CUSHMAN & WAKEFIELD

BRADFORD CENTRAL CAPACITY STUDY – Market Report

WEST YORKSHIRE COMBINED AUTHORITY & CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

Job No. 243FPB00

DEVELOPMENT & PLANNING | LEEDS

January 2026



Better never settles

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Version	Prepared By	Approved By	Date
Bradford Central Capacity Study Market Report Draft	Rosie Blackwell Thomas Still BA (Hons) Stephanie Hiscott MRICS	Stephen Miles MRICS MRTPI	January 2026

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1. Introduction

1.1 Cushman & Wakefield (C&W) has been instructed by West Yorkshire Combined Authority (the Combined Authority) to assist City of Bradford Metropolitan District Council (the Council) to drive forward its ambitions for residential development growth within central Bradford. The context for this instruction is informed by the following policy agenda:

- The Council has ambitious plans for housing delivery within the central area of Bradford as part of its aspirations for regeneration and 'clean growth' – this ambition has been set by the recently completed Development Framework (produced by WSP).
- The Local Plan site allocations process is also underway and is likely to require clarification of the capacity of sites within the city centre as a key location for accommodating Bradford District's housing growth requirements. The Local Plan has moved from Regulation 18 to Regulation 19, and the Council have adopted a revised Local Development Scheme on the 14th of October 2025, which covers 2025 to 2028.
- The Council has recently promoted the possible designation of the central area as a New Town (albeit this has not been successful)[1] and is also advancing proposals for the Southern Gateway in partnership with the West Yorkshire Combined Authority as a Spatial Priority Area with the potential for a Mayoral Development Corporation. The Council is also involved with a major regeneration project within the centre of the city named Bradford City Village, which constitutes a wider transformation of the city centre.

1.2 This commission will inform the evidence base to support these policy objectives. The specific outputs that are sought are:

- Market assessment / commentary to profile the typologies of residential development potentially required in central Bradford.
- Schedule of sites with potential for residential development.
- Capacity / estimates of the quantity of homes that can delivered on the basis of variant density scenarios
- Scheduling the likely timescales for delivery into 0-5-, 6-10- and 11+ year tranches.
- The findings are to be presented to enable data to be disaggregated by site/area to enable application to a range of ongoing workstreams within central Bradford.

Approach/Methodology

1.3 Our methodology for the market assessment is as follows:

- Assessment of the wider housing market, its expected growth prospects, and key opportunities and constraints affecting likely delivery of homes in central Bradford
- Detailed assessment of the housing market within and immediately surrounding the study area boundary of Central Bradford. The assessment considers the key sub

[1] https://www.gov.uk/government/publications/building-new-towns-for-the-future/building-new-towns-for-the-future

sectors of the residential market – market sale, Private Rented Sector/Build to Rent, student accommodation, senior living and affordable homes. Desk-based research and a review of standard statistical data sources such as land registry and rental data sources.

- Identification of spatial requirements of different market sectors, densities and site size requirements relevant to Central Bradford, together with commentary on the suitability / constraints to be overcome to enable delivery (e.g. market sale, rent, family, multi family, seniors, affordable etc).

1.4 Identification of site capacity

- Planning permissions (review of land insight data)
- Extant or expired site allocations (including from UDP, AAPs or City Centre and Shipley Road Corridor), and sites identified in the recent call for sites (if applicable)
- Emerging development opportunities (site opportunities identified in WSP Development Framework, Bradford City Village Masterplan, Southern Gateway Masterplan, known development opportunities being promoted in the city centre/study area)

Analysis of site capacity

- Production of schedule utilising MS Excel
- Fields to include site details, area, reference, description, planning status, ownership (limited to known details)
- Quantity of homes based on different development densities.
- Commentary on suitability, availability, deliverability including RAG rating
- 0-5, 6-10, 11+ attribution
- Engage with council officers to enable map to be produced showing location of each site (on Council mapping software)
- The above to be based on site inspections and desk-based research.

1.5 This document represents an interim report covering the Market Assessment element of the commission. The Identification of Site Capacity and Analysis of Site Capacity will be presented in a separate report which is designed to sit alongside this report.

1.6 The Market Assessment starts with a summary of national economic and residential market conditions, followed by a Leeds City Region perspective, before focusing in on the local Bradford residential market. C&W then provide details of examples of best practice in residential development from across the country and showcase best practice from the Bradford District.

2. Residential Market Context

National Economic and Residential Market Conditions

2.1 The housing market has remained fairly resilient in light of wider economic volatility and geopolitical turmoil, with strong completions in the mortgage market and less stringent affordability testing set to support buyer demand and sales volumes over the second half of 2025. There do however remain headwinds and affordability challenges due to elevated interest rates and mortgage rates alongside the higher cost of living and lingering inflationary pressures. There is some uncertainty over the strength of the economy, and the impact of recent spending review measures remains to be seen.

2.2 The Office for National Statistics has quoted UK house prices to have increased by 1.7% to £270,000 in the 12 months to October 2025 (provisional estimate), which is down from 2.0% in the 12 months to September 2025,

2.3 Zoopla (December 2025) are forecasting modest house price inflation, with annual change now +1.1% to £270,300, this figure has not changed between October 2025 and November 2025. Zoopla have suggested that the last 2 years have seen a sustained recovery in the number of sales alongside modest house price inflation. Zoopla have identified a north south divide in trends, with average home values registering modest falls of up to -0.6% across southern England whereas in northern England and Scotland, house price inflation rose as high as 2.9% in the Northwest.

2.4 Savills published a revised house price forecast in July 2025. Savills are estimating price growth of 1.0% over this year, and 24.5% over its 5-year forecast period. The Savills forecast also includes a breakdown by region, with growth of 2.0% in Yorkshire and the Humber in 2025 and totalling 28.2% over its 5-year forecast period. The forecasts are predicated on various assumptions relating to interest rates, inflation, income growth etc and are understood to relate to second hand pricing rather than the new build market.

2.5 Ultimately, the outlook remains subject to a number of uncertainties and external influences including the trajectory for economic growth and employment, as well as heightened geopolitical volatility relating to the ongoing global conflicts and US tariff proposals which risk disruption of global energy and supply chains impacting on inflation and interest rates. We expect market performance in different locations to vary depending on the nature of the purchaser pool in terms of demographics and affluence, the levels of supply, prevailing levels of affordability and so on.

Housing Market Forecast

2.6 C&W produce a report covering the economic and housing outlook which provides insight into the future trends of these markets. The latest of these reports can be found at Appendix 1. A summary of the key takeaways from this report is provided below.

2.7 Mortgage approvals, an important gauge of housing demand, rose for the second consecutive month in June, reaching 64,167. This marks a 1.4% increase on the previous month and a 5.6% rise on the same time last year, bringing activity close to the five-year average.

2.8 Residential transactions rose by 13% in June to 93,530, rebounding from an April dip likely driven by buyers accelerating purchases ahead of stamp duty changes. This brought activity broadly back in line with the same period last year. The housing market recovery has outpaced expectations, with Zoopla reporting stronger conditions than a year ago. Buyer demand is up 11%, agreed sales are 8% higher, and new listings have also increased.

Table 2.1: House Price Growth Predictions

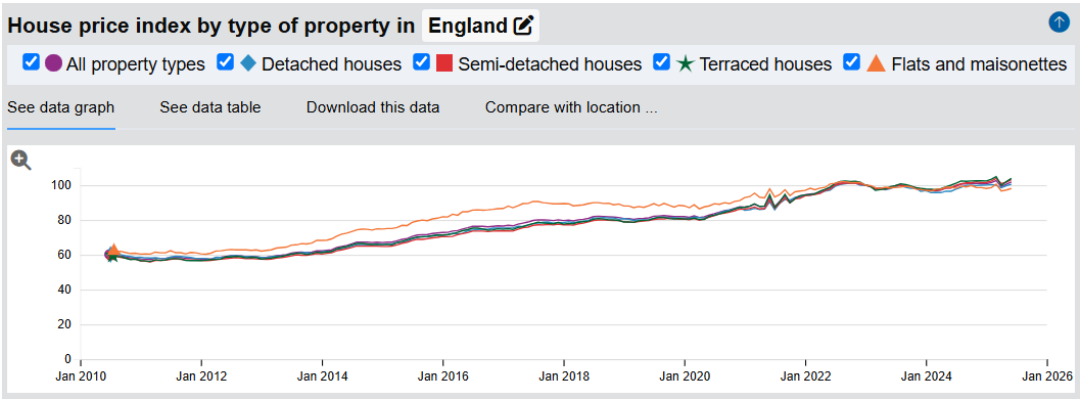
	2025	2026	2027	2028	2029	5-year Average
Cushman & Wakefield[2]	4.1%	3.8%	3.5%	3.2%	3.0%	**3.52%**
JLL[3]	3.5%	4.0%	4.5%	3.5%	3.0%	**3.70%**
Savills [4]	1.0%	4.0%	6.0%	6.0%	5.5%	**4.5%**
Knight Frank[5]	3.5%	4.0%	4.0%	4.5%	5.0%	**4.20%**

2.9 House prices also edged higher. Nationwide recorded a 0.6% monthly increase in July, taking annual price growth to 2.4% up from 2.1% in June. Earlier in the year, lenders eased mortgage stress tests, allowing buyers to borrow more, supporting both house prices growth and the market rebound. However, the rising supply of homes on the market is helping to moderate upwards pressure on prices. The outlook also remains sensitive to any renewed upwards pressure on borrowing costs, unemployment, or inflation, which would likely temper demand and transaction volumes.

House Price Growth (15 years)

2.10 We have reviewed HPI data across England in Figure 2.1 which indicates that broadly different house types have followed similar trends over the last 15 years, with flats and maisonettes outperforming the other housing types until recently, where it has fallen below.

Figure 2.1: UK House Price Index (Breakdown by House type, new and second-hand, and first-time buyer) (Average £ per m, 15 years)

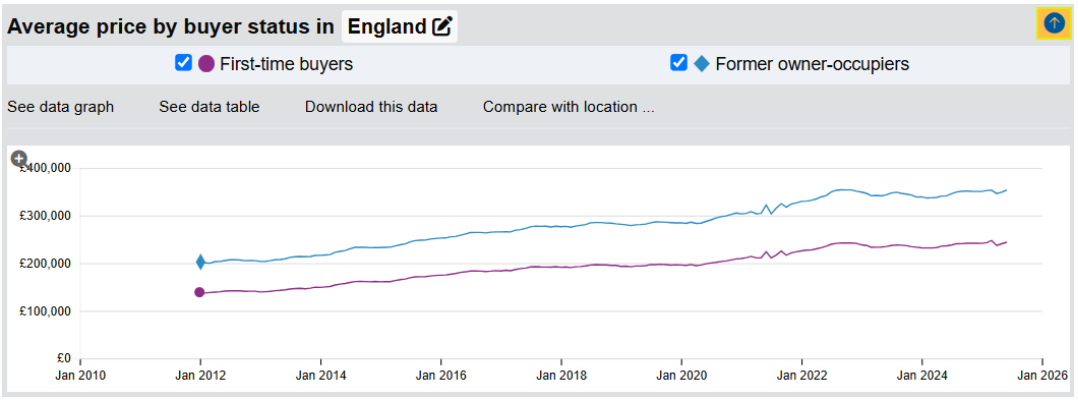


Source: Land Registry, 2025 - https://landregistry.data.gov.uk/app/ukhpi/:

2.11 Ove the past 15 years all of the HPI statistics across all property types have risen from circa 60 to 100.

[2] https://www.cushmanwakefield.com/en/united-kingdom/insights/residential-forecast
[3] https://residential.jll.co.uk/insights/news/jll-residential-forecast-2025-2029
[4] https://www.savills.co.uk/insight-and-opinion/research-consultancy/residential-market-forecasts.aspx
[5] https://www.knightfrank.com/research/article/2024-11-25-uk-housing-market-forecast-november-2024

Figure 2.2: Average price by buyer status in England

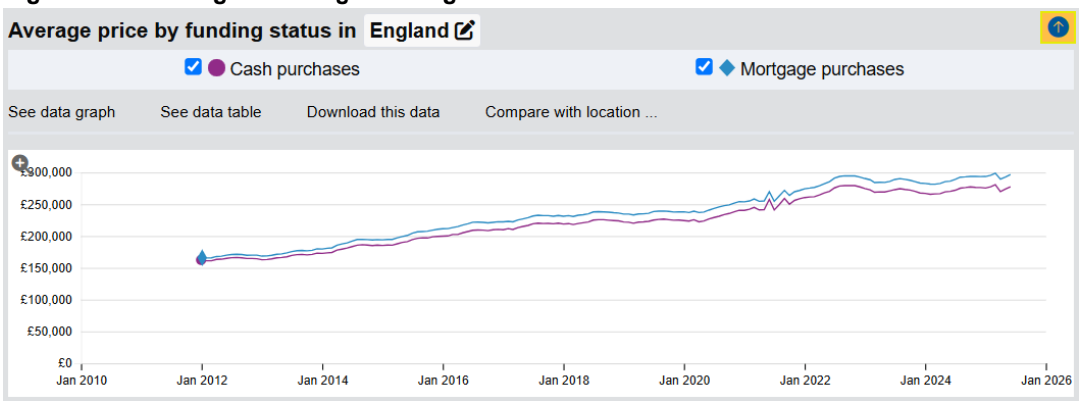


Source: Land Registry, 2025 - https://landregistry.data.gov.uk/app/ukhpi/

2.12 Figure 2.2 shows the average price by buyer status in England, which has shown steady growth between 2012 and the present day. The figure shows a divergence in the two trend lines with the amount paid by former owner occupiers increasing at a faster rate than that by First-time buyers.

2.13 Figure 2.3 shows the average price paid in England split by funding status, either cash purchases or mortgage purchases.

Figure 2.3: Average Price by Funding Status.



Source: Land Registry, 2025 - https://landregistry.data.gov.uk/app/ukhpi/

2.14 The graph shows that whilst the average price paid by both funding statuses was almost the same in 2012 there has been a divergence as both figures have grown over the last 13 years. The average price paid by mortgage has increased at a faster rate than that of cash purchasers.

City Centre/ Urban Living

2.15 City Centre Living has become increasingly prevalent in major cities around the UK in the past decade. Leeds has experienced a boom in the delivery of apartments most notably in the BTR market which currently has over 10,000 units in the pipeline.

2.16 City Centre Living has several key benefits for the city. One being that expenditure retention rates are much greater in the city centres than in the wider local authority. A 2023 Litchfield's report found that 93.4% of expenditure by city centre residents was retained, compared to only 42.8% across the wider local authority.

2.17 Savills have conducted a study into city centre living in Manchester in 2025, which found that the city centre is predicted to grow to 100,000 people by 2030, despite being just 500 citizens in 1980. It was found that Manchester house prices had risen 81% in the past 10 years, with PRS rents having increased by 40% in the last 3. These price rises are driven by a supply shortfall, with PBSA and co-living likely to be major sources of housing growth in the next decade.

Affordability Ratios

2.18 Affordability ratios are calculated by comparing earnings from mid-April each year with the prices of homes that sold in the corresponding 12-month period.

Figure 2.4: Affordability ratios in Bradford, Yorkshire and England

Year	Bradford	Yorkshire and the Humber	England
2015	5.22	5.56	7.33
2016	4.95	5.59	7.54
2017	5.02	5.7	7.74
2018	5.05	5.76	7.7
2019	5.1	5.67	7.59
2020	4.85	5.68	7.61
2021	5.36	6.44	8.91
2022	4.86	6	8.26
2023	5.07	6.05	8.15
2024	5.07	5.67	7.57
Latest 5- Year Average	*5.04*	*5.97*	*8.1*

Source: Land Registry Data, 2025

2.19 The affordability ratios suggest that based on the average level of earning in England, housing became increasingly unaffordable until the peak in 2021, after which it has consistently been below the peak, plateauing between 2023 and 2024. Bradford affordability has varied throughout this period averaging around the 5.04 level, making Bradford significantly more affordable than regional and national averages.

2.20 The median workplace-based affordability ratio for Bradford is approximately 8.4 in 2024, meaning that the median house price is 8.4 times greater than the median gross annual full-time workplace-based earnings in the city. This figure is greater than the same metric in England, with the ratio of approximately 7.8 in England in 2024.

Build to Rent Market Analysis

2.21 A copy of C&W's latest BTR Market commentary is included at Appendix 2 of this report. Below we have summarised key headlines from the latest commentary:

- C&W produce a market report across a wide range of sectors. Included within this is a report focusing on the Build to Rent market. The latest report was completed in Q2 2025 and states that BTR stock has grown to 132,000 completed homes, with an additional 51,200 homes under construction this quarter, driven by growth in the regions.
- £1.9bn was invested in UK BTR market in H1 2025, with Single Family Housing accounting for 45% of deal volumes. UK rental growth outside London averaged 2.3% in the year to June, down from 7.3% last year. London fell 1.2%, a smaller decline than in previous months, with signs of recovery emerging.
- The gap between supply and demand has narrowed due to softer market demand, although new rental supply **remains below pre-pandemic levels. Buy-to-let mortgage**

lending fell to 8% of new mortgages, below the 10-year average. Average first-time buyers now account for 31% of lending, its highest share in over a decade.

- Overall, despite ongoing challenges around development viability, investor appetite remains robust. Development continues to be the main entry point into the market, comprising over half of this year's transactions and signalling sustained confidence in the sector's long-term fundamentals.

Senior Living

2.22 A copy of C&W's latest Elderly Care Marketbeat from Q3 2025 is included at Appendix 3 of this report. The market report gives the national context of the Elderly Care market and provides insight into the trends and data which impacts the market.

2.23 The Marketbeat highlighted that occupancy rates within elderly care schemes have held at above 88% since Q2 2023. We note that expected fee increases driven by cost pressures appear to have had negligible impact on short-term occupancy rates, although this may change in the coming months.

2.24 Investment interest into the senior living market has eased from international investors in recent months, however the domestic market continues to be active. Despite this, increasing operational costs continue to apply pressure to the sector, however profit margins for investors remain stable. This demonstrates operators' ability to manage inflationary headwinds.

2.25 Throughout 2024 there was a 4% increase in year-on-year supply of senior housing units, with an expected 8,000 to be completed in 2025 which would mark the stronger year for new delivery since 2018.

Student Living

2.26 A copy of C&W's latest UK Student Accommodation Report 2025 is included at appendix 4 of this report. Below we have summarised key headlines from the latest commentary:

- The most significant factor that has impacted the student living market is the tightening of visa regulations, particularly the ban on dependents accompanying international students which was introduced in January 2025. The policy change resulted in a dramatic 30% fall in sponsored study visas year-on-year, with key markets such as India and Nigeria seeing steep declines.

- While this has weighed heavily on postgraduate recruitment, undergraduate recruitment has proven relatively resilient, with UCAS reporting the second-highest acceptance levels on record for 2025/26, underlining the ongoing strength of the UK's academic offering.

- In terms of the position in 2025, as at the end of August, the number of entry clearance student visa applications is up 6.9% on 2024, although this remains 10.9% lower than in 2023. These figures, when combined with positive international recruitment at undergraduate level, point towards continued lower overall international postgraduate recruitment than was the case in 2023, although higher than in 2024.

- From a supply perspective, delivery of new PBSA beds remains subdued. Just 18,200 new beds entered the market this year, well below pre-pandemic levels, with London, Nottingham, and Leeds accounting for almost half of these. Many markets now face a dual challenge: structural undersupply on the one hand, and intense competition in en-suite areas where similar, higher-specification stock has been delivered in quick succession.

- Despite short-term challenges, the sector remains underpinned by its global strength: the UK continues to rank as the world's second most popular study destination, home to several of the world's leading universities. Those who can balance quality, affordability, and targeted growth will be best placed to succeed in a market that is becoming increasingly discerning and competitive.

National Trends

2.27 C&W have produced a report on the trends and key themes driving real estate in 2025. This report can be viewed at Appendix 5. The key takeaways are that:

- After a period of uncertainty, the Government's announcement on December 4th of 2024, a further consultation on Minimum Energy Efficiency Standards (MEES) brings to the fore the scale of upgrading our built environment required.
- The Government's ambitious pledge to deliver 1.5 million homes during the current parliamentary term reflects the urgency of the issue. In The Shape of Real Estate 2040, we state that 4 million extra homes are needed by 2040 to mitigate against worsening affordability.
- New approaches to delivery are essential. Strategic public-private partnerships are vital in facilitating land acquisition, funding essential infrastructure, delivering affordable housing, and accelerating completion.
- There are a large number of schemes with planning consent but lacking the financial viability to start development as a result of higher standards in the form of the Building Safety Act, increased construction and borrowing costs, changes to grant funding for S106 affordable homes and reduced values. These pressures will partially ease, but volatility around the cost of debt remains despite the 50bps cut to the base rate during 2024, as the recent surge in bonds has highlighted.

3. Bradford Housing Market

City Region Housing Market

3.1 Bradford sits within the Leeds City Region housing market which is a large economic area situated mainly within West Yorkshire, with some areas of North and South Yorkshire incorporated. The region is shown in Figure 2.5 below:

Figure 2.5: Leeds City Region Housing Market



Source: Leeds City Council

3.2 Leeds City Region incorporates the high value areas of Harrogate, York and Craven, which contrast with the lower value areas south of West Yorkshire and Barnsley in South Yorkshire.

The Leeds City Region Housing Market

3.3 The 2021 Census shows that the city's population has 812,000 people which has increased by 8.1% over the last 10 years, greater than the average across the UK. The highest growth has been in the elderly population with Leeds City Council's Housing Strategy 2022-27 highlighting the projection is for the largest growth cohort being the 80+ yrs category.

3.4 Leeds City Council have produced a 2025 update of their Strategic Housing Market Assessment which analysed the housing market. The assessment highlighted that there is a considerable annual net shortfall of affordable housing, which is mainly a result of a dramatic increase in private rental costs across Leeds, with lower quartile prices increasing by 23.3% over the period 2022 to 2024. These shortfall figures assume that a property is affordable if rent costs are no more than 25% of household's income.

3.5 The SHMA further identified that there is a need for 8,854 more units of accommodation for older people by 2040. This includes sheltered/retirement, extra care, co-housing and residential care.

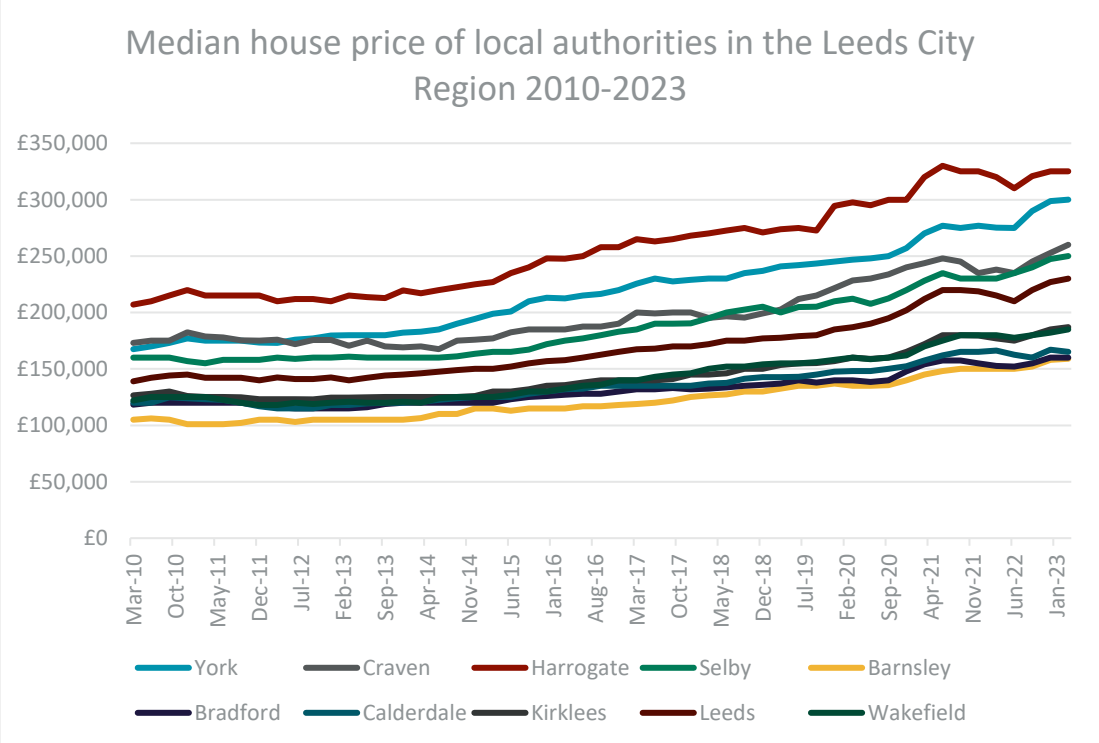
Constraints

3.6 Productivity growth is the main contributor to growth in the wider economy and provides the foundation for improvements in living standards. The LCR Labour Market Report 2021 highlights the continuing gap in the productivity levels between West Yorkshire and the UK. Output per hour worked in West Yorkshire fell from 89% of the England average in 2007 to 85% in 2018, indicating that local productivity growth has lagged the rate of growth seen nationally and the gap in productivity performance has widened. All local authorities in West Yorkshire have a level of productivity that is below the West Yorkshire average, except Leeds; its output per hour of £33.26 is still only 94% of the national average.

3.7 Overall, in both LCR and Leeds there has been a shift towards a greater number of neighbourhoods falling into the most deprived areas in England. At LCR level, there is a net gain of (2019) 25 (+1.4%) more neighbourhoods in the most deprived decile (worst 10%) compared to the 2015 results. When considering the most deprived quintile (worst 20%), LCR now has 59 (+3.2%) more neighbourhoods in this category.

3.8 Despite the relatively high economic prosperity of Leeds, development viability still remains an issue across the city. Due to the high levels of build cost inflation, and cost of borrowing and as a result development still is for the most part unviable without public sector intervention.

Figure 2.6: Median house price of local authorities in the Leeds City Region 2010-2022



Source: ONS House Price Statistics for Small Areas

3.9 Figure 2.6 indicates that Leeds represents a mid to higher income area when compared to the rest of Leeds City Region. The house prices in Harrogate, York and Craven have consistently outperformed Leeds over the last 10 years.

3.10 Table 2.2 shows the median house prices growth of local authorities in Leeds City Region:

Table 2.2: Median House Price Growth

West Yorkshire	Mar-15	Mar-20	Mar-23
Bradford	£120,000	£140,000	£160,000
Calderdale	£125,000	£148,000	£165,000
Kirklees	£130,000	£160,000	£187,000
Leeds	£150,000	£187,000	£230,000
Wakefield	£125,000	£160,000	£185,000
Leeds City Region			
Barnsley	£115,000	£135,000	£159,000
Craven	£177,000	£228,500	£260,000
Harrogate	£227,000	£297,500	£325,000
Selby	£165,000	£212,250	£250,000
York	£199,000	£246,750	£300,000

Source: ONS Data,2025

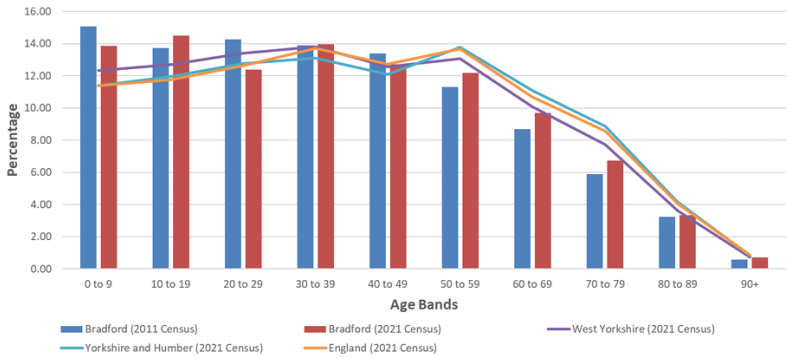
3.11 The table highlights that Bradford has the second lowest average house price value after Barnsley. Furthermore, Bradford's average growth appears to be lagging behind the rest of the region, achieving a slightly lower increase than that achieved in Leeds (33% vs 35%).

Bradford Residential Market

Key Demographics, comparing Bradford District to National and Regional

3.12 Bradford follows a similar population age structure trends to the rest of the country. However as shown in figure 2.7, Bradford is shown to have a noticeably higher proportion of its population within the 0-19 bracket, and a lower-than-average proportion of 50–79-year-olds when compared to the country, and region.

Figure 2.7: Population Age Structure, 2011 Census and 2021 Census.

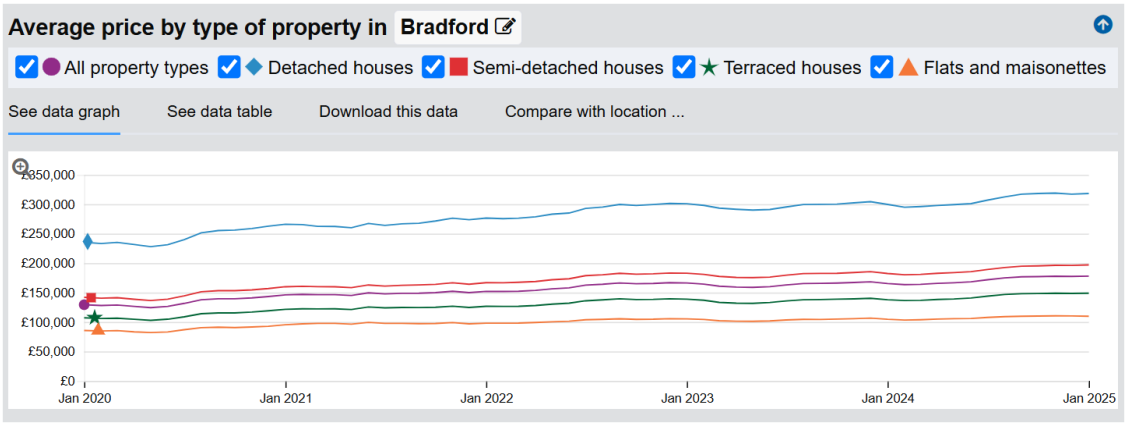


Source: Census 2011 and Census 2021 population estimates, Office of National Statistics.

Average Values and Sales Volume

3.13 According to the latest available Land Registry data (December 2024), annual house price growth in Bradford equated to +5.3%, with the average house price across all property types standing at £177,168, as of December 2024. The recent price trends across all property types in Bradford are illustrated in Figure 3.1 below.

Figure 2.8: Annual house price growth for all property types

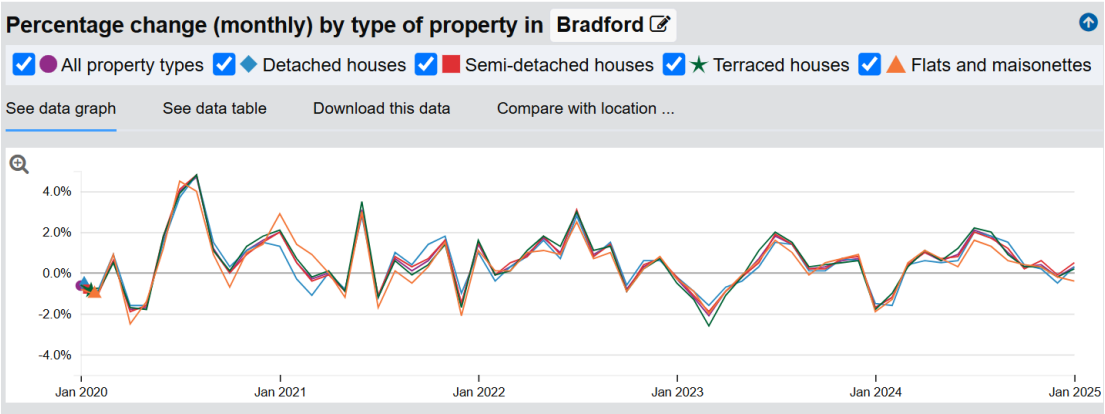


Source: Land Registry

3.14 This illustrates that all property types have tended to follow similar patterns of growth between January 2020 and January 2025, with detached properties commanding the highest values, followed by semi-detached and terraced houses with flats/maisonettes having the lowest property values in the district. The average price has increased from £129,254 in January 2020 to £177,791 in January 2025; the current average values for detached housing being £318,132; semi-detached £196,949, Terraced £148,826 and flats/maisonettes £109,763.

3.15 By way of further analysis, Figure 2.9 illustrates the monthly growth rates for Bradford which demonstrates the fluctuation over time between positive and negative change, again with similar trends across all house types.

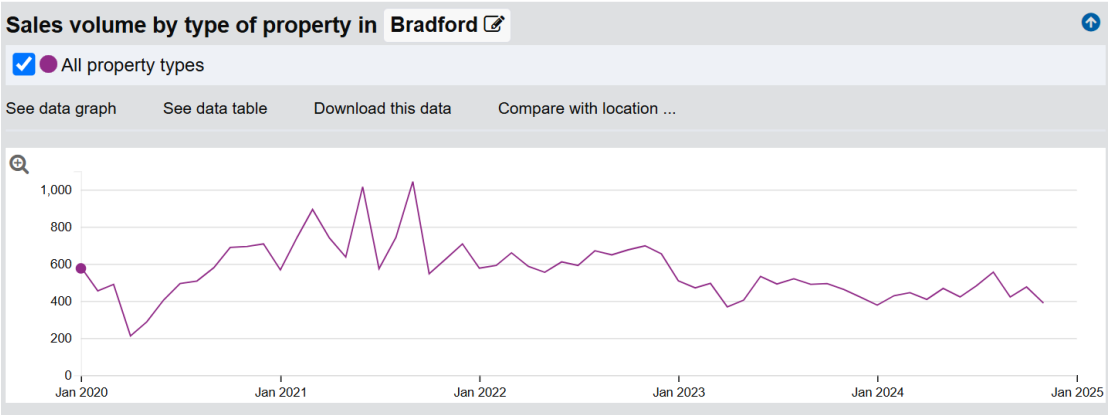
Figure 2.9: Bradford – Monthly Change in Average Values



Source: Land Registry

3.16 Figure 2.10 depicts the trends in terms of transactional volumes over the same period which increased in 2020 and were notably influenced by the Stamp Duty Land Tax holiday deadlines throughout 2021 marked by clear peaks and troughs in the chart data.

Figure 2.10: Bradford – Annual Trends in sales volumes



Source: Land Registry

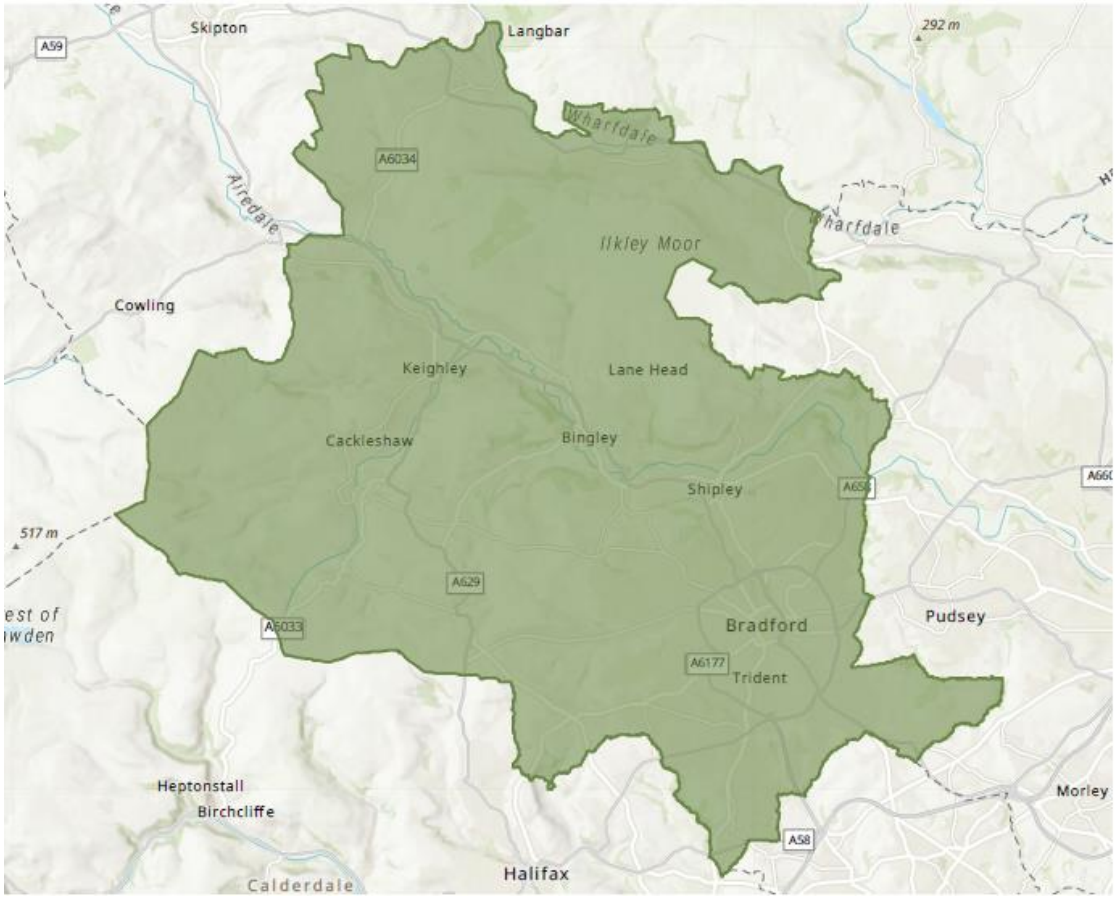
3.17 The data further illustrates a clear drop-in activity over 2023 and despite fluctuations throughout 2024, transactions indicate a level of stagnation over the same period. The 388 sales recorded in the most recent month of data across the entire region represents an increase of 11 transactions across the year (a 2.9% increase). This contrasts greatly to the high in September 2021 of 1,043 sales. We would note that the figures are only available up until November 2024 and subject to revisions particularly the most recent months of data.

3.18 Figure 2.11 illustrates areas of market strength across the Bradford District with areas shaded the darkest blue representing the strongest market areas capturing new build and second-hand sales transactions between £250,001 rising to over £1m and the lightest blue showing the weakest market areas with transactions for sales in these areas ranging from £48,883 to £100,000.

3.19 North and Northeast Bradford bordering Leeds including Burley, Ilkley, Apperley Bridge and Calverley are settlements in the strongest market areas, together with Oakworth, Oxenhope and Harden in the Eastern part of the district. In contract, the city centre and surrounding areas and Keighley are amongst the lowest value areas in the district.

3.20 C&W has prepared a demographic report for Bradford District shown in Figure 2.11:

Figure 2.11: **City of Bradford Metropolitan District Council administrative area**



3.21 The population of Bradford (Experian2024) is reported to be 547,875 with 215,691 households. Experian population projections to 2028 and 2033 are shown in Table 2.3 which illustrates that population growth anticipated in Bradford to 2028 (0.69%) and 2033 (1.53%) is less than projected for the UK Base.

Table 2.3: Population Projection

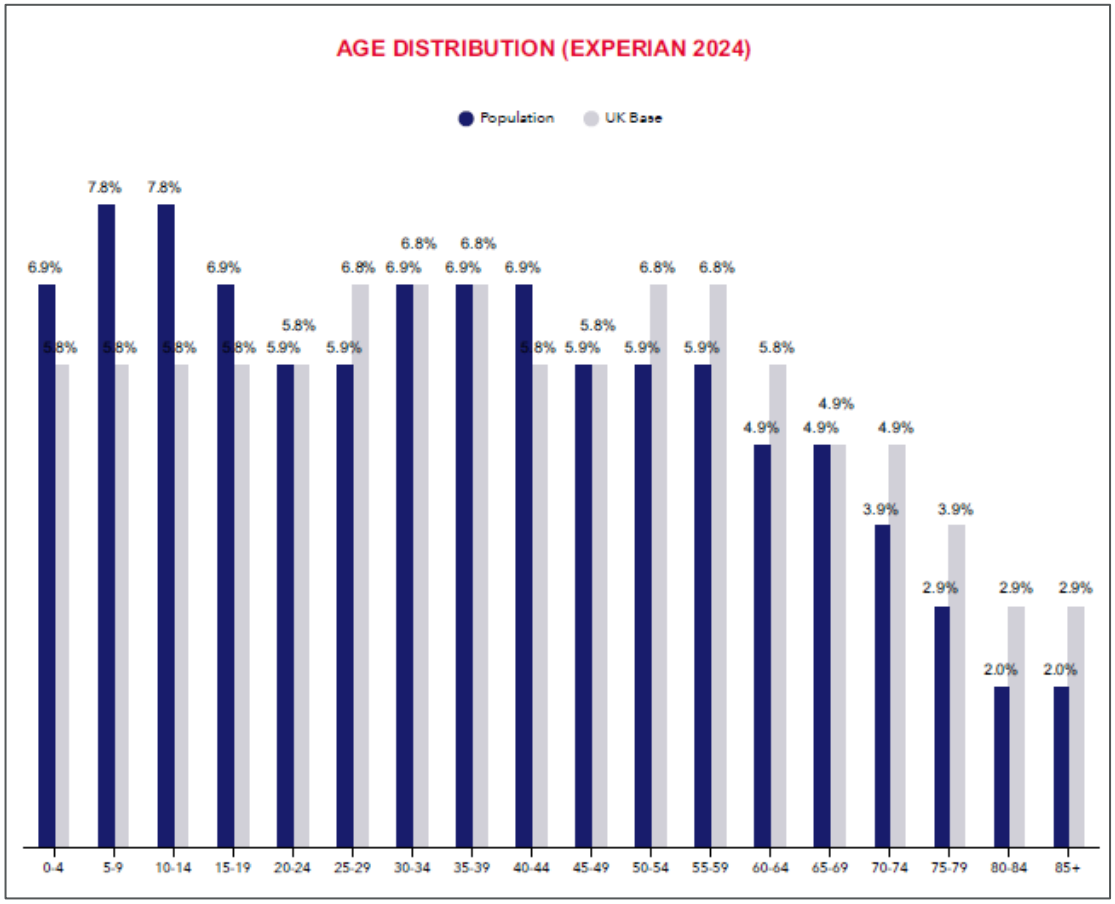
POPULATION PROJECTION (EXPERIAN 2024)

Projection Year	UK Base	Bradford	Bradford
	Change	Population	Change
2028	2.3%	551,649	0.69%
2033	3.5%	556,238	1.53%

Source: Experian, 2024

3.22 Bradford has a relatively youthful population compared to the UK base, especially in the 5-9, 10-14 and 15-19 age groups. Its ageing population (65+ years) is also younger than the UK base as demonstrated in Figure 15. This is important to note for future housing delivery both in terms of the type of provision and the timing of delivery to meet anticipated demand.

Figure 2.12: Age Distribution. Bradford District compared to UK base.



Source: Experian, 2024

3.23 C&W has reviewed household indicators (MBR 2023, CSO 2024 and Experian 2024) to secure a detailed understanding of local demographics.

3.24 Home ownership and car ownership is lower in Bradford than the UK Base and the yearly gross household income (£34,705) is also lower than the national base (£39,568) as shown in Table 2.4.

