemic.

- Commencements by Indian students jumped by over 40% for the year through August 2022 compared with the previous year, and falling Chinese student commencements have kept their share high. A weak Australian dollar made it more affordable to study in Australia compared with the United Kingdom and the United States, boosting the number of Indian students enrolled in universities and VET courses.

Nepalese students' revenue share is rising because of expanding enrolments

- During the COVID-19 pandemic, most students from Nepal opted to continue studying in Australia instead of returning to their home country. This factor has increased Nepalese students' importance for student accommodation providers.
- Enrolments by Nepalese students has continued to grow in the current year, which is supporting a continued rise in the market's share of revenue.

COVID-19 restrictions have dampened revenue from the other international students market

- The other international students market is made up of students from various other nations, like Vietnam, Columbia, Brazil, Malaysia, South Korea, Thailand, the United States and the United Kingdom.
- Students in this segment are shifting more towards university enrolment rather than in VET courses. Demand from other international students has been falling, as the COVID-19 pandemic has interrupted travel. Domestic students' greater revenue share has also dampened demand from other international students.

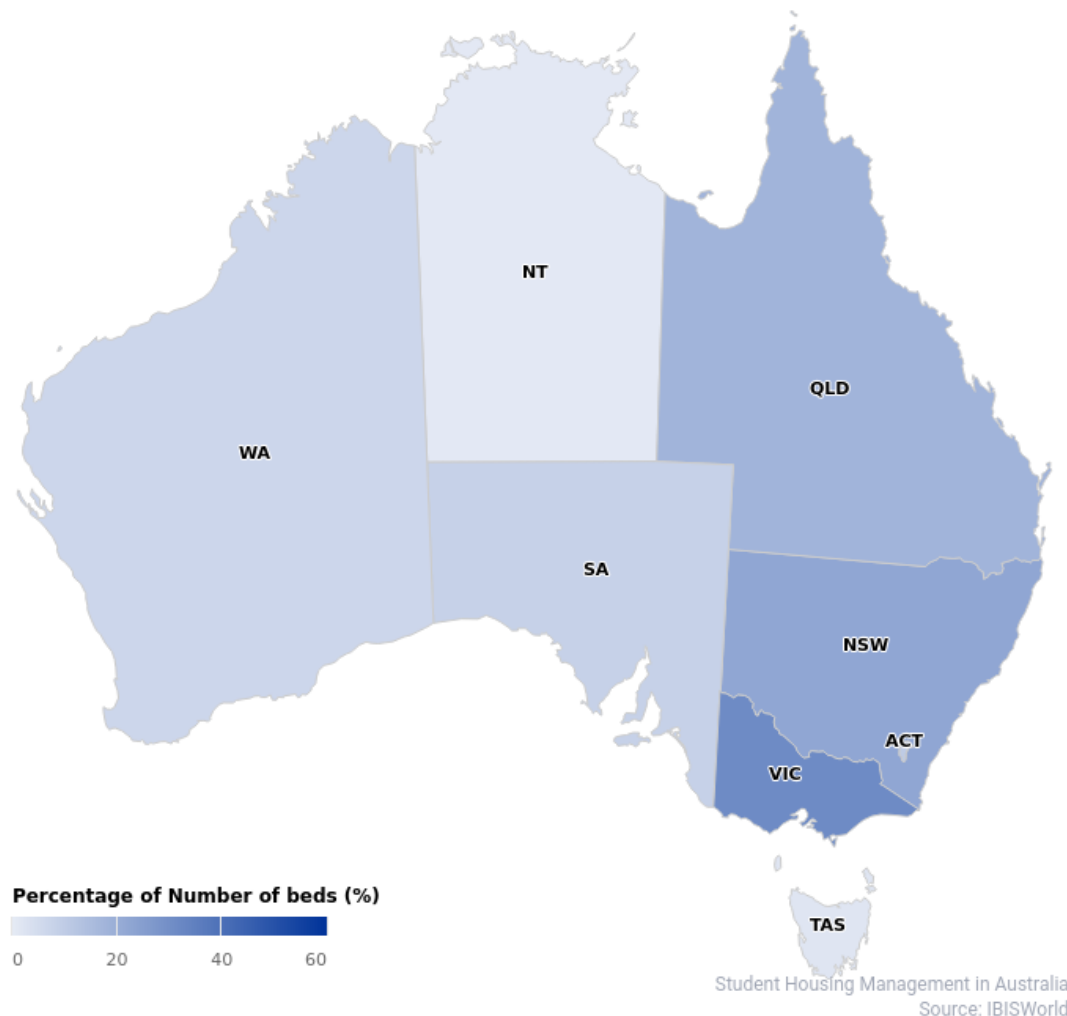
Exports in this industry are 🟢 **Low and Steady**

Imports in this industry are 🟢 **Low and Steady**

The Student Housing Management industry provides property management services in Australia. Therefore, the industry does not engage in international trade. However, global economic conditions, which influence the Australian dollar's strength, greatly affect student housing managers. Non-economic issues like border disruptions, which prevented international students from entering Australia after the COVID-19 outbreak, also influence the industry.

Business Locations

Business Concentration in Australia



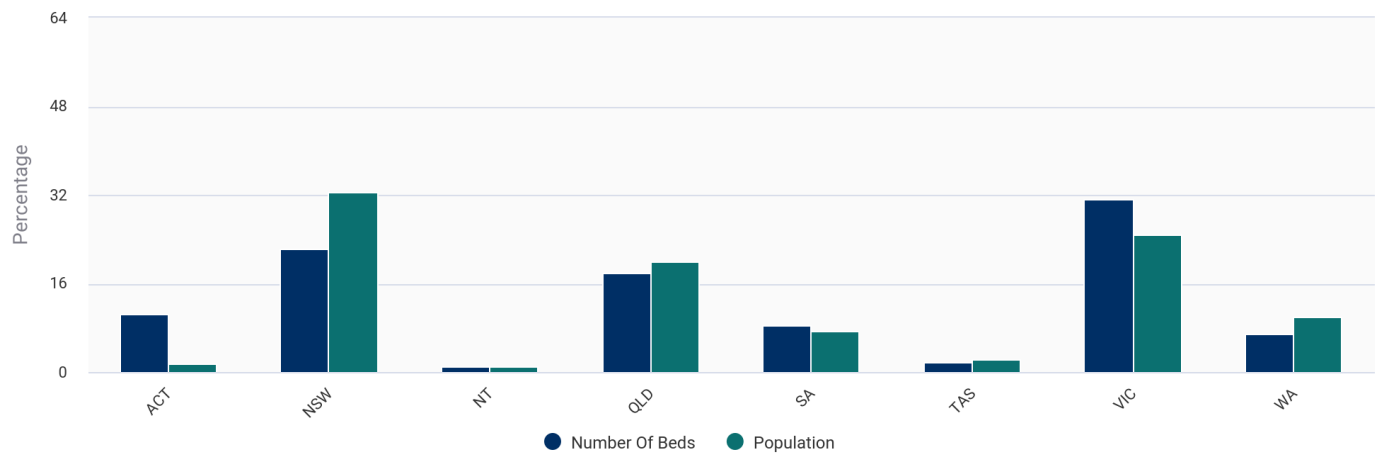
Victoria and the Australian Capital Territory: a high concentration of student accommodation