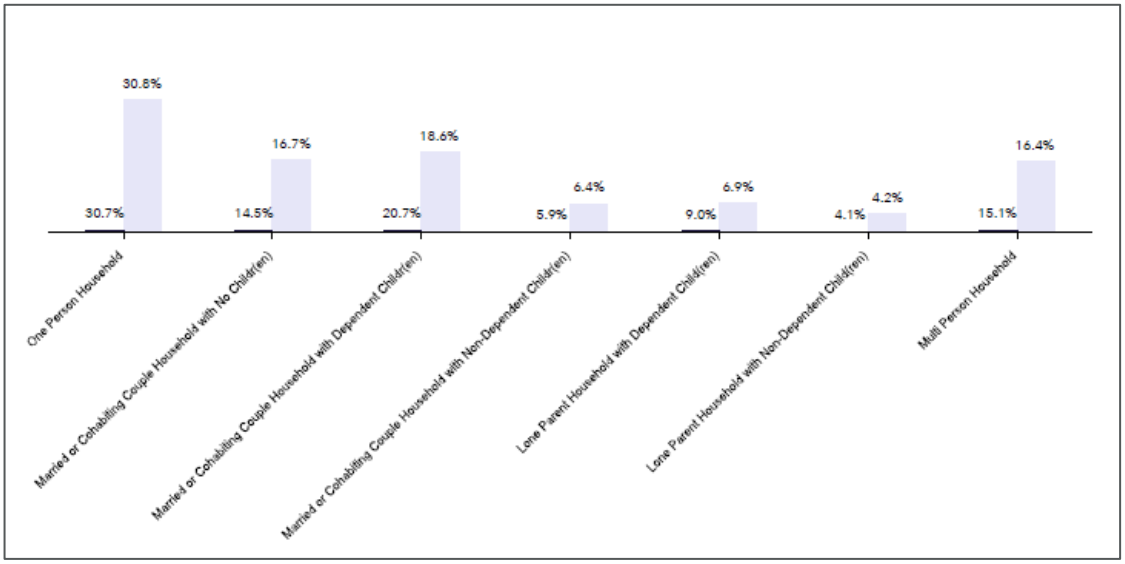
Table 2.4: Household Indicators

	UK Base	Bradford
Home Ownership	62.5%	61.8%
Car Ownership	76.6%	72.4%
Yearly Gross Household Income	£39,568	£34,705

Source: MBR 2023, CSO 2024, Experian 2024

3.25 Figure 2.13 illustrates the majority of households in Bradford are one person households (30.7%) which is in line with the UK base. However, there are a relatively lower number of cohabiting couple households with no children, non-dependent children and multi-person living compared to the UK base. In contrast, the number of married or co-habiting couples with children is greater in Bradford, as is the households with lone parents and dependent children than the reported UK base.

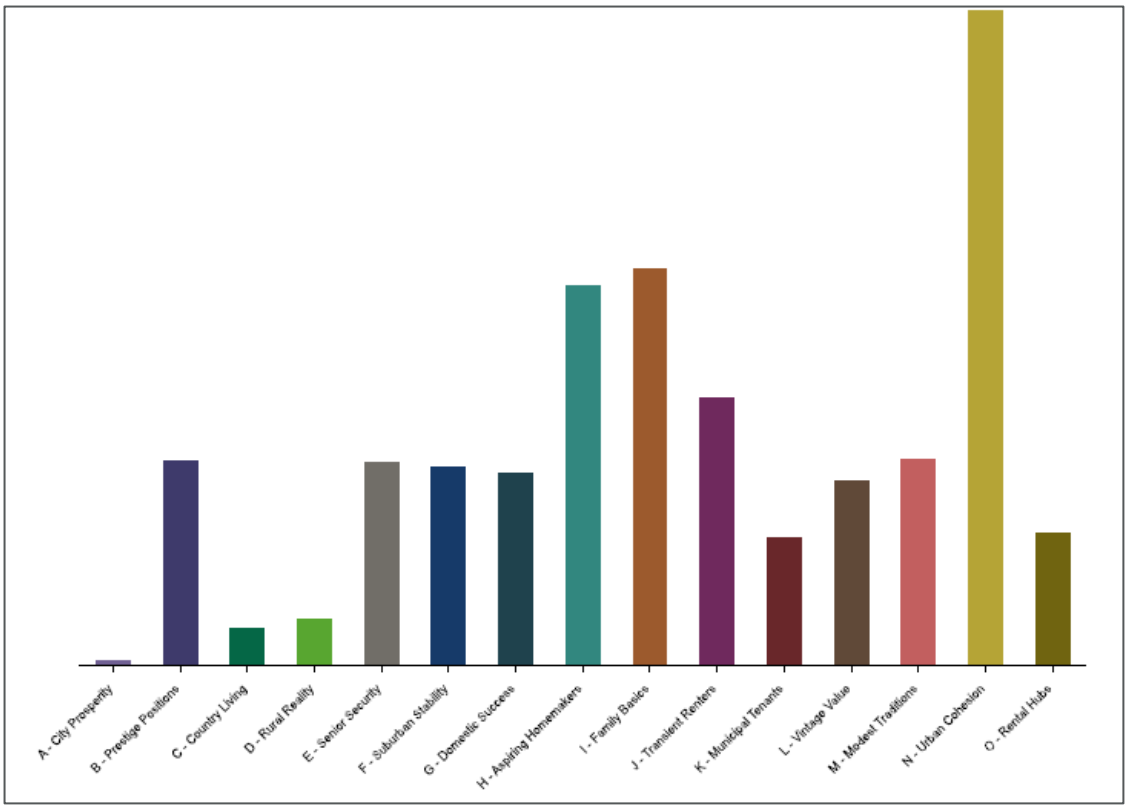
Figure 2.13: Household by Type



Source: MBR 2023

3.26 C&W has analysed Mosaic Population data produced by Experian, 2024. Mosaic groups together individuals likely to share similar demographics, lifestyles and behaviours into summary groups and detailed types, which are given codes and names and descriptions of the likely characteristics of the households falling within these types.

Figure 2.14: Bradford Mosaic Characteristics



Source: Experian, 2024

3.27 The mosaic characteristics for Bradford District are shown in Figure 2.14 which identifies high levels of Urban Cohesion, Family Basics and Aspiring Homemakers. Mosaic Urban Cohesion group consists of residents in settled urban communities who have a strong sense of neighbourhood identity. This group is diverse, but specific sub-types include "Community Elders"

(older households in diverse urban neighbourhoods), "Culture & Comfort" (families with good incomes in diverse suburbs), and "Large Family Living" (large families in terraced houses in areas with a strong community identity).

3.28 Mosaic Family Basics group consists of families with children who have limited resources and must budget to make ends meet. These families are often found in lower-cost housing, such as social housing, and may live in areas with fewer employment options. This group can also be further broken down into sub-types, such as "Budget Generations" (families living with adult children for pooled resources) and "Economical Families" (those who own low-cost homes and budget carefully).

3.29 Mosaic Aspiring Homemakers are typically young families, aged 26–35, who are first-time buyers or young families settling into affordable homes in established suburbs or outer commuter belts. They are characterised by a focus on affordability, balancing location and cost, and are often on a stable income that allows for comfortable living but is not exceptionally high.

3.30 C&W has analysed the purchasing power of Bradford which is £17,552 per capita as shown in Table 2.5.

Table 2.5: Purchasing Power

	Bradford
Total	£9,749,791,334.9
Per Capita	£17,552.2
Index	74

Source: MBR, 2023

3.31 CSO data highlights that 56.8% of Bradford District's population is economically active, This compares to a UK baseline of 60.2%, 52.5% are economically active in employment and 4.3% are unemployed compared to 57.4% economically active in employment and 3.5% unemployed in the UK. This indicates that Bradford performs less favourably than other locations on economic activity statistics.

Figure 2.15: Economic Activity

	UK Base	Bradford
Economically active	60.2%	56.8%
Economically active: In Employment	57.4%	52.5%
Economically active: Unemployed	3.5%	4.3%
Economically active: In employment : Full time	40.3%	34.7%
Economically active: In employment : Part time	17.1%	17.7%
Economically inactive	39.1%	43.2%
Economically inactive : Retired	21.5%	18.9%
Economically inactive: Other	17.7%	24.4%

Source: CSO, 2024

3.32 43.2% of Bradford District's population is therefore economically inactive compared to 39.1% of the UK base.

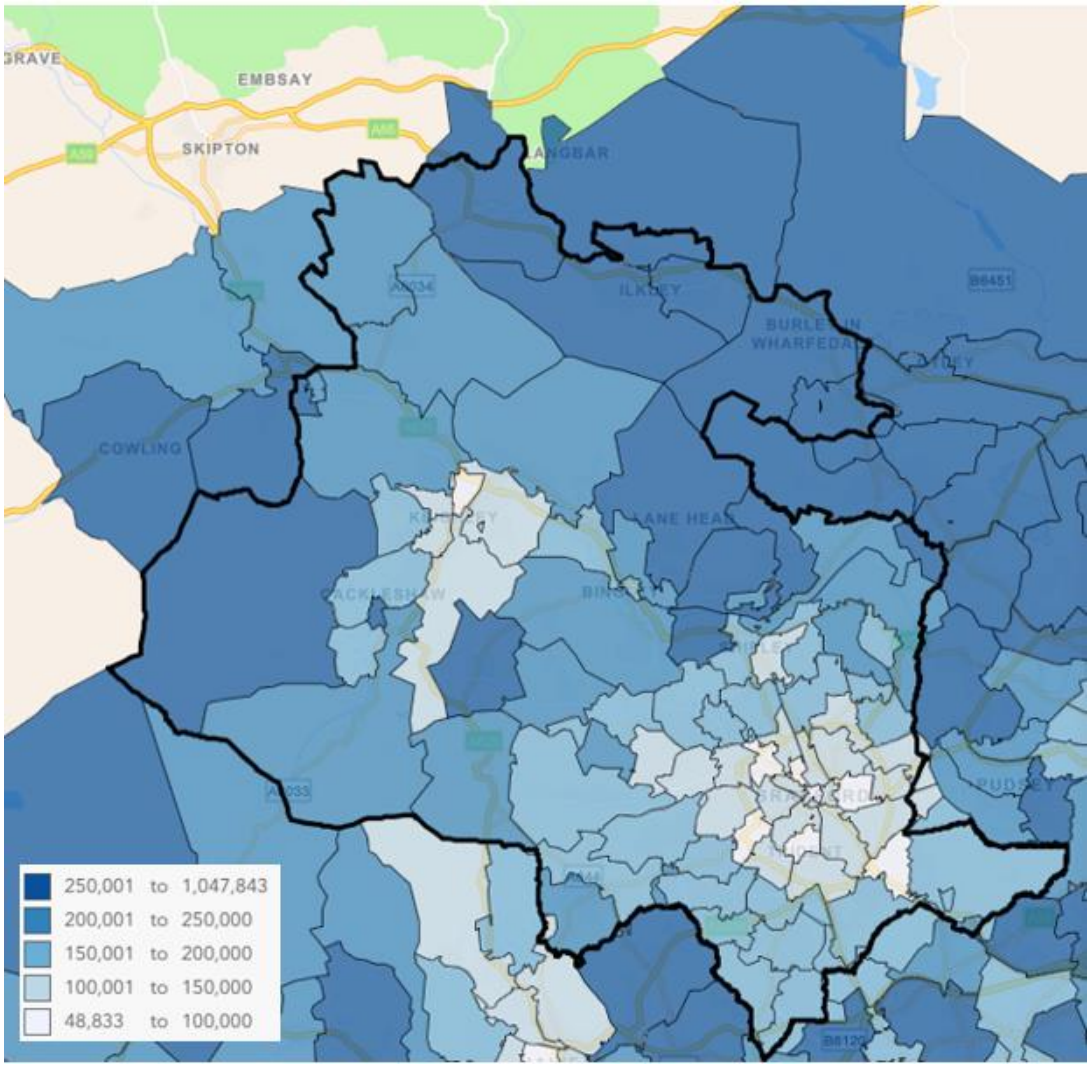
Figure 2.16: Economic Activity

	UK Base	Bradford
A: Agriculture, Forestry and fishing	0.9%	0.3%
B: Mining and quarrying	0.2%	0.1%
C: Manufacturing	7.3%	9.2%
D: Electricity, gas, steam and air conditioning supply	0.6%	0.4%
E: Water supply; Sewerage, Waste management and Remediation activities	0.7%	0.9%
F: Construction	8.7%	6.9%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	15.0%	17.7%
H: Transport and storage	5.0%	6.0%
I: Accommodation and food service activities	4.9%	4.9%
J: Information and communication	4.6%	3.1%
K: Financial and insurance activities	3.8%	4.2%
L: Real estate activities	1.5%	1.4%
M: Professional, scientific and technical activities	6.6%	4.9%
N: Administrative and support service activities	5.2%	5.1%
O: Public administration and defence; compulsory social security	5.9%	5.6%
P: Education	9.8%	10.6%
Q: Human health and social work activities	14.7%	15.4%
Other	4.6%	3.5%

Source: CSO, 2024

3.33 Figure 2.16 highlights the range of economic sectors demonstrating that in line with the UK base, the majority of economically active people in the Bradford District are employed in wholesale, retail trade, repair of motor vehicles and motorcycles and Human Health and social work activities.

Figure 2.17: Bradford District Residential Market Strength for all residential property types in 2024 (average house prices)



Source: Land Registry

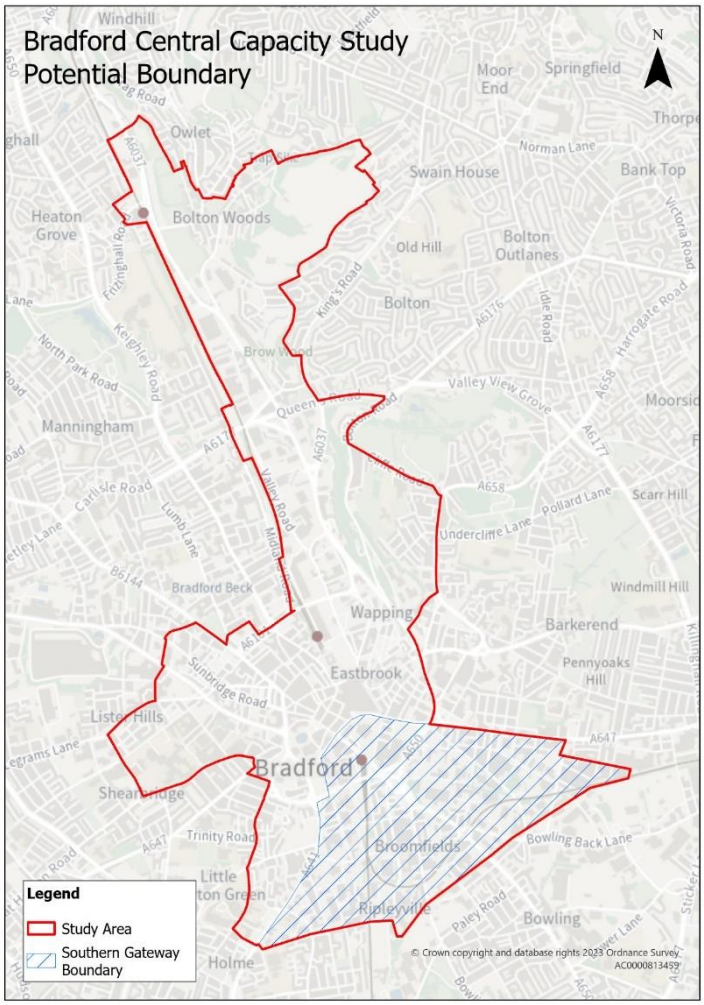
3.34 The Living Sector as a whole is a key real estate market in Bradford encompassing various types of residential accommodation including homes for market sale, private rented, senior living, student accommodation, supported and specialist accommodation and affordable housing. The key differences and nuances of the subsectors are explained below to demonstrate the range of housing that is required in the locality to serve the needs of those living in Bradford.

Central Bradford Study Area

3.35 The city of Bradford occupies an important location within the West Yorkshire and Leeds City Region labour market, with a strong employment offer as well as close connectivity to Leeds as the region's major employment centre both of which drive housing demand in the area. The City Centre is the subject of multiple strategic interventions and investments that are expected could have a transformative effect on the Bradford housing market, including rail investments (electrification works significantly reducing journey times; Mass Transit; Northern Powerhouse Rail), as well as other areas being identified as priorities for substantial regeneration investment (Bradford City Village, Bradford Southern Gateway). The Bradford Development Framework prepared by WSP on behalf of the Council identifies an ambitious spatial strategy which is currently in the process of being distilled into area-based development plans. It is anticipated that such plans may attract investment in place making from Homes England and West Yorkshire Combined Authority that could help to drive a change in residential market conditions in the city.

3.36 The Bradford Central Capacity study area is indicated by the plan in Figure 2.12. This is a combination of both Bradford City Centre and the Canal Road Corredor.

Figure 2.18: Bradford Central Capacity Area Boundary



Source: City of Bradford Metropolitan District Council

Homes for market sale

3.37 Figure 2.19 below displays the total number of residential completions in the two respective Area Action Plans that the study area includes. Overall, this produces a total average of 230 homes per annum, over the five-year period.

Figure 2.19: Annual residential completions

AAP	Target by 2030	2017-28	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total Completions on 31 March 2023
Bradford City Centre	3500	215	132	322	71	303	141	1184
Shipley and Canal Road Corridor	3100	11	24	34	48	64	26	207

Source: Bradford AMR, 2024

Based on the average number of homes delivered per year, the area is set to

3.38 New Build sales evidence within the study area in the last 5 years are shown in the table below:

Table 2.6: New Build Transactions within the Study Area, 2020-2025

Building Type	Average Sale Price	No. Transactions	Average Size (sqft)	Average £sqft
Detached	£189,995	2	882	£215
Semi Detached	£196,606	18	942	£209
Apartment	£82,796	126	525	£158
Average/Total	£97,664	146	580	£169

Source: Land Registry, 2025

3.39 Only two detached transactions were completed within the study area and therefore it is not possible to ascertain the trends based on that dataset.

3.40 However, the average price of the semi-detached property has marginally underperformed the average house price for semi-detached in Bradford of £203,000. The average apartment price has also underperformed the average, £82,796 compared to £112,000 in wider Bradford.

3.41 We further note that no market terrace housing has been delivered within the study area in the last 5 years, indicating that this typology has not been market facing over the period. A Keepmoat scheme at Populars Park has delivered a small quantum of terraced housing however these units pre-date q4 of 2020.

Table 2.7: Second-hand Transactions within the Study Area, 2020-2025

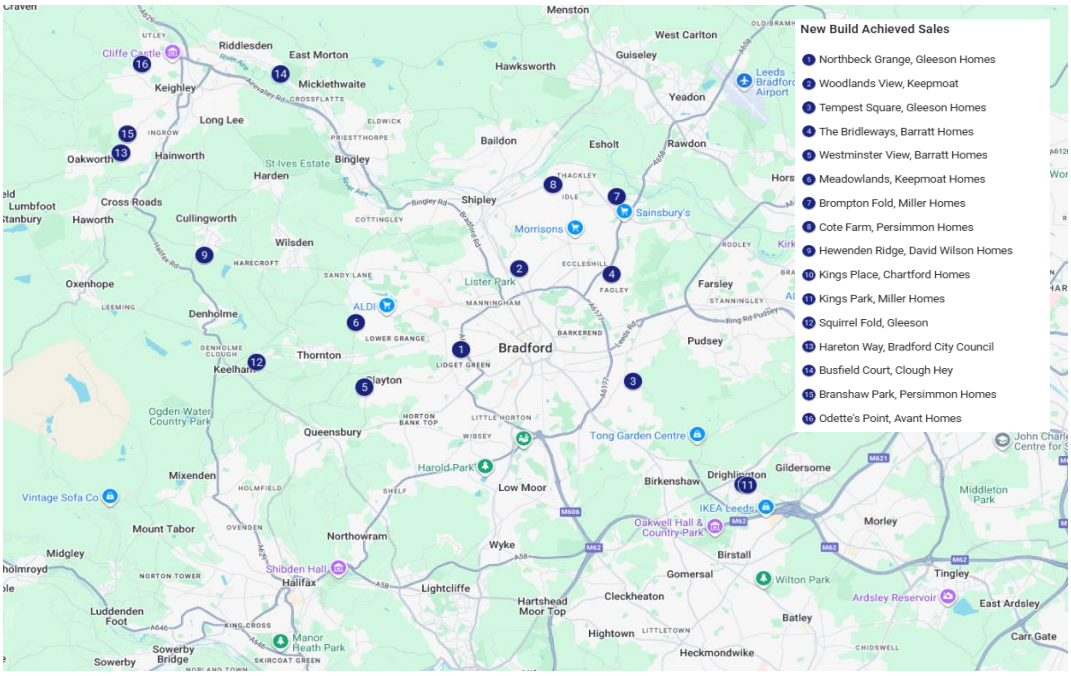
Building Type	Average Sale Price	No. Transactions	Average Size (sqft)	Average £psf
Bungalow	£106,990	5	547	£196
Flat	£58,253	507	533	£109
Semi Detached	£106,493	30	807	£132
Terraced	£95,971	229	994	£97
Average	£71,649	771	681	£105

Source: Land Registry, 2025

3.42 The average values achieved in the study area in the second-hand market have been noticeably low, with only bungalows and semi-detached units achieving over £100,000 on average. The average house price across the whole study area over the last 5 years was £71,649 based on an average size of 681sqft. This results in an average price per square foot of £105.

3.43 Within the central area of Bradford, there has been no significant new build activity, with conversions of property for market sale or rent dominating the market. As an example, Priestly Developments undertook a £18,000,000 regeneration scheme at Conditioning House which created 153 new 1 and 2 bed apartments, new office floor space, and food & beverage units, directly ¾ of a mile from Bradford City Centre. Phase 1 of the scheme is sold out, with only 7 units available in Phase 2. The take up of a scheme such as this shows that there is demand for high quality apartments. Bradford's abundance of disused mills and other historic buildings creates an opportunity for a unique type of residential repurposing.

Figure 2.20: Map of New Build Achieved Sales Data in Bradford since 2020.



Source: Land Registry, Google My Maps, 2025.

3.44 The review has focused on the schemes with achieved sales in a Bradford district. We have not included the Wharfedale Valley in this study, as the values achieved there are much less comparable to central Bradford and the Canal Road corridor.

Table 2.8: New Build Sales Data from 2020-2025 in Bradford District:

Development Name	Description	Sales Values	Developer	Typologies
Northside Road, Girlington	167 units 2-,3-, 4-beds 4.37 hectares	Average price: £192,149 Average size: 758 sq ft	Gleeson	Detached and Semi-detached
Poplars Park Rd, Boltons Woods	145 units 2-, 3-, 4-bed 5.66 hectares	Average price: £210,108 Average size: 968 sq ft	Keepmoat Homes & CRUVL	Terraced, Semi-detached, Detached
Moorside Road, Eccleshill	311 units 2-, 3-, 4-beds	Average price: £254,512 Average size: 924 sq ft	Keepmoat	Terraced, Semi-detached and Detached
Fagley Road	128 units 2-, 3-, 4-beds	Average price: £184,410 Average size: 763 sq ft	Gleeson	Semi-detached and Detached
Westminster View, Clayton	99 units 2-, 3-, 4-beds 2.41 hectares	Average price: £266,650 Average size: 1013 sq ft	Barratt Homes	Semi-detached and Detached
Allerton Lane/Cote Lane, Allerton	292 units 2-, 3-, 4-beds	Average price: £220,090 Average size: 892 sq ft	Keepmoat	Semi-detached and Detached
Brompton Fold	267 units 29.382 acres	Average price: £271,588 Average size: 989 sq ft	Miller Homes	Semi-detached and Detached
Cote Farm	206 units 2-, 3-, 4-beds	Average price: £279,262 Average size: 998 sq ft	Persimmon Homes	Terraced, Semi-detached and Detached
Hewenden Ridge	135 units 3- and 4-beds	Average price: £227,449 Average size: 1002 sq ft	David Wilson Homes	Semi-detached and Detached
Thorton Rd, Thorton	160 units 2-, 3-, 4-beds 16.5 acres	Average price: £225,524 Average size: 798 sq ft	Gleeson Homes	Semi-detached and Detached
Hareton Way	51 units (all Affordable Housing) 5.493 acres	Average price: £173,625 Average size: 1120 sq ft	Bradford City Council	Terraced and Semi-detached
Busfield Court	8 units 0.487 acres	Average price: £254,929 Average size: 1142 sq ft	Clough Hey	Terraced and Semi-detached

Branshaw Park, Oakworth	124 units 2-, 3-, 4-beds	Average price: £213,402 Average size: 934 sq ft	Persimmon Homes	Terraced, Semi-detached and Detached
Shann Lane, Keighley	135 units 3-, 4-, 5-beds 11.671 acres	Average price: £240,255 Average size: 1062 sq ft	Avant Homes	Semi-detached and Detached

3.45 When considering the trends within the new build sales data over the last 5 years in Bradford district, it is clear that the further away from the centre of Bradford, the greater the average size of dwelling. There also appears to be a fall in the average sale prices as they move closer to the study area. This is an indication of the weakness of the central area of Bradford for new build homes.

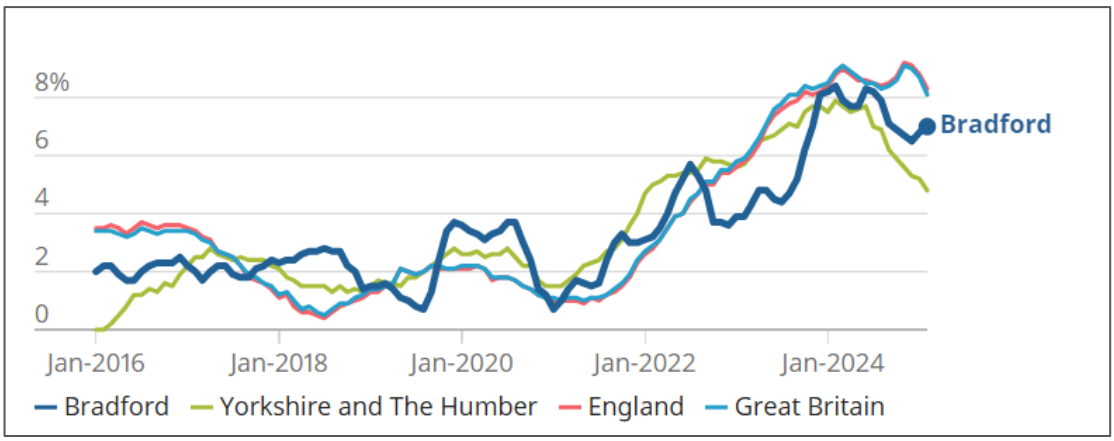
3.46 On the fringes of the central area, there is evidence of an improvement in market activity and values, although there is a focus on lower priced suburban housing closer to the centre of Bradford with lower value housebuilders such as Gleeson Homes making up a large proportion of the market, whilst higher specification housebuilders are less prevalent.

Private Rented homes

3.47 The private rental market in Bradford is growing, reflecting broader trends in the UK housing market. Bradford offers attractive investment opportunities due to its relatively low property prices and strong rental yields. The average property price in Bradford is significantly lower than the UK average making it an appealing location for investors. Private rent is popular for families or individuals who prefer the privacy and space of a standalone home without the commitment of ownership.

3.48 There is strong rental demand in Bradford driven by a young population and proximity to major employment hubs like Leeds. The Office for National Statistics reports that private rents rose to an average of £704 per calendar month in February 2025 which was an annual increase of 7% from £658 in February 2024. This was higher than the rise in Yorkshire and the Humber (4.8% over the year). Across Yorkshire and Humber, the average monthly rent was £813, up from £775 a year earlier. Across Great Britain, the average rent price in February 2025 was £1,338 which was up form £1,238 in February 2024.

Figure 2.21: Annual Change in rents in Bradford



Source: Office for National Statistics

3.49 Several new PRS developments are underway or planned in Bradford, aiming to meet the growing demand for high quality rented accommodation. These projects often include amenities such as gyms, communal spaces and on-site management to attract tenants. Examples include Gelham House, High Point and Bradford City Village, although it is worth noting that all three of these developments have only been able to proceed with the benefit of substantive public sector funding incentives.

3.50 High Point in Bradford, initially built in the 1970s, was converted into 87 apartments. From the total redevelopment cost of £11 million, the local authority has secured £2.9 million grant from the West Yorkshire Combined Authority to enable the viable delivery of the scheme. The project was carried out by Circus Development with the building's eight storeys converted to residential use. The current asking prices at High Point range from £775 for a studio up to £950 for a two-bed apartment.

3.51 Bradford's designation as UK City of Culture for 2025 is expected to boost the local economy and increase demand for rental housing. The cultural recognition is likely to attract more residents and investors to the area.

3.52 The increase in demand for rental housing in Bradford is driven by a number of factors. Bradford's comparably young population compared to the rest of West Yorkshire, has driven the need for lower income accommodation. West Yorkshire Combined Authority's plan to deliver a mass transit tram scheme in between Bradford and Leeds, and the proposed improvements to rail connectivity will make Bradford even more attractive for young professionals who could enjoy the lower rents of living in Bradford and still benefit from the employment opportunities available in Leeds and Manchester.

3.53 This increase in demand will likely improve the viability prospects of Private Rented Sale and Build to Rent development in Bradford in the next 10 years. In addition to the demand for apartments for younger demographics (1-2 bed/ studio apartments), the second-hand sale flatted market indicates that there is a major requirement for multifamily apartments in Bradford, with larger 1000 sq ft+ flats transacting.

3.54 However, Bradford currently is not delivering high rise, new build BTR schemes as can be seen in Leeds. Over the last 5 years there has been almost no new build development in the centre of Bradford. With the effects of the Building Safety Act compounding viability challenges, it will be difficult to enable viable delivery of city centre apartments in the short to medium term. There is a trend to focus on delivering midrise development, rather than high rise BTR schemes as a result of the Building Safety Act, and this is apparent at the planned Bradford City Village development. Originally, the scheme aimed to deliver higher rise flats in bulk in the centre of Bradford. However, as the scheme has progressed it has become clear that focusing on midrise apartments, no higher than 6 storeys, will improve deliverability and avoid the protracted Gateway 2 associated with the Building Safety Act Gateway 2 process.

Affordable Housing

3.55 There are several types of affordable housing tenures designed to make housing more accessible. Some of the main tenures include:

3.56 **Social Rent** – these are properties provided by local authorities or Registered Providers (RPs) with rents set according to a national formula, making them the most affordable option of all affordable housing typologies.

3.57 **Affordable Rent** – These properties are also provided by stock holding local authorities or RPs with rents set at up to 80% of the local market rent.

3.58 **Shared Ownership** – These properties allow individuals to buy a share of a property (usually between 25-75%) and pay rent on the remaining share. Over time, additional shares can be purchased (a process known as staircasing) until the property is owned outright.

3.59 **Shared Equity** – This type of affordable housing is similar to shared ownership, but no rent is paid on the remaining share. The purchaser can buy further shares until the property is owned outright.

3.60 **Discount Market Sale** – Properties are sold at a discount (usually 20-30%) below market value to eligible buyers making home ownership more affordable.

3.61 **Rent to Buy** – Properties are rented at a reduced rate allowing tenants to save for a deposit to purchase the property at the end of the rental term

3.62 There is a chronic shortage of affordable housing leading to huge waiting lists. The issue is being compounded by the barriers in delivering housing detailed above. Incommunities is the largest social housing provider in the Bradford district managing nearly 22,500 homes including houses, flats, and sheltered housing. Other local RPs include Horton Housing Association, Manningham Housing Association and Anchor.

3.63 Incommunities are looking to expand on their current portfolio, their recent Manchester Road scheme converted eight poor quality tower blocks into 107 family homes across a mix of tenures which suited the needs of the local area. These included affordable rent (53), rent-to-buy (37) and shared ownership (17). The new homes where mainly 3- storey townhouses.

3.64 In addition to this they have proposed to take all of the affordable housing delivered at Bradford City Village, 97 town houses. In addition to this expansion of new developments, Incommunities needs to balance its stock requirements. Refurbishment and replacement of current stock represent a key area which could contribute to the delivery of units which are fit for purpose. By delivering mixed tenure solutions, such as that seen at Manchester Road, Incommunities could rebalance tenure requirements and contribute to place making in Bradford.

Student Accommodation

3.65 As a university City, Bradford requires accommodation for its student population. Student accommodation has traditionally varied from Halls of Residence (owned and managed by the University), private halls of residence - like university halls, but owned and managed by private companies and usually offering a range of amenities; shared houses/apartments – where common areas like kitchens and living rooms are shared; and studio apartments – which are self-contained units with a private kitchen and bathroom, providing more privacy, but rented at usually a higher cost.

3.66 In recent years, there has been an onset of purpose-built student accommodation (PBSA). These are modern buildings designed specifically for students, offering a range of amenities like gyms, study rooms and social spaces. The current generation is looking for housing that can provide them with more than just a place to stay. This behavioural pattern is increasing the demand for quality housing, creating a huge opportunity for the PBSA real estate sector. As a result, purpose-built student accommodation is gaining popularity as a premium asset class that caters to overall student well-being.

3.67 Unfortunately, the purpose-built student accommodation market in Bradford is not as strong as elsewhere in the country with a very low occupancy and effectively a student to bed ratio of 1:1 versus a national average of 12:1. In real terms, this means that purpose-built student accommodation is struggling to come forward in Bradford at the current time due to a lack of demand. This is due to the fact that the University of Bradford recruits the vast majority of its students locally – ie those that can commute from home every day. In Bradford only three or four out of every ten students are from outside the area; whereas in locations such as Leeds there are

circa eight out of every ten students who are necessitating accommodation, so the demand for PBSA in these areas is higher.

Senior Living

3.68 Senior Living comprises a range of housing and care options designed to meet the needs of older adults. It includes:

3.69 **Independent Living** - These communities are for seniors who are generally able to live on their own but want the convenience of living in a community with other seniors. They offer various amenities like housekeeping, dining, and social activities.

3.70 **Assisted Living** - These facilities provide support with daily activities such as bathing, dressing, and medication management. They offer a balance of independence and assistance, with staff available 24/7.

3.71 **Nursing Homes** - Also known as skilled nursing facilities, these provide a higher level of medical care for seniors with significant health issues or disabilities. They have licensed nurses and medical staff on-site.

3.72 **Memory Care/Dementia Care Homes** - Specialised care for seniors with Alzheimer's disease or other forms of dementia. These facilities offer a secure environment and specialized programs to support cognitive function.

3.73 **Continuing Care Retirement Communities** - These offer a continuum of care, from independent living to nursing care, all within the same community. This allows residents to stay in the same place even as their care needs change. An example of this accommodation is Hartigg Oaks, New Earswick, York which is operated by Joseph Rowntree Housing Trust.

3.74 **Age Restricted Communities** - These are residential communities designed for seniors, typically 55 and older. They offer various amenities and activities tailored to an active senior lifestyle.

3.75 The key providers of senior living in the UK include Audley Villages who are known for their luxury retirement villages and offer a maintenance free lifestyle with access to health and wellness facilities. McCarthy and Stone are one of the largest providers in the UK and provide independent living, assisted living and care homes, they are delivering Jennings Grove and have a completed scheme at Jowett Court, both located in Idle. Unfortunately, there are very few of these operators with an active requirement in Bradford, unless it is in the higher value areas such as Ilkley or Menston which are capable of achieving the higher revenues capable of supporting the relatively higher costs required for this type of accommodation.

3.76 Anchor provides a wide range of housing and care options for older adults including retirement villages and care homes. C&W is aware that they are actively seeking development sites for over 55's accommodation and are interested in land of circa 1.5 acres, ideally closely situated to local amenities including shops, bus stops and GP surgeries. Preferred Homes also provide affordable senior living, although their requirement is very dependent on commissioner recommendations.

3.77 Other providers include Richmond Villages, Inspired Villages and Sanctuary Retirement Living. More locally, Methodist Homes Association delivers housing and retirement services in Bradford.

Supported and Specialist Accommodation

3.78 The Council is responsible for providing a range of accommodation options to meet the diverse needs of its residents. This includes supported housing, temporary accommodation and emergency accommodation. Supported and specialist accommodation is housing designed to meet the needs of individuals who require additional support to live independently. It includes:

3.79 **Supported housing** – is typically defined as a housing service where housing, support and/or care services are provided to help people to live as independently as possible. Supported housing provides homes for a wide range of people including older people, people with a learning disability and autistic people, people with mental health related needs, vulnerable young people and people who have experienced homelessness.

3.80 **Sheltered accommodation** – Typically for older adults, offering a safe environment with some level of care and support. Such schemes generally have an onsite warden or scheme manager. There are several examples of supported housing schemes in Bradford operated mainly by Anchor and Housing 21.

3.81 **Extra Care Housing** – Similar to sheltered accommodation but with more intensive care and support services.

3.82 **Hostels** - Short-term accommodation for individuals in crisis, such as those fleeing domestic abuse or experiencing homelessness.

Summary

3.83 Based on the research above it can be concluded that there are key areas of accommodation which are in higher demand in Bradford. Firstly, the demand for studio, 1, 2 bed apartments for young professionals in the centre of Bradford appears to be a clear area of growth. Secondly, we have identified demand for multi-family apartments in mid-density low rise schemes which deliver low-cost housing. Within and surrounding the City Centre Study area these typologies appear to attract the highest level of demand. We expect that this level of demand is driven by Bradford's relative affordability compared to other markets such as Leeds and Manchester.

3.84 Despite a large stock of affordable homes, waiting lists appear to be growing in the region, this indicates that the current tenure of affordable homes is not fit for purpose and a focusing on providing market facing tenures is needed. The high level of affordable housing stock in Bradford raises the question as to whether a more balanced housing supply is needed. However, the need for renewal of existing stock, and new mixed forms of affordable tenure, are both reasons for promoting further development. Schemes such as Incommunities Manchester Road, are a key example of delivering family homes suited to their customer requirements replacing ageing unsuitable buildings. The scheme required £7.3m from the public sector (£68,224 per unit) showing that there is a high cost to housing delivery in Bradford.

3.85 The current private sector housing development market in lower value locations in West Yorkshire such as Bradford is increasingly dependent on public sector funding which is plugging viability gaps. These gaps are driven by several factors, including inflated build costs, increased cost of borrowing and increased regulation (such as the Building Safety Act), These problems are exacerbated in Bradford, where lower rental and capital values produce smaller development values, which paired with similarly high build costs leads to larger viability gaps.

3.86 As a result of these viability gaps, there is an increased emphasis on choosing the schemes which truly add to Bradford's sense of place, making market interventions which can help to boost attractiveness to new occupiers and purchaser markets. Schemes also need to focus on careful planning which reduces abnormal costs, making schemes more appealing.

3.87 Overall, the market in the study area can be characterised as being differentiated into a city centre and a suburban one. Whilst there are growth opportunities indicated by demographics and some recent schemes, in the main, market conditions are weak when benchmarked against many other locations, and a transformation is needed to increase the scale and rate of delivery. The next section provides findings from research in areas that have been the subject of interventions to transform the housing market in similar market contexts.

4. Examples of Market Making Precedents

4.1 A review of regeneration schemes across England has been conducted to show best practice examples of urban placemaking. These schemes have all focused on some form of residential led urban regeneration across a range of living typologies and tenures. A key focus when selecting the case studies was the original condition of the areas, focusing on low value locations which required innovative solutions to bring forward development.

Figure 3.1: Map of Case Studies.



Source: Google My Maps, 2025

4.2 The list of developments is as follows:

- Brents Cross, Cricklewood.
- Climate Innovation District, Leeds
- Kellam Island, Sheffield
- Leeds Docks (Guiness Partnerships), Leeds
- Merchants Gate, Wakefield
- Welsh Streets, Liverpool
- Salford/ Northern Quarter, Manchester

- Ouseburn, Newcastle
- Tottenham Hale, London
- Northshore, Stockton-on-Tees

4.3 A further consideration for the case studies chosen was the evidence of placemaking. All schemes delivered, involved in some part, the redevelopment of an area which was regarded as poor quality previously.

4.4 The list of full case studies can be found at Appendix 7.

Key Findings

4.5 Across the reviewed case studies, several consistent themes emerge that are highly relevant to Bradford's ongoing and future regeneration ambitions. One of these is the importance of brownfield land reuse as a catalyst for sustainable, place-based regeneration. Schemes such as the Climate Innovation District in Leeds, Kelham Island in Sheffield, and Ouseburn in Newcastle all demonstrate how post-industrial sites can be transformed into desirable, vibrant mixed-use communities.

4.6 These examples show how combining heritage-led restoration, low-carbon construction, and modern placemaking can not only bring new life to underused land but also attract investment, residents, and businesses. Bradford, rich in mill buildings, industrial heritage, and brownfield opportunity, can similarly leverage its existing assets to deliver housing and mixed-use schemes that blend sustainability with cultural identity, rather than relying on expansion into greenfield sites.

4.7 Another key lesson is the role of partnerships and funding diversity in unlocking complex regeneration. Projects like Brent Cross Cricklewood and Northshore, Stockton-on-Tees illustrate how collaboration between local authorities, private developers, Homes England, and combined authorities can de-risk delivery and secure critical infrastructure upfront. The layering of funding sources, ranging from Brownfield Housing Funds to private loans and joint venture arrangements, has proven essential to delivering viable schemes in lower-value markets, a challenge directly comparable to Bradford.

4.8 Moreover, examples such as Welsh Streets and Northern Quarter demonstrate the value of sensitive, incremental renewal, where heritage preservation, community engagement, and adaptive reuse drive social value and neighbourhood stability. For Bradford, this suggests that regeneration should balance bold, infrastructure-led transformation in key growth zones with careful, conservation-led renewal in established inner-city neighbourhoods, ensuring that growth remains inclusive, locally grounded, and sustainable over the long term.

4.9 There is evidence of annual premiums on rental and capital growth being achieved in the locations examined. Therefore, recognising the place making ambitions for Bradford, it is realistic to expect to see some improvement and increases in values in real terms, if major place making interventions are made in a targeted way to enhance the attractiveness of the city as a place to live.

5. Conclusions and Recommendations

Conclusions

5.1 Based on the research above it can be concluded that there are a number of areas for potential growth of homes in the city centre. There is an established market in the city centre for studio, 1- and 2-bedroom apartments driven by a combination of student, young professional and affordable home submarkets. There is also a suburban family housing market at the edges of the study area, particularly in the Canal Road corridor at the northern end. Taking into account the regeneration ambitions for the city, with the benefit of interventions to improve transport connectivity and environmental investments, it is possible to see significant growth in these sub sectors of the housing market.

5.2 At present, development across all residential sub sectors is exposed to viability pressures which in many cases is creating viability gaps. These gaps are driven by several factors, including inflated build costs, costs of finance and increased regulation (such as the Building Safety Act). These problems are exacerbated in Bradford, where lower rental and capital values combine with high costs to drive larger viability gaps. Given the scale of the viability issues in the city centre, there is a need for major interventions that can boost attractiveness of the city over the long term, to help overcome this challenge.

Recommendations on typologies of development and mix

5.3 In this research we have identified the following key typologies that we believe are applicable to Bradford and therefore should be focused on for future development:

Sectors and tenure

- Market sale – there is a demonstrable demand for market sale of houses on the peripheral parts of the study area and apartments in the core of the study area (albeit the latter, often purchased for private rent). There is potential to increase the scale of homes for sale if the right sites are brought forward with the appropriate investments in support infrastructure and facilities. Homes for sale are thought most likely to be in demand at the entry level/small scale price bracket creating an affordable product that is competitively priced against other locations.

- PRS/build to rent – there is considered to be a significant latent demand for PRS, albeit the Build to Rent sector is adversely affected by viability issues currently undermining deliverability. There will inevitably be potential for new PRS in the form of conversions with some new builds where public sector grant is available in the short term through schemes such as Bradford City Village.