- The distribution of student accommodation beds by state and territory tends to broadly correspond with the student population's national distribution. However, accommodation is concentrated in Australia's largest capital cities, which attract many international students.
- Victoria attracts over one-third of Australia's international student population, which means that the state is represented in its number of beds.
- Australian Capital Territory's share of student accommodation beds exceeds its share of the national population. Many students from overseas and other states opt to study in Canberra, as its universities – like ANU – are highly reputable.

New South Wales: student accommodation underrepresents its share of the population

- New South Wales is underrepresented in terms of its share of national student accommodation beds – the number falls significantly below its share of national student enrolment.
- The state has a large amount of private rental accommodation available close to its universities and other educational institutions, and it also has a lower share of international student enrolments. These factors contribute to its low accommodation share.
- While Western Australia and Queensland are also underrepresented in terms of student accommodation beds, substantial purpose-built student accommodation construction is happening in Brisbane to address this gap.

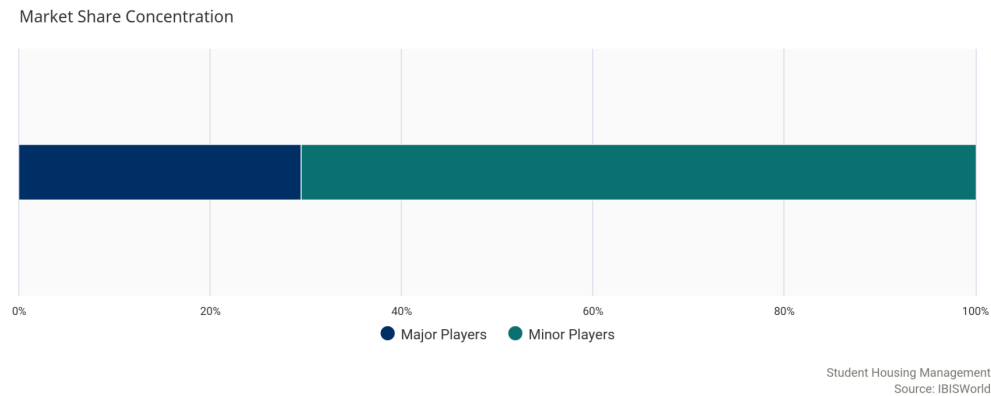
Distribution of Number Of Beds vs Population



Student Housing Management
Source: IBISWorld

Competitive Landscape

Market Share Concentration



Concentration in this industry is **Low**

Student housing managers focus on specific geographical areas

- Since the Student Housing Management industry is fragmented, providers tend to focus on a specific geographical area instead of attempting to compete in all major capital cities. Student accommodation providers that own and manage their own properties are not included in the industry.
- Melbourne is Australia's most concentrated market for student housing management. Several private companies target the area because of its high density of educational institutions.

Expanding operations may lift the industry's market share concentration

- The industry has a low market share concentration. The industry's four largest companies account for under 40% of revenue. However, UniLodge Australia – the industry's largest player – accounts for a significant portion of this revenue share.
- Growth in establishment numbers is on track to overtake growth in enterprise numbers, suggesting that the industry's market share concentration is on the rise.
- Student accommodation providers have been moving away from the residential college model, and have instead been preferring agreements with the private sector. Housing managers are expanding their operations to accommodate changing preferences.

Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

Superior financial management and debt management:

Student housing managers must consider all risks when determining financial gearing, including tenant quality, tenant leases' average length and rent growth potential.

Ability to effectively communicate and negotiate:

Student housing managers must maintain an effective negotiating position with tenants. Since the student community has diverse languages and cultures, managers need to have good communication skills.

Ability to pass on cost increases:

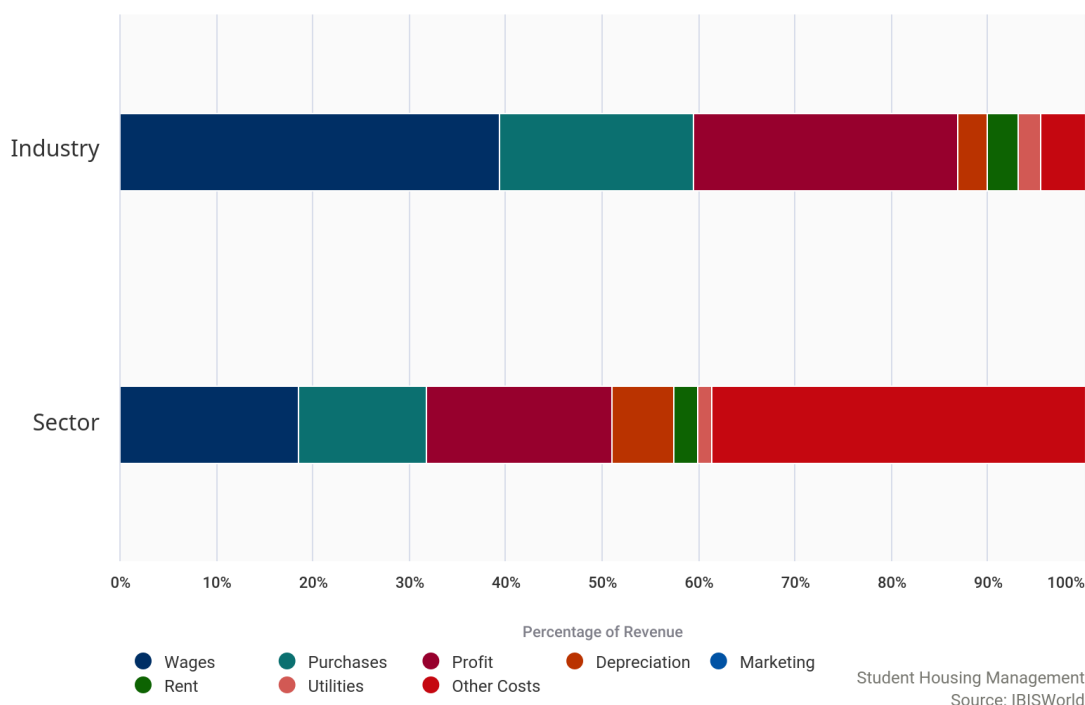
Student housing managers tend to enter long-term contracts. Their ability to pass on increases in their cost base to tenants is important for profitability.

Having contacts within key markets:

International students are a major market for the industry's services. Targeting product offerings and marketing to specific sections of the international student population may benefit student housing managers.

Cost Structure Benchmarks

Cost Structure 2023



Cost Structure Benchmarks

International border closures have damaged profitability

- Student housing management firms operate with wide profit margins, mainly because strong demand for accommodation ensures that occupancy rates are high. Housing managers tend to have the capacity to optimise their operating efficiency and benefit from economies of scale.
- The industry's profit margins have been weakening, largely because of weak demand during the COVID-19 pandemic. Occupancy rates dropped because international borders closed to foreign students, and student housing managers have had higher costs per accommodation unit. Resulting slumps in revenue and cashflow have caused purchase costs to lift, eroding profitability to 27.4%.

High labour intensity keeps wage costs high

- Wages are the largest component of the industry's cost structure. They account for over one-third of revenue, and this share has been rising.
- The industry is labour-intensive – student housing management companies need staff for all aspects of their operation, including marketing, sales, administration and maintenance. Employment numbers have been rising to account for expanding enterprise and establishment numbers, which have been supporting wage costs rising to 39.3% of revenue.

Purchase costs are low for student housing management firms

- Compared with the rest of the hospitality sector, purchases are quite low and account for a relatively minor share of industry revenue.
- Purchases for student housing management firms may include bedding, furniture, replacement bedroom furnishings and consumables. However, students often need to supply their own bed linen, toiletries and cleaning products, which limits firms' overall purchase costs.
- Industry purchase costs risen to 20.2% of revenue, mostly because overall revenue fell after COVID-19.

Depreciation, rent and utility costs are on the rise

- Depreciation charges are associated with apartment fit-outs, office equipment, gym equipment, websites and vehicles. Depreciation costs don't apply to owning premises or other depreciable assets (e.g. household electrical equipment or furniture). These costs have lifted to 3.1% of revenue, because industry revenue has fallen.
- Rent costs are associated with property management facilities, which involve branch offices in each state to service student apartments. Rent costs tend to be fixed, but climbed to 3.2% of revenue due to slumping revenue and greater residential housing prices.
- Utility costs have risen to 2.3% of revenue because of climbing electricity service prices.

Other costs' revenue share has contracted because of rises in other segments

- Student housing management firms also incur other general business operating costs, including insurance expenses, repairs and maintenance, legal fees and fees paid to contractors.
- Marketing expenses also tend to be high in the industry, as housing managers spend a lot of money to attract high-yielding tenants. Marketing tends to be aimed at international students, which requires expertise and extended networks.
- Several cost components in this segment are fixed. However, rises in wages and purchases as a share of revenue have dampened other costs to 4.5% of revenue.

Basis of Competition

Competition in this industry is ☹ **Medium** **and the trend is** Increasing

The Student Housing Management industry has moderate competition.

The key factor moderating competition is the severe shortage of student accommodation beds in most major capital cities. However, competitive conditions may intensify as substantial accommodation capacity enters the market. The COVID-19 pandemic severely dampened demand for student accommodation in recent years, which contributed to a short-term spike in price-based competition between housing managers.

INTERNAL COMPETITION**Student housing management firms primarily compete on price, location and the range of facilities available to tenants.**

The property owner tenders management contracts, which are awarded on a multi-year basis to the firm with proven capacity to deliver required services at the agreed contract price. Rival housing managers may bid down service prices. Other management firms compete by operating certain kinds of accommodation. Competition between student housing managers is therefore based on their cost structure, and economies of scale are critical.

Student housing managers also seek to achieve comparative advantages in terms of relationships and reputation. These factors are particularly important for providing services to university-affiliated accommodation. Universities and other tertiary education institutions recommend such accommodation to their students, and may allow property operators to use their brand. Therefore, these educational institutions are sensitive to service quality, student outcomes and price.

EXTERNAL COMPETITION**Student housing managers face intense external competition from traditional residential property operators and, in particular, owner-manager providers of student accommodation.**

This latter group may include university-owned and -operated residential colleges and halls of residence, and firms that operate purpose-built student accommodation, like Scape and CLV Group. The number of domestic higher education students exceeds that of international students, and most of these students stay in shared rental properties or live at home with their parents.

Barriers to Entry

Barriers to Entry in this industry are ☹ **Medium** **and the trend is** Steady

Legal

Student housing management firms must adhere to several federal and state regulations. There is legislation for leases, occupational health and safety, leasing arrangements and property development, which may add to the cost of operating in the industry.

Start-Up Costs

Establishing a reputation for delivering quality service is time-consuming and can be capital-intensive. New entrants must invest in constructing or acquiring assets, which can be costly.

Differentiation

Student accommodation managers compete on price, location and the facilities they offer to tenants. They can offer competitive prices or different services, like catering, to differentiate themselves from competitors.

Labour Intensity

The industry is labour-intensive, and student housing management firms need staff for administrative, maintenance and service purposes. It's also important for firms to have staff that understand the needs of their market.