- Senior living – the demographic shifts place a greater emphasis on senior living requirements in the future. Delivery models have tended to focus on more affluent areas, other than in the care sector where it is state underwritten, although the emergence of new models such as the McCarthy and Stone development on Bradford Road, Idle illustrate the trend in the move of such models into more affordable locations which could enable the study area to potentially accommodate some of this requirement in the future.

- Affordable – the demand for new and renewed affordable stock will drive demand for new affordable homes in Bradford either as part of mixed tenure developments or as wholly owned mixed tenure affordable schemes such as illustrated by the Points Cross development on South Bank in Leeds. The recent development at Manchester Road and proposed first Phase of Bradford City Village by Incommunities demonstrate this trend and opportunity.

- Student accommodation – whilst current market dynamics indicate a limit to the level of new PBSA, the university presence will inevitably drive some requirements either via PBSA or private rented market variants in the future.

Density and typology

- There has been limited new build developments in the city recently (i.e. over the last property cycle) from which to derive accurate benchmarks of how future density typologies are likely to be shaped.

- There is a strong demand for small homes and therefore entry level home ownership, potentially in dense urban town house formats. This does however present a delivery challenge given the potential inconsistency with the generic suburban family house types promoted by PLC housebuilders.

- Apartments are considered likely to be converted from vacant / obsolete commercial floor space given the legacy of disused textile mills plus the anticipated future obsolescence of many commercial buildings reaching the end of economic life. New build apartments are likely to straddle two formats: either 2-3 storey for specialist/senior living, and mid storey height (e.g. up to six storeys) for BTR/market sale apartments.

Quantum and absorption

- Historic rates of completion show modest rates of delivery, c 200 per annum

- Future scale of demand will be influenced by interventions such as connectivity improvements, catalytic / demonstrator developments and environmental improvements that will help to create a critical mass to unlock further growth.

5.4 Another key finding from our assessment is that an increase in the rate and scale of housing delivery in the central area of Bradford is likely to require not only a suitable land supply, but substantive place making interventions that can transform the attractiveness for occupiers, renters and purchasers. This needs to be a key element of any strategy to progress development in Bradford, to ensure that the allocation of land for homes in the city centre meets Soundness tests in accordance with planning policy requirements.

Appendix 1 - C&W Marketbeat Economy & Housing October 2025

CUSHMAN & WAKEFIELD

MARKETBEAT

ECONOMY & HOUSING

OCTOBER 2025

Better never settles

MARKETBEAT

ECONOMY & HOUSING

OCTOBER 2025

CUSHMAN & WAKEFIELD

"YOU GOTTA HAVE FAITH"

When looking at the economy and even the way the data is being reported, at present, to paraphrase George Michael, "you gotta have faith."

Firstly, there's having faith in the data. The most recent data error has been through the undercounting of VAT income to the tune of £2 billion. In this case, finding an extra £2 billion down the back of the proverbial sofa is no bad thing and means that the current £62 billion public sector deficit is ever so slightly better than once feared.

This is another addition to a series of data issues from the ONS – particularly with regards to labour data, but also on inflation, retail sales and trade - that further erodes trust in data, that will impact decision making. There are no stones being cast here (I can assure you!), and there is new leadership at the ONS but trust in data is important for decision-making, particularly at the margins.

The second area of faith needed unfortunately comes in the outlook for the economy and the impacts from the long-signposted Autumn Budget. In reality, the VAT income amend has little impact on the tightening required to find up to £30 billion in the budget as a result of higher yields, the backtrack on welfare reforms, and weaker than forecasted productivity growth.

The Chancellor is an unenviable position. One of the options she has is to increase the amount of headroom. However, this could impact the financial markets, and there is no guarantee that the UK is not back in the same position not long after.

Unfortunately, and it should go without saying, but needing to have faith is not good for business. After a boost in PMI in July, the UK Composite PMI fell from 53.5 in August to 50.1 in September. This is the weakest reading since tariffs hit, with plenty of citations of uncertainty.

While the decision to push back the Autumn Budget to late in the year was a pragmatic one – in the hope that a more positive picture would emerge; in reality, the spectre of increased tax rises will hang over decision-making for businesses and investors in real estate until there is clarity.



Daryl Perry
Head of UK Research & Insight
daryl.perry@cushwake.com

KEY TAKEAWAYS

GDP stagnated in July, bringing growth in the three months to July to 0.2%, and up 1.2% year-on-year.

Consumer confidence reversed its previous month's positive growth, decreasing from -17 to -19.

The UK Composite PMI decreased from 53.5 in August to 50.1 in September. This was driven by a reversal in sentiment in the Services sector, and a continued malaise in Manufacturing.

In August there were 93,630 residential transactions, a slight monthly decline of 1.7% but 1.7% higher than the same time last year.

The next MPC meeting is on 5th November, with the base rate currently at 4%.

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MARKETBEAT

ECONOMY & HOUSING

OCTOBER 2025

CUSHMAN & WAKEFIELD

ECONOMIC INDICATORS

	YOY Change	Monthly Change
102.8 MONTHLY GDP	▲	▬
50.1 UK COMPOSITE PMI	▼	▼
-17 CONSUMER CONFIDENCE	▼	▲
4.6% UNEMPLOYMENT RATE	▲	▬
4.1% CPIH	▲	▼
3.8% 5 YEAR SONIA*	▲	▲
4.8% 10 YEAR GILTS*	▲	▲

** Notably volatile at present*

Source: ONS, Moody's, Bank of England, GfK, S&P, FTSE Russel

ECONOMIC OVERVIEW

Real GDP stagnated during July 2025, following 0.4% growth in June. Services and construction output both increased output by 0.1% and 0.2% respectively, albeit this was offset by production falling by 0.9% in the month.

This means that in the three months to July 2025, the economy grew by 0.2% compared to the three months to April. This was off the back of a stronger-than-expected Q2, with the economy growing by 0.3% for the quarter.

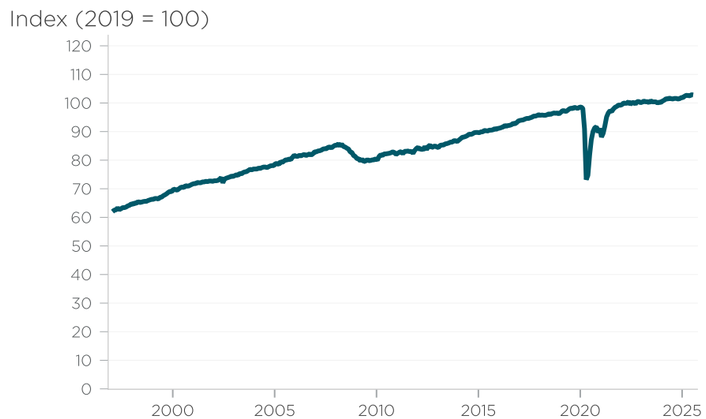
As of the end of July, it means that GDP has expanded 1.2% year-on-year, putting growth amongst the highest in the G7.

Business confidence has become more subdued over the last month. The UK Composite PMI fell from 53.5 in August to 50.1 in September, barely above the 50 benchmark for growth. This is the weakest reading in five months, when PMI took a hit as a result of the news on tariffs. Manufacturing PMI has now fallen for 12 consecutive months, and is now at 46.2.

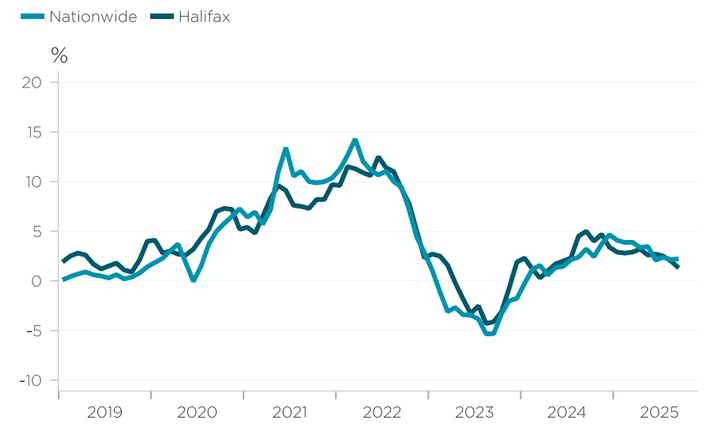
Consumer confidence also deteriorated during the month, as a result of looming concerns over tax increases in the November budget.

In August, house prices experienced a 0.5% monthly increase and annual growth of 2.2%, somewhat in line with the last few months. Transactions have remained pretty stable over the last few months, with August seeing 93,630 residential transactions, a slight monthly decline of 1.7% (likely to represent a summer slowdown). Nevertheless, sales remained 1.7% higher than the same time last year.

MONTHLY GDP

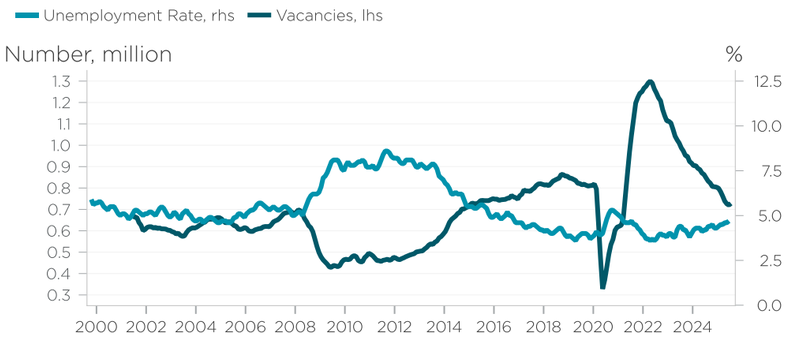


UK ANNUAL HOUSE PRICE INFLATION



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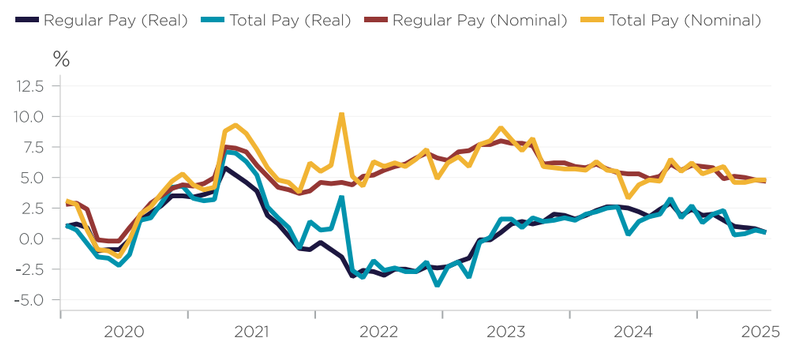
UNEMPLOYMENT & JOB VACANCIES



ILO REDUNDANCY RATE



PAY IN REAL & NOMINAL TERMS



EMPLOYMENT

Payrolled employees fell by 6,000 between June and July 2025, while early estimates for August suggest another fall of 8,000. Those same early estimates would indicate that the total workforce stands at 30.3 million - 127,000 fewer than it did a year previous, representing a 0.4% decline.

This represents the most sustained period of employment contraction since the pandemic. Since the Chancellor announced the increase in National Insurance contributions and the minimum wage in October 2024, payroll employment has declined consistently.

The UK unemployment rate climbed to 4.7% in May to July 2025, unchanged from the previous period but remaining at its highest level since August 2021.

Vacancies continue their sustained decline, falling by 10,000 (1.4%) to 728,000 in June to August 2025. This marks the 38th consecutive quarterly decline, with the cooling most acute in retail, consumer services, and manufacturing subsectors. The unemployment-to-vacancy ratio has increased to 2.3 in May to July 2025, up from 1.7 in the same period last year.

Due to the lagging nature of redundancy data, information on redundancies is unlikely to give a true indication of current economic health. Nevertheless, the data that runs to July saw the number of redundancies decrease from 3.6 to 3.5 per 1,000 employees. Its highest this year was 4.2 per 1,000 employees.

The caveat remains that labour market data provided by the ONS are subject to considerable uncertainty due to ongoing small sample sizes in the Labour Force Survey. While some improvements have been made to survey methodology, triangulating across multiple datasets remains necessary. Nevertheless, the headline story across the labour market is one of continued loosening.

EARNINGS

Wage growth continues to moderate. For the three months to July 2025, annual regular pay growth was 4.8%, down from 5.0% in the previous period, while total pay (including bonus payments) grew by 4.7%. Annual growth in real terms using CPIH was 0.7% for regular pay and 0.5% for total pay.

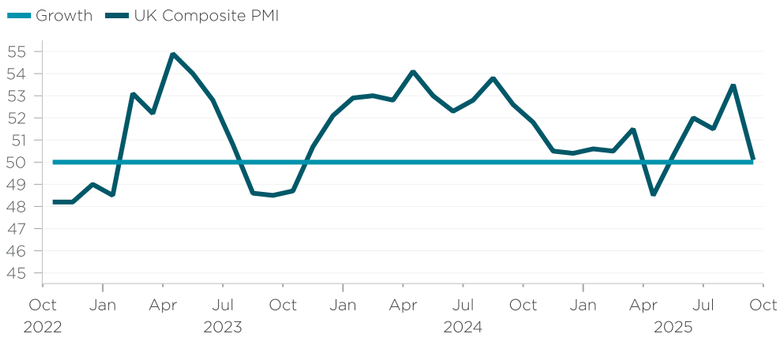
Public sector wage growth increased to 5.6% from 5.5% in the previous period. However, private sector wage growth fell further to 4.7% from 4.8%. For context, private sector pay growth remains above levels seen between the Global Financial Crisis and the pandemic.

The wholesaling, retailing, hotels and restaurants sector continues to show the strongest regular annual growth rate, though this has moderated from previous peaks. Construction wage growth also remains strong but has declined from earlier highs.

Median monthly pay increased by 6.6% year-on-year in August 2025, reaching £2,568. Annual growth in median pay was highest in the health and social work sector at 11.0%, while the lowest growth was in the professional, scientific and technical sector at 3.3%.

Source: ONS, Macrobond, Cushman & Wakefield

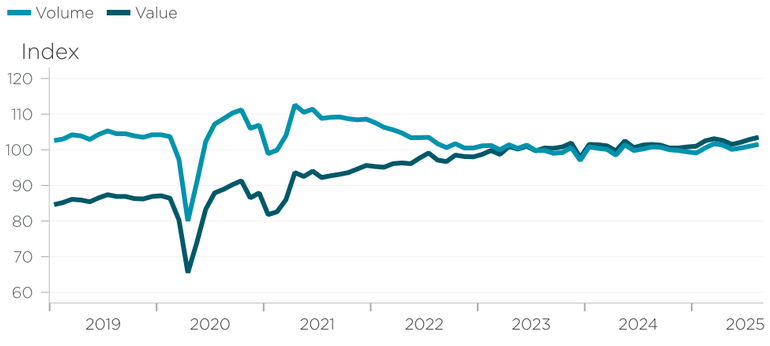
UK COMPOSITE PMI



CONSUMER CONFIDENCE



RETAIL SALES AND VOLUME INDICES



BUSINESS DEMAND

Business confidence has become more subdued over the last month. The UK Composite PMI fell from 53.5 in August to 50.1 in September, barely above the 50 benchmark for growth. This is the weakest reading in five months, when PMI took a hit as a result of the news on tariffs.

Manufacturing PMI has now fallen for 12 consecutive months and is now at 46.2. However, the downturn was driven by a sharp deterioration in the services sector, with the Services PMI falling to 50.8 in September from a 16-month high of 54.2 in August. This marked the slowest pace of expansion since April, as subdued economic conditions and heightened market uncertainty weighed on output growth.

New business orders contracted again in September, reversing August's modest growth. Factory order books experienced particular weakness, with export orders seeing one of the sharpest falls in two years due to weakness across multiple markets. Service providers cited weaker consumer confidence, delayed business spending decisions by clients "until after the autumn Budget," and declining exports as key factors affecting demand.

Many service providers reported lower headcounts due to non-replacement of voluntary departures, indicating a restrained approach to workforce expansion amid cost pressures from higher wages and National Insurance contributions.

BUSINESS FAILURES

Company insolvencies continued to stabilise at historically elevated levels. August 2025 saw 2,048 registered company insolvencies in England and Wales, representing a 2% decrease from July's 2,083 but remaining 6% higher than August 2024. This marks the third consecutive month of modest declines from the peak levels earlier in 2025.

The 12-month rolling insolvency rate decreased slightly to 52.6 per 10,000 companies in the year ending August 2025, down from 55.5 per 10,000 companies in the previous period. Despite this improvement, the rate remains significantly elevated compared to pre-pandemic levels, though well below the peak of 113.1 per 10,000 companies seen during the 2008-09 recession.

Creditors' voluntary liquidations (CVLs) continued to dominate, accounting for 78% of all insolvencies in August 2025. The number of compulsory liquidations fell by 9% from July but remained 15% higher year-on-year, while administrations decreased by 17% month-on-month but were still 6% above August 2024 levels.

CONSUMER DEMAND

Consumer confidence weakened further in September 2025, with the GfK Consumer Confidence Index slipping to -19 from -17 in August. All five measures of confidence deteriorated in September, with the economic outlook remaining particularly subdued at -32. Personal financial situation perceptions for the past year fell three points to -7, while forward-looking personal financial expectations dropped one point to +4. The major purchase index, examining whether it's the right time for significant purchases, fell three points to -16.

Retail sales volumes increased by 0.5% in August, following an increase of 0.5% in July. With consumer spending increasing just 0.1% q-o-q, weak confidence is persuading consumers to hold steady, and put money aside. Household savings ration increased to 10.7%, well above post-GFC norms.

Source: ONS, Gfk, S&P Global, Macrobond, Cushman & Wakefield

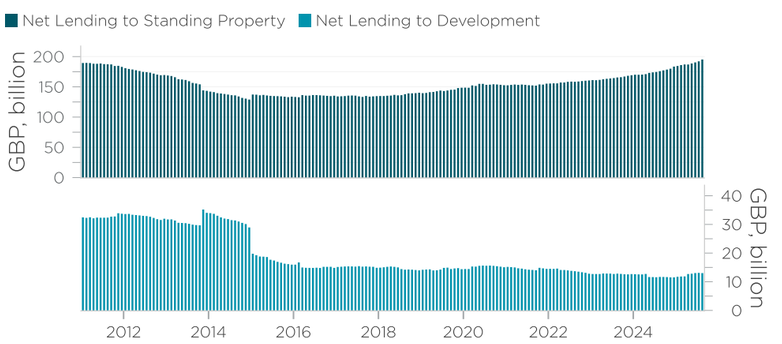
INTEREST RATES



5 YEAR SONIA & 10 YEAR GILTS



LENDING TO COMMERCIAL PROPERTY



INFLATION

CPI rose to 3.8% in the 12 months to August 2025, unchanged from July, and is expected to edge up slightly in September before falling thereafter. CPIH fell marginally to 4.1% in the 12 months to August from 4.2% in July. Core CPI eased to 3.6% from 3.8%.

On a monthly basis, CPI rose 0.3% in August, up from 0.1% in July and matching forecasts. The Bank of England remains alert to the risk that temporary increases in inflation could put additional upward pressure on wages and pricing.

MONETARY POLICY

Despite inflation remaining well above target, the MPC voted by a majority of 7-2 to maintain Bank Rate at 4% in September 2025. This followed the expected 25 basis point cut to 4% delivered in August, continuing the cautious approach to rate reductions. Two members - Swati Dhingra and Alan Taylor - voted to reduce Bank Rate by 0.25 percentage points to 3.75%.

The Committee remains focused on "squeezing out any existing or emerging persistent inflationary pressures, to return inflation sustainably to its 2% target in the medium term". Governor Andrew Bailey emphasised that "we are not out of the woods yet" regarding inflation and that "future cuts need to be made gradually and carefully".

The next MPC meeting is scheduled for 6 November 2025. With inflation expected to rise towards 4% in the coming months and remain well above target, markets are not pricing in further rate cuts until 2026. Pay growth remains elevated but has fallen and is expected to slow significantly over the rest of the year.

The Committee also voted 7-2 to reduce the pace of quantitative tightening from £100 billion to £70 billion annually over the next 12 months. This adjustment aims to "taper off crisis-related interventions while minimising the impact on gilt markets" amid significant rises in long-term government debt yields. The Bank of England estimates that its quantitative tightening programme is adding 15-20 basis points to gilt yields. To address market pressures, the BoE announced it will sell fewer long-maturity gilts in the coming year, with an approximate weighting of 40% short-maturity, 40% medium-maturity, and 20% long-maturity bonds.

Bond market conditions remain volatile. 10-year gilts are running at approximately 4.8%. The yield curve has steepened considerably, with 30-year gilts reaching their highest levels since 1998 in early September. 5 year SONIA swaps are around 3.8%.

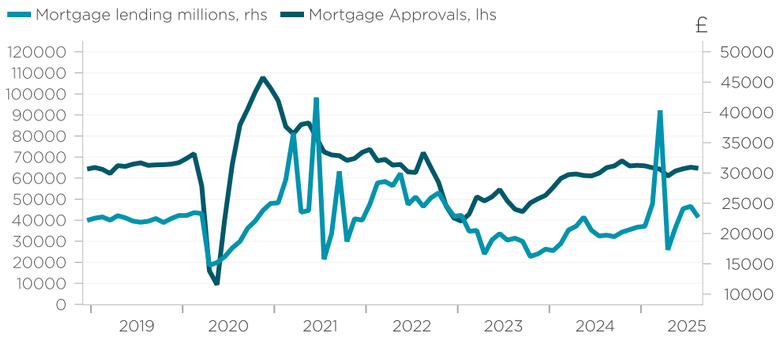
LENDING

In August, net lending to property reached its highest monthly level since May 2020. This was after a sustained period of strength, during which net lending averaged £2.0bn. This means the last three months have seen net levels of £6.3 billion – the highest in the last 15 years. The majority of net new debt was against standing investment – with net lending falling, having reached record levels just two months ago. The heat of the lending market stands in contrast to investment liquidity, which suggests that refinancing is accounting for a significant share.

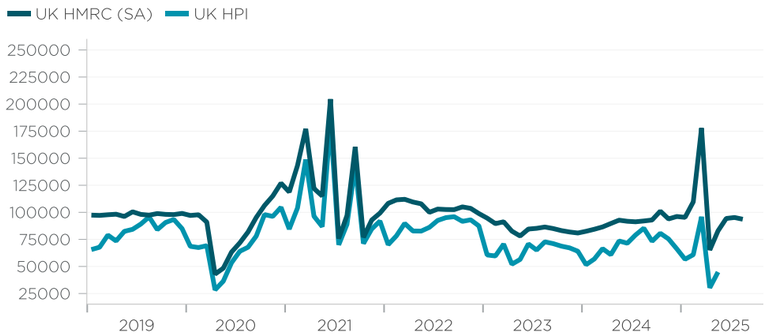
Source: Bank of England, FTSE Russell, , Macrobond, Cushman & Wakefield

HOUSING - SALES
OCTOBER 2025

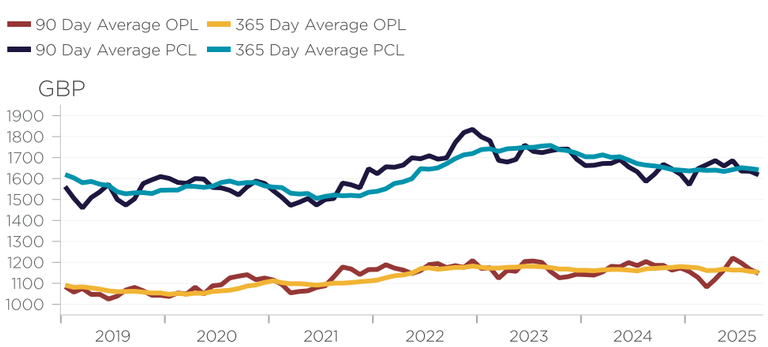
UK MONTHLY MORTGAGE APPROVAL & LENDING



UK MONTHLY TRANSACTION VOLUMES



CENTRAL LONDON CAPITAL VALUES



MORTGAGES

Mortgage approvals, an important gauge of housing market demand, have remained steady for the last few months, hovering around the 65,000 mark with 64,680 approved in August. They experienced a modest monthly and annual decline of 0.7% and 0.5% respectively. They remain 1.7% above the five-year average.

Mortgage rates have remained stable as of recent months. Average quoted mortgage rates on a 90% LTV in September were 4.59%, compared to 4.56% last month. Taking a lower LTV of 75%, there has also been little movement with average rates of 4.19% in September in comparison to 4.13% in August.

SALES & PRICING

Similar to mortgage approvals, transactions have remained pretty stable over the last few months. In August there were 93,630 residential transactions, a modest monthly decline of 1.7% and sales remained 1.7% higher than the same time last year.

According to Rightmove there have been no immediate reactions from movers to the pending Autumn Budget and rumoured property tax changes. The housing market is very much a buyers' market, with an increase in the number of homes available for sale (8% above the same time last year according to Zoopla), improved affordability (albeit above the long-term average), and increased stability in mortgage rates.

In August, house prices experienced a 0.5% monthly increase and annual growth of 2.2%, somewhat in line with the last few months. Digging a little deeper into house prices, Zoopla reported those higher value homes, priced over £1 million have seen an 11% annual decline in demand, whereas those priced under £500k have seen a 0.2% annual increase in buyer demand. This suggests that the April stamp duty changes, affordability pressures and the looming budget are having the greatest impact on higher priced homes.

PRIME LONDON CAPITAL VALUES

The Prime London market has recently seen declines in capital values due to broader economic and geopolitical uncertainties. Tax policies on non-doms, second homes, and private equity signal a tighter environment for wealth management and property ownership. As a result, London's property market may see shifts in buyer behavior and continued price sensitivity at the prime end of the market.

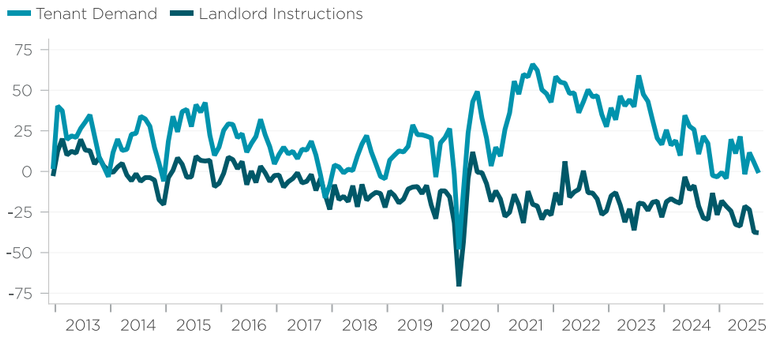
PCL - As of September 2025, 365 day average values in PCL are £1,642 psf, 0.3% below last month and 1.1% below last year. 90 day average values in PCL for September 2025 were £1,617 psf, 1.1% below Augst 2025. Achieved discounts to asking prices (365 day average) in PCL increased in September to -4.9%.

OPL - As of September 2025, 365 day average values in OPL are £1,153 psf, 0.3% below last month and 1.5% below last year. 90 day average values in OPL for September 2025 were £1,147 psf, 1.7% below August 2025. In OPL, discounts remained at -3.1%.

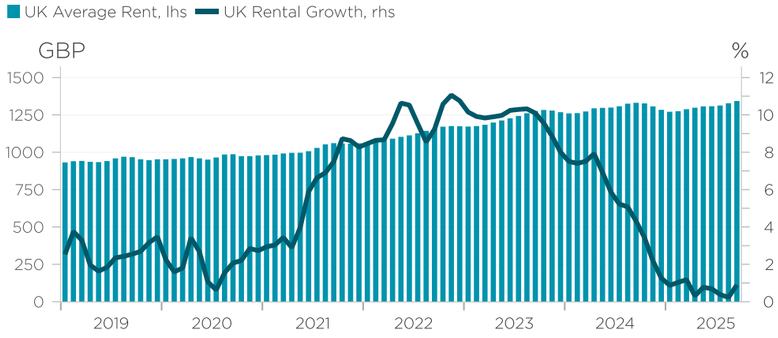
Source: HMRC, LonRes, Macrobond, Cushman & Wakefield

HOUSING - RENTAL
OCTOBER 2025

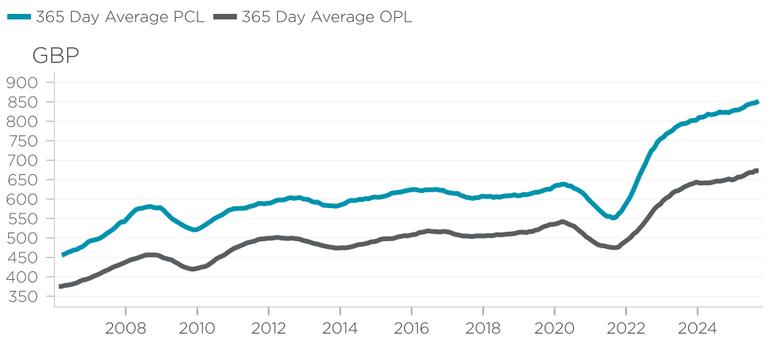
UK LANDLORD INSTRUCTIONS VS TENANT DEMAND



UK ANNUAL RENTS



UK LONDON RENTS



SUPPLY & DEMAND

The supply-demand imbalance is now becoming more balanced, with a slowdown in tenant demand. Looking ahead, we expect the market to settle into a more sustainable growth path, with rental increases averaging around 3% per annum over the medium term. While structural undersupply, particularly in London, will continue to support headline growth, affordability constraints are expected to act as a long-term ceiling on further rental uplift. Regulation is also playing an increasingly influential role in shaping the market, with recent tax changes, rumoured upcoming tax changes in the Autumn budget, energy performance standards, and the renters right bill, all likely to continue to push some landlords out of the market. Multifamily will continue to play a huge role in delivering new rental homes going forward.

The RICS residential survey for September 2025 showed tenant demand remaining flat, with a net balance of -1%, down from 5% last month. On the other hand, landlord instructions remained in decline with a net balance of -38%. This measure has been negative since August 2022 and has been in double-digit negative growth for the past 14 months.

RENTAL VALUES

In September, the average UK rent was £1,343, 1.1% above last month, bringing annual rental growth to 0.9%, a slight increase on last month. Weaker tenant demand and continued affordability pressures continue to impact rental values, however, a further decline in landlord instructions may lead to some upward pressure on rents in the coming months.

In September 2025 annual rental growth varied across the UK, with the greatest rental growth being in Northern Ireland (7.4%), followed by Yorkshire and the Humberside (3.8%), and East Midlands (3.4%). The North East (-1.9%), South West (-0.3%) and Greater London (-0.1%) experienced the lowest levels of annual rental growth and were the only 3 regions to experience negative annual growth.

PRIME LONDON RENTAL VALUES

Prime London rental growth remained subdued with a more sustainable rental growth than previous years. In September Prime London experienced stronger rental growth for 1 and 2 bed flats than Outer Prime London.

365 day average rental values in September 2025 show rents in PCL are 0.5% above the previous month and 3.6% above last year. Median monthly rental values are more volatile. One bed flats in September 2025 let for £725 pw, 4.8% above last month and 11.5% above the same time last year. Two bed flats let for £981 pw, 1.2% above the previous month and 3.3% above the previous year.

365 day average rental values in September 2025 show OPL rents are 0.1% below last month, however they remain 3.9% above last year. In OPL median weekly rents for one bed flats let for £577 pw, 3.0% below last month and 1.5% below last year. Two bed flats let for £750 pw, 4.5% below last month and 0.7% below last year.

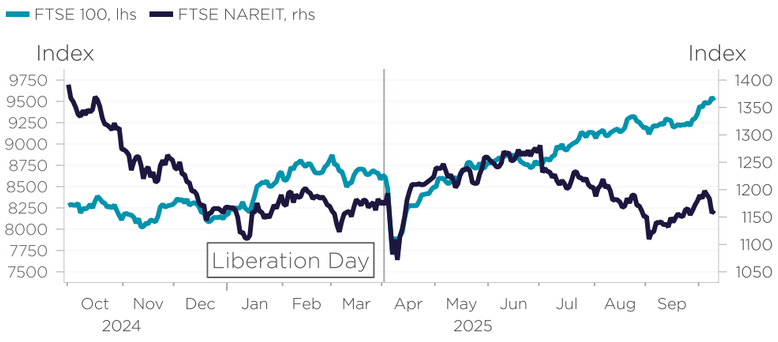
Source: RICS, Homelet, LonRes, Macrobond, Cushman & Wakefield

KEY CHARTS
OCTOBER 2025

ADDITIONAL KEY CHARTS

Source: FTSE Russell, Federal Reserve, CBOE, ONS, Bank of England, LonRes, Economic Policy Uncertainty, Nationwide, Macrobond, Cushman & Wakefield

FTSE 100, FTSE NAREIT



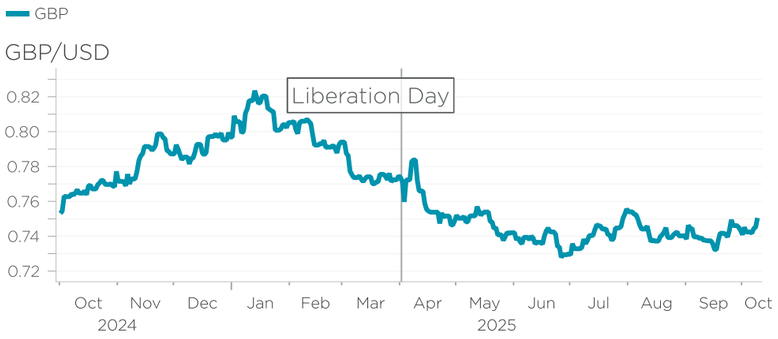
CORPORATE BBB BONDS



UK EARNINGS GROWTH



GBP USD SPOT RATES



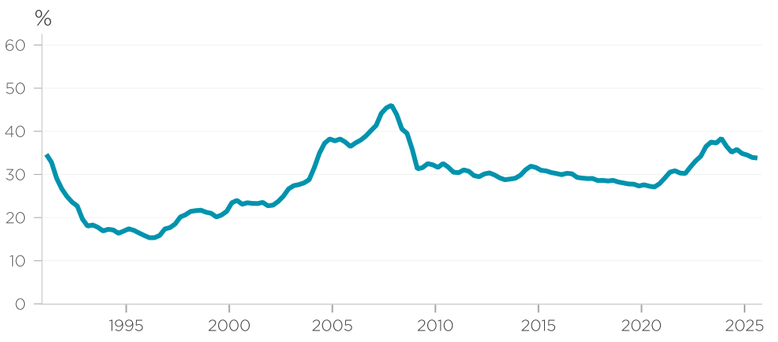
VIX INDEX



GLOBAL ECONOMIC POLICY UNCERTAINTY INDEX



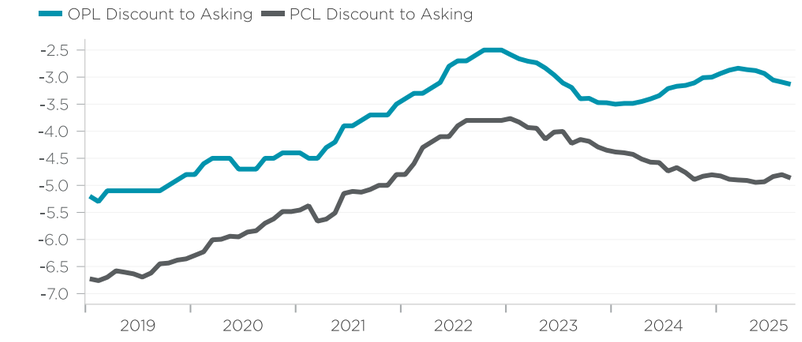
FTB MORTGAGE AS % OF TAKE HOME PAY



REGIONAL HOUSE PRICE GROWTH



CENTRAL LONDON RESI CAPITAL VALUE DISCOUNTS TO ASKING



CUSHMAN & WAKEFIELD

MARKETBEAT
ECONOMY & HOUSING
OCTOBER 2025

JASON WINFIELD
Head of UK Capital Markets
jason.winfield@cushwake.com

TOM NUTTALL
Head of UK Valuation & Advisory
tom.nuttall@cushwake.com

JONATHAN STICKELLS
Head of Specialist Markets Valuation & Advisory
jonathan.stickells@cushwake.com

DARYL PERRY
Head of UK Research & Insight
daryl.perry@cushwake.com

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Appendix 2 - C&W Marketbeat Build to Rent Q3 2025

CUSHMAN & WAKEFIELD

MARKETBEAT
BUILD TO RENT
Q3 2025

Better never settles



MARKETBEAT
BUILD TO RENT
Q3 2025

CUSHMAN & WAKEFIELD

BTR INVESTMENT ACTIVITY

Despite a strong investment case and continued confidence in the fundamentals of the sector, the BTR sector continues to face subdued activity. Interest rates being held coupled with wider economic and geopolitical uncertainty hasn't helped the sector move forward, but arguably the biggest barrier has been a late Autumn Budget. Persistent rumours and speculation have made it nearly impossible for investors to formulate coherent strategies. Uncertainty combined with a narrow spread between BTR yields and the risk-free rate has held back investment.

The nascent nature of the sector also presents challenges. Operational stock remains limited, despite this being precisely what many investors seek, given the long-term durable income stream BTR offers. Where stock does come to market, often from developer-traders or those at the end of a business plan, owners are still pricing at yields 50–75bps keener than what the market can realistically absorb today. With a clear understanding of the long-term value of these assets, many owners are choosing to hold, particularly given current challenges around exits such as building safety and fire remediation concerns.

On a more positive note, the development route to market is improving. Development lending is now at its highest level since tracking began in 2011. As financing becomes both more readily available and more competitively priced, we are seeing equity investors increasingly pivot towards debt strategies. This improved funding environment is enabling more schemes to be brought forward.

In London, the recent announcements to boost housing delivery are predominantly focused on the for sale market, however, the package outlines that BTR schemes which meet the criteria in London Plan H11 can provide affordable housing that is intermediate rent, with 30% at or below London Living Rent levels and 70% at a range of genuinely affordable rents. BTR may also benefit from CIL relief. For those who can act quickly on the recent announcements, viability could be improved.

With a lack of completions coming forward and more development finance available, those developers or investors who can mobilise now will have 'first restarter' advantage. If they can get ahead of the development slump and deliver multifamily into a shrinking new homes market, they will be the ones that exceed.



James Dunne
International Partner
Head of Living, UK
james.dunne@cushwake.com
+44 (0) 7768 553 337

KEY TAKEAWAYS

£0.95bn was invested in UK BTR in Q3 2025, with Single Family Housing accounting for 38% of deal volumes.

UK rental growth averaged 0.9% in the year to September, down from 4.3% last year. London rents fell 0.1%, a smaller decline than in previous months, with signs of recovery emerging.

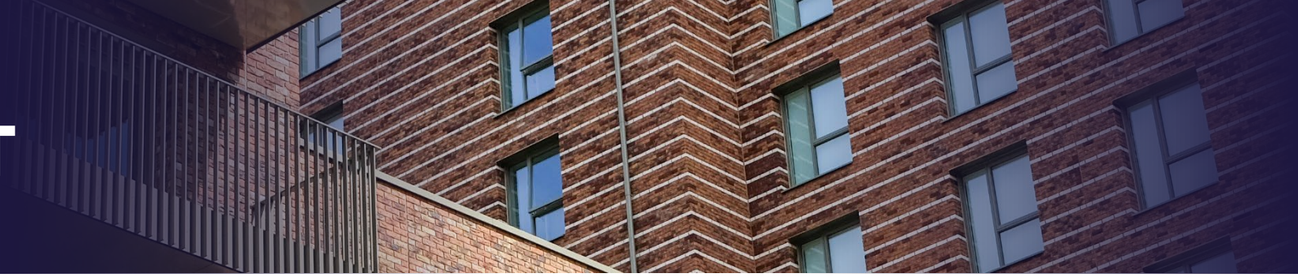
The gap between supply and demand has narrowed due to softer demand, although new rental supply is at the lowest level since May 2020.

UK renters' affordability saw a modest improvement in September, from an average spend of 32% of their gross income on rent, down from 32.6%.

Landlords continue to withdraw from the BTL market, with capital gains receipts for the 2024/2025 tax year reporting 183,000 residential property disposals, a 28% increase from the 2023/2024 tax year.

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MARKETBEAT
BUILD TO RENT
Q3 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
-1% Tenant Demand	▼	▲
-38% Landlord Instructions	▼	▼
5,140 Q2 BTR Completions	▲	—
51,200 Q2 BTR Under Construction	▲	▼
0.9% Rental Growth, YOY*	▼	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
4.8% Weekly earnings growth	—	—
32% *Rent to income ratio	▼	▼

Sources: Cushman & Wakefield Research, RICS, Homelet, BPF, ONS.

RENTAL PERFORMANCE

In September 2025, the average UK rent reached £1,343, marking a 1.1% increase on the previous month. This brings annual rental growth to 0.9%, a modest rise from 0.2% in August 2025, but still significantly below the 4.3% recorded in the same month last year.

Rental performance varied across the UK. Northern Ireland saw the highest annual growth at 7.4%, followed by Yorkshire and the Humber (3.8%) and the East Midlands (3.4%). In contrast, the North East (-1.9%), South West (-0.3%), and Greater London (-0.1%) recorded the weakest performance and were the only regions to experience negative annual rental growth in September.

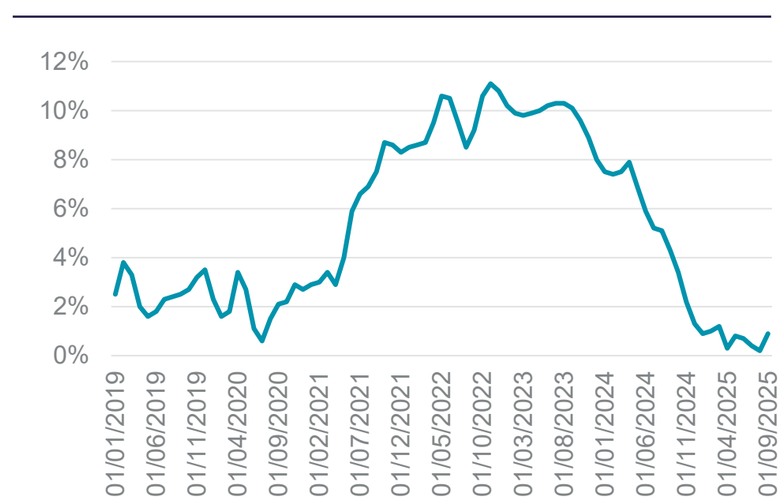
AFFORDABILITY

As of September, the average UK renter was spending 32% of their gross income on rent, a slight improvement on last year when affordability was 32.6%. In the short-term we expect renters' affordability to continue to improve given annual earnings growth overtook annual rental growth in 2024. As of August 2025 annual growth in employees' average earnings was 4.8%. However, the longer-term picture is very much dependent on the delivery of new rental homes, easing the supply demand imbalance and reducing pressure on future rental growth.

SUPPLY DEMAND IMBALANCE

The supply-demand imbalance is now becoming more balanced, with a slowdown in tenant demand. The RICS residential survey for September 2025 showed respondents citing tenant demand remaining flat, with a net balance of -1%, down from 5% last month. On the other hand, respondents cited landlord instructions moving deeper into negative territory with a net balance of -38%, the most negative reading since May 2020.

UK ANNUAL RENTAL GROWTH

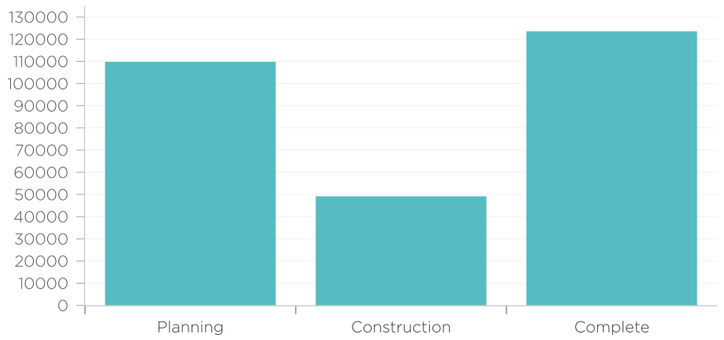


TENANT DEMAND VS LANDLORD INSTRUCTIONS

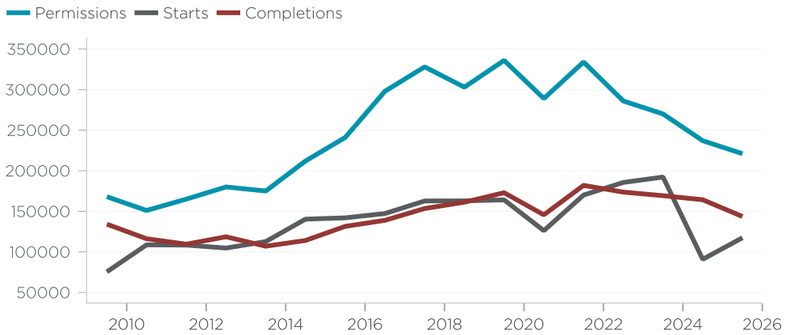


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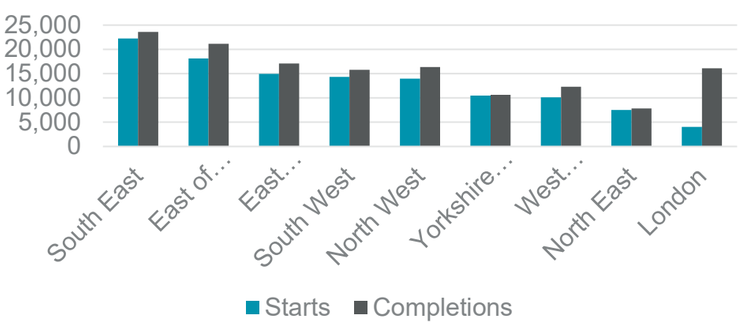
BUILT TO RENT PIPELINE



ENGLAND NEW BUILD (ALL TENURES) STARTS, COMPLETIONS AND PLANNING PERMISSIONS



REGIONAL CONSTRUCTION STARTS & COMPLETIONS



Sources: Cushman & Wakefield Research, GOV.UK, BPF

SUPPLY DEMAND IMBALANCE CONTINUED

An increase in first-time buyers has eased some pressure from the private rented sector, particularly the boost in Q1 2025 when many rushed to meet the stamp duty deadline. We have also seen visa rules impact demand in the private rented sector, with long-term net migration down almost 50% in the year ending 2024 (ONS). Longer term affordability trends have also impacted tenant demand, with 28% of people aged 20 to 34 years old now living with their parents, up from 25.6% in 2014 (ONS). Overall, we have seen a slowdown in tenant demand, but we are still expecting demand to increase given the long-term affordability pressures first-time buyers face, which will be worsened by the chronic shortage of new homes delivery.

As for supply, regulation is playing an increasingly influential role in shaping the market, with recent tax changes, rumoured upcoming tax changes in the Autumn budget, energy performance standards, and the Renters Right Act, all likely to continue to push some landlords out of the market. There has been a reduction in the overall number of BTL homes, with capital gains receipts for the 2024/2025 tax year reporting 183,000 residential property disposals, a 28% increase from the 2023/2024 tax year. To put this into context, a greater number of buy-to-let homes exited the market in 2024/2025 than the total number of complete BTR homes.

Multifamily is going to play an increasingly important role in the delivery of rental homes. As of Q2 2025 there were 132,000 complete BTR units in the UK, up 12% on the same time last year. However, we have seen a slowdown in construction starts with a total of 51,000 in Q2 2025, down 10% on last year. There are 110,000 units currently in planning, but viability challenges mean a lot of these won't be brought forward immediately.

NEW HOMES DELIVERY

Digging into the wider new homes market, the longer-term outlook for new homes delivery remains poor. The number of homes granted planning permission saw a 7% decline in the year to Q2 2025, with a total of 221,000 approved.

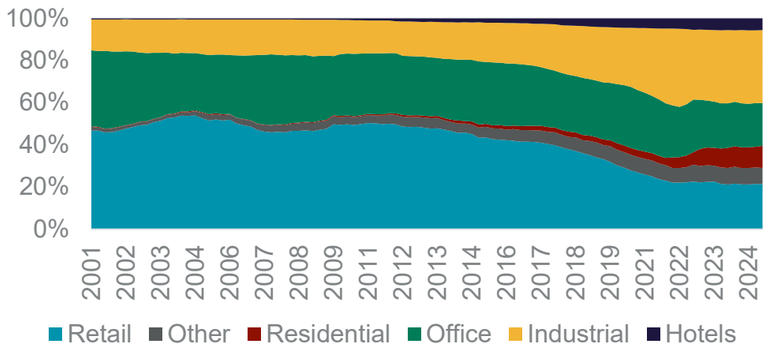
In the year to Q2 2025, there were 117,390 construction starts, up 29% on the previous year and up 6% over the last quarter, but this varies across the regions. West Midlands experienced the greatest quarterly increase in starts with 17% growth. London saw the greatest quarterly decrease with a 27% fall in starts. In fact, between Q1 and Q3 2023, Molior reported 3,248 construction starts, that is just 4.9% of the government's target.

In the year to Q2 2025 there were 143,570 completions, 13% decline on the previous year but 11% greater than the previous quarter. Yorkshire and the Humber saw the greatest quarterly increase in completions with 52% growth. On the other hand, London saw the greatest decrease with a 9% fall in completions.

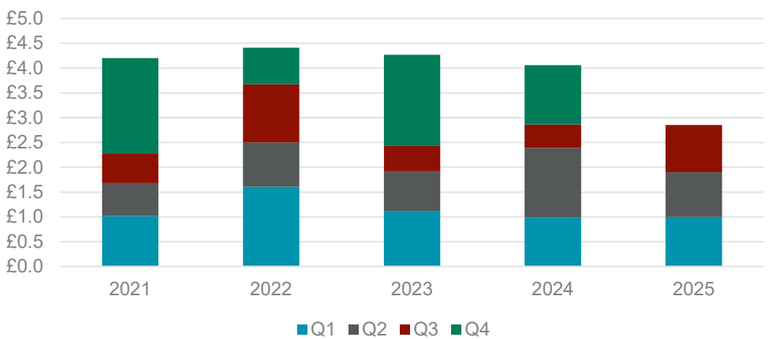
The UK new homes outlook is weak with supply likely to be severally hit in the coming years. There however is some optimism with the new announcements to boost housing delivery in London, albeit focused on the for-sale market (more detail here), pending tax changes which could boost construction starts and a change in regime around Gateway 2 with a new regulator in charge and a more programmatic approach.

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UK MSCI UNIVERSE



BTR INVESTMENT VOLUMES (£ BILLIONS)



BTR YIELDS

	August 2025	September 2025	October 2025	12 Month Movement
Prime London	4.00%	4.00%	4.00%	0bps
Greater London	4.50%	4.50%	4.50%	0bps
Prime Regional	4.75%	4.75%	4.75%	0bps

BTR INVESTMENT VOLUMES

In Q3 2025 £954 million was invested in the BTR sector, almost double the same quarter last year.

We estimate that around 38% of investment in Q3 was Single Family Housing, a trend which has played out over the last few quarters. Single Family Housing offers a more straightforward and faster route to deployment, typically 6–9 months compared to 2–4 years for multifamily BTR schemes, making it an increasingly attractive option.

A number of deals in Q3 were joint ventures, becoming more common than traditional forward funding models, helping share the risk and unlock new opportunities.

So far in 2025 there has been £2.85bn invested into BTR, we expect investment volumes to hit £4bn by the end of the year, continuing the trend we have seen over the last few years.

BTR YIELDS

A narrow spread between BTR yields and the risk-free rate continues to hold back investment. BTR yields continue to remain stable, with no movement over the last 12 months.

KEY DEALS



Barking Wharf
Buyer – Greystar
Seller - Invesco
Price – c.£170m
Comment - Greystar purchased Barking Wharf from Invesco, with a business plan around efficiency in place to drive NOI.



Start Living Portfolio
Buyer – Lloyds Living
Vendor – TPG and Gatehouse Investment Management
Price – c.£200m
Comments - The portfolio was made up of 578 homes and 32 low-rise apartments located across the West Midlands, Nottinghamshire, Lincolnshire and Merseyside.

Sources: Cushman & Wakefield Research, MSCI, RCA

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MARKETBEAT
BUILD TO RENT
Q3 2025

JAMES DUNNE
Head of UK Living
james.dunne@cushwake.com

MIKE GORMAN
Head of Regional Residential Capital Markets
mike.gorman@cushwake.com

MATTHEW DUNCOMBE
Head of Residential Valuations
matthew.duncombe@cushwake.com

MILLIE HARPER
Head of UK Living Research & Insight
millie.harper@cushwake.com

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles*, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

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Appendix 3 - C&W Marketbeat Elderly Care Q3 2025

CUSHMAN & WAKEFIELD

MARKETBEAT
ELDERLY CARE
Q3 2025

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MARKETBEAT
ELDERLY CARE
Q3 2025

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2025 SO FAR: TRENDS SHAPING THE MARKET

Despite softer headline volumes in Q3, the transactional market remains highly active, supported by a strong pipeline and a shift toward structures such as management contracts and WholeCo transactions. Overseas capital, led by the US, continues to dominate transactions, with U.S. REITs increasingly adopting flexible ownership models to drive expansion. Early signs also point to growing appetite from a wider base of international investors, alongside continued participation from UK capital. Importantly, activity is spread across both deal types and asset quality, from prime Grade A to the resilient midmarket, highlighting the sector's broad appeal.

Q2 operational data highlights a market showing resilience and stability despite rising cost pressures. Occupancy remained consistently high at 88.9%, with Grade B and C homes continuing to outperform prime stock. Average Weekly Fees have continued to rise well, reflecting both cost uplifts and market capacity to absorb these costs. Likewise, profit margins have so far held steady, averaging 28.6%. Together, these indicators suggest that operators have successfully managed the initial challenges posed by NLW and NIC increases without material disruption to demand or profitability.

WHAT'S NEXT: Q4 2025 AND BEYOND

Transaction volumes are expected to rise significantly in Q4 and beyond as deals in the pipeline reach completion, with momentum likely to build through late 2025 and into 2026. Consolidation and innovative deal structures are set to play a larger role in shaping activity, while international capital looks poised to deepen its presence in the UK market. Alongside this, investor interest in both prime and midmarket stocks suggests a sustained period of strong demand

Occupancy levels appear well-positioned to remain steady, providing a solid foundation for operators. With demand proving inelastic, there is scope for further fee growth to support profitability, particularly as operators continue to adjust to higher costs. While older, lower-fee homes may face greater pressure, the broader trend points to a sector that has capacity to absorb inflationary challenges.

We welcome the opportunity to share additional insights or discuss your healthcare real estate strategy. Please get in touch to explore how we can work together to support you and your clients.



Jack Kelleher
Associate – Healthcare, Data and Analytics
+44 (0) 7436 067531
jack.kelleher@cushwake.com

KEY TAKEAWAYS

Transactional market activity remains strong, with £2.24 billion of deals recorded YTD in Q3 2025, up 24.1% on the same period in 2024, supported by a deep pipeline.

Investor appetite is broadening, with activity spanning deal types, structures, and asset grades, highlighting the depth and diversity of capital interest.

Overseas capital continues to dominate, led by U.S. investors, while early signs of broader global participation point to a more diverse funding base emerging.

Occupancy has remained resilient at 88.9% alongside a 7.2% YoY increase in Average Weekly Fees, underscoring the sector's ability to absorb higher costs and sustain performance.

Rising operating costs continue to pressure the sector, yet profit margins remain stable at 28.6%, demonstrating operators' ability to manage inflationary headwinds effectively.

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MARKETBEAT

ELDERLY CARE

Q3 2025



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MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.75% Prime PropCo	—	▼
5.75% Prime SPV PropCo	—	▼
11 - 12x Grade A WholeCo	—	—
8 – 10x Grade B WholeCo	—	—

Profiles Assume Mature Trade

INVESTMENT PROFILE

	YOY Chg	Outlook
£2.24bn Sector Volume 2025 YTD*	▲	▲
£3.57bn Rolling 12m Volume	▲	▲
58.2% US Funded Share (2025 YTD)	▲	▲
51% PropCo Share (2025 YTD)	▲	▼

Source: C&W Healthcare Transactions Database

STRONG PIPELINE AMID SOFTER TRANSACTION VOLUMES

Although headline figures may suggest the transactional market is cooling after a record 2024, the underlying picture remains highly active. Q3 2025 recorded approximately £470m of transactions, bringing year-to-date volumes to £2.24bn, 24.1% higher than the same point in 2024. While rolling 12-month totals have dipped, this does not indicate a broader slowdown, and there is little cause for concern. Instead, shifting market dynamics, driven by a rise in consolidation, are reshaping deal flow. Traditional structures such as sale-and-leasebacks are being sidelined in favour of management contracts and WholeCo for now, A trend we do not see slowing down into 2026. Looking ahead, transaction volumes are expected to rise significantly over the coming quarters as deals currently in the pipeline reach completion.

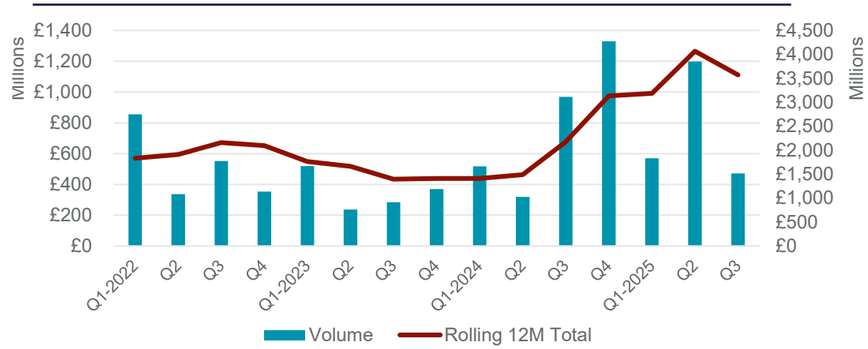
CONTINUED INTERNATIONAL INVESTOR FOCUS

Throughout 2024 and 2025, much of the market's focus has been on the strong capital influx from overseas investors, particularly from the United States. The US remains the dominant source of capital, accounting for 58.2% of transactions in 2025 YTD. Notably, U.S. REITs have been leaning into more flexible ownership models - such as management contracts and, in some cases, RIDEA structures - supporting both operational control and strategic expansion in the UK. Such structures provide higher returns to investors albeit with operational risk and as ever, specialist knowledge and understanding is their key enabler. Alongside this, early conversations suggest a growing appetite from investors across other global markets, broadening the pool of participants and adding to shifting market dynamics. While the UK's share of transactional activity has eased, domestic capital remains active, and it will be interesting to see how the market evolves as international interest and new investment approaches continue to build.

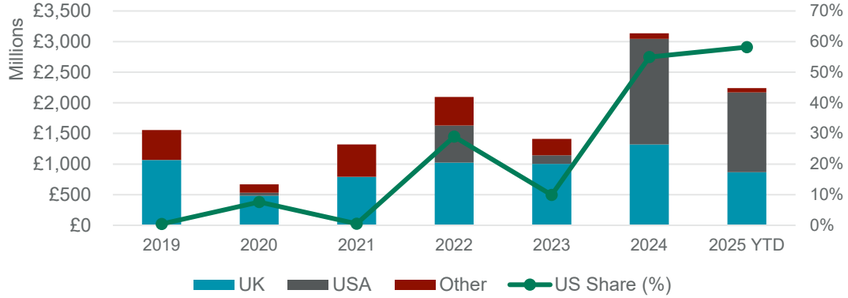
RISING ACTIVITY IN THE MIDMARKET SEGMENT

Although activity eased in Q3, what stands out is the breadth of investor appetite—both in the variety of deal types and in the quality of stock attracting capital. The quarter saw a balanced mix of PropCo transactions, which account for 51% of deals YTD, alongside operational (OpCo and WholeCo) and land transactions. Equally notable is the widening focus on stock quality, ranging from super-prime assets to the midmarket, where investor interest has been steadily building. While Grade A assets continue to demonstrate the strongest operational margins, the midmarket has consistently shown resilient fundamentals, making it an increasingly compelling target for capital deployment. Even within the Grade C market, there is good activity levels from independent providers keen to expand or invest in our sector, recognizing the sheer strength of occupational demand and demographic tailwinds. This diversity of appetite suggests transaction activity is well positioned to accelerate through the end of 2025 and into 2026.

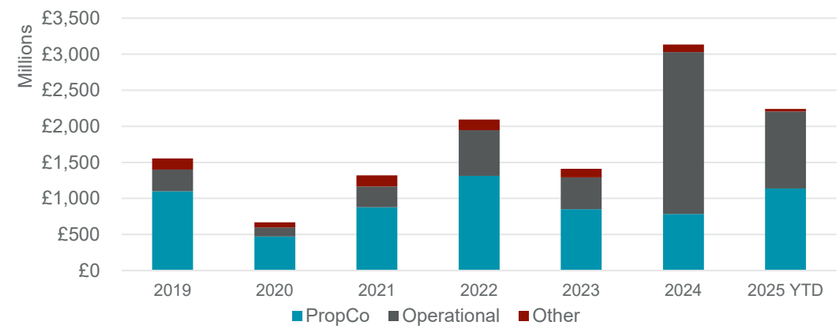
QUARTERLY TRANSACTIONAL VOLUMES



VOLUME BY FUNDING SOURCE



VOLUME BY DEAL TYPE



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MARKETBEAT

ELDERLY CARE

Q3 2025



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INCOME FUNDAMENTALS

	YOY Chg	Outlook
88.9% Whole Market Occ.	—	—
84.5% Grade A Occ.	—	—
7.2% YOY AWF Growth	▲	▲
£1,722 Grade A AWF	▲	▲

Occupancy Excludes Assets in Lease Up

OUTPUT INDICATORS

	YOY Chg	Outlook
28.6% Whole Market Margin	▲	—
36.9% Grade A Margin	▲	—
31.7% Grade B Margin	—	—
23.4% Grade C Margin	▲	▼

Source: C&W Elderly Care Home Trading Database, up to and including Q1 2025

OCCUPANCY

Q2 2025 occupancy data reinforces trends seen over the past 30 months, highlighting stability across all asset grades. Market occupancy currently stands at 88.9% and has remained above 88% since Q2 2023. Grades B and C continue to record higher occupancy rates than Grade A, at 88.6% and 90.7% respectively, compared with around 85% for Grade A. This gap of roughly 5 percent between Grade A and subprime stock (~89%) is expected and is likely to persist, reflecting the smaller consumer base for higher-fee homes. Notably, expected fee increases driven by cost pressures appear to have had negligible impact on short-term occupancy, though this will be closely watched in the months ahead. Looking ahead, occupancy levels appear well-positioned to remain steady, with only modest shifts expected.

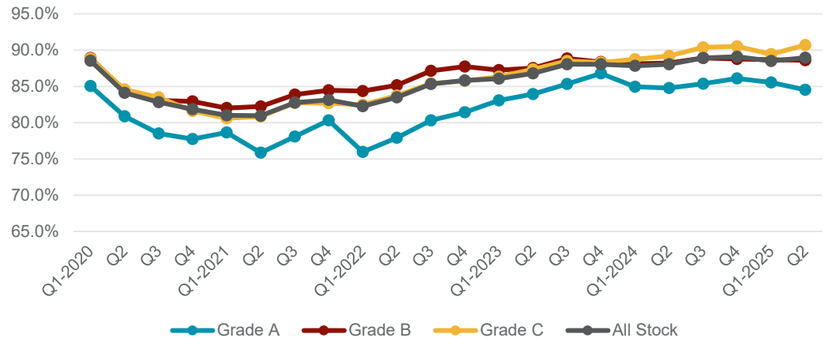
AVERAGE WEEKLY FEES

Q2 operational data reflects the first impact of cost headwinds from the NLW and NIC increases announced by the government late last year. Combined with typical Q2 fee uplifts, this pushed AWF increases across all asset grades, with the overall market average rising to £1,386 - a 7.2% increase year-on-year. Subprime stock saw the sharpest gains, with Grade B and C AWF reaching £1,445 (up 10.5%) and £1,267 (up 9.5%) respectively, while Grade A stock recorded a more modest but still material increase of 6.2% to £1,722. Despite this, prime assets continue to command a substantial premium of £383 per week over older subprime stock, a trend unlikely to shift. Looking ahead, attention will focus on whether the recent fee increases prove sufficient to protect margins, or if further uplifts will be pursued. Early signs of stable occupancy suggest there is still some headroom for further fee growth before consumer pushback becomes a risk.

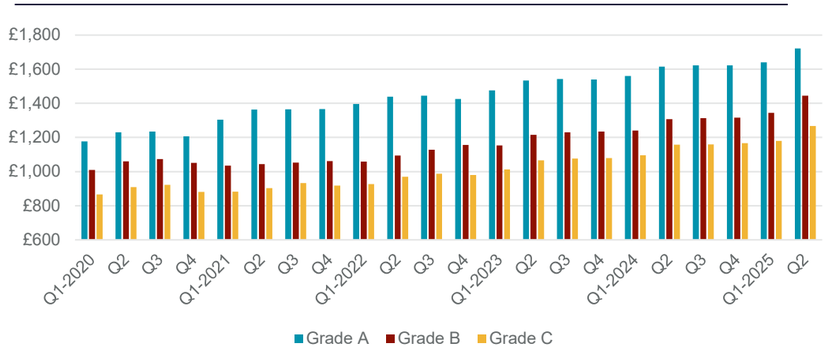
PROFIT

The key focus in Q2 operational data was the early impact of NLW and NIC increases on profit margins. Overall, operators appear to have weathered the initial pressure, with margins across all asset grades holding relatively steady. Across the market, average margins settled at 28.6%, with Grade A stock achieving a significantly higher 36.9% compared to 31.7% for Grade B and 23.4% for Grade C. Looking ahead, the sustainability of these margins will be closely watched. While demand remains largely inelastic, giving operators scope to raise fees without materially reducing occupancy, the question is how much further this can be stretched before external pressures emerge. For lower-grade stock, thinner margins may still create vulnerability if cost inflation persists, forcing operators to rely more heavily on fee growth to maintain profitability.

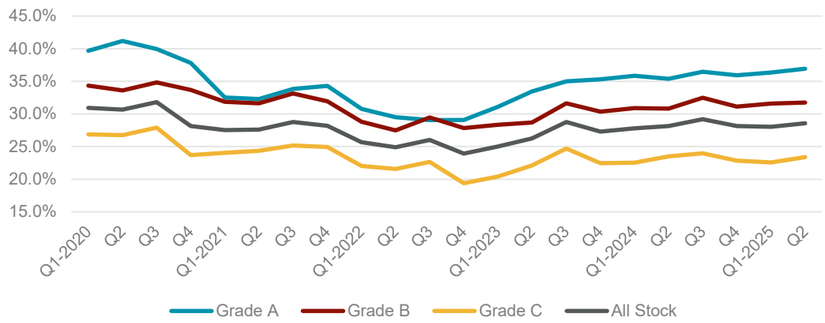
OCCUPANCY



AVERAGE WEEKLY FEE



PROFIT MARGINS



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MARKETBEAT
ELDERLY CARE
Q3 2025

CUSHMAN & WAKEFIELD

INVESTMENT YIELDS

PropCo Yields							
Asset Class	**Q1 24**	**Q2 24**	**Q3 24**	**Q4 24**	**Q1 25**	**Q2 25**	**Q3 25**
Prime	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
Prime - SPV Tenant	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Secondary Grade Stock	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +	8.00% +

C&W ELDERLY CARE ASSET GRADING

A	Built in the last 10 years. Likely to be almost entirely funded by private paying residents and will feature 100% wet-room provision and generous and varied day space.
B	Built in the last 10-25 years with 100% en-suite rooms, residents may be privately funded or local authority funded. En-suites may be a mix of wet-rooms and WCs. Spatial provision generally will be lower.
C	Older stock and more recently developed homes without 100% en-suites. More likely to cater to local authority funded residents. Accommodation can often be very variable.

KEY DEALS

Deal	Date	Deal Type	Acquirer	Vendor	Assets	Beds
Select Healthcare	Sep-25	WholeCo	Foundation Investment Partners	Select Healthcare	32	1198
Belvedere Manor Care Home	Sep-25	WholeCo	Lovett Care	MHA	1	84
Confidential	Sep-25	WholeCo	Confidential	Confidential	1	62
Confidential	Sep-25	PropCo	Confidential	Confidential	1	68
Park Lane House Care Home	Sep-25	WholeCo	Pegasus Care	Local operator	1	30
Red Court Care Home & The Grove Care Home	Sep-25	WholeCo	Warmest Welcome	Local operator	2	103
Blackwater Mill	Sep-25	WholeCo	English Oak Care Homes	Local operator	1	60
Confidential	Sep-25	Land	Confidential	Confidential	1	75
Frampton House	Sep-25	WholeCo	Greenline Healthcare	Leisure Care Homes LTD	1	30
Confidential	Sep-25	WholeCo	Confidential	Confidential	2	104
Dove Court	Sep-25	WholeCo	Independent	Larchwood	1	76
Kingsmount	Sep-25	WholeCo	Hadley Care	GrayAreas	1	32
Mount Olivet	Sep-25	WholeCo	Hadley Care	GrayAreas	1	30
Wray Common Nursing & Residential Home	Aug-25	WholeCo	Local Operator	Local operator	1	55
Confidential	Aug-25	WholeCo	Confidential	Confidential	5	511
Priors House	Aug-25	PropCo	Threadneedle	Blackrock	1	80
Old Hastings House care home	Aug-25	WholeCo	Local Operator	The Magdalen and Lasher Charity	1	60
Haddon Court Rest Home	Aug-25	WholeCo	Eclassie Medical and Care	Local operator	1	33
Ty Mawr Nursing Home	Jul-25	WholeCo	Local Operator	Local operator	1	54
Maes-Y-Felin	Jul-25	OpCo	Local Operator	Local operator	1	19
Furzeham Lodge Care Home	Jul-25	OpCo	Buckley & Buckley Homes	Local operator	1	22
Confidential	Jul-25	OpCo	Confidential	Confidential	10	774

Deal	Date	Deal Type	Acquirer	Vendor	Assets	Beds
Morgannwg House	Jul-25	WholeCo	Hapus Care Group Ltd	Sentimental Care Ltd	1	20
West Melton Lodge	Jul-25	WholeCo	Sriya Care	Local operator	1	32
Arden House residential home	Jul-25	WholeCo	Lenore Care	Local operator	1	14
Churchfield Care Centre	Jul-25	WholeCo	Cygnet	Local operator	1	56
Riverview Lodge	Jul-25	WholeCo	Lawson Hospitality Group Limited	Kennedy Care Group	1	18
LDC Care Homes	Jun-25	PropCo	Franklin Templeton	Elevation	32	c.1,500
Confidential	Jun-25	WholeCo	Condifential	Condifential	2	100
Condifential	Jun-25	PropCo	Condifential	Condifential	1	73
Town Thorns Care Home	Jun-25	WholeCo	Capital Care Group	Ben Automotive Industry Charity	1	60
Ty Coch Nursing Home	Jun-25	WholeCo	Amaya Care Homes	Linc Cymru Housing Association	1	63
Somerville Court	Jun-25	WholeCo	Smile Care Home Ltd	Local operator	1	30
The Red House	Jun-25	WholeCo	Local Operator	Crocus Care	1	25
Care REIT plc Acquisition	May-25	PropCo	CareTrust REIT	Care REIT	132	7500
Stow Healthcare	May-25	WholeCo	CGEN Care Group	Stow Healthcare	8	408
The Old Vicarage Care Home	May-25	WholeCo	Hanning Homes Ltd.	Friends of the Elderly	52	
The Mountains Care Home	May-25	WholeCo	My Choice Care	Milkwood Care	1	56
Bassingham Care Centre	May-25	WholeCo	Confident Care Homes	My Care	1	52
Condifential	Apr-25	WholeCo	Condifential	Confidential	5	251
Monarch Healthcare	Apr-25	WholeCo	RDCP Care	Monarch Healthcare	13	587
Field Farm House	Apr-25	WholeCo	BIRA Care Homes	Advent Estates	1	66
Broadacres Care Home	Apr-25	WholeCo	National Care Consortium	Hill Care	1	50
Abbeymere Care Centre	Apr-25	WholeCo	Local Operator	Karelink Ltd	1	18

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MARKETBEAT
ELDERLY CARE
Q3 2025

SOPHIA SHAM
Head of Healthcare Valuations
sophia.sham@cushwake.com

JACK KELLEHER
Associate – Healthcare, Data and Analytics
jack.kelleher@cushwake.com

PETER FARNES
Partner – Healthcare Markets
peter.farnes@cushwake.com

ADAM LOWE
Partner – Healthcare Markets
adam.Lowe@cushwake.com

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Better never settles



Appendix 4 - C&W Student Accommodation Report 2025

UK STUDENT ACCOMMODATION REPORT 2025



CUSHMAN & WAKEFIELD

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01 INTRODUCTION

AUTHOR



DAVID FEENEY
Head of Student Accommodation Consulting, Cushman & Wakefield

WELCOME TO OUR 2025 ANNUAL REPORT WHICH EXAMINES KEY TRENDS AS THE UK PBSA SECTOR ENTERS A NEW PHASE.

This Report explores how the sector is still being impacted by the demand shock of 2023/24 which has continued into 2024/25, as well as wider affordability concerns, policy change and uncertainty, and wider Higher Education financial pressures. However, the sector has proven to be resilient during this period of change, with clear opportunities for those who know their markets.

After over a decade of strong and consistent growth, 2023/24 marked the first decline in full-time student numbers since tuition fees were restructured in 2012. This decline took place in an environment of policy flux, uncertainty around university finances, the announcement of the first university “mega merger” and changes at the top of the league tables. The fall in student numbers was driven by a sharp fall in postgraduate enrolments — reflecting policy changes, shifting visa rules, and global economic uncertainty — while undergraduate numbers have proven to be fairly resilient.



The most significant factor has been the tightening of visa regulations, particularly the ban on dependents accompanying international students which was introduced in January 2024. This policy change resulted in a dramatic 30% fall in sponsored study visas year-on-year, with certain key markets, such as Nigeria and India, seeing even sharper declines. While this has weighed heavily on postgraduate recruitment, undergraduate recruitment has proven relatively resilient, with UCAS reporting the second-highest acceptance levels on record for 2025/26, underlining the ongoing strength of the UK’s academic offering.

In terms of the position in 2025, as of the end of August, the number of entry clearance student visa applications is up 6.9% on 2024, although this remains 10.9% lower than in 2023. These figures, when combined with positive international recruitment at undergraduate level, point towards continued lower overall international postgraduate recruitment than was the case in 2023, although higher than in 2024.

Alongside these shifts in demand, the heightened importance of affordability and value for money is now clearly reflected in student decision making.

Rising costs of living and higher rents mean accommodation now consumes a record proportion of the average Maintenance Loan. Our analysis shows a clear differential in the performance of comparable quality accommodation at different price points reinforcing that this area of the market is not a bed at any price, and the “fear of missing out” post-Covid is now a thing of the past. However, studio rooms continue to compete on quality of experience, with lower quality provision more impacted by recent changes in demand.

From a supply perspective, delivery of new PBSA beds remains subdued. Just 18,200 new beds entered the market this year, well below pre-pandemic levels, with London, Nottingham, and Leeds accounting for almost half of these. Many markets now face a dual challenge: structural undersupply on the one hand, and intense competition in en-suite areas where similar, higher-specification stock has been delivered in quick succession.

Looking forward, our modelling suggests the market’slong-term fundamentals remain strong. Even under a zero growth scenario, student demand will continue to significantly outstrip supply until 2030. Under growth assumptions aligning with longer-term averages of 1–2% per annum, this imbalance becomes even more pronounced, leaving hundred of thousands of students still unable to access PBSA.



For universities, this points to an urgent need to maintain affordability while ensuring provision meets evolving expectations around quality and value. For investors and operators, it reinforces the importance of selectivity and disciplined delivery, targeting markets with structural undersupply and focusing on product types that match students’ willingness — and ability — to pay.

Arguably, the sector is facing policy headwinds not seen for over a decade, with potential further impacts outlined in the Immigration White Paper and the uncertainties created by the Renters’ Rights Bill. Arguably, both also create opportunity, particularly in the PBSA sector, and huge opportunities remain for well advised investors who are able to navigate the pitfalls and opportunities outlined in this Report.

Despite short-term challenges, the sector remains underpinned by its global strength: the UK continues to rank as the world’s second most popular study destination, home to several of the world’s leading universities. Those who can balance quality, affordability, and targeted growth will be best placed to succeed in a market that is becoming increasingly discerning and competitive.

TOP 10 KEY TAKEAWAYS



£2.8BN

TRANSACTED IN FIRST 9 MONTHS OF 2025



30.8%

REDUCTION IN STUDENT VISA ISSUANCES IN 2024, WITH 2025 LIKELY TO BE +7% VS LAST YEAR



RENTAL GROWTH IN THE LOWEST QUALITY STOCK OUTSTRIPS THAT OF THE HIGHEST QUALITY

+4.1% (LOWEST QUALITY)

-1.0% (HIGHEST QUALITY)



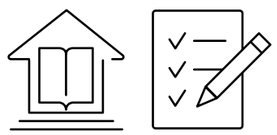
UNIVERSITY RENTAL GROWTH

4.44%

OUTSTRIPS PRIVATE SECTOR

1.16%

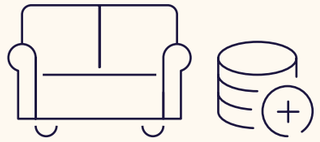
FOR FIRST TIME IN SEVEN YEARS



INVESTMENT VOLUMES EXPECTED TO BE MARGINALLY BELOW 2024 LEVELS OF

£4BN

FOR THE FULL 12 MONTHS



AVERAGE PRICE PER OPERATIONAL BED IN 2025 IS

£100K

WHICH IS BELOW THE COST TO BUILD

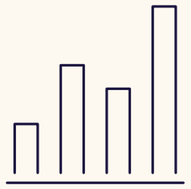
YIELDS REMAIN STABLE AT

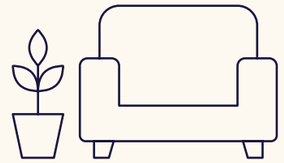
4.25%

PRIME LONDON AND

5.25%

SUPER PRIME REGIONAL





17.0%

(PRIVATE 24.4%) OF BEDS ABOVE THE MAXIMUM MAINTENANCE LOAN IN 2025/26, COMPARED TO

3.7%

(PRIVATE 5.3%) IN 2016/17



POSTGRADUATE ENTRANTS DOWN

9.7%

IN 2023/24, AND POTENTIALLY LOWER BY 17.3% CUMULATIVELY THROUGH 2024/25. MARKET BOLSTERED BY ONGOING RESILIENCE OF UNDERGRADUATE MARKET WITH ACCEPTANCES UP 2.8% FOR 2025/26

AT JUST 1% P/A DEMAND POOL GROWTH, THE NATIONAL STUDENT TO BED RATIO WOULD STAND AT

1.90:1

BY 2030/31, WITH MORE STUDENTS UNABLE TO ACCESS PBSA THAN IS CURRENTLY THE CASE

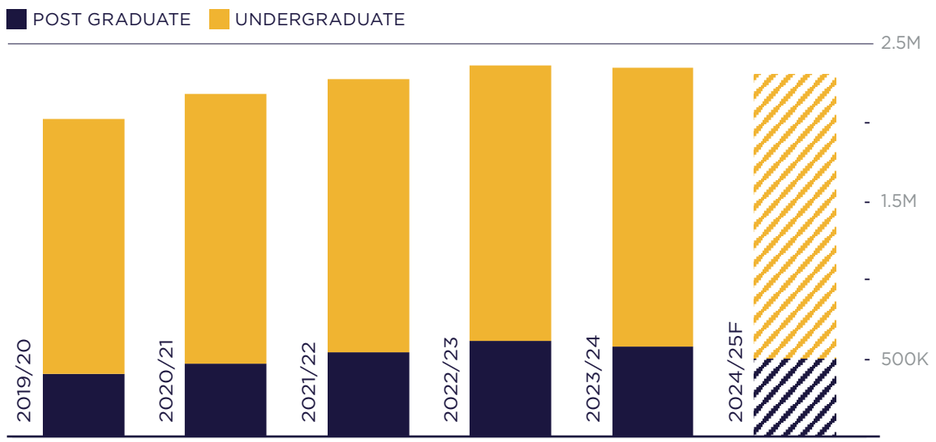
STUDENT NUMBERS & DEMOGRAPHIC TRENDS

MARKET TRANSITION

AFTER HUGE GROWTH IN UK HIGHER EDUCATION FOLLOWING CHANGES TO THE TUITION FEE SYSTEM IN 2012/13, 2023/24 SAW THE FIRST FALL IN STUDENT NUMBERS IN OVER A DECADE.

Numbers in 2023/24 were 0.8% (-18,490) lower than in the previous year, standing at a total of 2,337,595. Cushman & Wakefield's modelling for 2024/25 entry indicates a potential further 1.5% fall in full-time students, which would reflect a student population of 2,303,070.

FULL-TIME STUDENTS OVER TIME



Source: HESA/Cushman & Wakefield

The impacts on new entrants were far more pronounced with 40,355 fewer (9.7%) first year postgraduate taught students in 2023/24, and a reduction in first year undergraduate students by 4,455 (0.7%). The overall 4.0% decrease **in new entrants** was significant (43,675 students), although still 16.5% higher than in 2019/20.

However, this fall needs to be viewed in context. The postgraduate boom that turbocharged the sector post-pandemic stalled as a result of visa changes (even ahead of legislation coming into effect), economic headwinds and wider geopolitical factors. After peaking at **611,695** in 2022/23, postgraduate numbers dipped **5.5%** to **578,350** in 2023/24.

In contrast, the number of students enrolled in undergraduate study continued to grow, reaching **1.695 million** students — a new high, and **0.9%** above 2022/23.

Overall, the sector remains significantly larger than was the case five years ago, with **301,705** more full-time students in Higher Education – a result of a **43.1%** increase in postgraduates over this period and the continued long-term growth of undergraduate study (+9.4%).

POSTGRADUATE ENTRANTS DOWN

9.7%

(40,355) IN 2023/24

C&W PROJECTS

17.3%

OVERALL REDUCTION BETWEEN 2022/23 AND 2024/25

301,705

MORE FULL-TIME STUDENTS IN HIGHER EDUCATION THAN IN 2019/20

43.1%

INCREASE IN POSTGRADUATES SINCE 2019/20

THE YEAR THE TRENDLINES BROKE

AFTER OVER A DECADE OF CLEAR "WINNERS AND LOSERS", 2023/24 BROUGHT MARKED CHANGE TO THE SECTOR, WITH NO CLEAR RECRUITMENT TRENDS BY TYPE OF INSTITUTION, HIGHLIGHTING LEVELS OF MARKET UNCERTAINTY.

Whilst some post-1992 institutions continued to grow student numbers – particularly through the franchise model, others have suffered sharp declines. One university from this group experienced a 5,700 reduction in full-time students. The Russell Group was not immune, seeing a 5,445 fall in numbers and, as with the sector as a whole, there was a marked difference in performance by institution. Three of these research-intensive institutions saw student numbers fall by over 1,000, whilst three others increased their overall intake by between 750 and 900. The significant impact of international recruitment is evident, with one Russell Group increasing this cohort by over 1,300 at the same time as 15 institutions lost over 1,000 students each, including two Russell Group universities. Overall across the Russell Group, international students were down 2.4%, with UK students increasing by 0.1%.



STUDENT AGE PROFILE

WHEN IT COMES TO AGE PROFILE, THE UK'S STUDENT POPULATION HAS EVOLVED CONSIDERABLY OVER RECENT YEARS AS A RESULT OF POSTGRADUATE GROWTH.

The **30 and over** group has seen an astonishing **70.5%** increase since 2019/20, now totalling **343,840** students — up from **201,655** just five years ago. The **25 – 29** bracket tells a similar story — up **46.6%** over five years, reaching **277,695** students. Changes seen over the last year will undoubtedly impact the overall age profile, with those aged 21 and above falling by 2.4% over the last year.

Whilst the younger cohort so crucial to PBSA demand remains dominant, students aged **20 or under** rose just **0.9%** in 2023/24 to **1.025 million**, with new entrants falling by **1.0%.** Those aged **21 - 24** fell by **2.1%**, with new entrants in this demographic down by **4.1%.** However, these students are still up **5.6%** over five years, currently standing at **689,790.**

FULL-TIME STUDENTS BY AGE OVER TIME



Source: HESA

AFFORDABILITY IMPACTS

A KEY THEME OF THIS YEAR'S REPORT IS AFFORDABILITY AND VALUE-FOR-MONEY, A MUCH TALKED ABOUT SUBJECT OVER RECENT YEARS, BUT ONE THAT IS NOW STARTING TO BITE – EVIDENT IN BOTH DEMAND AND SUPPLY TRENDS.

Students from socioeconomic group A increased by **8,835** this year, a **+3.3%** rise — now totalling **277,550**, its highest ever level. Compared to 2019/20, the representation of this cohort is up **4.7%**. However, their counterparts from **the historically stable B group** — dropped by **16,450** students (**6.4%**) this year alone, and are now down **8%** over five years. The pattern is echoed in families with **intermediate occupations (C1)**, which fell by nearly **13,000** students (**9.7%**) this year and have contracted by nearly **20%** since 2019/20. These trends are indicative of a "squeezed middle" and the potential attractiveness of other routes to professional employment.

Those from group D plummeted by **16.7%** this year — a loss of nearly **19,000** students — and are down over **31%** across five years. **Students from C2 backgrounds** declined more modestly by 6.4% this year. Fascinatingly, data on socioeconomic class does not correlate with data on the most deprived communities where enrolments continue to rise.



INTERNATIONAL STUDENTS

MUCH CONVERSATION IN THE SECTOR OVER THE LAST YEAR HAS BEEN THE FUTURE OF THE INTERNATIONAL STUDENT POPULATION AND, WHILST LATEST 2023/24 DATA DOES NOT GIVE THE FULL GLOBAL PICTURE, IT DOES GIVE IMPORTANT INSIGHT INTO TRENDS.

It is important to remember that across the UK, **England** continues to be the backbone of higher education enrolment. In 2023/24, this cohort accounted for **1,397,950 students**, up **11,445** (**+0.8%**) from the previous year. **Scotland** and **Wales**, by contrast, saw notable declines. **Wales** dropped **4,040 students** (**-5.9%**), while **Scotland** fell by **1,720** (**-1.3%**).

The EU cohort continues to fall following Brexit, decreasing by 21.4% to 67,580 in 2023/24. EU students are now 2.9% of the student population, less than half the rate in 2016/17. Whilst non-EU internationals are only down 1.1%, this does not tell the whole story. In terms of first year intake, internationals from outside the EU fell by 7.6% compared with 2022/23, the equivalent of 31,515. In contrast, EU enrolments remained almost exactly in line with 2022/23, indicating the reduction in this cohort has reached its nadir.