Barriers to Entry Checklist

Competition	Medium ☹
Concentration	Low ☺
Life Cycle Stage	Growth ☺
Technology Change	Medium ☹
Regulation & Policy	Medium ☹
Industry Assistance	Low ▲

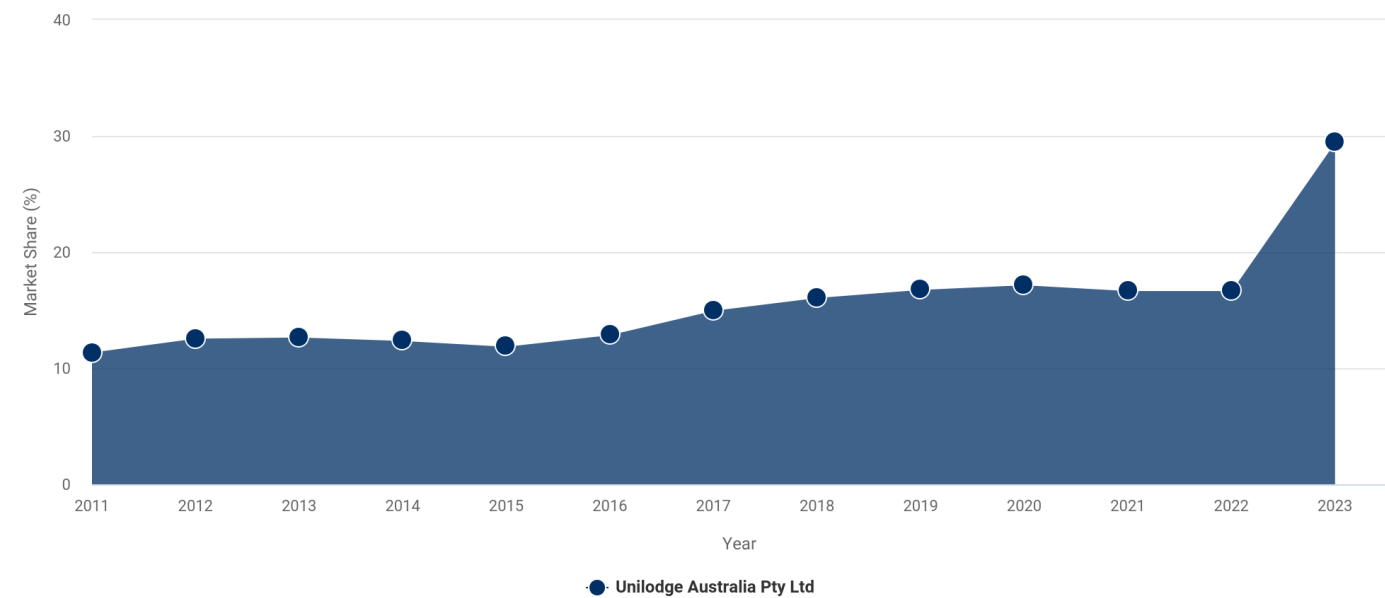
Industry Globalization

Globalization in this industry is ☹ Medium and the trend is Increasing

The industry is moderately globalised, reflecting existing leading companies' significant foreign ownership and an incoming influx of foreign investment in purpose-built student accommodation (PBSA). The industry heavily relies on international students as its main demographic, but student accommodation managers currently deal mainly with local property owners. Therefore, the industry does not record international trade. While Australian-owned student housing managers currently dominate the industry, major developments are currently under construction or in the development pipeline that will lead to several large-scale foreign companies entering the industry. Industry globalisation has been rising, particularly after UK-owned Scape Australia acquired Urbanest Pty Limited in December 2019.

Major Companies

Major Players and Their Market Share 2011–2023



Student Housing Management in Australia
Source: IBISWorld

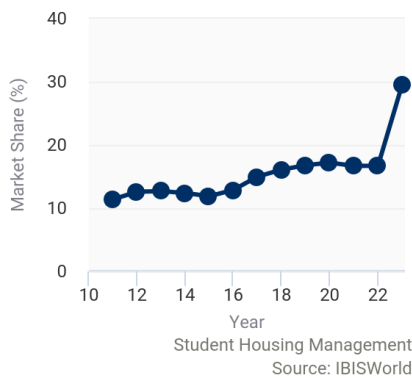
Major Players

Unilodge Australia Pty Ltd

Market Share: 29.5%

Brand Names UniLodge

Unilodge Australia Pty Ltd



Description

Unilodge Australia Pty Ltd is the industry's oldest private-sector participant, and is headquartered in Brisbane. The company entered the industry in 1996 when it completed an accommodation facility in Sydney. Luxembourg-based private equity firm Pamoja Business Holdings S.A.R.L majority owns UniLodge. The company's mainly provides property management for short- and long-term rental accommodation. UniLodge employs over 550 staff and manages over 80 furnished, self-catered accommodation buildings across Australia and New Zealand, which currently comprise over 22,000 beds.

Strategic partnerships are expanding UniLodge's reach

- Affiliation with universities and other tertiary institutions can give companies a competitive advantage. Since universities often carry good reputations and are well known, the strength of their brand can benefit student accommodation providers.
- In early 2021, UniLodge announced that it had signed partnership agreements to provide student accommodation at the University of Sydney and La Trobe University in Melbourne, and the University of Canterbury in New Zealand.
- In 2019, UniLodge Australia entered into an agreement with a local technology provider, Cohort Go, to roll out custom-built payment software to streamline the global payment system.

COVID-19 border restrictions affected the company's performance

- During the COVID-19 pandemic, closed international borders meant that fewer international students were staying in or travelling to Australia.

- Many students opted to study remotely from their home countries while international borders were closed, meaning that they did not need student accommodation. Company revenue has been falling due to this decrease in demand for student housing.

Unilodge Australia Pty Ltd - industry segment performance		
Year	Revenue (\$m)	Growth (% change)
2012-13	25.8	4.9
2013-14	28.5	10.5
2014-15	29.7	4.2
2015-16	37.5	26.3
2016-17	44.2	17.9
2017-18*	50.4	14
2018-19*	55.6	10.3
2019-20*	82.0	47.5
2020-21*	74.3	-9.4
2021-22*	82.6	11.2
2022-23*	93.0	12.6

Source: Annual Report and IBISWorld

Note: *Estimate

Other Companies

Residential colleges, home share arrangements and the private rental market have traditionally provided university student accommodation. University colleges remain a feature of the industry, with pastoral care making up most activities, along with services like conference accommodation and property management services. Older universities like the University of Melbourne and the University of Sydney have the most well-known traditional residential colleges. However, no single residential college generates enough revenue from management services operations to be considered a major industry player.

Scape Student Living Australia Pty Ltd

Market Share: 5.0%

Brand Names: Scape Student Living Australia , Urbanest

Description

Scape Student Living Australia Pty Ltd was founded in 2013, is headquartered in Melbourne. It acquired Urbanest Pty Limited in May 2020, and the company has approximately 6,805 student accommodation beds in 14 properties under the Urbanest banner. Scape's Australian operations are spread across Sydney (six properties), Melbourne (four properties) and Brisbane (two properties). It owns most of the beds it operates, which significantly dilutes the company's industry-specific revenue, as it also operates as a landlord and receives rental income.

Student Housing Australia Pty Ltd

Market Share: 5.0%

Description

Founded in 2005, Student Housing Australia (SHA) is a property management company focused on the Victorian higher education market. It manages over 2,500 beds in suburbs near Melbourne's major universities and large TAFE colleges, and is headquartered in Melbourne. SHA operates three property management offices and manages fully-furnished apartments spread across over 45 buildings. SHA holds ISO 9001 accreditation under the international standard specifying requirements for a quality management system.

Iglu Pty Ltd

Market Share: 3.0%

Description

Iglu Pty Ltd was founded in 2010 and is headquartered in Sydney. The company develops and operates off-campus purpose-built student accommodation (PBSA). The company focuses on providing premium quality, fully furnished and full-service accommodation located close to the major universities and colleges in several cities. The network of Iglu PBSA locations currently includes Sydney (five properties), Melbourne (two properties) and Brisbane (two properties).

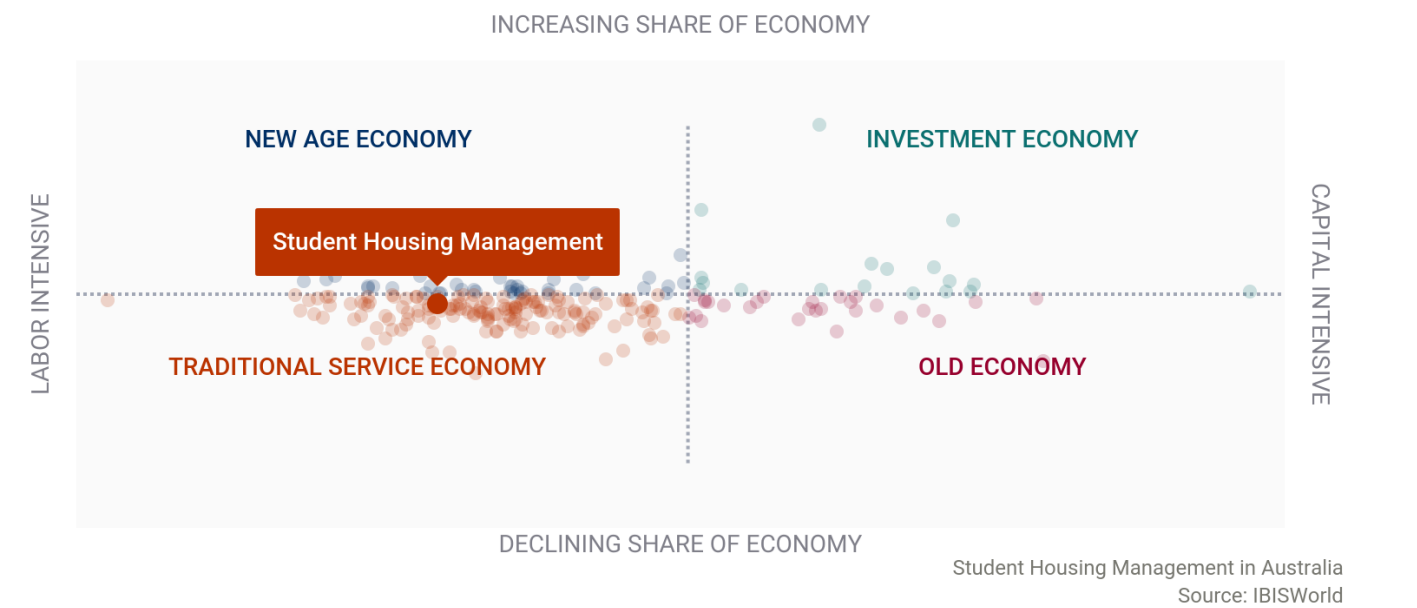
Occupancy rates fell during COVID-19

- Iglu reported that its occupancy rate declined during the COVID-19 pandemic. It fell from the usual 95% occupancy to about half, as foreign students left the country and tertiary education shifted to remote learning.
- The company has stated that it may take some time to recover from COVID-19, as the pipeline of students

entering accommodation was disrupted. As international student numbers are rising again in the current year, Iglu's occupancy rates and revenue will likely begin to recover.

Operating Conditions

Costs of Growth: Targeting Capital vs. Labor



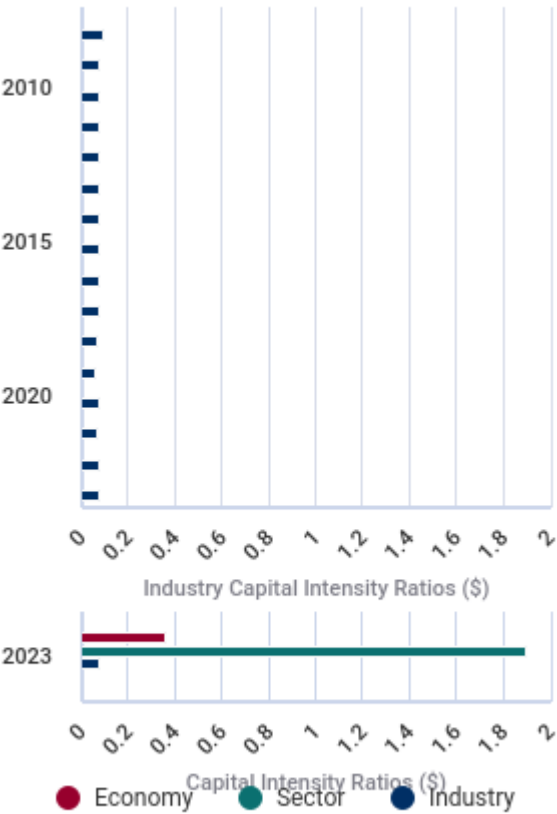
Capital Intensity

The level of capital intensity is **Low**

The industry displays low capital intensity. The industry's depreciation charges are consistent with the broader Property Operators industry group, and account for 3.1% of industry revenue. However, the industry incurs substantial labour input costs, and wages account for 39.3% of revenue in 2022-23. The industry allocates \$12.68 for labour inputs for every dollar spent on capital equipment, suggesting a very high labour-to-capital depreciation ratio.