NEW ENTRANTS BY NATION 2023/24



INDIA

-15.1%

-19,100



CHINA

-4.3%

-4,395



NIGERIA

-35.8%

-19,265

Source: HESA

02 DEMAND & CURRENT MARKET VIEW

WHERE WAS THE SECTOR IN 2024/25

CUSHMAN & WAKEFIELD'S ANALYSIS MODELS THAT THE SECTOR WAS AGAIN MARKEDLY IMPACTED BY FALLS IN POSTGRADUATE RECRUITMENT IN THE 2024/25 ACADEMIC YEAR, WITH PROJECTIONS INDICATING A 17% DECREASE SINCE 2022/23.

The majority of this fall was seen at post-1992 institutions, with falls across the Russell Group in the order of 4%. These institutions have the ability to increase undergraduate intake should they so wish, and we have modelled that such institutions recorded a modest increase in this cohort.

The impacts of visa changes have impacted non-research-intensive institutions hardest, with Cushman & Wakefield modelling around a 21% decrease in postgraduate taught students at non-Russell Group universities, and a decrease of over 40% at over 10 of these. Importantly, a number of these institutions were able to increase undergraduate recruitment, although the overall impacts on demand are significant.

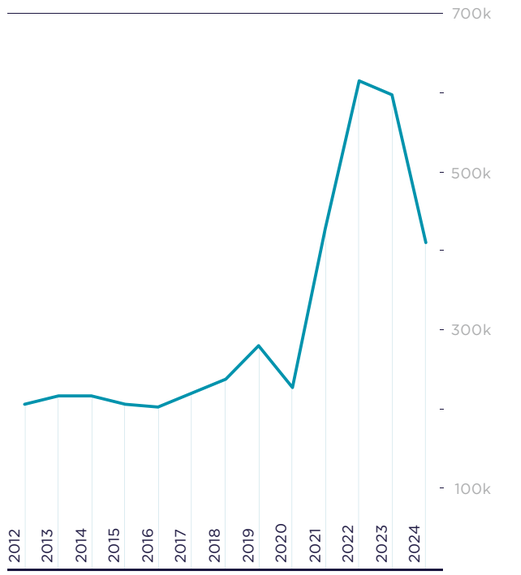
VISA SHOCK

VISA CHANGES IMPLEMENTED IN JANUARY 2024 MEANT THAT MOST POSTGRADUATE (TAUGHT) INTERNATIONAL STUDENTS COULD NO LONGER BRING DEPENDENTS WITH THEM DURING THEIR COURSE OF STUDY IN THE UK.

These changes resulted in a large 30.8% decrease in sponsored study visas issued in 2024 vs 2023, and an 84.7% decrease in dependent visas issued. Of course, those nations most likely to bring dependents with them were most impacted, with a 42% decrease in Indian visas issued, moving the nation behind China in terms of total student visas issued. The largest decrease was a 71.6% decrease in visas issued to Nigerians. Chinese issuances were down 6.1% to stand at just over 103,000. However, it is important to recognise that overall issuances are up 98% since 2012, with over 205,000 more visas issued in 2024 than 12 years previously.



SPONSORED STUDY VISA ISSUANCES OVER TIME



Source: UKVI

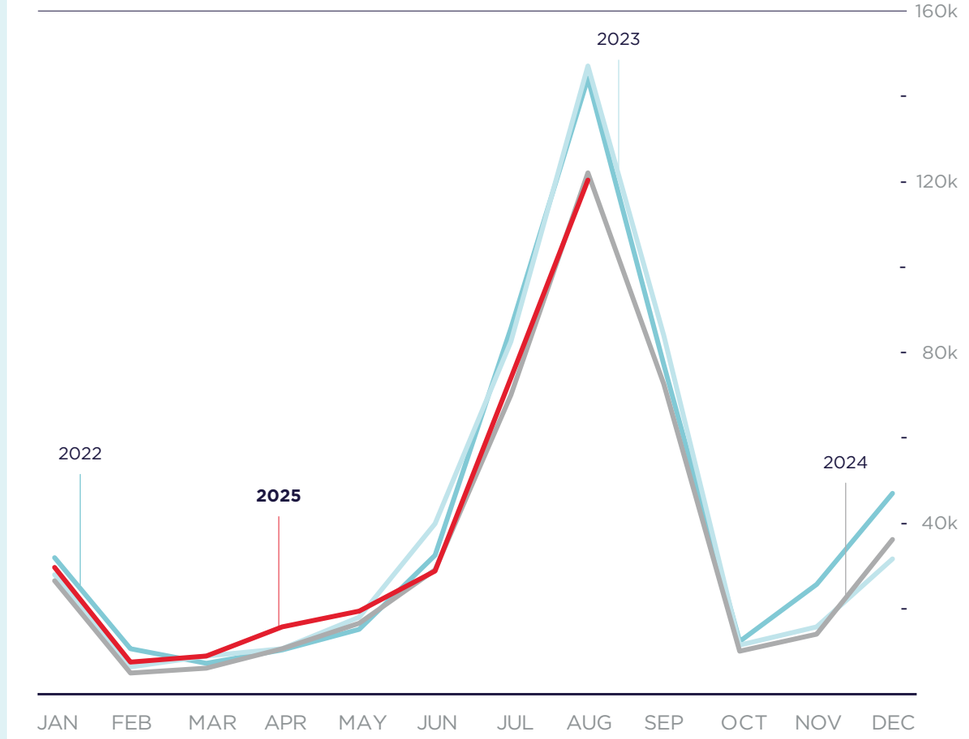


As of the end of August 2025, entry clearance student visa applications are up 6.9% compared to 2024, though still 10.9% below 2023 levels. Combined with strong international undergraduate recruitment, this suggests that overall international postgraduate recruitment remains lower than in 2023, but above 2024 levels.

The decline in dependent visa applications is particularly striking, reflecting the impact of recent visa policy changes that limit dependents. Applications for dependent visas this year are down 84.2% compared to 2023 and 5.2% below 2024, highlighting the significance of these policy adjustments on overall visa numbers.

Of course, students with dependents were highly unlikely to live in PBSA, with less than 0.5% of the sector suitable for their needs. Further, the dependent student cohort is concentrated in a small number of (largely post-1992) universities.

STUDENT VISA APPLICATIONS OVER TIME



Source: UKVI

IT IS IMPORTANT TO NOTE THAT FURTHER IMPACTS ARE ON THE HORIZON, WITH THE GOVERNMENT WHITE PAPER, RESTORING CONTROL OVER THE IMMIGRATION SYSTEM, SET TO REDUCE THE GRADUATE ROUTE TO 18 MONTHS, IMPLEMENT STRICTER ENGLISH LANGUAGE AND SPONSOR REQUIREMENTS, A POTENTIAL INTERNATIONAL STUDENT LEVY, AND ENHANCED LIVING COST REQUIREMENTS.

Cushman & Wakefield expects changes to be most impactful for post-1992 institutions.

RENTERS' RIGHTS BILL

THE RENTERS' RIGHTS BILL COMPLETED THE COMMITTEE STAGE IN THE HOUSE OF LORDS IN JULY, AND THE GOVERNMENT IS HOPING TO ACHIEVE ROYAL ASSENT EARLY IN THE 2025/26 ACADEMIC YEAR, POSSIBLY NOVEMBER '25.

The Bill aims to improve the rights and living conditions of tenants in all types of private rented properties by mandating a range of behaviours from landlords. These include a single annual rent increase, a ban on no-fault evictions, more power for tenants to obtain timely remediation of housing standards, and potential to bring pets into properties. All privately rented properties are to be registered on a database, for the first time.

Universities' own accommodation is exempt from the Bill (university accommodation is covered by the 1988 Housing Act), and will be exempt from disruption to tenancies and rent payments.



PBSA will be similarly exempted from the RRB where assets are owned privately and not managed by a university and if the operators are members of a Government Approved Code (the ANUK/Unipol Code). These operators will be able to offer common law tenancies which can use fixed term contracts. Exemption from the Act is achieved by PBSA suppliers getting "specified status" under the 1988 Housing Act.

There will be a transition period for PBSA providers because existing ASTs will transfer to being Assured Tenancies under the Act. Once specified status had been granted then PBSA suppliers will be able to issue common law fixed term tenancies. It will not be possible for an existing AST to transfer to a common law tenancy.

Depending on the timing of implementation of the Bill, the transition period could cover 26/27 and 27/28, during which time there will likely be a 2-tier system in operation. University owned and managed accommodation will be exempted from any period of transition but rooms nominated from private providers will be subject to transition. PBSA providers are already preparing to redesign their booking journeys and rent collection systems to address the transition period.

TENANCY TYPE

	NOW	TRANSITION PHASE	POST TRANSITION/ NEW NORMAL
Universities	Assured Shorthold Tenancy (AST)	N/A	Common law
PBSA (nominated and direct let)	AST	Assured Tenancy (AT)	Common law
HMO	AST	AT	AT

For students renting private houses/ HMO's/BTR, most of the provisions of the RRB will apply:

- Up-front rental payments will face restrictions with monthly rent payments thereafter.
- Students can give a minimum period of two months' notice to leave their contract, at any time in the academic year. This may mean exits as students withdraw from their course at Christmas, leave after their exams, or indeed at any time for any reason.
- Any tenancies signed for AY 2025/26 before the Bill comes into force will become Assured Tenancies – i.e. they have no end.
- Because the Government has accepted that it is important to maintain the availability of housing for students in line with the academic year, a special Ground 4a repossession has been created which will allow landlords give 4 months' notice to repossess the property.

There are restrictions of the use of this new repossession ground:

- It will only apply to HMOs, so not one and two bed houses.
- The landlord must give notice to tenants that they intend to use this repossession ground at the time of issuing the tenancy.
- Repossession is only possible between July and September.
- Repossession is only possible under 4a when a tenancy has been signed not more than 6 months prior to occupation.

The sector fears that the changes exacerbate the existing financial and legislative pressures which are pushing HMO landlords to leave the student sector in favour of more certain sources of income. Rents in remaining HMOs could increase as supply reduces, and also as landlords plan for greater occupancy risk from tenants who can leave their contracts early. Some properties will transfer into the hands of larger HMO landlords serving student markets, where there could be opportunities for those who are able to manage the uncertainty.

Royal Assent is currently likely before Christmas and the ensuing period of transition will require that student landlords will have to move pre-agreed tenancies from Assured Shorthold Tenancies (set up specifically with students' circumstances and requirements in mind) to Assured Tenancies (long term, standard rental contracts) for a period.





There could be a period of disruption to PBSA direct let providers through changes to tenancy types and payment regimes, though there is a prediction that the transition period could be longer and tenancy changes could impact the following year 27/28. It is clear that the timing of implementation is very important to the nature of the impact. The Act will not be implemented all at once and certain provisions will be phased in after further consultation (the Decent Homes standard, redress provisions and the Landlord Database) but it is likely that the Government will seek to bring the tenure changes into operation as soon as possible, reflecting their manifesto commitment to end Section 21 "no fault" evictions.

The BPF has been lobbying to understand the timeframes for implementation which are not yet clear.



03

SUPPLY



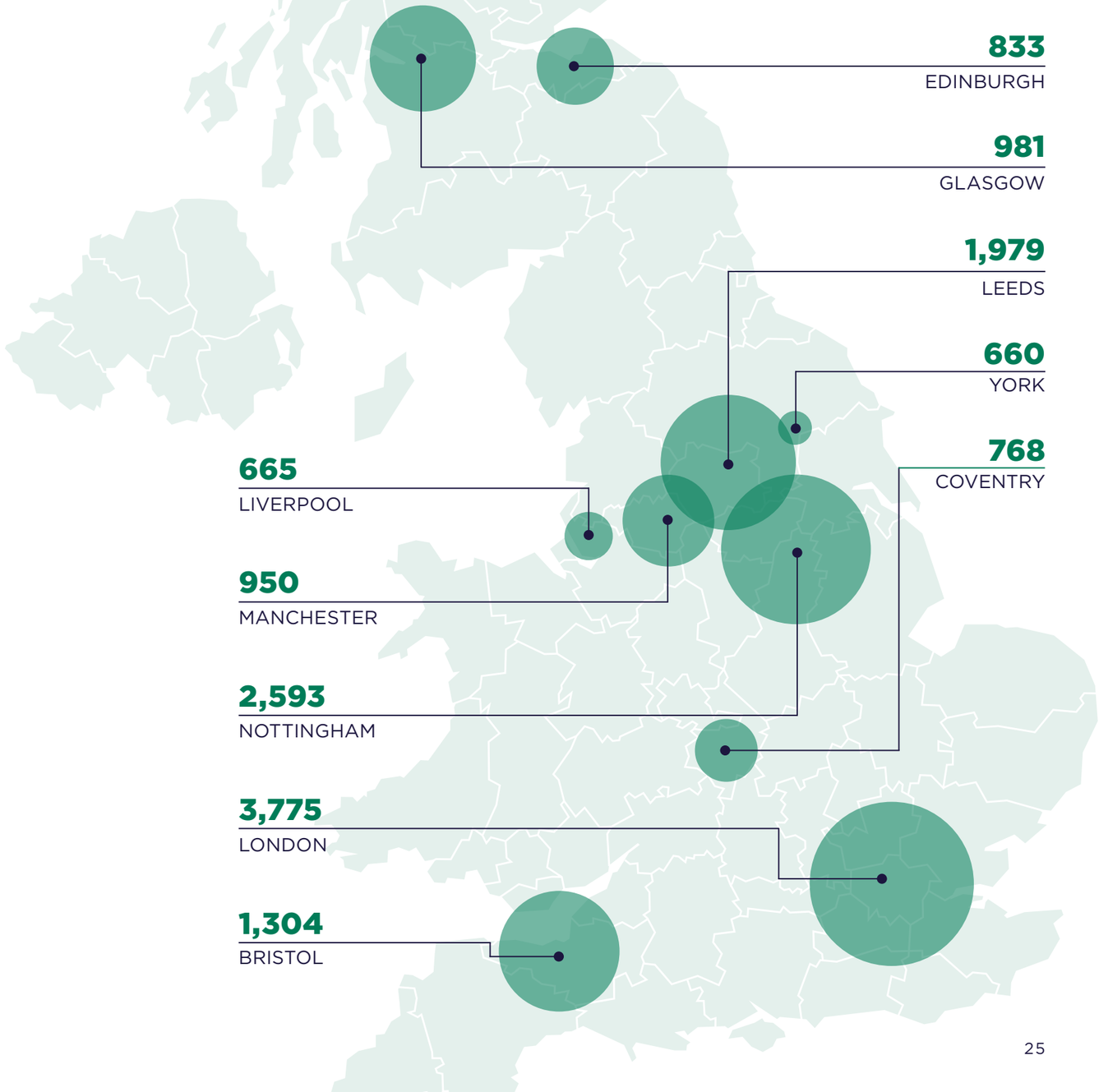
2025/26 SUPPLY

THE UK PBSA MARKET IS MADE UP OF 743,000 BEDS FOR THE 2025/26 ACADEMIC YEAR, A NET GAIN OF 10,000 BEDS ON 2024/25.

There are 18,200 new beds available this year, an increase on the previous two years but still far below the scale of deliveries seen pre-pandemic. Whilst 27 different markets have seen new beds, just London, Nottingham and Leeds make up nearly half of all new beds, with investor focus on limited markets and development viability concentrating deliveries.

Source: Cushman & Wakefield Student Accommodation Tracker

NEW BEDS 2025/26



It is clear that viability issues and risk aversion mean developers are now focusing on a limited number of “premium” locations. London dominates new bed deliveries this year, finally seeing substantive development, as the capital delivers beyond the London Plan’s 3,500 bed per year ambition for the first time since the Plan’s introduction.

Nottingham continues its trend of new deliveries, and the city is now by far the largest PBSA market in the UK outside London with over 35,000 beds in 2025/26.

Nationally, the net gain in PBSA has been impacted by the closure of nearly 8,000 beds - some for redevelopment, as well as some permanent closures. A quarter of these beds closed are in Manchester, ultimately for University partnered redevelopment.

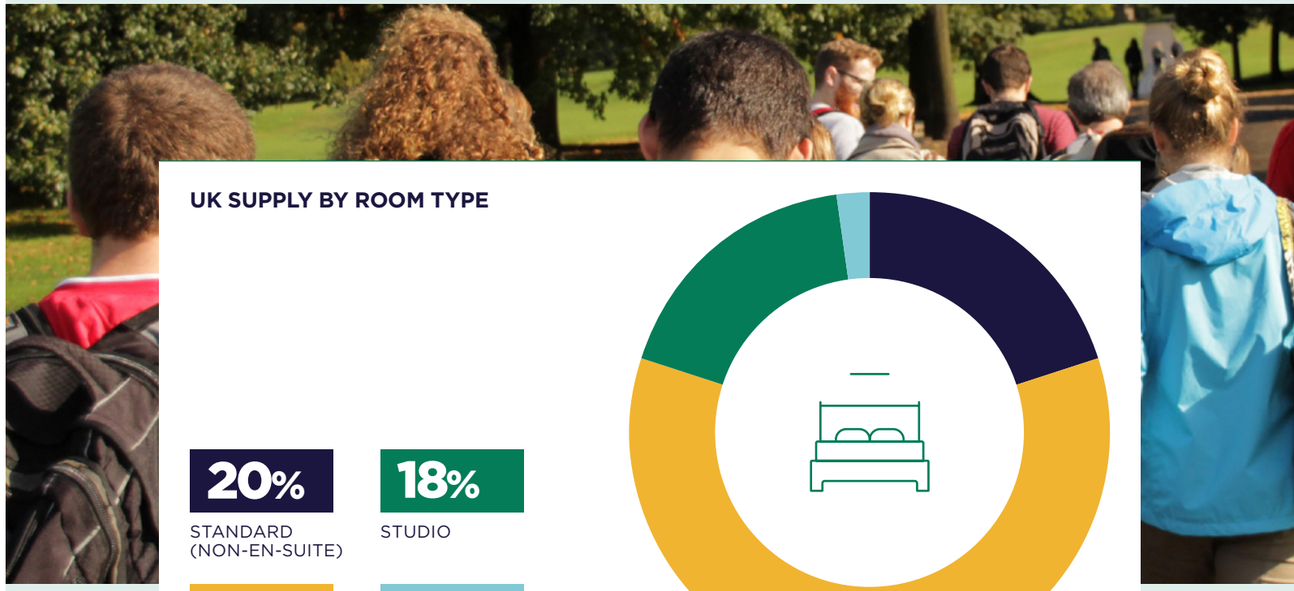
BED NUMBERS OVER TIME



Source: Cushman & Wakefield Student Accommodation Tracker

88,000 beds have been delivered nationally over the last five years versus the 158,000 in the previous five years which is a fall in delivery annually from an average of 31.6k new beds a year to 17.6k. Just 15% of all beds built in the last five years are university owned or DBFO beds with a massive increase in the direct let sector, as has been the case for the last decade. In 2015/16 there were just 144,800 direct let beds in the UK, while currently there are 325,700, accounting for 44% of all PBSA beds in the UK. Conversely, University owned bed numbers have fallen by 16,000 over the same period.

Studios have become a much larger part of the sector in the last decade, with just 46,000 available in 2015/16 and over 130,000 in 2025/26. 36% of all beds built in the last five years are studios and in some markets studios now make up more than half of the total direct let supply.



UK SUPPLY BY ROOM TYPE

20% STANDARD (NON-EN-SUITE)

18% STUDIO

60% EN-SUITE

2% OTHER

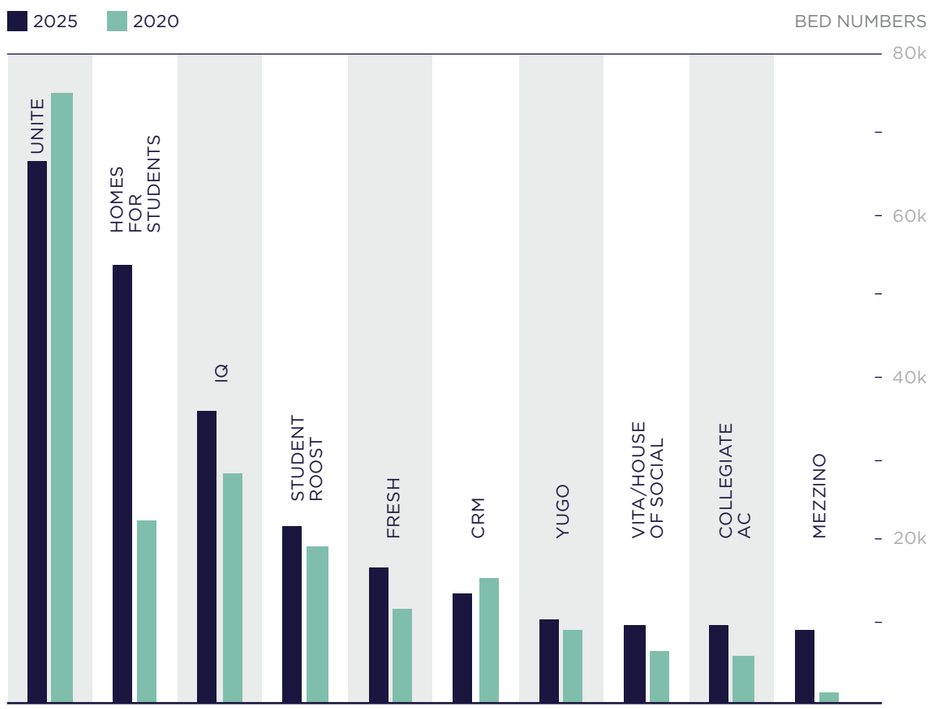
Source: Cushman & Wakefield Student Accommodation Tracker

OPERATIONAL CHANGE

THE LAST FIVE YEARS HAS SEEN THE RISE OF HOMES FOR STUDENTS AS THE LARGEST INDEPENDENT OPERATOR, WITH THE BUSINESS NOW RUNNING MORE BEDS THAN THE OTHER INDEPENDENT OPERATORS COMBINED, AND MORE THAN DOUBLING IN SIZE IN FIVE YEARS.

Alongside this rise has been the reduction in the operational holdings of CLV, Host Students, Hello Student, CRM and Unite Students – with the FTSE 100 company disposing of older, non-core stock. Unite remains the largest PBSA owner and operator with 16% of the market but this figure has fallen from the 21% seen in 2020. However, with the expected acquisition of Empiric Student Property, Unite is set to grow its portfolio by just over 7,700 beds.

TOP OPERATORS OF PSBA - 2025/26 VS 2020/21



Source: Cushman & Wakefield Student Accommodation Tracker



MARKET OWNERSHIP

THE TOP THREE OWNERS OF BEDS CONTINUE TO OWN A THIRD OF THE PBSA MARKET.

The top 10 operators control 58% of the market versus 60% five years ago and the top 20 owners of beds own 55% of the market which is unchanged over the last five years.

Market consolidation has undoubtedly slowed due to a weaker debt market and slower PBSA delivery. Only Blackstone, Greystar and Mapletree have seen a substantive increase in market share, largely through purchase of standing stock. Indeed, scale is arguably difficult to achieve with fewer than 30 private owners of PBSA controlling more than 2,000 beds each. Previous market cycles allowed for the development of several thousand beds followed by a sale to an institutional investor or major provider – something that appears impossible in the current market environment.

The last five years has seen the emergence of Nottingham as the second largest PBSA market in the UK (behind London) with a staggering 35% increase in supply from 25,900 beds in 2020/21 to 34,909 beds in 2025/26. By way of context, London is home to nearly 341,000 more full-time students than Nottingham. The city is also one of only a few large markets not to see major closures of beds, meaning that it has largest net gain in supply of any city in the UK. Belfast ranks 9th in terms of total delivery but due to its relative size, tops the list for percentage gain in supply at 47%. In contrast, Manchester, the focus of so much planned development activity, has seen a net decrease in beds over the last five years. As one of the UK's most mature markets, the city is seeing the closure of schemes that are end of life, both economically and in terms of student experience. This pattern is set to accelerate in other major markets over the coming years. This underdevelopment has likely aided the use classes that sit adjacent to PBSA – BTR most notably but the wider PRS market and the emerging co-living space have been bolstered. The pipeline is large but a major influx of new beds has been pushed back by ongoing wider market viability issues.



PBSA DELIVERY OVER TIME (SELECTED MARKETS)

Source: Cushman & Wakefield Student Accommodation Tracker

04

RENTAL GROWTH

THE LAST ACADEMIC YEAR IS THE FIRST CYCLE IN SEVEN YEARS WHERE UNIVERSITY RENTAL GROWTH HAS OUTPACED THAT OF THE PRIVATE SECTOR, FOLLOWING HUGE INCREASES IN THE PREVIOUS TWO YEARS.

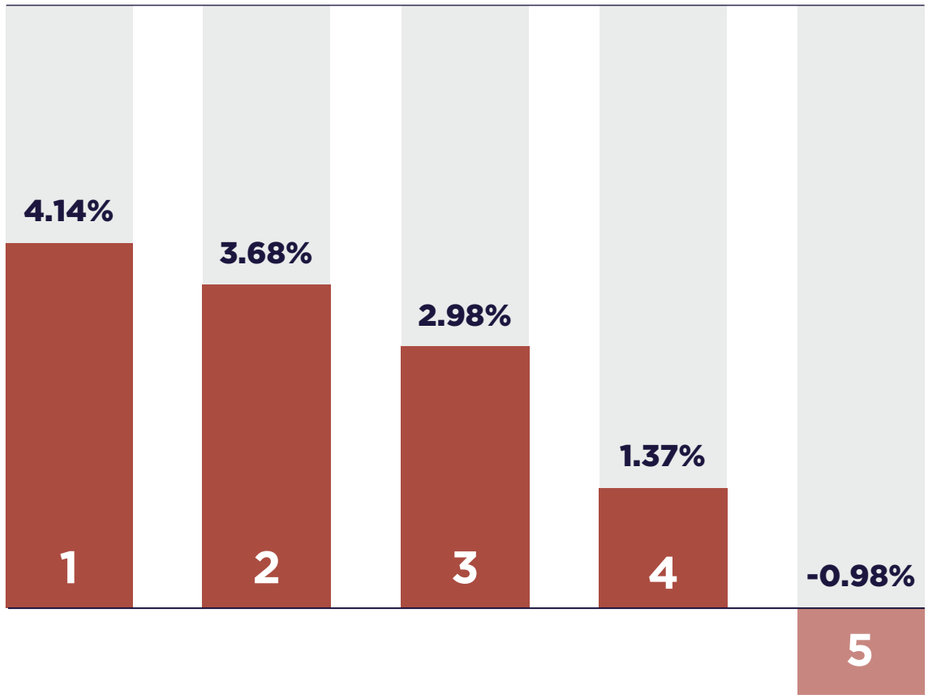
Whilst many universities are arguably better shielded from recent pressures on demand, a number of institutions have recently come to the end of long-dated utilities deals whilst at the same time absorbing living wage and wider Higher Education financial pressures, forcing them to continue to increase rents. However, it should be noted that the three year increase is still lower than that delivered by the private sector.

Incredibly, only four of the 25 markets with the highest levels of rental growth this year were Russell Group locations.Of 75 markets with private sector beds, 23 outpaced CPI inflation. At the same stage last year, 60 locations delivered rental growth above inflation, highlighting negative pressures on occupancy during this cycle.

Uncertainty around international recruitment and affordability challenges across the sector also meant that rental growth in the lowest quality – and therefore lowest priced – rooms (4.14%) outpaced those in the highest quality, with this area of the market seeing its first fall in rents (-0.98%) since Cushman & Wakefield started recording the market. Indeed, a clear ladder of rental growth can be observed based on quality of product.

Crucially, beds held under nomination and lease agreements were the sole driver of all private sector rental growth between 2024/25 and 2025/26, underlining the sector's growing reliance on university partnerships to underpin demand, secure occupancy, and justify rent increases in an otherwise affordability-constrained market.

RENTAL GROWTH BY ROOM QUALITY 2024/25 TO 2025/26



Source: Cushman & Wakefield Student Accommodation Tracker

The intensity of market competition is shown by rental growth by agreement type, with an institutional tie-in delivering greater certainty, and therefore rental growth, in an uncertain market. Indeed, beds under a form of agreement effectively drove all private sector rental growth between 2024/25 and 2025/26.



RENTAL GROWTH BY AGREEMENT TYPE

0.05%
DIRECT LET

4.36%
NOMINATION

4.96%
LEASE

4.53%
LONG-TERM ON-CAMPUS PARTNERSHIP

Source: Cushman & Wakefield Student Accommodation Tracker

In a market where post-Covid, a number of providers have felt confident in the ability to deliver higher than average levels of rental growth without University agreements, the last year has resulted in considerable change, with the strongest levels of rental growth seen in agreement beds this year.

In terms of room types, the strongest levels of rental growth this year are being seen in shared bathroom bedrooms, followed by en-suite clusters and then studios.



RENTAL GROWTH BY ROOM TYPE

2.81%
EN-SUITE

3.65%
STANDARD

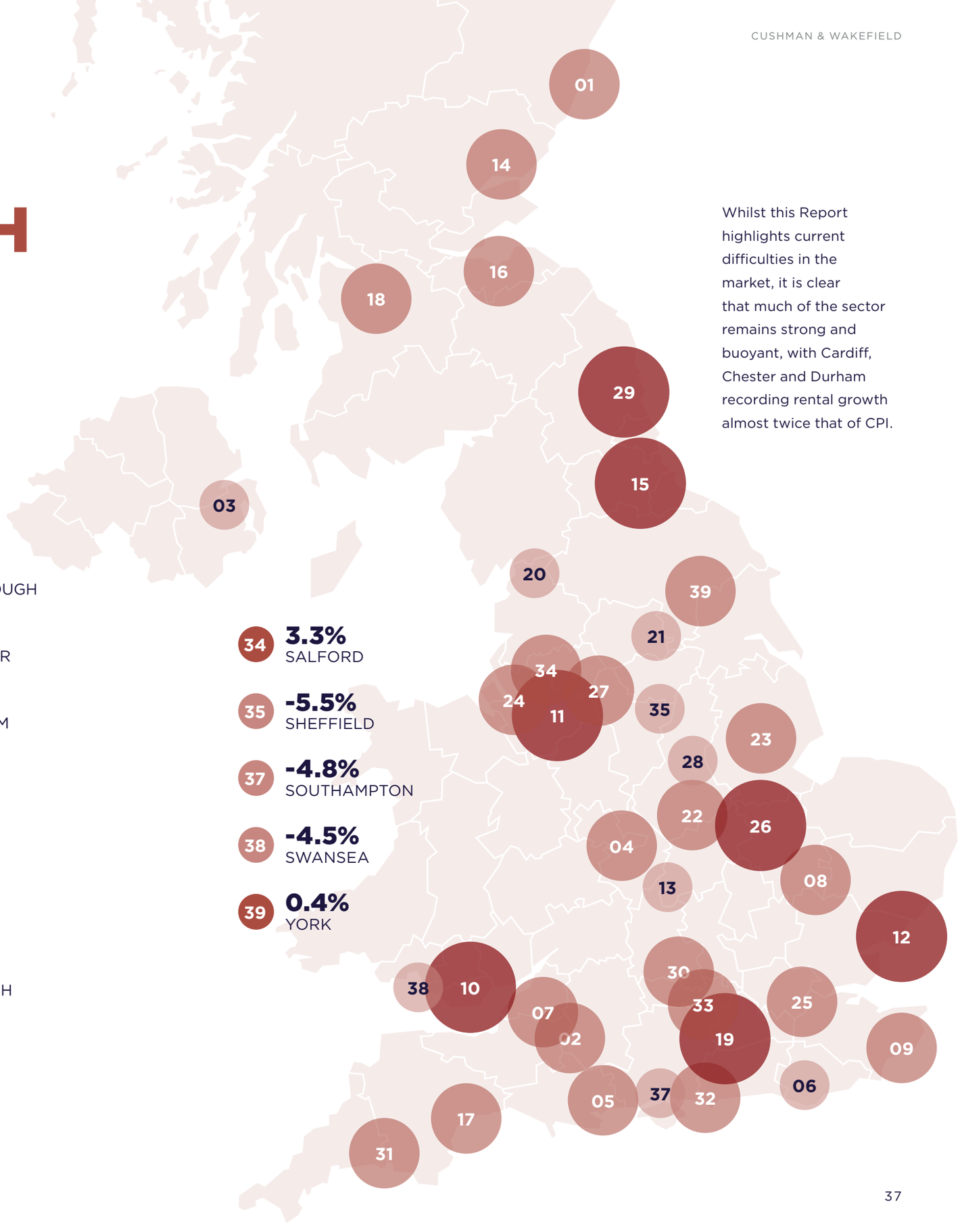
0.66%
STUDIO

Source: Cushman & Wakefield Student Accommodation Tracker

UK RENTAL GROWTH

ALL PROVIDERS

01	0.4% ABERDEEN	12	6.6% COLCHESTER	23	0.8% LINCOLN
02	3.8% BATH	13	-1.1% COVENTRY	24	2.7% LIVERPOOL
03	-5.3% BELFAST	14	2.7% DUNDEE	25	3.5% LONDON
04	2.9% BIRMINGHAM	15	5.9% DURHAM	26	4.4% LOUGHBOROUGH
05	2.6% BOURNEMOUTH	16	2.7% EDINBURGH	27	3.7% MANCHESTER
06	-0.9% BRIGHTON	17	0.9% EXETER	28	-2.9% NOTTINGHAM
07	2.8% BRISTOL	18	1.7% GLASGOW	29	4.1% NEWCASTLE
08	2.7% CAMBRIDGE	19	5.2% GUILDFORD	30	3.5% OXFORD
09	2.4% CANTERBURY	20	-0.7% LANCASTER	31	2.2% PLYMOUTH
10	6.3% CARDIFF	21	-3.4% LEEDS	32	2.5% PORTSMOUTH
11	6.1% CHESTER	22	3.2% LEICESTER	33	0.9% READING
34	3.3% SALFORD				
35	-5.5% SHEFFIELD				
37	-4.8% SOUTHAMPTON				
38	-4.5% SWANSEA				
39	0.4% YORK				



Whilst this Report highlights current difficulties in the market, it is clear that much of the sector remains strong and buoyant, with Cardiff, Chester and Durham recording rental growth almost twice that of CPI.

Source: Cushman & Wakefield Student Accommodation Tracker

MARKET CHANGE

WHILST SOME MARKETS HAVE WEATHERED CHANGING STUDENT NUMBERS WELL, OTHERS HAVE BEEN MATERIALLY AFFECTED, WITH CONSEQUENT IMPACTS ON OCCUPANCY LEVELS AND RENTAL GROWTH LEADING TO INTENSE COMPETITION IN THIS AREA OF THE MARKET, AND SIGNIFICANT POCKETS OF UNDEROCCUPANCY.

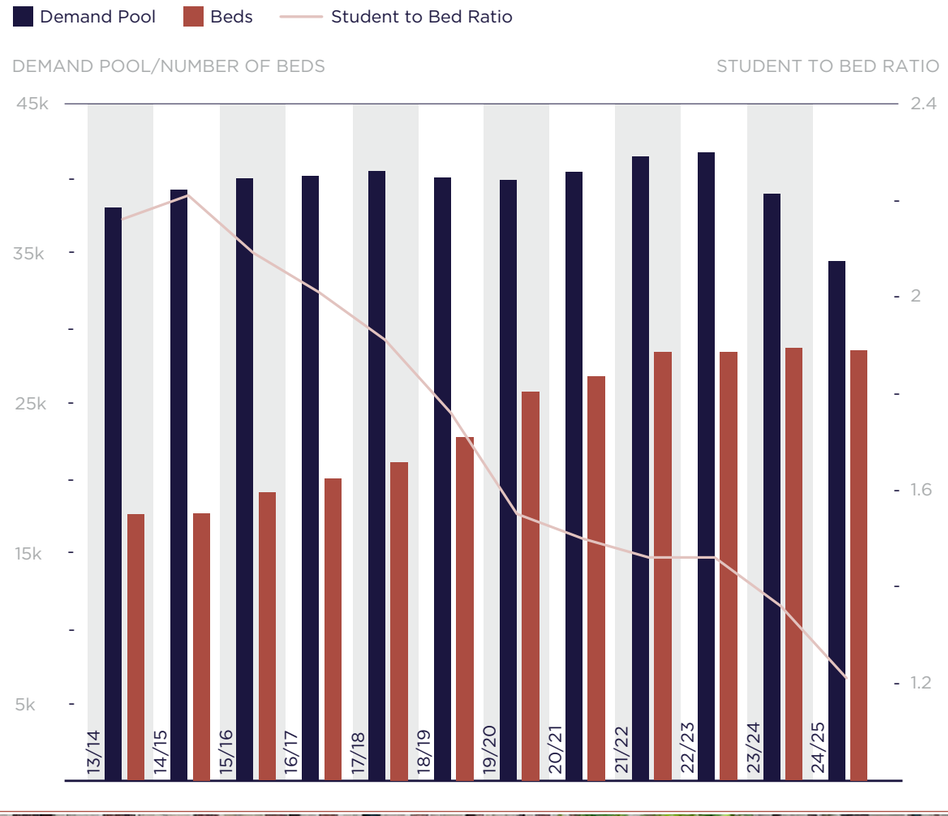
In the case of Sheffield, Cushman & Wakefield's modelling shows that the demand pool has likely fallen by 17.3% between 2022/23 and 2024/25, resulting in a student to bed ratio of just 1.21:1, down from 1.46:1. Such a ratio is unprecedented in a major market, and has resulted in the largest decrease in rents in any location in the UK this year.

The Leeds market has undoubtedly been impacted by both a fall in the demand pool and a large increase in PBSA beds in a short period of time, with large numbers of these beds competing in the same area of the market. Cushman & Wakefield's modelling shows that the demand pool for accommodation has fallen by 7.2% between 2022/23 and 2024/25, with a 21.3% increase in PBSA supply over the same period. This has resulted in a fall in the student to bed ratio from 2.15:1 in 2022/23, to 1.64:1 in 2024/25.

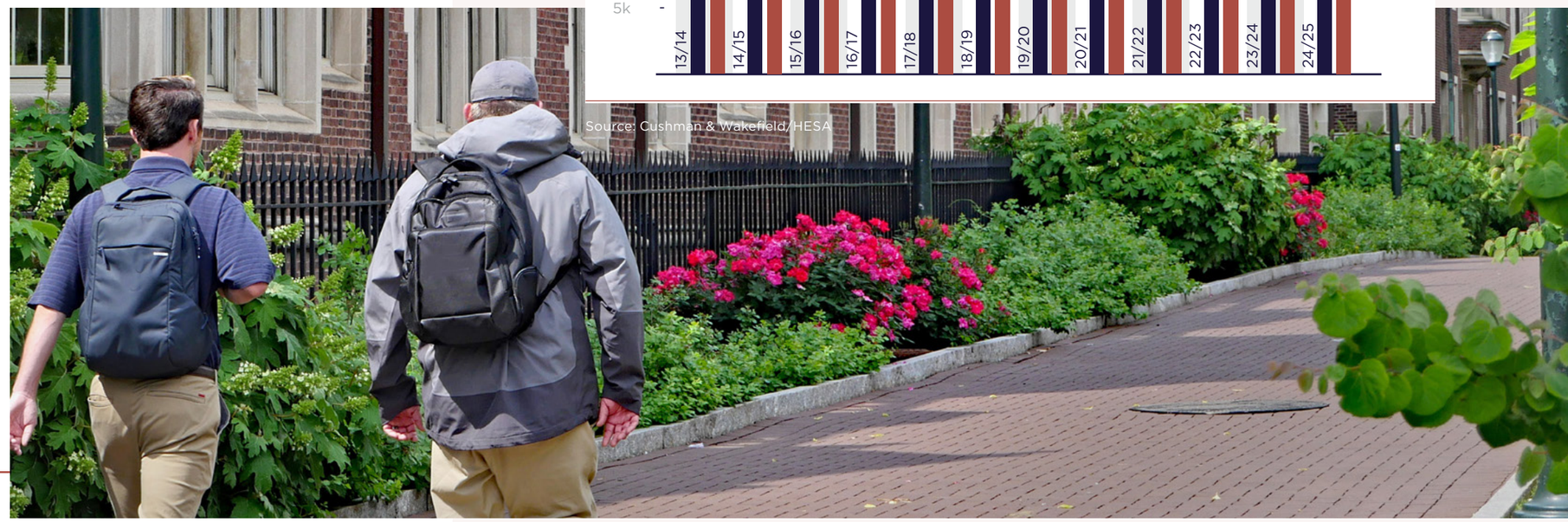
Market impacts have been compounded by the type of stock delivered in the market over the last five years. Incredibly, of **6,579 new beds delivered over this period, almost 99% are classed by Cushman & Wakefield at the same quality level** – leading to intense competition in this area of the market.

Whilst some markets have been materially impacted, others have managed to weather the storm. Ongoing significant levels of structural undersupply mean that the student to bed ratio in Bristol remains above its pre-Covid level.

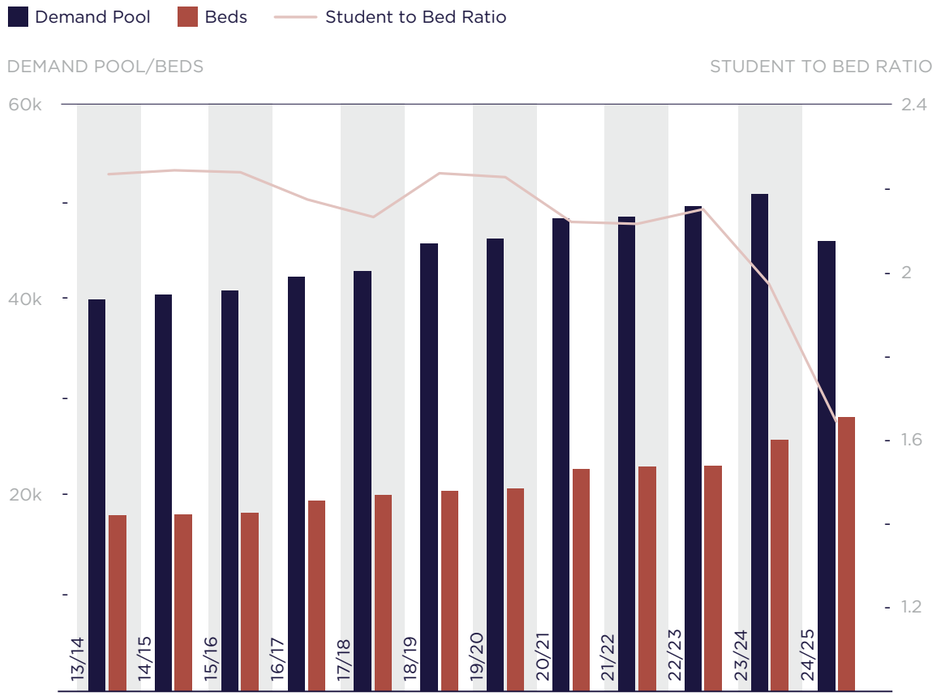
SHEFFIELD



Source: Cushman & Wakefield/HESA



LEEDS

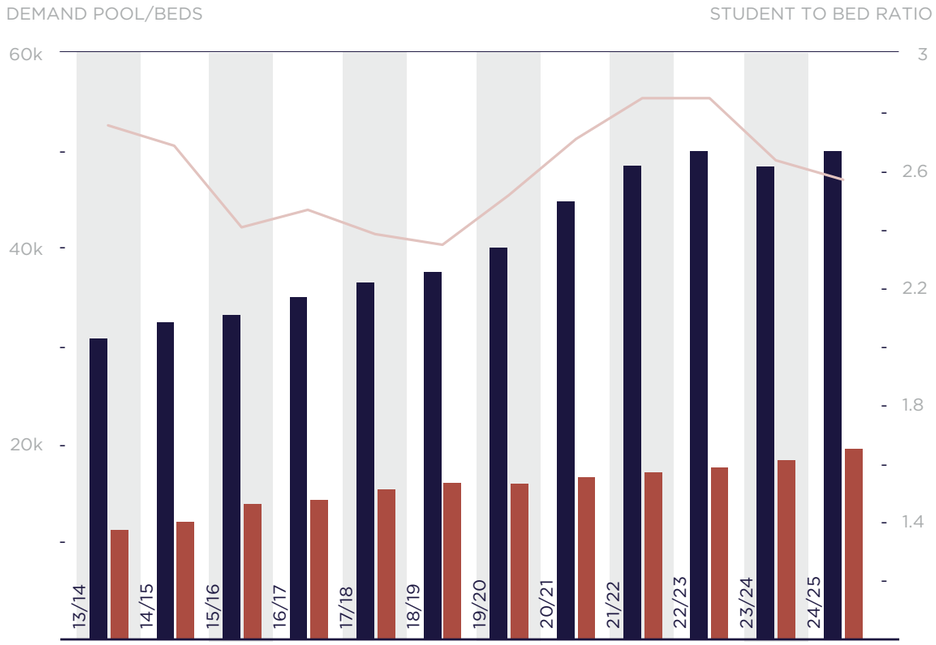


Source: Cushman & Wakefield/HESA





BRISTOL



Source: Cushman & Wakefield/HESA

05

OCCUPANCY

2025 HAS SEEN SIGNIFICANT CHANGES IN THE OCCUPANCY CYCLE, ALTHOUGH THE PATTERN OF LATER LETTINGS SEEN IN 2024 HAS CONTINUED.