The industry incurs relatively high labour costs, which have been trending upwards. This rise is because the industry needs skilled labour to market and sell student accommodation, and for ongoing administration and maintaining properties. As student accommodation tends to be self-catered and not serviced regularly, the industry's labour input requirements are relatively low compared with more labour-intensive accommodation, like hotels and resorts.

Capital Intensity Ratios



Student Housing Management
Source: IBISWorld

Technology & Systems

Potential Disruptive Innovation: Factors Driving Threat of Change

Level	Factor	Disruptive Effect	Description
✓ Very Low	Rate of Innovation	Very Unlikely	A ranked measure for the number of patents assigned to an industry. A faster rate of new patent additions to the industry increases the likelihood of a disruptive innovation occurring.
⚠ Very High	Innovation Concentration	Very Likely	A measure for the mix of patent classes assigned to the industry. A greater concentration of patents in one area increases the likelihood of technological disruption of incumbent operators.
⚠ High	Ease of Entry	Likely	A qualitative measure of barriers to entry. Fewer barriers to entry increases the likelihood that new entrants can disrupt incumbents by putting new technologies to use.
⚠ High	Rate of Entry	Likely	Annualized growth in the number of enterprises in the industry, ranked against all other industries. A greater intensity of companies entering an industry increases the pool of potential disruptors.
⚠ Very High	Market Concentration	Very Likely	A ranked measure of the largest core market for the industry. Concentrated core markets present a low-end market or new market entry point for disruptive technologies to capture market share.

The rate of new patent technologies entering the industry is low, which limits the potential for innovations. A low rate does not mean that innovations cannot occur, just that the likelihood of some innovation materializing as a threat is lower. However, the concentration of technologies is high in this industry. This suggests that industry operators have exposure to potentially unforeseen areas of innovation.


This technology trend is underscored by structural factors that support new entrants. An accommodative structure can create a situation where small entrants can focus on less profitable albeit innovative industry entry points. Or, large operators in other industries can leverage expertise in other areas to enter the industry from a new angle.

The major markets for this industry are highly concentrated, which implies that the market has a focus on key customer segments. This presents an opportunity for strategic entrance into lower-end markets or unserved markets for innovations to take on a disruptive trajectory.

Technology and systems disruption has not significantly affected the Student Housing Management industry.

However, changing preferences for student accommodation that offers superior lifestyle options – like swimming pools and gyms, and access to in-house tutoring – have benefited some student housing managers. These changes in student accommodation will likely generate wider profit margins for some student housing managers and increase occupancy rates.

Advancements in computer software have also benefited student housing managers. Firms can implement software packages to improve recordkeeping and invoicing. Managers can use software to streamline supply procurement and efficiently allocate labour. To make full use of these technologies, student housing managers may spend more on training staff or employ personnel with computer skills.

The level of technology change is  **Medium**

The Student Housing Management is a service industry, and technological changes tend to focus on improving software to enhance service delivery, account keeping and scheduling.

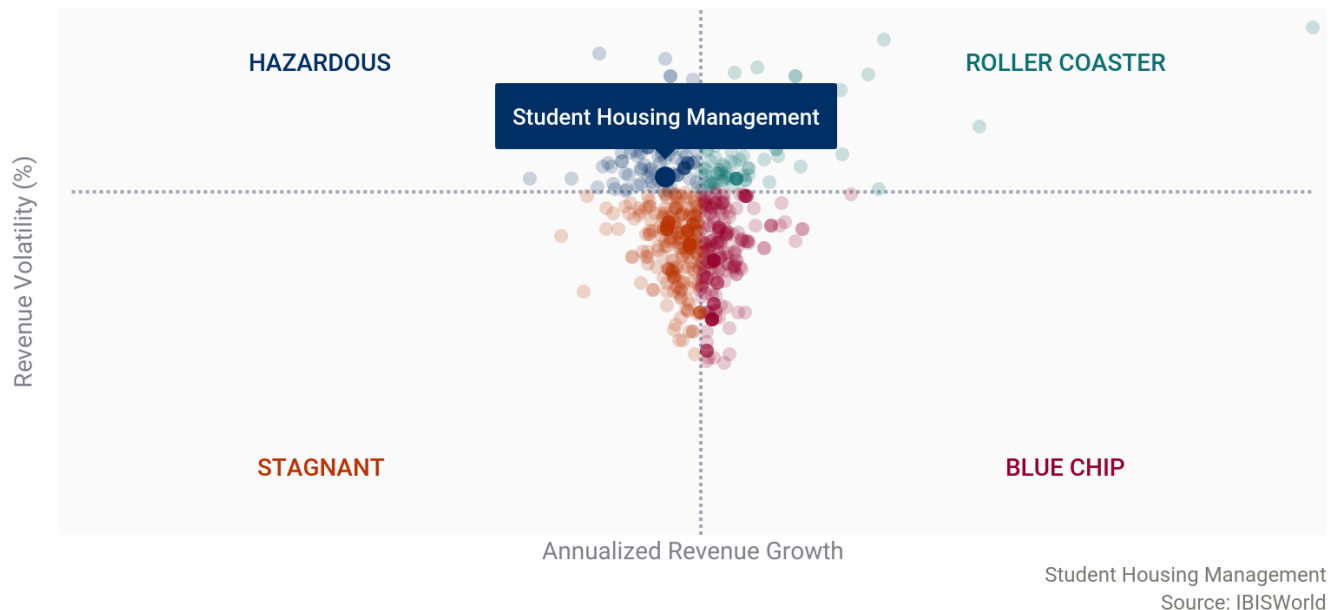
Changing demand patterns from major markets or new product developments can also influence the industry. These changes may include self-contained units; shared community lifestyle assets like swimming pools; and access to third-party services, like gyms or tutors.

Like many other service industries, advances in computing and electronic communications have benefited student housing managers. These advances have made recordkeeping and communicating with stakeholders cheaper and easier. Legal requirements for tenancies have slowed the adoption of these systems for leasing activities. The industry has heavily invested in web development for marketing to an international audience. Interactive websites and online room applications are common.

Revenue Volatility

The level of volatility is ▲ **High**

Volatility vs. Growth



Variable demand has spiked volatility

- Demand for the industry has been fluctuating. The COVID-19 pandemic caused weak demand, since border restrictions severely limited how many international students were enrolling in Australian universities. Many international students that enrolled opted to study from their home countries instead, dampening demand for student housing.
- An emphasis on remote learning also reduced how many domestic students attended universities in person, leading many students to opt to live at home with their parents or stay in share houses instead of on campus. In the short term, COVID-19 ramped up the industry's revenue volatility.

Changes in the Australian dollar only lightly affect the industry's long-term demand

- The Student Housing Management industry tends to face only minor fluctuations in demand over the long-term, which tends to be due to changes in the value of the Australian dollar.
- When the Australian dollar is weaker, international students are more likely to study in Australia, since they can get a better exchange rate on their own currency. Meanwhile, an appreciating Australian dollar tends to deter international students, reducing demand for student housing.
- Property market yields, supply and demand factors for student accommodation, changes in immigration policies, new developments and changes in tuition fees also affect volatility in the long term.

Regulation & Policy

The level of regulation is ⊖ **Medium** and the trend is **Steady**

National Australian Built Environment Rating System (NABERS)

Environmental, planning and safety regulations are also important for property construction. Student housing managers that are seeking to construct new developments must comply with these state and federal laws. New buildings that are constructed in inner urban areas must have double-glazed windows and must comply with the NABERS energy efficiency ratings.

Tenancy rights

State-based residential tenancy legislation outlines the rights of landlords and tenants. This legislation includes lease terms, the payment of deposits, notification periods and arrangements for paying for damage to properties. Accommodation managers have an obligation to provide a safe environment for students in student housing, and are subject to safety regulations.

Student welfare

Specific requirements for international students under the age of 18 affect student housing managers. These students' visa conditions mandate specific accommodation and welfare arrangements. They must live in Australia with their parents or legal guardians; with a relative over 21 nominated as their legal guardian; or under an education provider-approved welfare arrangement. These requirements lead to provisions in property operation contracts for caretaker services to act as welfare providers.

Modern Slavery Act 2018

The industry's concerns regarding the act mainly relate to possibly allocating low-skilled manual jobs to socio-economically vulnerable migrant workers. Student housing managers may be exposed to greater risk of modern slavery because of their inability to verify the recruitment and employment practices of suppliers and subcontractors. Most student housing managers are too small to be mandated to report under the act, although policymakers encourage voluntary reporting.

Industry Assistance

The level of industry assistance is ▲ Low and the trend is Steady

PublicThe Student Housing Management industry does not receive any public assistance.***Private***Some managers may be eligible for education industry-focused assistance.

sistance. The Asia-Pacific Student Accommodation Association (APSAA) is a professional body for post-secondary student accommodation providers in the Asia-Pacific region. APSAA supports professional development within, quality standards in delivering student housing, facilitates industry sustainability and advocates for standards in student housing services. Many overlapping bodies for advocacy relating to particular disciplines or institutions represent educational institutions.

Key Statistics

Industry Data

Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)
2013-14	273	174	161	83.0	847	N/A	N/A	93.7	N/A
2014-15	298	195	168	88.0	919	N/A	N/A	104	N/A
2015-16	350	230	173	91.0	1,073	N/A	N/A	124	N/A
2016-17	342	226	181	98.0	1,089	N/A	N/A	122	N/A
2017-18	361	240	186	100.0	1,169	N/A	N/A	130	N/A
2018-19	422	287	197	108	1,412	N/A	N/A	154	N/A
2019-20	395	257	208	108	1,369	N/A	N/A	146	N/A
2020-21	341	236	205	110	1,267	N/A	N/A	132	N/A
2021-22	320	223	212	121	1,237	N/A	N/A	126	N/A
2022-23	316	221	217	123	1,247	N/A	N/A	124	N/A
2023-24	342	236	224	127	1,314	N/A	N/A	131	N/A
2024-25	358	246	227	128	1,354	N/A	N/A	136	N/A
2025-26	369	254	230	130	1,383	N/A	N/A	139	N/A
2026-27	377	259	232	130	1,403	N/A	N/A	142	N/A
2027-28	388	267	234	132	1,430	N/A	N/A	145	N/A

Annual Change

Year	Revenue (%)	IVA (%)	Establishments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)
2013-14	10.5	11.0	0.62	5.06	12.0	N/A	N/A	11.8	N/A
2014-15	9.23	12.6	4.34	6.02	8.50	N/A	N/A	11.0	N/A
2015-16	17.3	17.7	2.97	3.40	16.8	N/A	N/A	19.1	N/A
2016-17	-2.12	-1.57	4.62	7.69	1.49	N/A	N/A	-1.38	N/A
2017-18	5.40	5.92	2.76	2.04	7.34	N/A	N/A	6.62	N/A
2018-19	16.8	19.8	5.91	8.00	20.8	N/A	N/A	18.3	N/A
2019-20	-6.27	-10.4	5.58	0.00	-3.05	N/A	N/A	-5.52	N/A
2020-21	-13.7	-8.44	-1.45	1.85	-7.46	N/A	N/A	-9.27	N/A
2021-22	-6.19	-5.23	3.41	10.0	-2.37	N/A	N/A	-4.77	N/A
2022-23	-1.22	-1.26	2.35	1.65	0.80	N/A	N/A	-1.28	N/A
2023-24	8.13	7.21	3.22	3.25	5.37	N/A	N/A	5.71	N/A
2024-25	4.68	4.06	1.33	0.78	3.04	N/A	N/A	3.42	N/A
2025-26	3.18	3.21	1.32	1.56	2.14	N/A	N/A	2.28	N/A
2026-27	2.19	2.04	0.86	0.00	1.44	N/A	N/A	1.79	N/A
2027-28	2.97	3.08	0.86	1.53	1.92	N/A	N/A	2.26	N/A