Whilst patterns of poor occupancy are evident in the most most difficult markets, 2025 has seen differing patterns of occupancy within the same cities, across similar buildings in close proximity, and even within buildings themselves - highlighting the intensity of market competition and the importance of competitive pricing.

As part of this Annual Report, we outline why occupancy performance has differed so greatly by location, operator and type of accommodation. Our analysis shows that the issue of value-for-money is now undoubtedly central to the decision making of many students, with complex buying decisions being made.

Whilst there is no evidence of a difference in take-up by overall room type, it is clear that studio occupancy continues to be driven by quality of experience and en-suite by relative value for money.

STUDIO PERFORMANCE

STUDIO SCHEMES DELIVERING THE HIGHEST LEVELS OF OCCUPANCY FOR 2025/26 HAVE AVERAGE ROOM QUALITY LEVELS OF 4.12 AND AMENITY QUALITY LEVELS OF 4.14, WHILST THE MOST POORLY OCCUPIED SCHEMES RATED 3.77 AND 3.49 RESPECTIVELY.

Cushman & Wakefield Student Accommodation Tracker quality analysis

Amenity spaces in better performing studio developments are over 40% larger, as well as being of a higher quality. Despite average rents only being 7% lower in poorer performing schemes, there is no differential in performance by room size. This reinforces Cushman & Wakefield's view that those targeting the premium end of the studio market need to deliver a commensurate premium experience to drive performance.



EN-SUITE PERFORMANCE

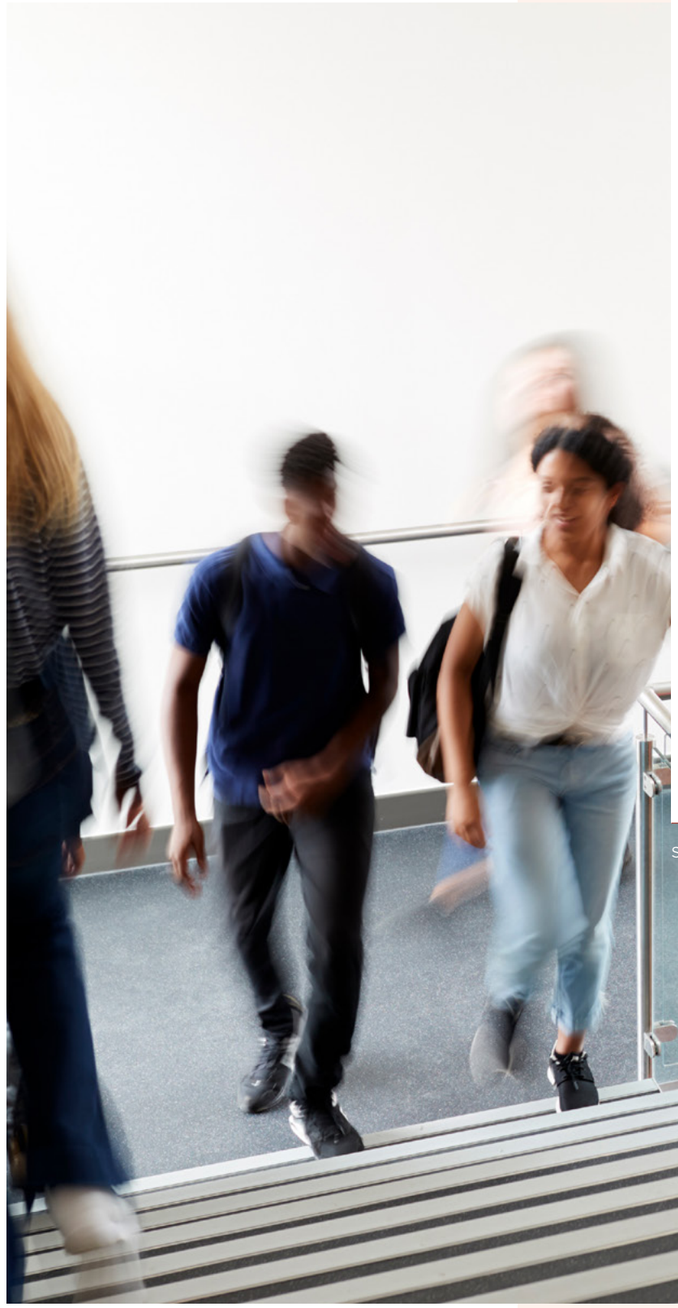
WHILST STUDIO MARKET PERFORMANCE CONTINUES TO BE DRIVEN BY EXPERIENCE, THERE IS NOW EVIDENCE THAT OCCUPANCY IN EN-SUITE CLUSTER ROOMS IS BEING IMPACTED BY DECISIONS AROUND VALUE-FOR-MONEY.

Whilst Cushman & Wakefield records no material difference in the quality of rooms or amenity spaces between developments with high and low levels of occupancy, there is clear evidence of differing performance by both rent levels and recent rental growth. The poorest performing en-suite beds nationally are priced 11% higher than those with the strongest occupancy, with rents in the lower occupancy schemes rising by 26% over the last five years compared with 18% amongst the best performers.

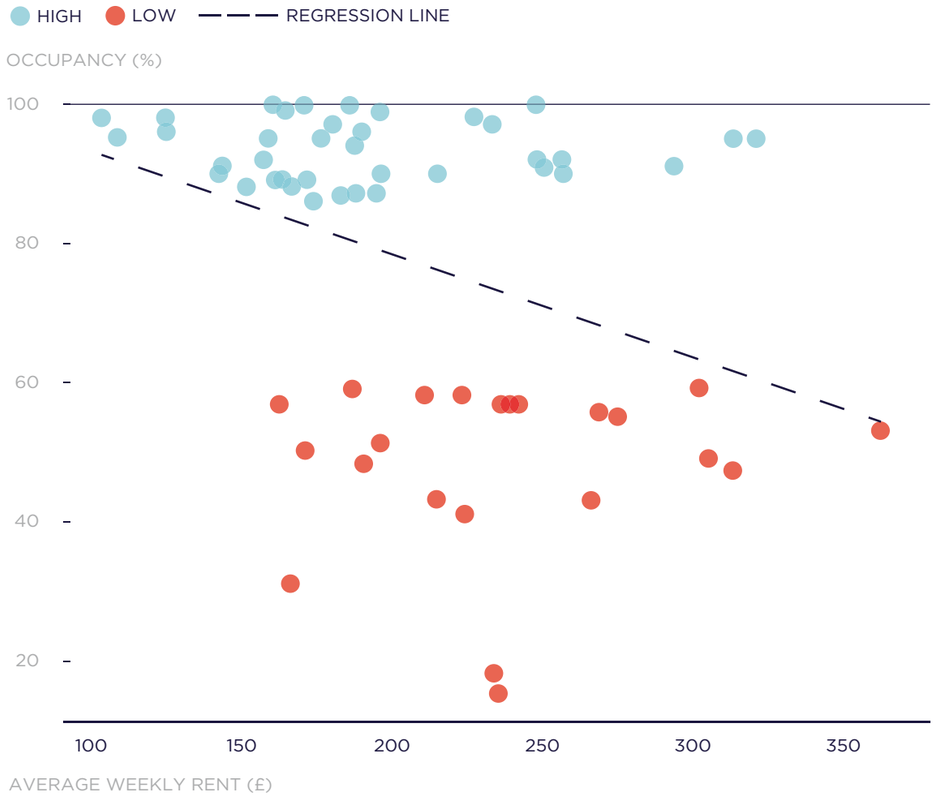
Evidence from this year indicates that rents in the poorest occupied assets will rebase, with a decrease of 1.54% recorded across the 2025/26 letting cycle this year compared to a 0.20% increase in the best performing.

Interestingly, the most poorly occupied en-suite developments this year are priced at 110% of the maximum Maintenance Loan, compared with 95% for the best occupied schemes. This is potentially indicative of some students considering the Maintenance Loan received to be a rental ceiling.

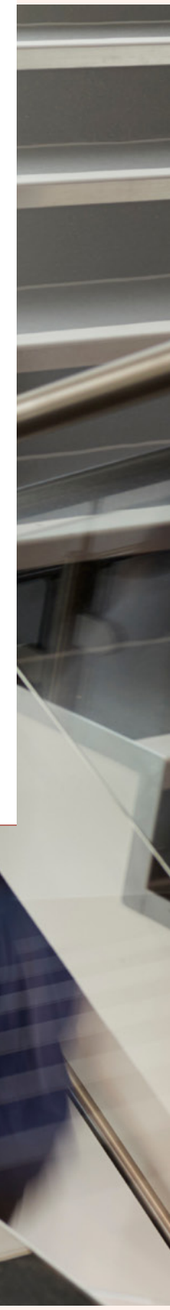
Source: Cushman & Wakefield Student Accommodation Tracker



WEEKLY RENT VS. OCCUPANCY, EN-SUITE BEDS



Source: Cushman & Wakefield Student Accommodation Tracker



LETTING CYCLE PRICING

THE 2025 CYCLE HAS SEEN LESS DYNAMIC PRICING THAN IN THE PREVIOUS TWO YEARS, WITH OPERATORS CAUTIOUS IN THE FACE OF UNCERTAIN DEMAND.

At the same time, there is evidence that students waited later in the cycle this year, with the post-Covid "fear of missing out" abating.

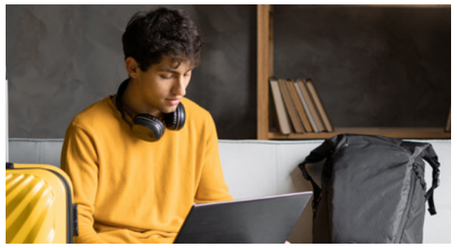
Amongst the best occupied developments, there was clear caution in the pricing of rooms throughout the first part of the cycle, with accelerating bookings from February onwards – in part driven by offers and incentivisation - leading to greater confidence and increasing rents between March and April, with a further 0.5% in May. A further round of discounting and incentivisation was recorded post-A-Level results day and throughout the Clearing period amounting to a 0.92% reduction in rents.

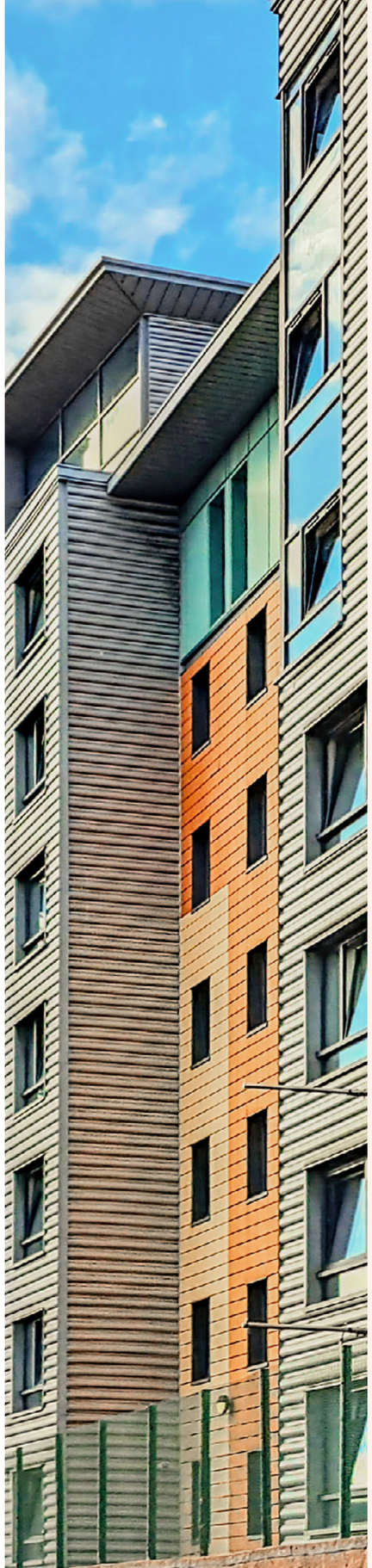
By contrast, the most poorly performing schemes saw month-on-month decreases in rents from March onwards, with increases in incentivisation and offers from April onwards.

This year has seen clear winners and losers in terms of occupancy in the UK PBSA market, with some markets selling out and evidence of pockets of underoccupancy in a number of locations.

A number of single institution markets - ranging from high tariff Russell Group to lower tariff post-92s - have outperformed the market: Bangor, Guildford, Durham, Chester, Loughborough, Exeter and Portsmouth have all performed strongly, with other single asset markets such as Gloucester, Northampton and Wrexham also sold out. Whilst the type of stock in these locations varies wildly, in most cases supply has been historically constrained (or providers have benefited from the closure of other beds).

Manchester continues to be one of, if not the top performing major market in the UK for PBSA occupancy with Bristol, Belfast, Newcastle, Oxford and Liverpool all also performing well. Despite recent struggles, Coventry has also performed well, with the market benefiting from seven years of below inflation rental increases. Across many other markets, performance varies from scheme to scheme: Edinburgh continues to see strong performance based on location, and Cardiff has performed well at the affordable and premium ends of the market.





Clear pockets of underoccupancy are now evident in Nottingham, following the development of 10,000 beds in five years, although continued strong performance from many highlights the importance of local knowledge. Leeds, Sheffield, York, and Swansea all show evidence of voids across large parts of the markets this year for a variety of reasons explored in this Report. London has generally performed well, but with clear evidence of varied performance in less established locations, as areas outside of the Central London core continue to develop.

Value-for-money and affordability is a key determiner of success – alongside the analysis of cluster and studio accommodation in this Report, it is clear that in some locations, the residential market is increasingly being chosen by students where there is a significant differential in pricing between student accommodation and the residential sector.

Local knowledge is key in weaker markets – a national platform and digital marketing budget does not guarantee occupancy in the more competitive markets. The "ground game" and a general local market presence is increasingly important.

Owner/Operators beat the market - the owner with their own operational platform that can allow for on the ground staff to link with marketing.

PIPELINE

UK PBSA PIPELINE

PIPELINE

174,335
TOTAL

96,053
APPROVED

34,267
UNDER CONSTRUCTION

27,972
26/27 EXPECTED DELIVERY

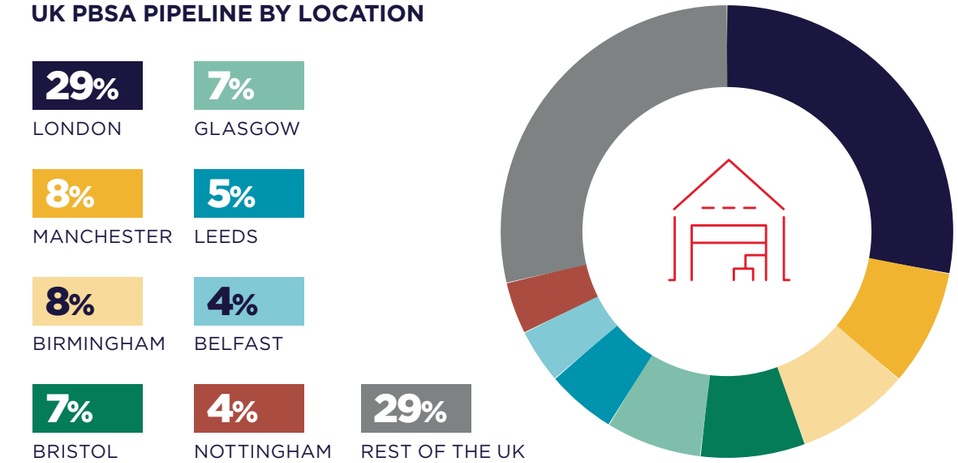
Source: Cushman & Wakefield/UK Local Authorities

THE UK PBSA PIPELINE CURRENTLY STANDS AT A TOTAL OF 174,000 BEDS, A FIGURE THAT HAS GROWN SUBSTANTIALLY OVER THE LAST TWO YEARS.

Market viability and development focus means planned beds are concentrated around a small number of key markets - **nine markets have more than 4,000 beds and just five have more than 10,000 beds in the pipeline.**

London makes up 29% of all pipeline beds in the UK, with Manchester, Birmingham, Bristol and Glasgow all above 10,000 beds. These top markets make up 60% of all pipeline beds as well as 59% of all approved beds and 64% of those under construction. Just two years ago this was 52% of all pipeline beds, with all of the top five seeing increased interest from developers.

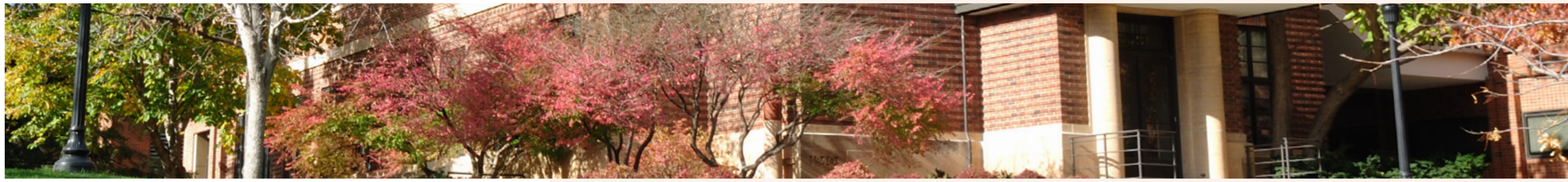
UK PBSA PIPELINE BY LOCATION



Source: Cushman & Wakefield/UK Local Authorities

Development funding continues to present issues - with less than 20% of the pipeline currently under construction. Expected delivery of beds continues to sit below the pre-Covid levels at just below 28,000 for 2026/27 and previous trends suggest that circa 10-20% of these beds will slip from their expected year of opening and not deliver in time for the start of the next academic year. Development costs remain high which is reflected in a number of developers continuing to deliver high-end concepts with large amenity offerings.

However, this presents both issues and opportunities. Whilst exemplar studio schemes continue to perform well, evidence in this Annual Report shows that the congested, relatively high-specification en-suite market is experiencing elevated void levels in a number of locations. Our analysis highlights the huge market opportunity for lower priced products, given the relative lack of competition and the changing emphasis students have on affordability and value for money.



LOOKING FORWARD

THE INCREASING DEVELOPMENT EXPECTED IN THE NEXT COUPLE OF YEARS MAY SEE NEW PLAYERS MAKE IT INTO THE UPPER ECHELONS OF THE PBSA MARKET BUT THEY ENTER INTO A MORE COMPETITIVE MARKET THAN BEFORE.

Development opportunities may well lie off the beaten path, with Cardiff, Bath, Durham, Loughborough, Chester and Guildford all currently performing strongly, with all these markets currently having limited development pipelines.

AFFORDABILITY

AFFORDABILITY HAS BECOME ONE OF HE DEFINING CHALLENGES OF THE UK STUDENT ACCOMMODATION MARKET.

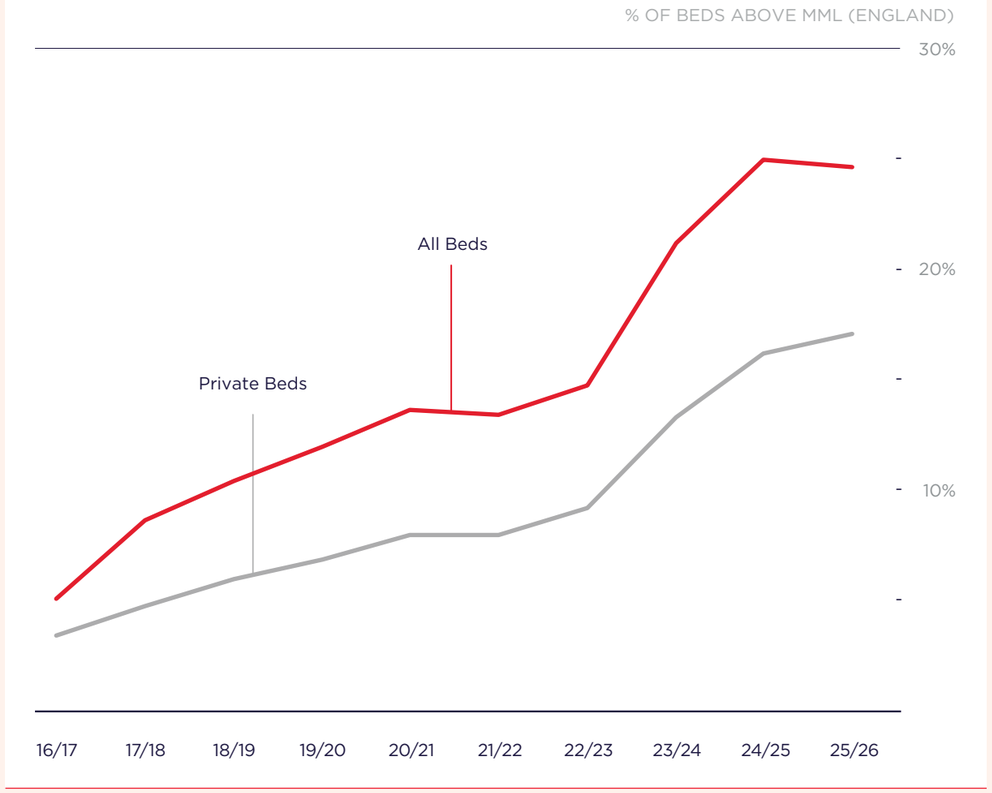
As PBSA has expanded across the country over the past decade, questions around who can afford it – and how that is changing over time – have moved firmly into the spotlight. At a headline level, it is clear that average annual rents are consuming a larger percentage of the maximum Student Maintenance Loan than at any time under the Maintenance Loan only system. A key partof the affordability story is the Student Maintenance Loan, which most full-time undergraduates rely on to cover their living costs. In England, the average Maintenance Loan received by students has increased significantly over the past decade, not just in absolute terms but also as a proportion of the maximum available. In 2016/17 the average Maintenance Loan (AML) received by students represented just 59% of the maximum available, but by 2023/24 this had risen to 85%, before settling at a projected 77% for the 2025/26 academic year.

Of course, this is resulting in greater levels of student debt upon graduation, especially in England which lacks the often-generous grant system seen in other UK nations.

At the same time, the average Loan is now 77% of the average en-suite rent compared with 67% in 2016/17. Arguably, 2023/24 saw affordability to be stretched most significantly, with the 2.8% increase in the Maintenance Loan that year far below the 8.05% increase in rents seen nationally, and below the 16.44% increase in one major city.

CUSHMAN & WAKEFIELD HAS DRAWN THE DATA USED TO CALCULATE THE AVERAGE MAINTENANCE LOAN PER BORROWER AND BY NATION FROM A RANGE OF OFFICIAL SOURCES, INCLUDING ANNUAL STATISTICAL RELEASES FROM THE STUDENT LOANS COMPANY (SLC).

PERCENTAGE OF BEDS ABOVE MAXIMUM MAINTENANCE LOAN OVER TIME



Source: Cushman & Wakefield (England only)



AFFORDABILITY BY CITY

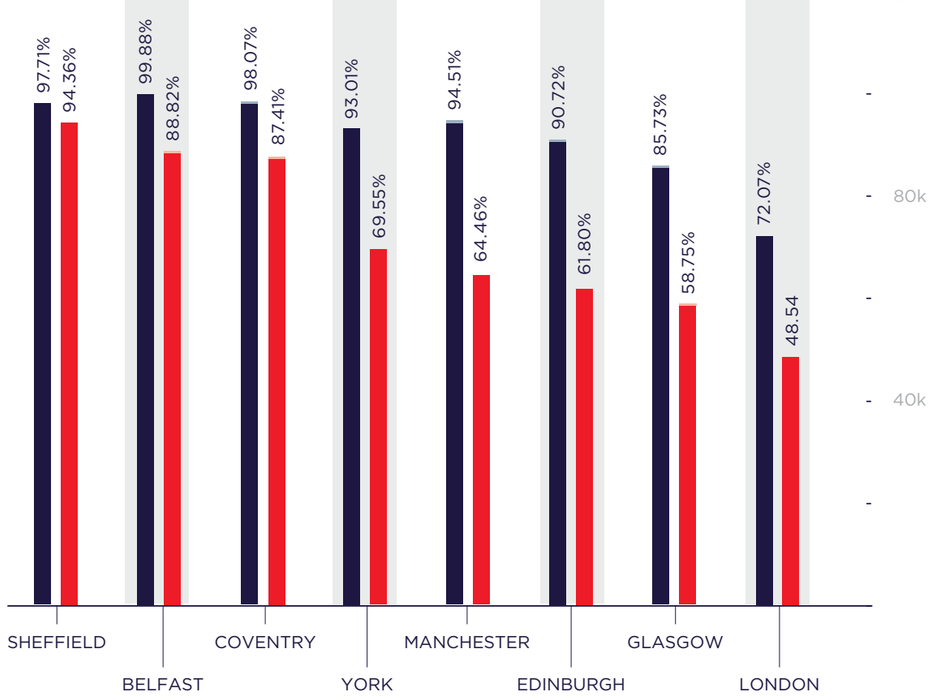
DESPITE AN INCREASE IN THE MAXIMUM LOAN (OR LOAN AND GRANT) AVAILABLE ACROSS ALL THE HOME NATIONS, AFFORDABILITY HAS WORSENED IN EVERY MAJOR CITY IN THE UK SINCE 2016.

Whilst 90.7% of beds in Edinburgh were priced below the maximum Loan and Grant available in 2016, this has fallen to 61.8% in 2025. At the same time, Sheffield has retained its position as one of the most affordable PBSA markets in the UK, with the number of beds priced below the maximum Loan only falling marginally from 97.7% to 94.4%. Despite the higher Maintenance Loan amount available for students studying away from home in London, fewer than half of beds are priced below the maximum Loan in 2025.

When considering private sector beds in isolation, the challenge of affordability becomes even more stark. Whilst 94.0% of private sector beds in Sheffield fall below the maximum Maintenance Loan available in the city, in Brighton this figure stands at just 7.8% (the equivalent of 261 beds), down from 75.8% in 2016. The lack of market renewal and competition in the Manchester market is evident, with the percentage falling from 91.8% in 2016 to 53.4% in 2025. In London, the percentage of beds has fallen from 57.2% to 27.2%.

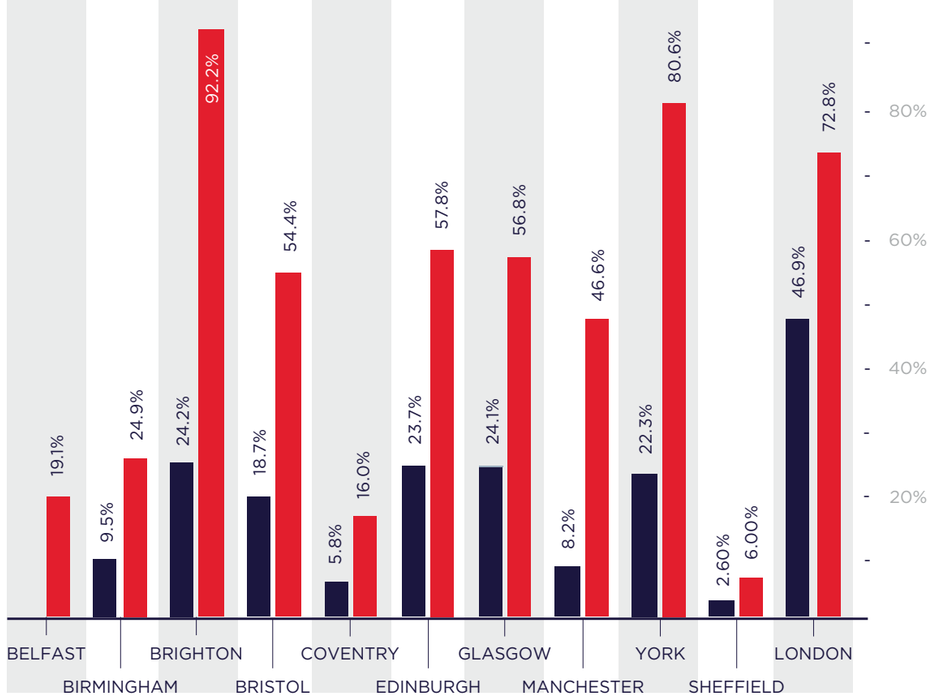


PERCENTAGE OF BEDS PRICED BELOW MAXIMUM MAINTENANCE LOAN 2016 AND 2025



Source: Cushman & Wakefield (comparisons with maximum Maintenance Loan in England and London)

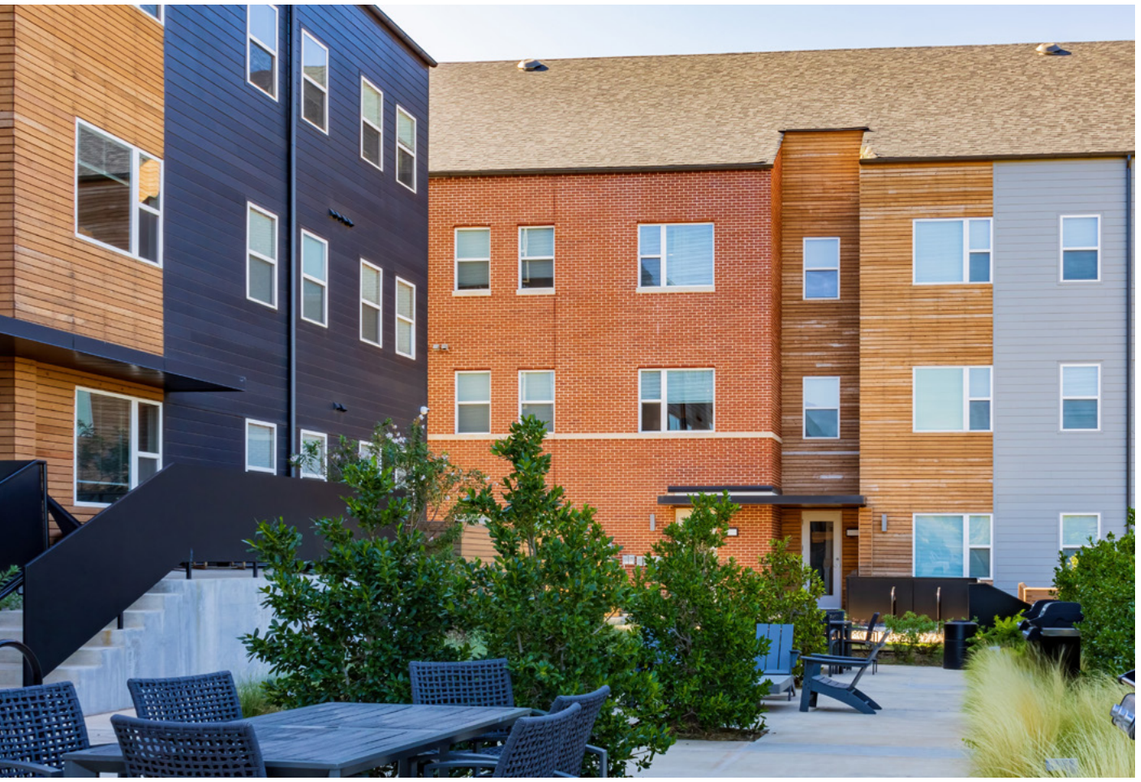
PERCENTAGE OF PRIVATE BEDS PRICED ABOVE MAXIMUM MAINTENANCE LOAN (AND GRANT) 2016 AND 2025



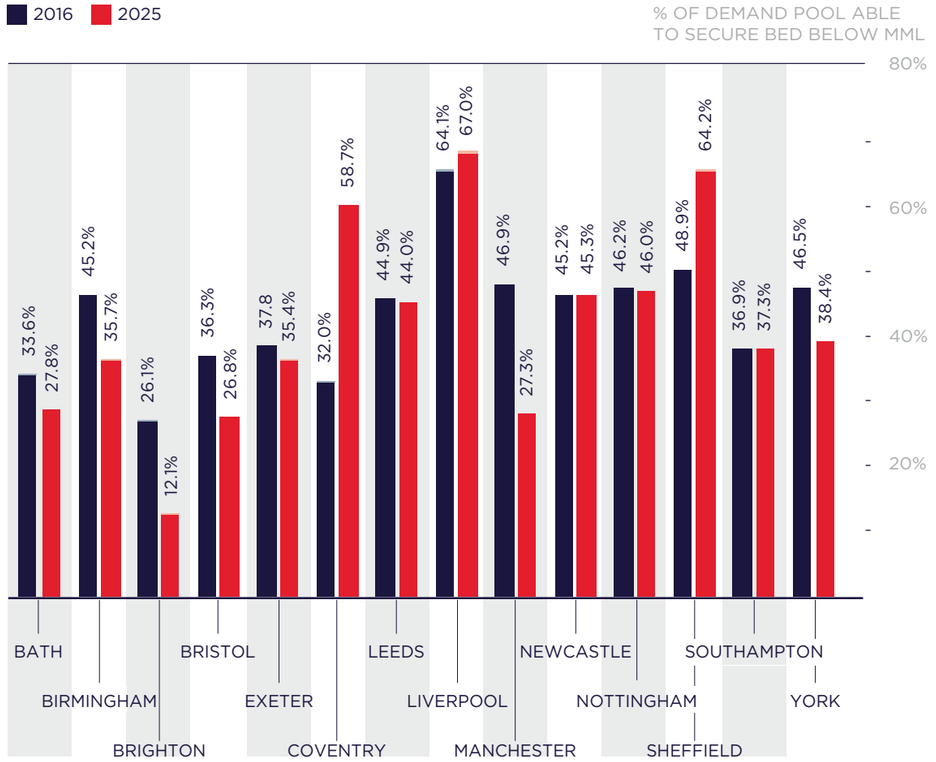
Source: Cushman & Wakefield (comparisons with maximum Maintenance Loan in England and London)

Whilst university-owned accommodation is, on the whole, of a considerably lower quality than that provided by the private sector, the vast majority of these beds continue to be provided below the maximum Loan amount. In fact, in all but three major markets, over nine in 10 beds are provided below this rate in 2025.

Of course, the pricing of beds needs to be considered in the context of the number of students that require one in each location. From this, interesting patterns emerge, with the percentage of students with a requirement for a bed able to secure one at a price below the maximum Maintenance Loan falling in nine of 14 locations between 2016 and 2025 - Coventry, Liverpool, Newcastle, Sheffield and Southampton – highlighting the importance of market competition in delivering more affordable stock. Whilst over two-thirds (67.0%) of students requiring a bed in Liverpool can secure one for below the maximum Maintenance Loan, in Manchester this figure is 27.3% and just 12.1% in Brighton.



PERCENTAGE OF DEMAND POOL ABLE TO SECURE BED BELOW MAXIMUM MAINTENANCE LOAN OVER TIME



Source: Cushman & Wakefield



ACROSS THE UK, A COMPLEX PICTURE EMERGES AND THIS IS ONE THAT MAY PLAY INTO FUTURE STUDENT DECISION MAKING AROUND WHERE TO STUDY, ESPECIALLY AMONGST THE MOST PRICE SENSITIVE.

Of course, as inflationary pressures continue, more affordable products become even harder to deliver. Over the last five years, 59.7% of new beds in England have been delivered below the maximum Maintenance Loan amount. However, only 16.0% of these are available at or below the average Maintenance Loan amount taken by students. This leaves a significant "affordability gap" to be bridged by part-time work or parents with the ability to help their children through Higher Education. These financial stretches may now be playing directly into decision making around accommodation.

BEDS DELIVERED LAST FIVE YEARS

59.7%

BELOW MAXIMUM MAINTENANCE LOAN

16.0%

BELOW AVERAGE MAINTENANCE LOAN

England only



CONCLUSION

OVER THE PAST DECADE, THE INTRODUCTION OF A MAINTENANCE LOAN-ONLY SYSTEM HAS ALLOWED MORE STUDENTS TO AFFORD QUALITY PBSA ACROSS MANY UK HIGHER EDUCATION MARKETS.

However, this longer term backdrop is now being overshadowed by short-term pressures, with affordability declining sharply in both university-operated and private sector direct-let PBSA since 2023.

The impact is being felt most acutely in Russell Group cities and the devolved nations, where maintenance loan support is less generous and accommodation costs are disproportionately high. As cost-of-living challenges mount, ensuring access to genuinely affordable accommodation must remain a key priority for universities, developers, and policymaker alike – or risk excluding the very students the system is meant to support.



THE CYCLES OF PBSA MARKETS

THE LONG TERM SUSTAINABILITY OF THE PBSA SECTOR WILL TRANSCEND MARKET CYCLES.

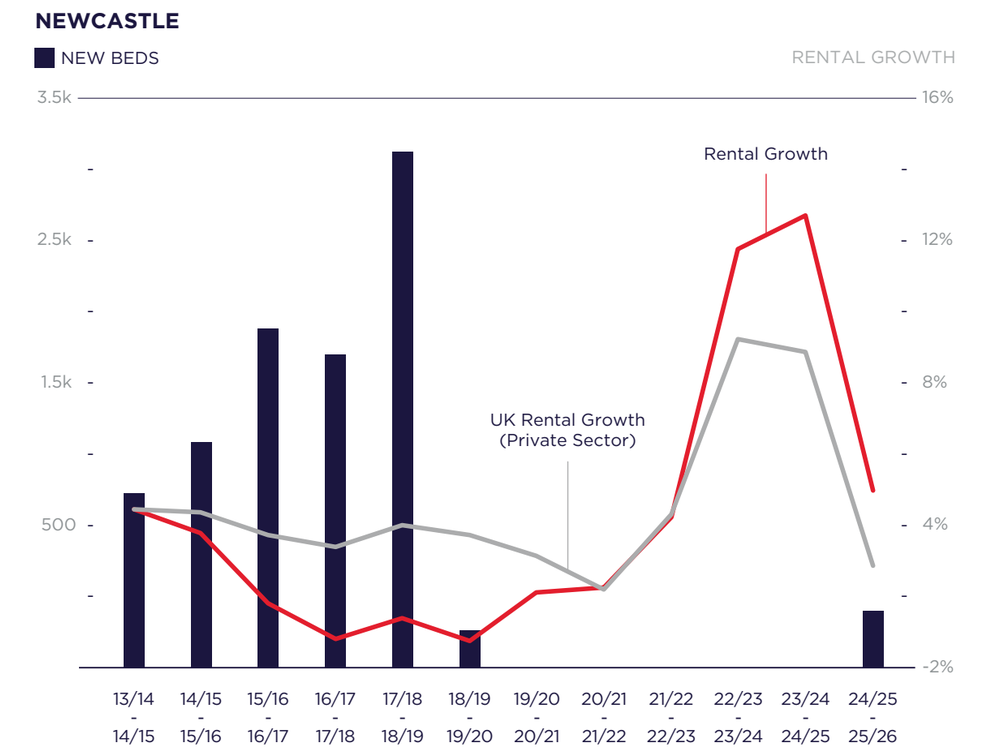
Here we highlight the compelling evidence that the interplay between supply and demand remains the defining force shaping rental growth across UK student housing markets.

Where significant volumes of new PBSA have entered the market, we observe downward pressure on rental growth. This reflects classic economic fundamentals: an increase in supply, when not matched by equivalent demand growth, intensifies competition and weakens pricing power. In such environments, students benefit from greater choice, and legacy stock—particularly first-generation PBSA—comes under pressure both in quality and in value proposition.

Conversely, in cities where PBSA development has subsequently slowed or been constrained, the market has demonstrated its ability to recover. Here, previously delivered stock is gradually absorbed – often through rent rebasing - and pricing power shifts back toward operators. As occupancy strengthens and availability tightens, upward pressure on rents re-emerges. Over the longer term, market performance returns, which should give confidence in a number of markets currently experiencing difficulties.

CASE STUDY: NEWCASTLE - RECOVERY THROUGH SCARCITY

A LACK OF NEW DEVELOPMENT HAS SEEN RENTS REBOUND FROM AN OVERSUPPLIED MARKET.



Between 2013/14 and 2018/19, Newcastle experienced a sustained pipeline of development, culminating in over 3,000 new beds delivered in 2017/18. This coincided with a flattening of rental growth, indicating that supply was running ahead of demand.

Yet from 2018/19 onward, the picture changes. New delivery dropped sharply, with no beds added between 2019/20 and 2024/25. During this supply pause, the market rebounded strongly.

Rental growth resumed in 2021/22 and surged to 13.6% between 2023/24 and 2024/25—well above the private sector national average of 8.9%.

Even as rental growth across the UK began to moderate between 2024/25 and 2025/26, Newcastle's upward trajectory remained more robust, still outpacing the national average of 1.5%. This reflects a tightening market where sustained demand meets static supply— textbook conditions for rental inflation.

CASE STUDY: LEEDS - SUPPLY SURGE, COMPETITIVE PRESSURE

THE LEEDS PBSA MARKET PRESENTS A CONTRASTING STORY, MORE REFLECTIVE OF NEWCASTLE EIGHT YEARS AGO.

While development has generally followed a more measured pace, two major waves of new supply—2020/21 and 2023/24—allowed the market time to absorb stock without dramatic rental shifts. However, in 2025/26, a sharp increase of nearly 2,000 new beds— the highest annual delivery since 2020/21—has changed the landscape.





For the first time in four years, rents in Leeds fell, declining by -2.3% between 2024/25 and 2025/26. The market has tipped back toward oversupply, exacerbated by a fall in student numbers and huge supply of similar stock.

Looking ahead, the development pipeline in Leeds remains significant, with 8,700 beds proposed and 6,300 already consented. The weight of future supply is already being felt. Operators anticipate a more subdued period of rental performance, and competition for the 2025/26 intake is intensifying.

In central locations, this pressure is exacerbated by the arrival of Build-to-Rent (BTR) schemes targeting student renters, further diluting demand across the traditional PBSA pool.

The Leeds case offers a cautionary tale: even a market with steady historic performance is not immune to supply-side shocks. When delivery accelerates faster than demand growth, pricing power slips. Once again, economic fundamentals prevail, but historic evidence from other markets show Leeds will recover over time.