Key Ratios

Year	IVA/Revenue (%)	Imports/ Demand (%)	Exports/ Revenue (%)	Revenue per Employee (\$'000)	Wages/ Revenue (%)	Employees per estab. (Units)	Average Wage (\$)
2013-14	63.6	N/A	N/A	322	34.3	5.26	110,626
2014-15	65.5	N/A	N/A	324	34.9	5.47	113,166
2015-16	65.7	N/A	N/A	326	35.4	6.20	115,471
2016-17	66.1	N/A	N/A	314	35.7	6.02	112,213
2017-18	66.4	N/A	N/A	309	36.1	6.28	111,463
2018-19	68.1	N/A	N/A	299	36.6	7.17	109,207
2019-20	65.1	N/A	N/A	289	36.9	6.58	106,428
2020-21	69.1	N/A	N/A	269	38.8	6.18	104,341
2021-22	69.8	N/A	N/A	259	39.4	5.83	101,778
2022-23	69.8	N/A	N/A	253	39.3	5.75	99,679
2023-24	69.2	N/A	N/A	260	38.5	5.87	100,000
2024-25	68.8	N/A	N/A	264	38.0	5.96	100,369
2025-26	68.8	N/A	N/A	267	37.7	6.01	100,506
2026-27	68.7	N/A	N/A	269	37.5	6.05	100,855
2027-28	68.8	N/A	N/A	272	37.3	6.11	101,189

Figures are inflation adjusted to 2022-23

Additional Resources

Additional Resources

Property Council of Australia
<http://www.propertycouncil.com.au>

International Education Online
<http://internationaleducation.gov.au>

Asia-Pacific Student Accommodation Association (APSAA)
<http://www.apsaa.org.au>

Savills Australia
<http://www.savills.com.au>

Industry Jargon

PURPOSE-BUILT STUDENT ACCOMMODATION (PBSA)

PBSA is measured in both number of buildings and beds.

STUDENT HOUSING

Property built for students to occupy during tertiary education.

WELFARE PROVIDER

A provider certified to provide welfare living arrangements to international students under the age of 18, as required by student visas.

Glossary

BARRIERS TO ENTRY

High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.

CAPITAL INTENSITY

Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labour. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than \$0.333 of capital to \$1 of labour; medium is \$0.125 to \$0.333 of capital to \$1 of labour; low is less than \$0.125 of capital for every \$1 of labour.

CONSTANT PRICES

The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the 'real' growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the Australian Bureau of Statistics' implicit GDP price deflator.

DOMESTIC DEMAND

Spending on industry goods and services within Australia, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.

EMPLOYMENT

The number of permanent, part-time, temporary and casual employees, working proprietors, partners, managers and executives within the industry.

ENTERPRISE

A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.

ESTABLISHMENT

The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.

EXPORTS

Total value of industry goods and services sold by Australian companies to customers abroad.

IMPORTS

Total value of industry goods and services brought in from foreign countries to be sold in Australia.

INDUSTRY CONCENTRATION

An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less

than 40%.

INDUSTRY REVENUE

The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

INDUSTRY VALUE ADDED (IVA)

The market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.

INTERNATIONAL TRADE

The level of international trade is determined by ratios of exports to revenue and imports to domestic demand. For exports/revenue: low is less than 5%; medium is 5% to 20%; and high is more than 20%. Imports/domestic demand: low is less than 5%; medium is 5% to 35%; and high is more than 35%.

LIFE CYCLE

All industries go through periods of growth, maturity and decline. IBISWorld determines an industry's life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments; the amount of change the industry's products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

NONEMPLOYING ESTABLISHMENT

Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

PROFIT

IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding interest and tax.

VOLATILITY

The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than $\pm 20\%$; high volatility is $\pm 10\%$ to $\pm 20\%$; moderate volatility is $\pm 3\%$ to $\pm 10\%$; and low volatility is less than $\pm 3\%$.

WAGES

The gross total wages and salaries of all employees in the industry.

Call Preparation Questions

Role Specific Questions

Sales & Marketing

How does your business establish contracts?

Long-term contracts with businesses can help stabilise revenue growth.

How does your business promote its services?

In a fragmented industry, managers need to differentiate their service offering from competitors.

Strategy & Operations

How does your company monitor its competitors' performance?

The student housing market has grown increasingly price-competitive, largely because the Australian dollar has been depreciating.

What additional areas can your company expand into?

Opportunities arise from the significant reputation that the major student housing managers in the industry have built up.

More businesses are developing and managing student accommodation.

Technology

How does your company's online platform compare with those of its competitors?

International students represent the industry's largest source of revenue.

Having a strong online presence can increase your company's brand recognition with potential foreign customers.

How has your company automated its administrative functions to reduce labour reliance?

Certain administrative functions can be automated, which can reduce wage costs and help boost profit margins.

Compliance

What industry associations is your company aligned with?

The Asia-Pacific Student Accommodation Association (APSAA) is a professional body for all providers of post-secondary student accommodation in the Asia-Pacific region.

What type of base regulations is your student housing management business expected to comply with?

State-based residential tenancy legislation outlines the rights of landlords and tenants. These include lease terms, deposits, notification periods and arrangements for paying for damage.

Finance

How have wages costs affected your company's profit margins?

Wages have risen as a share of revenue, as firms retain employment despite a slump in activity.

How do your company's profit margins compare with those of its competitors?

Average profitability for student housing managers has slumped since the COVID-19 outbreak.

**External Impacts
Questions****Impact: Number of foreign students**

What portion of your company's customer base do international students account for?

International students generate most industry demand, as domestic students typically stay in family homes or in share houses that are not included in the industry.

The COVID-19 pandemic halted the inflow of foreign students.

Impact: Population aged between 18 and 25

How does your business target people aged between 18 and 25?

People aged between 18 and 25 years represent the main demographic that requires student accommodation.

Impact: Trade-weighted index

How does your company track changes in the value of the Australian dollar?

A depreciation in the Australian dollar is likely to make the country more attractive as a destination for international students.

**Internal Issues
Questions****Issue: Ability to pass on cost increases**

How can your company lift its ability to pass on rising key input prices?

Student housing managers generally enter long-term contracts.

Establishing long-term contracts can ensure consistent revenue and help bolster profit margins.

Issue: Ability to effectively communicate and negotiate

How does your company service customers from different languages and cultures?

Student housing managers must provide multi-lingual services.

Providing such services can give student housing managers a key competitive edge.

Issue: Access to niche markets

What are the costs and benefits associated with serving niche markets?

It's important to target product offerings and marketing efforts to subsections of the international student population.



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