CONCLUSION: MARKET FUNDAMENTALS REMAIN THE ANCHOR

TOGETHER, THESE CASE STUDIES REAFFIRM THAT RENTAL GROWTH IS NOT RANDOM—IT IS SHAPED BY THE FUNDAMENTAL MECHANICS OF SUPPLY AND DEMAND.

In Newcastle, a slowdown in supply allowed latent demand to lift rents significantly. In Leeds, a fresh influx of stock pushed rents into decline, despite underlying demand.

For developers, investors, and operators, these patterns reinforce the importance of timing and moderation in delivery. While robust demand for student accommodation remains a consistent theme, only markets in equilibrium—or temporary undersupply—can sustain meaningful rental growth. When new beds flood the market, the pendulum quickly swings in the other direction.

In this way, PBSA continues to reflect broader economic principles: markets reward balance, and rental outcomes are the clearest expression of that balance in action.



06 OUTLOOK

DESPITE THE SHOCK OF A FALL IN STUDENT NUMBERS AND THE SECTOR ADJUSTING TO LEVELS OF RENTAL GROWTH BELOW INFLATION – ESPECIALLY AFTER INCREASES OF ABOVE 8% IN EACH OF THE PREVIOUS TWO YEARS - THE SHORT AND LONG-TERM PROSPECTS FOR THE SECTOR REMAIN POSITIVE.

Cushman & Wakefield remains of the view that market fundamentals in “winning” markets remain absolutely compelling and that market selectivity criteria is more important than ever.

The upward trend of undergraduate recruitment is set to continue into the 2025/26 academic year, with UCAS reporting 512,270 acceptances, an increase of 2.8% on 2024/25. UK acceptances are set to increase by 2.4% to the second highest figure on record, with internationals up 5.6%. Positively, Chinese acceptances increased by a significant 19.8%.



In terms of university tariff group, the strongest levels of growth have been seen at higher tariff providers, with acceptances up 8.1%, with medium tariff institutions increasing acceptances by 1.6%. Lower tariff institutions continue to see a decrease in acceptances, down 1.8%. Since 2016, higher tariff acceptances are up 27.8%, compared to an 19.6% fall at lower tariff providers, highlighting the longer term impacts of the “flight to quality” at undergraduate level.

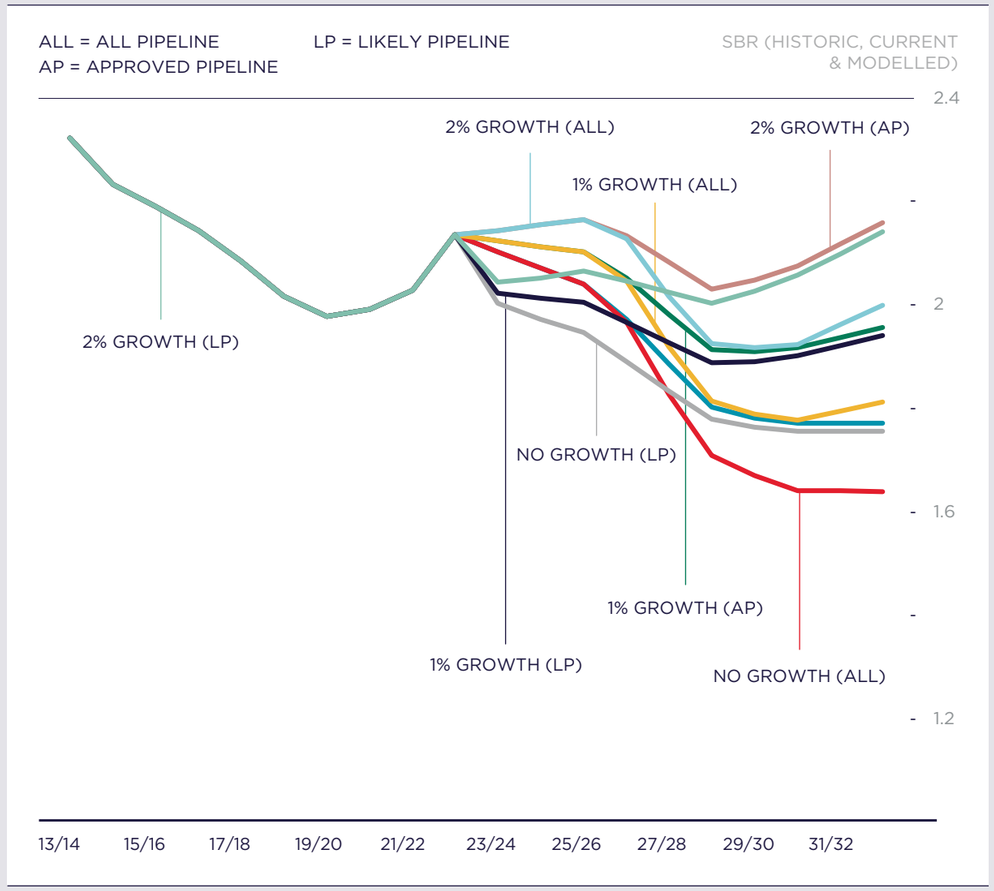
LOOKING AHEAD

WHILST THERE ARE UNDOUBTEDLY UNCERTAINTIES IN THE SECTOR AT THE MOMENT (DEMAND, SUPPLY, AFFORDABILITY, FINANCIAL, POLITICAL AND GEOPOLITICAL), CUSHMAN & WAKEFIELD REMAINS CONFIDENT IN THE LONG-TERM HEALTH OF THE MARKET, PROVIDED A RANGE OF VALUE-FOR-MONEY ACCOMMODATION REMAINS AVAILABLE.

Looking to the future, across the UK's major markets, the demand pool for accommodation grew at a CAGR of 3.14% per annum between 2012/13 and 2022/23. Given market uncertainties, Cushman & Wakefield has conservatively modelled future change in the demand pool at no growth, 1% and 2% per annum. Alongside this, we have modelled the impacts of the development pipeline where all developments are delivered to the market, only approved developments are delivered, and a scenario where 70% of planned schemes are delivered to the market in line with historic averages.



MODELLED STUDENT TO BED RATIO OVER TIME, ALL MAJOR UK MARKETS



Source: Cushman & Wakefield/HESA

Whilst a no growth, all pipeline scenario is extremely unlikely, it does provide a good pessimistic benchmark for analysis. By 2030 under this scenario, the student to bed ratio across major markets would stand at 1.64:1 in 2030, down from 2.14:1. However, growth of 1% and 2% per annum in the demand pool results in ratios of 1.81:1 and 2.00:1. Under the latter scenario, there would still be over 110,000 more students with a requirement for a bed unable to access PBSA than is currently the case.

Considering only the approved development pipeline, the ratio would fall to 1.77:1 under a no growth scenario and stand at 1.96:1 and 2.16:1 under the 1% and 2% growth scenarios – the latter ratio is higher than is currently the case across major markets, with over 175,000 more students unable to access PBSA.

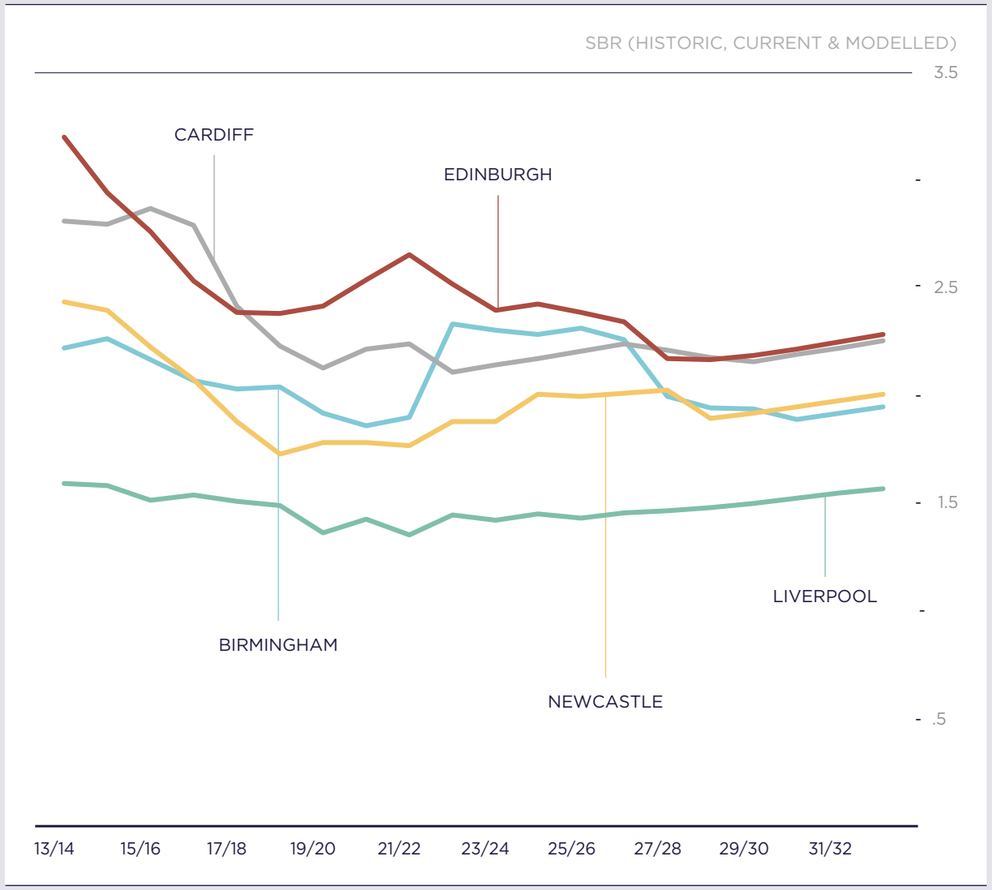
Assuming 70% of the pipeline is delivered, the ratio would stand at 1.76:1 under a no growth scenario, and 1.94:1 and 2.14:1 under the 1% and 2% growth projections. Under the latter growth projection – at a ratio in line with today – almost 200,000 additional students would be unable to access PBSA.

MARKET REALITIES

AS NOTED ELSEWHERE IN THIS REPORT, DEVELOPMENT ACTIVITY REMAINS RELATIVELY SUBDUED AND CONSIDERING DEVELOPMENTS CURRENTLY UNDER CONSTRUCTION AND RELATIVELY SUBDUED GROWTH COMPARED WITH AVERAGES OVER THE LAST DECADE, THE STUDENT TO BED RATIO WOULD REMAIN IN LINE WITH ITS CURRENT LEVEL.



MODELLED STUDENT TO BED RATIO OVER TIME, SELECTED MARKETS



Source: Cushman & Wakefield/HESA. Assumes 1.5% p/a demand pool growth & 70% pipeline delivery

This analysis should give confidence that the sector remains fundamentally strong and has the potential to continue to thrive in the future, provided policy remains accommodating and PBSA remains affordable and meets the needs and expectations of students.

Of course, the potential for growth and weight of the development pipeline varies significantly from market to market; and the message remains “know your markets”, with our analysis showing ratios set to fall in half of the 14 largest locations over coming years.

07 INVESTMENT & DEBT

THE UK PBSA ASSET CLASS HAS REMAINED A STAPLE FOR DOMESTIC AND GLOBAL CAPITAL DESPITE A PERIOD OF GLOBAL AND GEOPOLITICAL CHALLENGES.



RUSSELL HEFFERAN
Head of PBSA
Capital Markets,
Cushman & Wakefield

TRANSACTION VOLUMES

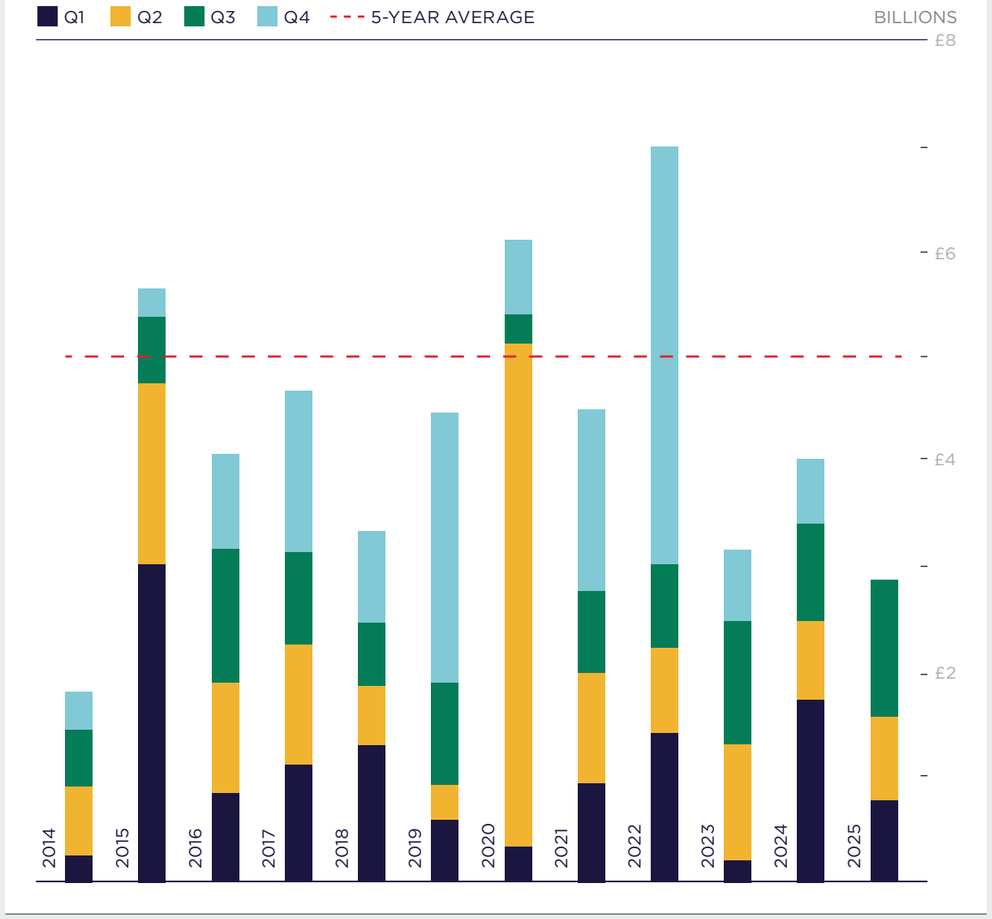
FOR THE FIRST NINE MONTHS OF 2025, CUSHMAN & WAKEFIELD HAS RECORDED TRANSACTIONAL ACTIVITY ACROSS THE UK OF JUST OVER £2.80BN, WHILE A FURTHER £1.50BN IS UNDERSTOOD TO BE UNDER OFFER.

Since the start of June, C&W has seen a number of large single-asset and portfolio transactions complete – notably with multiple underbidders waiting in the wings. Due to the volume of stock under offer and a number of large-scale portfolios in the market which are expected to trade this year, we anticipate a steady increase in volumes over Q4 with resulting levels marginally behind 2024 – c.£4bn.

Investment activity in the first half of this year was the second lowest over the last five years. Challenges which have pushed out deal closing timelines include: enhanced and extended due diligence periods; delayed or low levels of take up, affordability concerns; and macroeconomic factors such as the interest rate environment and geopolitical tensions.

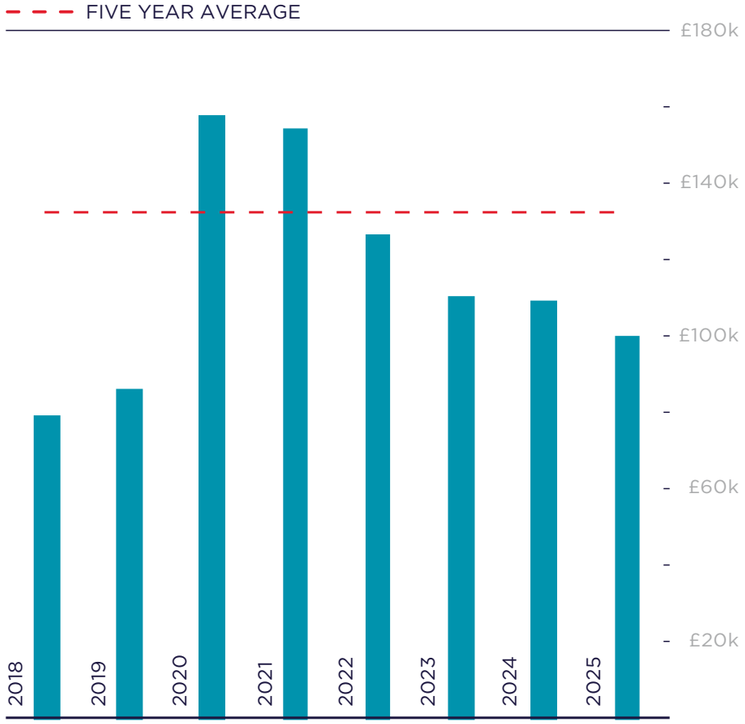
Up until the end of August this year, there have been over 40 transactions. Despite volumes picking up towards the end of H1 2025, this is behind the 2024 figures where over 50 transactions had completed by the end of August.

PBSA TRANSACTION VOLUMES



With the five year average standing at £137,000 per bed, the price per bed has fallen year on year since 2020. The underlying data shows that there are a growing number of value-add and core plus assets trading which require either refurbishment or remedial works and this is being factored into acquisition pricing. These figures account only for operational assets traded and excludes forward commit / funding agreements.

AVERAGE PRICE PER BED



Examples of such deals in 2025 include: Varley Park (770 beds acquired by UOL) Project Pluto (756 beds acquired by CVC DIF), Sheraton & Neville House, Durham (418 beds acquired by Curation Capital) and Mary Parker House, Plymouth (165 beds acquired by Veld Capital).

INVESTOR SENTIMENT

IN THE LAST 18 MONTHS, INVESTOR INTEREST HAS BEEN LARGELY FOCUSED ON TWO KEY AREAS OF THE SECTOR - PRIME MODERN ASSETS IN THE REGION OF £30M TO £100M LOT SIZES, AND OLDER FIRST-GENERATION ASSETS WITH STRONG REFURBISHMENT AND VALUE-ADD ANGLES.



With building safety compliance under the microscope, there are a growing number of investor and developer groups showing a willingness to take on works provided pricing is reflective of the true costs.

There remains a structural under supply of beds in many cities which is exasperated by a lack of development. This is due to viability constraints brought in part by the Building Safety Act which is causing significant delays and extending development programmes. London and Super Prime Regional markets however still offer developers and investors attractive returns provided the right product is being delivered.

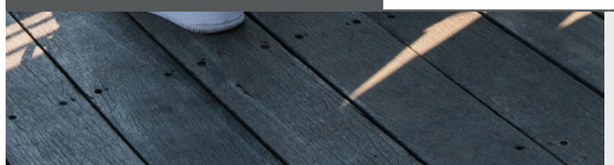
A common strategy amongst investors - especially those who are pivoting away from other asset classes - is to enter the market through portfolio acquisitions, as scalability is set to be a key feature over the next 12-18 months. Overall, the PBSA sector remains a robust, defensive asset class for investment, supported by strong demand and supply fundamentals.

The market has been characterised by strong rental growth and excellent occupancy for consecutive years, offering investors and developers compelling reversionary potential, which has underpinned strong yields and land prices. This has resulted in a large percentage of the new pipeline targeting the premium end of the market. Affordability looks set to be a key issue in the sector for 2025/26, coupled with the projections of fewer international postgraduates, means some markets where there has been substantial new delivery of premium or premium priced products have seen headwinds.

With several markets showing voids in 2025/26, more muted or negative rental growth and a well-publicised uptick in incentives on offer, there are indications that a period of re-pricing is underway in some segments of some markets. It is becoming essential for investors to accurately assess the true Net Operating Income, identifying where schemes maybe over rented, or have headline rents 'topped up' by incentives, in order to distinguish the true net effective NOI against the headline NOI.

Overestimating these assumptions will result in being outbid in what remains a competitive market, with strong liquidity across various market segments. Underestimating, may result in overpaying for an asset. C&W's dataset allows us to provide clients with "live" market leading advice on disposal, acquisition and valuation mandates.





DIRECT LET YIELDS

SINCE Q1 2022 PRIME LONDON AND SUPER PRIME REGIONAL YIELDS HAVE MOVED OUT APPROXIMATELY 75 BASIS POINTS.

During the same time frame, Prime and Secondary yields have softened less so (50 basis points). This is due to sharper yields impacted to a greater extent by wider macroeconomic factors which have affected all sectors of the UK property market.

- Interest rates in the UK had risen from 1.75% in August 2022 to 5.25% as of August 2023 and have since been cut back to 4.00% as of August 2025.
- Daily SONIA rates endured more volatility, rising from an average of 1.60% in August 2022, peaking at 5.20% in August 2023 and since having fallen back to 3.77% in August 2025.
- Gilt levels have endured more volatility and increased, with five-year gilts rising from 2.3% in August 2022 to 4.50% in August 2023 and now sitting at their current rate of around 4.1%.
- 25 year gilts continue to push out further rising from 4.63% August 2023 to 5.54% in August 2024.

	Q1 2021	Q1 2022	Q1 2023	Q1 2024	Q4 2025	TRENDING
PRIME LONDON	3.75%	3.50%	4.00%	4.00%	4.25%	STABLE
SUPER PRIME REGIONAL	4.75%	4.50%	5.00%	5.25%	5.25%	STABLE
PRIME REGIONAL	5.25%	5.00%	5.25%	5.50%	5.50%	STABLE
SECONDARY REGIONAL	6.50%	6.25%	6.50%	6.75%	6.75%	STABLE

2025 KEY TRANSACTIONS

LONDON ACTIVITY

THE LONDON MARKET HAS SEEN STRONG ACTIVITY AGAIN THIS YEAR REPRESENTING NINE DEALS AND 17.6% OF VOLUMES FOR THE FIRST EIGHT MONTHS OF THE YEAR.

This compares to the full 12 months in 2024 where there were 13 deals making up 26.1% of total volumes.

Spring Mews in Vauxhall, comprises 378 beds and was sold to Rosethorn Capital Partners and Barings in March 2025 for £101m (£268k per bed).

M&G Real Estate and HG Living agreed the Forward Funding of **N16 Stratford,** a 504-bed scheme with a Gross Development Value of £135m (£268k per bed).

Nearby in **Stratford, Poland House,** which had planning for 284 beds, was acquired as a site by Firethorn Trust in February who paid £46k per bed.



SPRING MEWS VAUXHALL



THE PLACE NOTTINGHAM

REGIONAL ACTIVITY

Varley Park in Brighton sold to new entrants from Singapore, UOL with Clearbell / Iceni acting as asset manager for £43.5m and was subject to a sale and leaseback to University of Brighton.

Ropemaker Court in Manchester was acquired by new entrants, BeaMont Real Estate with Spinnaker as asset manager, for £42m, providing affordable rents with refurbishment angles.

Other notable deals include Generation Estates, in partnership with Goldman Sachs, acquired **Portswood House, Southampton** from Vita Group. The acquisition of the prime 435-bed scheme was completed for £85.5m (£196k per bed).

L&G IM acquired **The Place in Nottingham** from McAleer & Rushe Property for £45m (£110k per bed). The scheme comprises 405 beds and opened for the 2024/25 academic year.



PORTFOLIO ACTIVITY

QuadReal Property Group acquired an operational portfolio of PBSA assets from Apollo Global Management, known as **Project Veritas.** The portfolio comprised of 3,460 beds across 8 schemes. The portfolio traded for £560m (£162k per bed).

Lone Star has agreed to acquire a portfolio of nine PBSA assets, comprising **3,656 beds from Unite** for £212m (£58k per bed).

The Neighbourhood Portfolio, comprising two assets in Exeter and Cardiff, was bought by Greystar for £60m (£150k per bed).

CVC DIF acquired **Project Pluto,** a portfolio of two assets, comprising 756 beds, from Mapletree. The assets are Beaverbank, Edinburgh and Firhill Court in Glasgow.

Activum SG closed on **The Collection Portfolio,** a regional portfolio of 795 beds for £75m (£94k per bed).

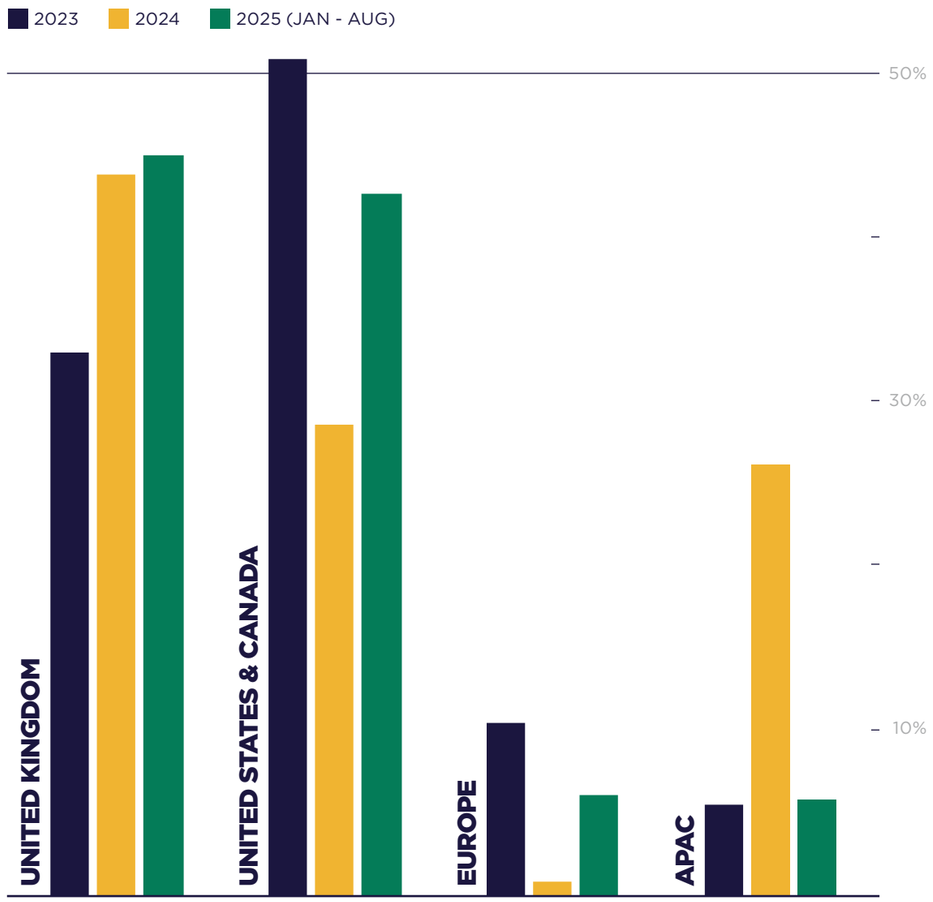
And while not a deal we can reference as done in 2025, but still a significant piece of activity, Unite Group has agreed to acquire **Empiric Student Property** for approximately £723m in a cash-and-share deal which is expected to complete in the second quarter of 2026. The deal will result in a combined portfolio worth c.£10.5Bn, comprising over 75,000 beds across the UK.

CAPITAL FLOWS IN UK PBSA: A GLOBAL INVESTMENT STORY IN TRANSITION

THE SECTOR CONTINUES TO ATTRACT GLOBAL CAPITAL, BUT THE MIX OF INVESTORS HAS SHIFTED SIGNIFICANTLY OVER THE PAST THREE YEARS.

From 2023 to mid-2025, changing interest rates, geopolitical developments, and investor strategies have reshaped where capital is coming from.

GLOBAL CAPITAL INFLOW UK PBSA SECTOR



UK INVESTORS REMAIN THE ANCHOR

UK-BASED INVESTORS HAVE MAINTAINED A STRONG AND GROWING PRESENCE, INCREASING THEIR SHARE FROM 33% IN 2023 TO 45% IN 2025 SO FAR.

This reflects continued confidence in the domestic market, supported by improving financing conditions and a more stable economic outlook.

As global uncertainty persists, UK institutions are prioritising local opportunities, reinforcing the PBSA sector's appeal as a reliable, income-generating asset.

CANADA EMERGES AS A MAJOR NEW PLAYER

Canada has entered the market in a big way, accounting for **23%** of capital inflows in 2025 to date, despite no recorded investment in the previous two years – although this needs to be considered in context that this is made up of the QuadReal acquisition of the Apollo portfolio.



SINGAPORE SCALE BACK

SINGAPORE'S SHARE DROPPED FROM 25% IN 2024 TO JUST 1% IN 2025, FOLLOWING A SHARP RISE THE YEAR BEFORE.

These changes may reflect shifting capital allocation strategies and currency movements. Some paused all activity in early 2025 due to economic uncertainty. Following recent discussions with our Singapore clients, we expect increased activity from Singapore investors over the next 12 months, who continue to be a major owner of UK PBSA.

STEADY INTEREST FROM MALAYSIA AND NEW ENTRANTS



MALAYSIA HAS REMAINED A CONSISTENT INVESTOR, CONTRIBUTING 3% IN 2025, WHICH IS SIMILAR TO 2024.







AUSTRALIA, LUXEMBOURG, AND SWITZERLAND HAVE ALL ENTERED OR RE-ENTERED THE MARKET, TOGETHER MAKING UP AROUND **6%** OF CAPITAL THIS YEAR.



FRANCE HAS ALSO MADE A MODEST DEBUT.

These moves suggest growing international interest in the UK PBSA sector, particularly from investors seeking stable returns in a low-growth global environment.

US INVESTMENT DECLINES SLIGHTLY BUT REMAINS SIGNIFICANT

THE UNITED STATES, WHICH LED INVESTMENT IN 2023 WITH **51%,** HAS REDUCED ITS SHARE TO **19%** IN 2025.

While lower, this still represents a substantial commitment and highlights the continued relevance of US capital in the sector. We expect their market share to increase by the year end.



VALUE ADD

VALUE-ADD HAS BECOME ONE OF THE DEFINING THEMES OF THE 2025 PBSA MARKET AND WE EXPECT THIS TO CONTINUE INTO 2026.

Building safety compliance, fire remediation, and operational inefficiencies are driving a steady pipeline of assets requiring investment. The Building Safety Act has amplified execution risk, leaving some portfolios with incomplete or poor-quality diligence packs and deterring lower-risk investors. Even assets with B1 EWS1 ratings can face buyer caution, underscoring the complexity of the current landscape.

VALUE CREATION

Beyond compliance, several wider forces are intensifying the focus on value-add strategies:



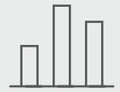
Secondary markets continue to present well-located but under-invested stock, where demand and supply fundamentals are strong, but buildings have not kept pace with modern student expectations and technical compliance.



Demographic growth is adding pressure to supply, with record university undergraduate acceptances ensuring that demand is deep enough to support repositioned stock across a range of markets.



Planning restrictions and delivery risk have limited new-build development, pushing investors and some developers to acquire standing assets and unlock growth through refurbishment and operational enhancement rather than ground-up development.



Affordability pressures are forcing operators to revisit rent-setting and unit mix, particularly in regional markets, creating opportunities to reconfigure layouts and deliver a more sustainable and affordable rent profile.



Capital rotation out of more challenged real estate sectors (e.g. offices, retail) is directing investors toward counter-cyclical, resilient sectors like PBSA, where value-add strategies offer differentiated returns.

For investors willing to take on these challenges, the opportunity is considerable. Transactions involving remediation and repositioning strategies are accounting for a rising share of activity, with underwriting typically targeting mid to high teen geared IRRs. Demand is strongest where investors can both address compliance issues and reposition stock to meet evolving student expectations, such as through ESG upgrades, improved layouts, or enhanced amenities.

This trend is producing strong competition for assets that can be actively improved. It is also reshaping the market, as execution-led buyers step into spaces where traditional capital is more cautious. In short, 2025 is a year where operational problem-solving and value creation are at the heart of PBSA deal-making.

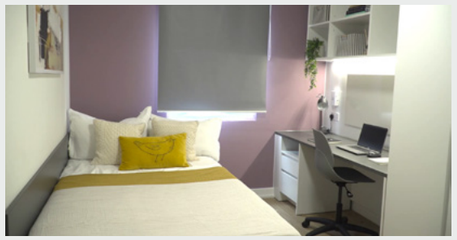
Cushman & Wakefield's Project & Development Services (PDS) team have a strong track record in unlocking this value by delivering remediation projects, overseeing refurbishments, and implementing ESG-driven enhancements — ensuring investors can de-risk business plans and capture the upside from repositioning opportunities. The case study photos and rental uplift data presented to the right are indicative of how targeted refurbishments, when supported by competitive landscape mapping, can materially enhance income performance, with recent projects achieving rent increases of up to c.35% in London.



BEFORE



AFTER



BEDROOM





KITCHEN

DEBT KEY TAKEAWAYS

- Prime opportunities for lenders scarce – margins now as competitive as peak cycle.
- Lender appetite is strong and deep – and getting even more liquid.
- Projected (not necessarily current) cash flows are a key determinant of financing feasibility.
- PBSA core remains sought-after component of lender financing appetite.
- Single lender executions are available across loan sizes, from GBP 50 to 500 million.

CURRENT DEBT LENDING LANDSCAPE

A ‘GOLDEN ERA’ OF FINANCING CONTINUES, WITH COMPETITION AMONG LENDERS INTENSIFYING SINCE THE BEGINNING OF THE YEAR.

This increased competition is helping support and accelerate early signs of recovery in the market. In an interest rate landscape where risk is now perceived to be tilted to the downside, lenders have been able to further strengthen loan metrics within their underwriting models. This has led to more optimistic assumptions around interest coverage ratios and exit yields.

As a result, loan-to-value (LTV) ratios have continued to rise, reflecting greater confidence in asset performance and borrower capacity. At the same time, lenders are increasingly differentiating themselves through more flexible and innovative financing structures. These include covenant light arrangements, substitution rights, and partial payment-in-kind (PIK) loans—offering borrowers enhanced tools to execute business plans and optimise returns in a competitive capital market.

Swap rates are a core input in CRE financing. Investors typically hedge floating-rate exposure with interest rate swaps to lock in fixed rates. As a result, stable or falling rates improve financing conditions and investor confidence. The 5-year EURIBOR/SONIA swap rates year over-year continue to improve, albeit remaining at elevated levels relative to pre 2022.

While it is not uncommon for loan-to-value (LTV) ratios to rise as the business cycle progresses, what distinguishes the market in 2025 is the growing prevalence of back leverage and loan-on-loan financing structures. As recently as two years ago, some traditional bank lenders began allocating more capital to back-leverage arrangements than to direct lending for real estate ownership. By 2025, several institutions now maintain larger back leverage loan books than their direct commercial real estate lending portfolios.

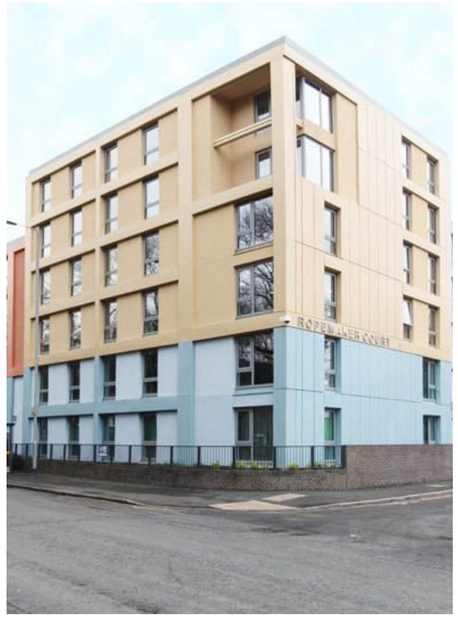


This shift has disrupted the traditional economics of borrowing against real estate. Historically, increasing leverage—from 55% to 60% to 70%— was often accompanied by a significant rise in borrowing costs, potentially deterring borrowers. However, in the current environment, the marginal cost of capital associated with such structures is frequently lower than the cost of equity, thereby enhancing overall returns. The most active participants in today’s European real estate market increasingly view back leverage as a strategic tool—enabling them to unlock stalled acquisition or disposal strategies, particularly at core and core-plus pricing levels.

PBSA STANDPOINT

- The living sector, and PBSA in particular, remains sought after given the strong market fundamentals driven by supply shortage and a large and diversified student population.
- Debt providers feel comfortable with the counter-cyclical nature and resilience of the PBSA market when compared with other asset classes.
- The growing appetite and investments by institutional investors in the sector further fuels lenders’ appetite, resulting in fierce competition for development, stabilisation and stabilised loans.
- Capital continues to come from a wide source of lender types, with senior leverage levels having increased alongside margin compression and the continued emergence of back leverage allowing debt funds to be price competitive at the higher end of the leverage curve.
- For development financing, assuming 65% LTC, prime margins continue to drop and approach mid 200bps. Debt funds can stretch leverage up to ~75% of cost and provide more flexibility in the funding structure, borrowers pushing for an enhanced version of pari-passu funding (“debt first”) driving equity returns further rather than a minimal reduction in margin.

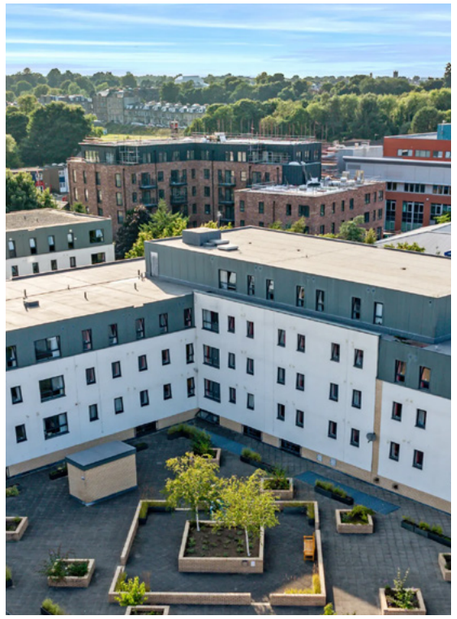
C&W KEY DEALS SO FAR IN 2025



ROPEMAKER COURT

MANCHESTER

DATE	September 2025
VALUE	£42M / £101K per bed / 5.50%
BEDS	**416 BEDS** 100% cluster
VENDOR	BP Ropemaker
PURCHASER	Spinnaker/BauMont



PROJECT PLUTO

EDINBURGH / GLASGOW

DATE	April 2025
PRICE	CONFIDENTIAL
BEDS	**756 BEDS** (Beaverbank Place holding 333 ensuite rooms and 23 studios & Firhill Court which holds 400 ensuites)
VENDOR	Mapletree
PURCHASER	CVC DIF



VARLEY PARK

BRIGHTON

DATE	August 2025
VALUE	£43.50M / £56K per bed / 6.00%
BEDS	**775 BEDS** (split as 269 non-ensuite rooms, 504 ensuites and 2 studio bedrooms)
VENDOR	University of Brighton
PURCHASER	CLEARBELL / UOL



PLYMOUTH GROVE

MANCHESTER

DATE	April 2025
PRICE	£48K per bed land sale
BEDS	**233 BEDS**
VENDOR	WUKPG
PURCHASER	WOH HUP / FEOR



CONTACTS

JAMES DUNNE
Head of UK Living
james.dunne@cushwake.com

DAVID FEENEY
Head of Student
Accommodation Consulting
david.feeney@cushwake.com

JOSEPH LINNEY
Associate,
Consultancy
joseph.linney@cushwake.com

PAULA CHRISTOU
Associate,
Consultancy
paula.christou@cushwake.com

JEN HARDMAN
Consultant,
Consultancy
jen.hardman@cushwake.com

RICHARD TOWNSEND
Associate,
Consultancy
richard.townsend@cushwake.com

RUSSELL HEFFERAN
Head of PBSA Capital Markets
russell.hefferan@cushwake.com

JOHN FREKER
Partner,
Capital Markets
john.freker@cushwake.com

EDMUND HENDRY
Partner,
Capital Markets
edmund.hendry@cushwake.com

OLAN COYLE
Partner,
Capital Markets
olan.coyle@cushwake.com

WILL WESTLEY
Associate,
Capital Markets
will.westley@cushwake.com

HARRY NICHOLAS
Senior Surveyor,
Capital Markets
harry.nicholas@cushwake.com

DAN O'KEEFFE
Senior Surveyor,
Capital Markets
daniel.Okeeffe@cushwake.com

CHARLIE ARMOUR
Head of PBSA
Valuation & Advisory
charlie.armour@cushwake.com

VICTORIA STEVENSON
Partner,
Valuation & Advisory
victoria.stevenson@cushwake.com

CRAIG RIGBY
Associate,
PBSA Valuation & Advisory
craig.rigby@cushwake.com

AOIFE GOODWIN
Associate,
PBSA Valuation & Advisory
aoife.goodwin@cushwake.com

LAUREN MILLS
Senior Surveyor,
PBSA Valuation & Advisory
lauren.mills@cushwake.com

ELLIE HEALY
Senior Surveyor,
PBSA Valuation & Advisory
ellie.healy@cushwake.com

SARAH TURNER-JONES
Partner,
Higher Education, Strategic Advisory
sarah.turner-jones@cushwake.com

DAVID GINGELL
Co-Head Equity,
Debt & Structured Finance
david.gingell@cushwake.com

Better never settles

CUSHMAN & WAKEFIELD

UK STUDENT ACCOMMODATION REPORT 2025

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles,* the firm receives numerous industry and business accolades for its award-winning culture.

For additional information, visit **www.cushmanwakefield.com.**



Appendix 5 - C&W Visions 2026

CUSHMAN & WAKEFIELD

UK EDITION 2026

VISIONS

Better never settles

Hello all and welcome to **VISIONS**, our view of the key themes and trends impacting real estate.

As we look out at the start of 2026, the structures, relationships and assumptions that have underpinned business, investment and development decisions for the past decade are being reordered.

We live in an exciting time. We see an ever-increasing demand for real assets – across both real estate and infrastructure – and a wall of money geared up for investment; We see risk but mainly opportunity through an era of vast technological change we are living in.

And yet, the day-to-day reality is one of muted capital deployment, slow decision-making, and policy, which despite best intentions is slowing impact on planning and development decisions.

The overarching theme that emerges from all of this is one of **REALIGNMENT**. This is not about evolution within a stable framework, but of a shifting framework. It means relationships are being redrawn between capital and operators, between customers and landlords, between employees and employers.

This **REALIGNMENT** creates clarity – albeit an uncomfortable one – that forces prioritisation and conviction in decision-making, and inherent risk. This will shine a light on business models that succeed and fail, on assets and locations that have enduring demand, and on teams and businesses that possess the analytical rigour and strategic vision to navigate a complex world.

To our mind, the question of 2026 is not about whether **REALIGNMENT** will occur. The question is whether we as stakeholders are willing to lead or be realigned by it – whether that's through the impacts of AI on real estate, or innovative approaches to development. For both the UK, and the real estate sector, we live in a world where competition for capital and talent is real, and we can no longer sit on our laurels.

We see our role as helping you navigate change with clarity and conviction. To illuminate not just the challenges ahead, but the specific opportunities being created as old structures give way to the new.

We welcome the opportunity to work with you through this moment. Please reach out to myself or any member of the Cushman & Wakefield team.



BEN CULLEN

Head of UK & Ireland
ben.cullen@eur.cushwake.com

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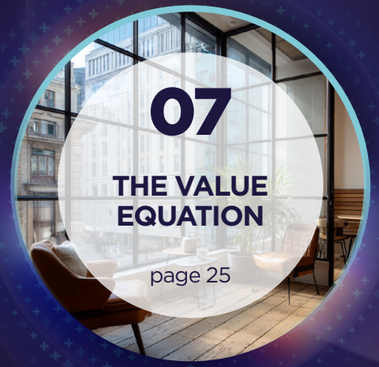
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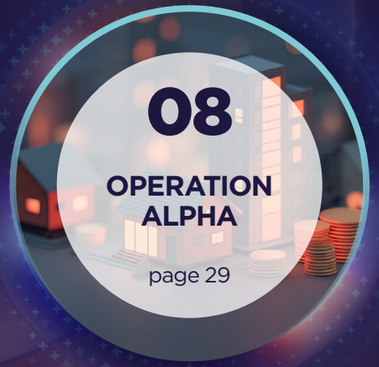
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01

INDUSTRIAL EVOLUTION

Despite a muted outlook for growth, segments of manufacturing, data and technology will drive significant demand for real estate – but are not without risk.



With all the disruption of the last year – particularly through tariffs and conflict - it could be argued that the global economy has held up relatively well[1].

Nevertheless, economic growth is expected to have slowed from 3.3% to 3.2% in 2025[2], with the IMF expecting a further slowdown in 2026 – and a view on the downside prevails due to high levels of economic uncertainty and a continued tariff drag.

For the UK, the economy enters 2026 in a relatively unbalanced state[3]. Despite exhibiting the fastest growth in the G7 during the first half of the year[4] the UK trails the G7 on GDP per capita, inflation and productivity[5]. The UK labour market has continued to soften as a result of weak business investment, and the outlook for growth for 2026 has been downgraded.

While the late Autumn budget was one for balancing the books and survival rather than for growth[6]; 2025 has seen a renewed focus on delivering growth through an Industrial Strategy[7] with the aim of making it 'quicker, easier and cheaper' to do business in the UK. Additionally, there has been increased allocations towards infrastructure investment, green energy[8,9] and defence spending[10] with the latter two covered more extensively in *Visions* this year and last.



The impacts on the health of the economy may likely be longer term but should drive markets in the short term. Fundamentally economic and business growth drives requirements for commercial real estate[11] and there remain segments of the economy which are super-charged for growth during 2026, a number of which will impact occupational and investment demand. However, of those segments of the economy where we expect to see significant growth, they are linked together by associated risk profiles.

DATA HUNGRY

Whilst the upside of AI remains undeniable, and will drive demand across sectors, the prospect of an AI bubble remains[12], with Sundar Pichai citing 'irrationality' in current investment levels.

Nevertheless, during the first week of November 2025 alone, £10 billion of data centre schemes were announced around the M25. This concentration of activity reflects the speed at which hyperscaler operators and institutional investors are racing to secure capacity. Against a backdrop of a more than doubling of global data centre electricity demand forecast between 2022 and 2026 (FROM 460 TWh to over 1,000 TWh), spending on new UK data centres is forecast to rise to £10 billion per year by 2029[13], representing a more than five-fold increase from 2024 levels. Major technology companies have committed to investing £31 billion[14] into the UK as part of the Tech Prosperity deals, with nearly 100 new data centre initiatives currently in development[15]. Evidence across US markets suggests that there is more than enough demand for supply[16].

Historically, London and the 'Silicon Corridor' accounted for nearly 60% of data centre capacity. However, in many cases, AI-workload facilities require significantly more power than traditional facilities[17] - training racks are now reaching power densities of 40 kW and beyond, compared to historical norms of 10-15 kW, and due to model training, what previously required 100 GPUs may only need 10.
The increased heat output of new densities necessitates liquid cooling solutions, which require dedicated infrastructure space and add material capex to new builds.

Even where upgrading existing infrastructure is possible, it is expensive,[18] meaning much of the existing infrastructure is obsolescent, and new requirements are substitutional rather than incremental – driving geographic shift but also risk that technology evolves ever quicker and that the market oversupplies, a particular issue when the majority of the expansion is being funded through Special Purpose Vehicles[19].

MADE IN ~~CHINA~~ BRITAIN

Another area of demand is the strategic diversification strategies that are driving Chinese manufacturing growth within the UK. This is partly driven by supply chain resilience, and search for growth within a lower-growth domestic market[20]. There is also the reality of tariff arbitrage, with US tariffs on Chinese goods now averaging 55%, and the EU imposing additional tariffs on top of the existing 15% duties on Chinese electric vehicles.

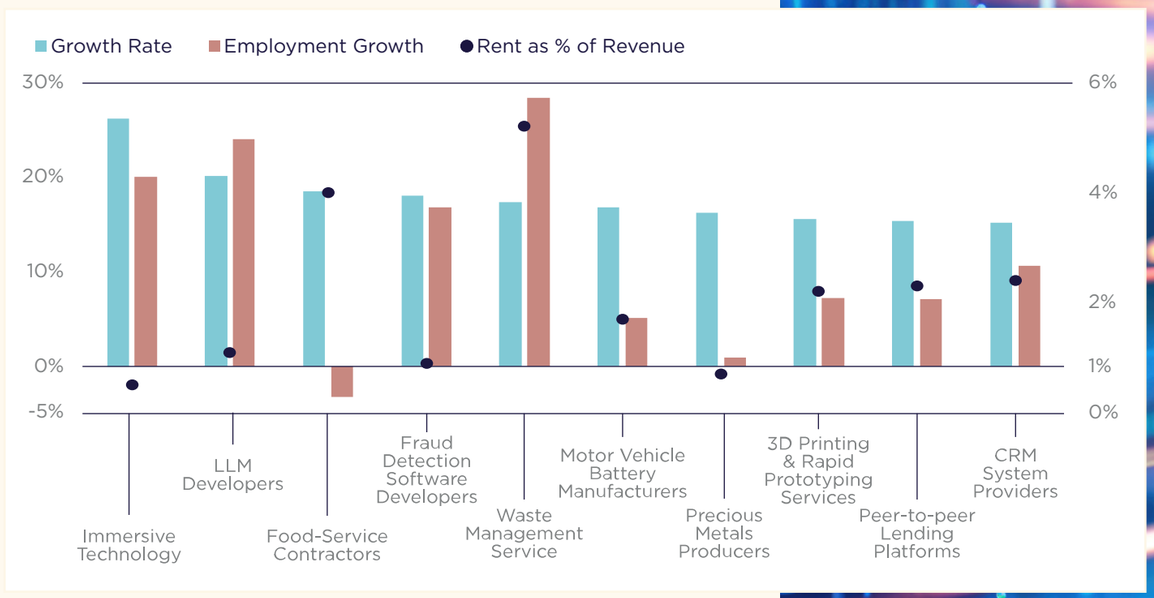
UK-China bilateral trade reached £103 billion in the four quarters to Q3 2025. Crucially, Chinese companies have begun to occupy warehousing and industrial space at scale. Chinese firms acquired in the region of 2 million sq ft during 2025, with an additional two deals under offer. Much of this is driven by e-commerce with JD.com establishing networks across the Midlands.

In clean technology[21] BYD's sales in the UK surged by 880% in September 2025 compared to the same month in the prior year[22], making the UK its largest market outside China, despite exclusion from subsidy schemes.

The opportunity for growth in Chinese manufacturing and advanced technology investment equally is not without downside[23]. There remains significant geopolitical risk[24] - with a frequent number of diplomatic flashpoints[25]. Furthermore, while tariff arbitrage, supply chain resilience and growth markets are driving genuine occupier demand, the rationale of circumventing US and EU tariffs remains contingent on current trade conditions – with the de minimis loophole on small parcels customs announced to close in 2029.



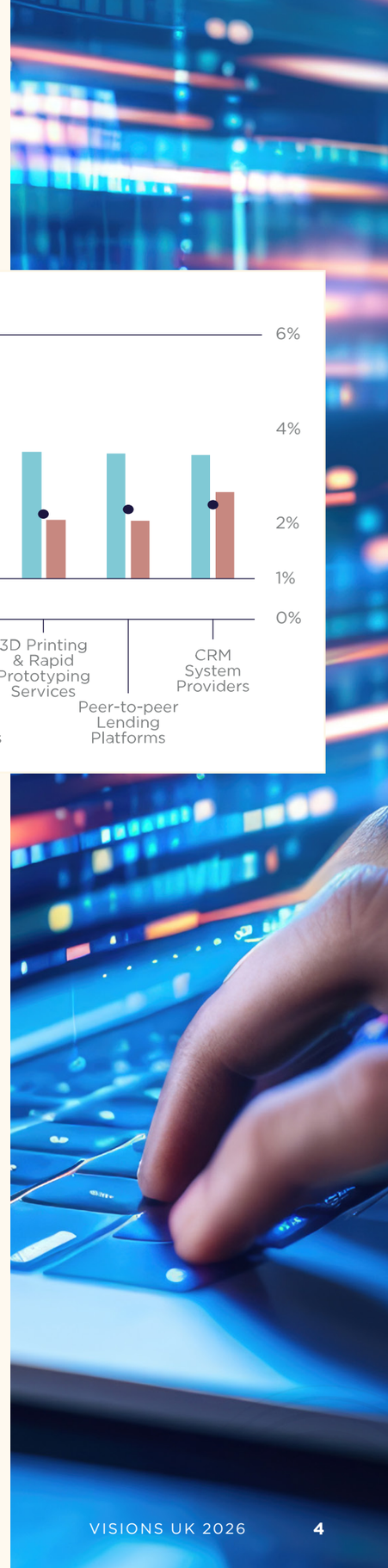
TOP 10 FASTEST GROWING SECTORS IN THE UK; BY REVENUE GROWTH, EMPLOYMENT GROWTH AND RENT AS A % OF REVENUE



Source: Cushman & Wakefield, Ibisworld

RISK/REWARD

The coming year will see exceptional growth opportunities in the segments of the economy laid out above, and across the defence industry[26]. These growth sectors have risk associated - **technology evolution risk** for data centres - both efficiency breakthroughs making capacity redundant and overcapacity from demand uncertainty; **geopolitical and regulatory risk** for Chinese occupiers - through political implications and potential tariff regime changes; **and execution risk** across power constraints, planning delays, and supply chain complications. As well as the economic benefits, for those landlords and investors able to navigate these risks, there is a significant upside.



02

BUILDING BLOCKED

In association with

WiredScore

Commercial real estate's critical infrastructure has become a primary target for cyber attacks, transforming the physical security promise of landlords from a matter of gates and guards into a digital vulnerability that has the potential to threaten both tenant safety and asset value.

For decades, the physical security of a commercial building was a matter of guards, gates, and turnstiles. If you could control who walked in the front door, you could control the risk. This is no longer the case. The fortress walls of Real Estate have become digital, and for many landlords, the drawbridge is down.

MAJOR THREAT

The risk of cyber security is gargantuan. In 2023, the Dark Angels Johnson Controls attack[1] saw corporate data stolen, HVACs and fire and lift safety systems shut down; while the Scattered Spider MGM attack[2] saw slot machines, digital room keys, elevators, reservation systems and payment systems all disabled.

In the last year, a ransomware attack on M&S used a vendor connection to disable automated stock and environmental monitoring systems, resulting in suspension of online ordering for months and profit for H1 being wiped out[3]. In the summer, a cyber attack on JLR[4] resulted in the company having to shut down its entire production process, closing manufacturing for five weeks and an estimated economic impact of £1.9 billion, resulting in 0.2 percentage points lost on GDP and the UK economy in negative for the month[5].

HIJACKED

There is a fundamental shift in the landscape. While the corporate world has switched onto IT - protecting emails, databases, and intellectual property, the Operational Technology (OT) that runs our buildings – HVAC, Building Management Systems, Access Control - has been left more unguarded[6]. This 'nervous system' of modern real estate is increasingly connected, progressively targeted, and alarmingly vulnerable. The race to make our buildings 'smart' has been one of the defining narratives of the last decade, however according to the RICS, there are examples of 'prime' buildings running critical control systems on Windows 7, an operating system abandoned by Microsoft over five years ago[7], therefore making them more susceptible to attacks.

The threat volume is escalating. In the last year, 50% of organisations experienced an intrusion, with 60% of those businesses seeing both IT and OT intrusions[8]. In particular, ransomware businesses are targeting manufacturers more than any other sector. The window to react is vanishing. CrowdStrike reports that the average 'breakout time' - the time it takes an intruder to move from an initial breach to other systems - has dropped to just 48 minutes[9]. In the cloud, it can be under two minutes.

Examples of attacks have seen hackers install ransomware on a building's BMS following a simple phishing attack on an engineer, resulting in a 90-day outage that left systems inoperable and required total replacement. Malicious actors have hijacked physical access controls, holding doors open for hours and rendering the concept of 'secure perimeter' obsolete. A Hong Kong engineering firm lost HK$200 million when an employee was duped by a deepfake video conference call where all other participants were AI simulations[10]. In one instance, vulnerabilities in IoT parking infrastructure were exploited to print fake bomb threats within a building, triggering mass evacuations.

These are not just data breaches; they are physical disruptions that erode the fundamental promise of a landlord: to provide a safe, functional environment. When considering the potential for breaches to happen at Shopping Centres, or other public venues, there is the potential for fundamental flaws to become global incidents.



DIGITAL ASBESTOS

The sector is potentially sleepwalking into a crisis. RICS identifies a ‘phantom’ risk lurking in the walls: the imminent switch-off of the copper PSTN network in 2027 – the hardware, modern version of the Y2K bug - thousands of lift alarms, fire systems, and door controls rely on this ageing analogue infrastructure. Combined with legacy BMS running on Windows 7 (abandoned by Microsoft years ago), we are sitting on a stockpile of ‘Digital Asbestos’ - embedded, toxic and expensive to remove. If a £50,000 chiller is running on Windows CE, it is a cyber risk, no matter how well it cools the air. If our power monitors have a Common Vulnerability Scoring System (CVSS) score of 9.8 (critical vulnerability), they are not an asset - they are a liability.

WiredScore reports that cyber security is the lowest scoring criteria across all building certifications it operates. Even those buildings looking to advertise themselves as technology focused often lack basic cyber security measures.

The market is shifting. 52% of CISOs are now directly responsible for OT security, a massive jump from just 16% in 2022. The oversight is consolidating, but the visibility is lagging. The vulnerability is often not in the landlord’s own office, but in the ‘third-party backdoor.’ The RICS report highlights that nearly a third of facilities managers have seen their buildings attacked in the last year, often through the supply chain and facilities management.

The solution for 2026 demands two elements. Firstly, a focus on understanding and prevention through assessment and maturity benchmarking, such as WiredScore’s Cyber Foundations product; and secondly through a ‘platform approach’, levelling up the management of IT and OT, while maintaining ringfencing where needed. It requires a unified inventory where a chiller is treated with the same zero-trust scrutiny as a CEO’s laptop. As the RICS posits, we must move towards ‘systems thinking,’ where digital hygiene correlates directly with asset liquidity and value.



PARKING SYSTEM

Vulnerability in IoT parking infrastructure lead to fake bomb threats being printed within the building.

AV

A hacker took over a landlords lobby screens and played threatening videos aimed at tenants.



ACCESS CONTROL

A hacker took control of a landlords maglock door system and opened all the doors for an extended period of time.

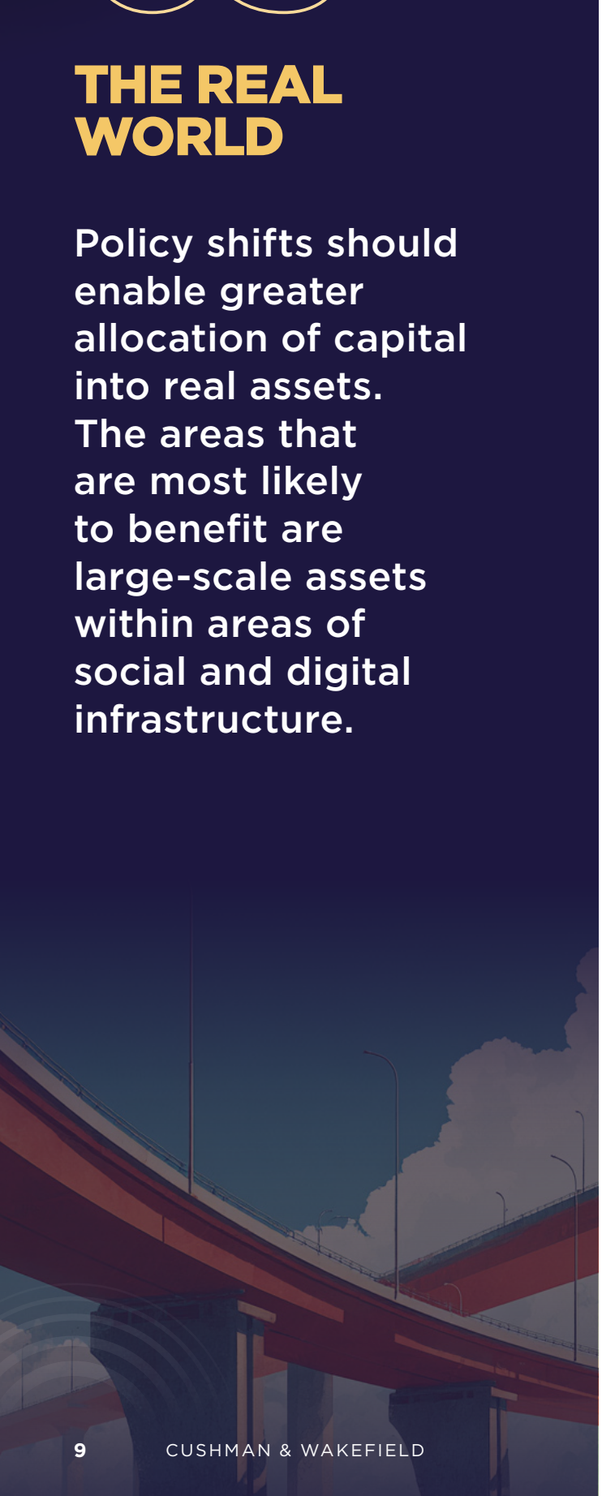
BMS

A cyber criminal installed ransomware on the building’s BMS after a phishing attack on a building engineer.

03

THE REAL WORLD

Policy shifts should enable greater allocation of capital into real assets. The areas that are most likely to benefit are large-scale assets within areas of social and digital infrastructure.



Against a backdrop of improving but limited liquidity across real estate investment, significant policy shifts, and an easing interest rate environment[1] have the potential to fundamentally reshape capital allocation into real assets during 2026 and beyond.

These structural reforms should not just increase the quantum of investment flowing into real estate; they should fundamentally transform the composition of capital, the mechanisms of deployment, and the breadth of assets commanding institutional attention. In addition to further pooling[2], two additional changes have the potential to enable greater investment flows into real assets – Fit for the Future, the 2025 Pensions Investment Review[3] and the Mansion House Accord[4].

MEGAFUNDS AND MANSION HOUSE

The first change is the mandating of all defined contribution (DC) master trusts into 'megafunds' with at least £25 billion in assets under management. This reform comes into effect by 2030[5]. The magnitude of consolidation should not be underestimated. The Pension Fund market is worth in the region of £3 trillion[6] and the aim is to replicate the experiences of Australian and Canadian pension systems[7]. The rationale is that scale enables investment capability, and in turn unlocks access to large-scale, long-dated, illiquid assets that generate superior risk-adjusted returns.

The second major policy framework is the Mansion House Accord, signed in May 2025, which commits the largest UK workplace pension providers to allocate at least 10% of DC funds into private markets by 2030, with a minimum of 5% allocated specifically to UK private markets. Collectively these managers control £252 billion in assets under current investment mandates[8]. Again, touching upon the Australian and Canadian examples, while there is no allocation the Maple-8 allocate ~24% to real assets[9], while Australian superfunds allocate an average of 16.5% to private markets[10].

These two changes represent a recalibration of asset allocation in order to benefit investors in funds. However, the changes also ensure capital is retained within the UK economy and recognise that traditional allocation towards more liquid assets - bonds and equities - should be offset for longer-term holds.

SCALING UP?

In terms of the impact of scale, over the last ten years, institutional investment into real estate has ranged between 13.5% and 25.1% of overall investment volumes. According to the IPF as of the end of 2023[11], taking into account DB, DC and Pooled investment vehicles made up in the region of 17% of total direct investment holdings across commercial real estate, with Insurance company funds an additional 6%. Furthermore, while exposure has fallen (UK Insurance and Pension funds accounted for in excess of 30% of the market 20 years ago), the direct holdings[12] have in part been offset as equity providers to funds and REITS, and as lenders[13].

Based on the five-year average of investment volumes between 2020 and 2024, the additional £50 billion expected to be unlocked over the next five years would be equivalent to over 90% of a single year's worth of investment into real estate. Nevertheless, further allocation is not without risk to market performance. While not expected, any sharp increased flow of UK pension capital into private markets could have inflationary effects on asset prices.

GET REAL

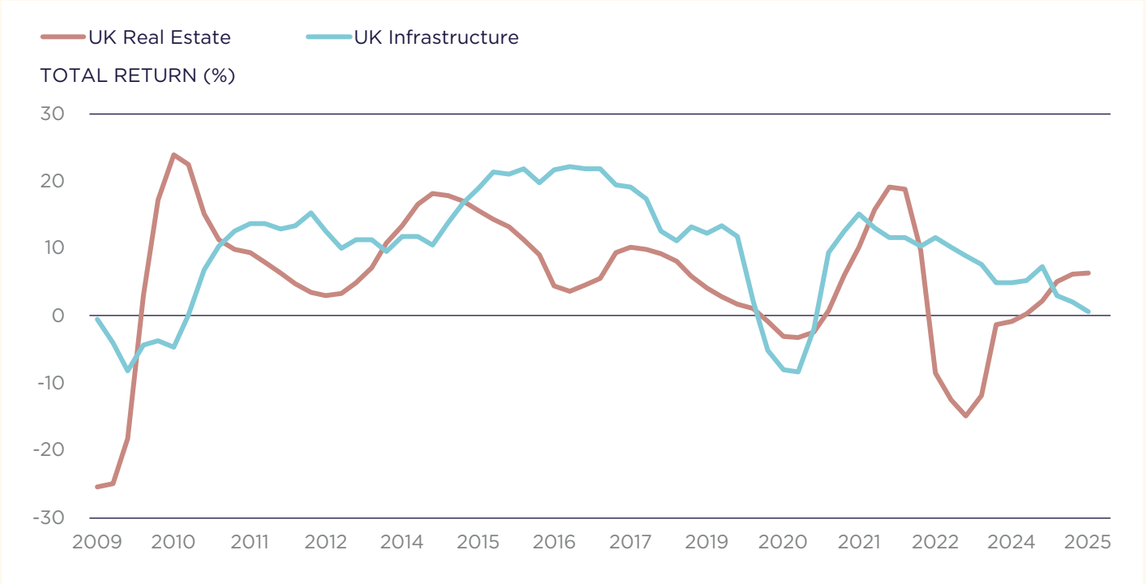
The cumulative impact should drive further capital investment into real assets in the short term while diversifying the means of allocation further – debt, construction, finance – and the breadth of assets across for what may have historically been real estate-specific funds.

In this context, comparative performance is important. Returns for infrastructure have typically exceeded those in real estate. Total Returns for infrastructure have been 98.3% over the last 10 years compared to 49.5% in real estate. However, as importantly, infrastructure has exhibited lower standard deviation than direct real estate and equities and has acted as a better hedge against inflation.

The chart illustrates a clear differential in performance between UK real estate and infrastructure over the past decade, with average infrastructure returns of 9.3% outpacing the 5.5% average recorded in real estate. While real estate has been more cyclical and exposed to broader economic swings, infrastructure has delivered a more resilient and consistent return profile, which is a pattern that may appeal to more risk-averse investors seeking stable performance across a longer-term time horizon. Importantly, infrastructure presents its own barriers to entry, with its own regulatory complexity, limited transparency across valuations and investment performance create execution challenges. Furthermore, despite being less volatile, asset or sector picking is even more important with infrastructure showing greater cross-sector dispersion at 6.7%, compared to real estate at 3.4%[14].



UK INFRASTRUCTURE AND REAL ESTATE TOTAL RETURNS (12 MONTHS)



Source: Cushman & Wakefield, MSCI

THE CASE FOR SOCIAL AND DIGITAL INFRASTRUCTURE

However, there is an inherent ambiguity between real estate and infrastructure. For the market, it means additional capital is geared towards the sector. This is in addition to the launch of the National Housing Bank, launched early in 2025 with £16 billion of capital, and is designed to launch an extra £53 billion in private investment.

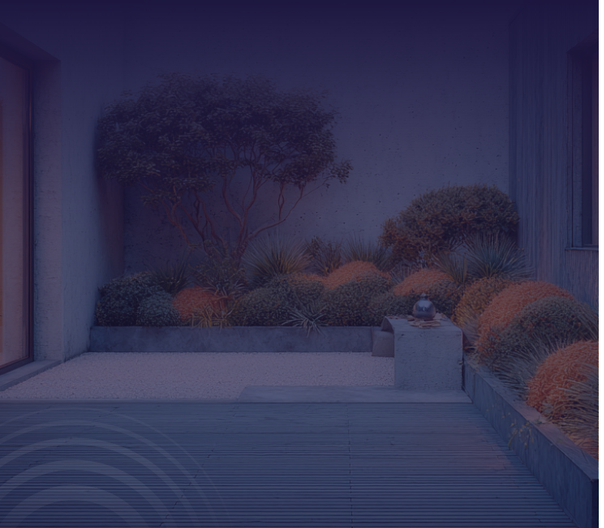
The confluence of these additional forms of capital to catalyse a fundamental transformation in UK institutional capital allocation towards productive assets. While the creation of megafunds likely enables greater investment into large-scale infrastructure schemes, in reality, the area that is most likely to benefit is social and digital infrastructure including data centres, healthcare facilities, education, life sciences and housing.

During the course of 2026, while the impacts of the above reforms will still be early, greater capital allocation should coincide with improving debt markets, easing interest rates in the region of ~50 basis points and a healthy lending environment[15] should create a more liquid market than we have seen in the past two years.

04

THE VIABILITY IMPERATIVE

A combination of improvements in regulation and creative solutions should positively impact the rate of housing delivery during the course of 2026.



Since 2022, development activity has contracted across all sectors – and is slowing[1]. The residential crisis is uniquely urgent: a chronic shortage of homes, over two decades of under-delivery, and a persistent gap between build costs and market values.

Despite the focus on alleviation of barriers of planning[2], there remain headwinds that combined with market conditions are impacting development viability, and in turn delivery[3]. Build costs have outpaced house price growth over the last 10 years, with BCIS projecting a further 15% increase over the next five years[4]. There has been a lack of Registered Provider bids for Section 106 units due to both a lack of funding and a requirement to upgrade existing stock[5].

REGULATION REVOLUTION

A particular drag has been the significant expansion of both planning and building regulation. However, there is an argument to make that with much of this regulation now better understood, further fine-tuning of planning policy introduced via the NPPF in late 2025, and the removal of requirements around water neutrality[7], this should make decision-making easier for developers.

Using the Building Safety Act (BSA) as an example. It is a necessary reform, but has created a cascade of delays in Gateway 2 that are ultimately impacting financial performance for investors.

However, not only is this improving[8] but is now a known variable that is baked into development timelines. Developers have adapted by redesigning projects upfront to pass Gateway 2 scrutiny, thereby reducing delay risk. More critically, schemes that cannot tolerate BSA delays are being redirected toward lower-rise, lower-complexity developments. The fastest growth is happening in schemes that fall outside the BSA net: conversions, refurbishments, and buildings under 7 storeys.

Additionally, the government's prioritisation of 'Grey Belt' for release removes years of 'exceptional circumstances' arguments and frees up land supply. If a site is designated as Grey Belt and meets the government's Golden Rules (typically 50% affordable housing), the principle of development is established de facto.

With the Presumption in favour of sustainable development, the fact that almost half of all English local authorities now fail the Housing Delivery Test[9], the tilted balance applies automatically. Going even further, the additional changes proposed in the draft NPPF consultation launched in December proposes a 'super-tilted balance' that shifts towards even greater heightened presumptions towards approval, if implemented - including a proposed policy to grant 'default yes' to development within reasonable walking distance of railways stations, overriding Green Belt Protection. For strategic sites with strong fundamentals this represents a step change in planning certainty.



HOUSE BUILDING DEVELOPMENT VIABILITY



Source: Cushman & Wakefield, UK HPI

SMALL ‘A’?

The temporary changes to Affordable housing requirements in London should improve market conditions and viability. While affordable housing is essential, a lack of total housing delivery paradoxically harms affordability. When 35% mandates prevent schemes from viability, zero homes are delivered including zero affordable units. This doom loop creates a case for policy flexibility.

A shake up in the proportion of affordable housing across the UK would improve viability. According to our modelling, if affordable housing requirements were reduced from 35% to 20% - assuming current policy compliance and using average local authority valuations - the percentage of viable local authorities would increase from 30% to 49%. In the South East, viability would increase from 69% to 80%. All housing delivery takes the pressure off the Affordable housing sector, albeit if affordable housing proportions are reduced, there will be knock on effects, with a greater proportion of private homes needing to be absorbed by the market and the sector needing to find alternative ways to deliver affordable housing.

CREATIVE SOLUTIONS

Change will not be just policy-led. We expect there to be a further push on creative solutions during the course of the year. This should come across three fronts:

The most immediate path to improved viability lies in how capital is being blended and structured. Investors with different risk tolerances, hold periods, and return requirements can be aligned through innovative frameworks. Homes England has pioneered several capital-blending models that reduce risk exposure for development partners[10] [11]. We expect to see expansion of these frameworks in 2026 including gap funding mechanisms (where public equity bridges the viability gap), catalyst schemes (anchor investment that unlocks further private capital), and direct public sector co-investment in strategic sites.

By segmenting risk and return expectations across different capital sources, schemes that were previously unviable become fundable today. This is not speculative. It’s happening in pockets, and 2026 should see accelerated deployment.

Alongside capital innovation, demand-side interventions are accelerating. With no fiscal support from government, the private sector is stepping forward. In 2025, Barratt, Redrow, and Persimmon launched the ‘Rezide Equity Loan’[12] in partnership with QSix, Ahauz, Barclays, and TSB. This private sector alternative to Help to Buy is already available to support buyers. We expect similar offerings from other major developers and alternative lenders in early 2026, as competitive pressure drives innovation in how schemes are marketed and financed.

Beyond these immediate interventions, emerging technologies offer a longer-term structural solution to construction cost inflation. Visualisation technologies are already digitising large-scale projects[13], reducing design iteration time and design cost; digital twins have moved from concept to reality[14]. More radically, AI-driven materials discovery is beginning to reshape construction economics. Companies like Cusp AI[15] are using machine learning to engineer low-cost, carbon-negative materials.

This allows scientists to work backwards to create new materials, allow for easier carbon capture within building and optimised structures, creating a glimpse of a future where sustainability does not come at a viability premium and creates a deflationary impact on housing delivery.

The market is adapting faster than the narrative suggests. Capital is finding creative blending structures. And technology is beginning to offer structural cost reduction. What remains essential is consistent policy clarity and continued investment in the infrastructure and frameworks that allow these solutions to scale. The sector cannot afford to sit back and wait for market conditions to just improve.



05

PRODUCTIVITY G(AI)NS

Uncertainty over how Artificial Intelligence will reshape the nature of work is likely to lead occupiers to delay decision-making or seek greater flexibility in their real-estate commitments in the near term.



Technological progress has long fuelled fears of job loss, with each wave of innovation sparking anxiety that machines will replace workers altogether.

The original 'Luddites' - 19th-century English skilled textile workers who destroyed machinery they believed threatened their livelihoods - gave their name to a term now used more broadly for resistance to technological change. Similar concerns re-emerged in the 20th century as automation and computing spread, prompting John Maynard Keynes to coin the term 'technological unemployment[1]' to describe the risk that machines could outpace new job creation. Yet history shows that while technology does displace some roles, the productivity gains it brings tend to lower costs, boost output and income, and ultimately expand overall labour demand[2].

Today, we stand at the edge of a new paradigm shift: AI[3,4]. With even greater potential, as of today, AI is able to automate routine tasks, process information, and make decisions. This is subsequently reshaping job structures across the economy[5]. While fears of an 'AI-pocalypse' in which machines replace both manual and cognitive work are likely overstated[6] and a question for the medium term, the short-term effects on the UK labour market remain uncertain[7,8], as do the knock-on implications for office demand in particular.

RE(AI)LITY CHECK

Earlier research suggested that nearly half of all jobs could be exposed to AI-related automation[9]. At present, large-scale disruption has not yet materialised[10], with a recent Yale University Budget Lab and Brookings Institution study finding "no discernible disruption" to the US labour market since 2022, despite the country leading global AI investment at $471 billion between 2013 and 2024[11,12]. Some impacts are beginning to emerge in the UK, particularly among graduates and entry-level workers. A King's College London study found that reductions in employment in AI-exposed industries were "concentrated almost entirely in junior positions[13]."

The limited scale of AI's current labour market effects reflects its relatively low adoption rate. This is not about individuals using LLMs, but of adoption in strategy and therefore in processes and ways of working. While use is increasing[14], as of September 2025, just 23% of UK firms reported using AI, which represents a sharp increase from 9% in 2023, but still reflects a minority of firms[15].

Looking ahead, the chart plots AI adoption rates against forecasted employment growth to 2029–30, with the downward-sloping trendline indicating a negative correlation: sectors with higher AI adoption today tend to have weaker employment growth forecasts.

Labour-intensive, lower-tech industries such as Real Estate and Accommodation & Food Services exhibit low adoption but stronger employment prospects, while more knowledge-driven sectors such as Education show higher adoption and slower growth. Professional, Scientific & Technical services sit above the trendline as an outlier combining high adoption with healthy job creation, suggesting that AI can complement rather than replace labour in high-skill roles.



THE GREAT W(AI)T

AI remains in its latent phase. Occupiers are still experimenting with applications to enhance productivity and inform workplace strategy. This uncertainty may lead firms to delay major real-estate decisions until AI's impact on workforce size and function becomes clearer, potentially reducing near-term take-up volumes and deal activity. Where real estate commitments are made, there is already evidence of sophisticated occupiers seeking greater flexibility to bake in reductions of space during the length of a lease in the region of 20-25%. While this could drive demand for flexible office space in the future, there is little evidence to date that AI's impact on headcount has been a direct catalyst for flex demand.

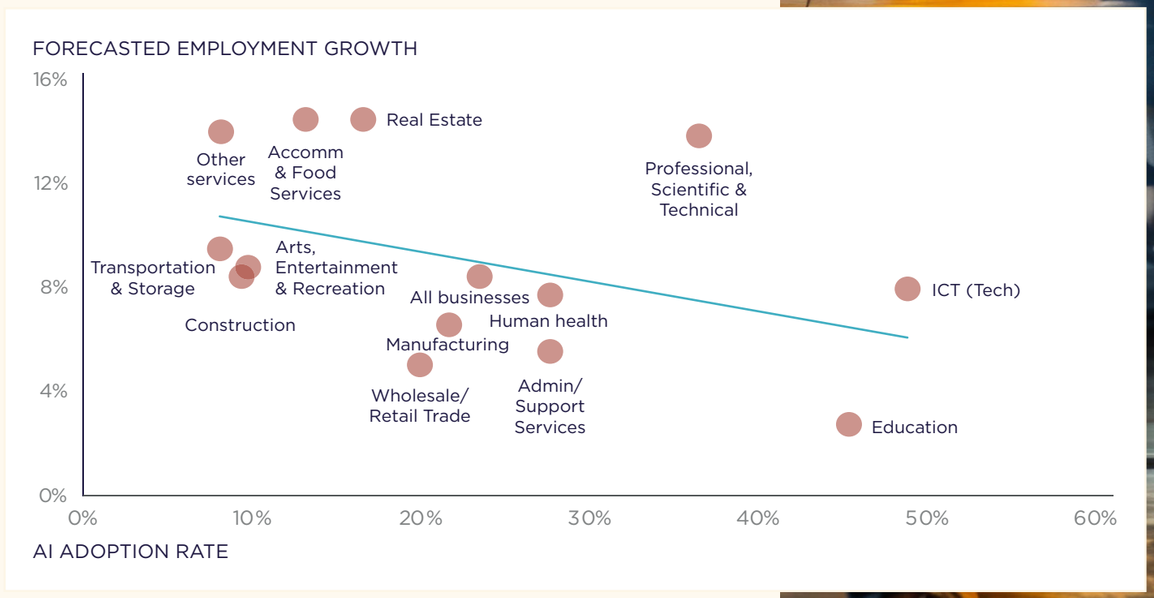
SUST(AI)NED GROWTH

In the medium-term, there is likely to be a trade-off against jobs that exist at the present, and those that may evolve over time[16]. In the very near-term, the rapid expansion of the AI sector itself will generate new office demand from AI firms seeking high-quality, tech-enabled space. The government's AI Action Plan aims to accelerate this growth with £2 billion pledged by 2030, with investment in data-centre infrastructure and computing capacity also target priorities[17]. There is increasing evidence of AI-related occupiers emerging, albeit typically in smaller-than-average requirements. Between 2023 and 2024 alone, the number of AI business increased by 58%, with employment increasing 33%[18].

There is a huge opportunity for the UK to capitalise on demand from these businesses. Capital Economics' AI Economic Impact Index ranks the UK third globally for its capacity to innovate, adopt and adapt to AI[19]. This also implies that both the productivity gains and the transitional disruptions such as labour market displacement and shifts in office demand, may occur earlier and more sharply than other comparable nations.

In the longer term, the productivity gains translating to economic growth, as well as the unforeseen new roles and industries that will be created by AI under the new paradigm mean that AI has the potential to create more jobs than it will displace[20]. However, the jury is still very much out. In the nearer term, uncertainty over its labour-market impact will likely weigh on occupier sentiment, tempering major commitments and driving flexibility. The scale of this impact will vary by sector, with those dominated by routine or knowledge-based roles facing greater disruption to employment and, in turn, office demand, while others may benefit where AI serves to complement rather than replace human work. As the technology matures and its role in the workplace becomes clearer, the balance of its effects on employment and office demand will gradually shift from caution and uncertainty to a resurgence in activity.

AI ADOPTION RATES VS. FORECASTED EMPLOYMENT GROWTH (2024-25 - 2029-30)



Source: ONS, IBISWorld

06

THE SOVEREIGNTY PREMIUM

Demand from major defence contractors will be supplemented by a healthy and scaling SME sector. However, unique security requirements will force high-value specialised clustering outside typical major markets.



The UK government has pledged one of its largest post-Cold War spending increases, from 2.3% in 2025 targeting 2.5% of GDP by 2027[1] and 5% by 2035[2].

This rearmament agenda, anchored by the new Defence Industrial Strategy[3], mandates onshoring supply chains for munitions and aerospace and is designed to align growth[4], innovation and sovereign capability. As this unfolds, it will intersect with a challenging development landscape to create opportunities across diverse locations and asset classes.



SHOOTING FOR GROWTH

The economic impact of such a step change is significant and is already driving real estate activity. Increasing spending by 2035 could create around 50,000 direct jobs[5]. Commitment is already made for £15 billion for nuclear warheads, £4 billion for autonomous systems, and £6 billion for munitions across 13 new manufacturing sites[6]. Raising defence spending from 2.3% to 2.6% of GDP by 2027 implies an additional £10 billion in annual outlay, rising to £52 billion if the 3.5% target is achieved by 2035[7]. While the scale of coverage across the economy, its high-skilled, high-wage employment and regional supply chain multiplier effects. Beyond commercial space, £7 billion is committed to the generational renewal of 40,000 service family homes.

Historically, defence-related real estate demand has been relatively stable with major contractors operating from long-established sites and much of the wider demand embedded within supply chains. As outlined in *Strategic Sector Signals*[8], manufacturing facilities are often created as extensions or expansions of existing facilities. However, during 2025, the logistics and industrial sector accounted for 2.6m sq ft of space – its highest level on record - whilst offices leasing reached its highest level since 2018, off the back of the two major deals at Green Park, taking overall take-up across the two sectors to just under 3 million sq ft. Conservatively, we could see combined take-up increased from ~2.6m sq ft in 2025 to over 4.5m sq ft annually by 2029 – a 55% increase.

21ST CENTURY WARFARE

Growth will be driven not just by volume but by complexity. Global warfare and combat strategy changes means that growth is in autonomous systems, space, cyber defence and hypersonic technologies[9]. This is supported through the new UK Defence Innovation (UKDI) body[10]. This is driving a new wave of demand, distinctly different to previous generations of defence assets, particularly for advanced manufacturing, R&D facilities, and digitally secure offices and data infrastructure. The modern defence asset is a hybrid: part secure logistics, part high-grade data centre, part engineering lab. Facilities need high-capacity, resilient power infrastructure to support advanced manufacturing and energy-intensive operations, alongside secure high-speed digital connectivity for AI-enabled systems, data handling and cyber security.

While demand has thus far been driven by large-scale multinational contracts, policy support and higher levels of investment into the sector will likely see this demand complemented by emerging SMEs within the sector. In the last two years, there has been £450m raised by the sector across 165 deals, more than double that raised in the two years prior, with investment focused in Bristol, Glasgow, and Oxford.

CLUSTERING

Defence is a highly regulated sector with procurement through the DE&S and CCS[11,12]. This will drive demand for buildings that adhere to the Social Value Act, and that are capable of hosting Sensitive Compartmented Information Facilities.

Companies awarded major DE&S contracts frequently become anchor tenants within regional economies. According to the European Cities Growth Index[13], the increase in defence spending contributed to Manchester-Liverpool and Bristol rising by 14 and four places respectively. The Defence Growth deals are explicitly designed to ensure investment outside the South East[14].

In addition to procurement asks, locational choices will be shaped not only by the availability of suitable sites and the opportunity to scale, but by local labour market depth and proximity to universities and research institutions. Often strategic site selection complex criteria can result in clustering in non-typical independent locations or remaining in proximity to established clusters [See chart]. As such, incubator-style clustering remains the dominant location trait for the sector, with small and medium-sized defence-related enterprises concentrating around these anchor tenants to take advantage of supply-chain linkages, knowledge spillovers, and shared infrastructure.

Locational choices are shaped by labour market depth and proximity to research institutions, often creating clusters in non-typical markets and business parks. Security is paramount; sites must meet MoD/NATO standards for surveillance and perimeter protection. Consequently, secure assets with available power will command a significant ‘Sovereign Premium’ over standard logistics stock, as competition from data centres and cold storage limits supply.

Fundamentally, the Sovereignty Premium represents a decoupling of defence real estate from the wider industrial cycle and as part of a structural shift (with unfortunately potential for upside risk). As government spending becomes statutory and security threats persist, assets that can solve the ‘trilemma’ of power, security, and proximity to talent will outperform the wider market. For investors, the opportunity lies not just in funding new development, but in retrofitting well-located legacy assets to meet the complex specifications of the modern occupier.

SECTOR CO-LOCATION

SECTOR CORRELATION	DEFENCE	CREATIVE INDUSTRIES	FINANCIAL SERVICES	PROFESSIONAL SERVICES	DIGITAL AND TECHNOLOGY	LIFE SCIENCES	ADVANCED TECHNOLOGY	CLEAN ENERGY
DEFENCE	1	-0.01	-0.06	0.12	0.03	-0.01	-0.01	0.29
CREATIVE INDUSTRIES	-0.01	1	0.55	0.47	0.48	0.4	0.28	0.16
FINANCIAL SERVICES	-0.06	0.55	1	0.47	0.5	0.42	0.32	0.28
PROFESSIONAL SERVICES	0.12	0.47	0.47	1	0.55	0.53	0.39	0.21
DIGITAL AND TECHNOLOGY	0.03	0.48	0.5	0.55	1	0.82	0.45	0.32
LIFE SCIENCES	-0.01	0.4	0.42	0.53	0.82	1	0.4	0.2
ADVANCED TECHNOLOGY	-0.01	0.28	0.32	0.39	0.45	0.4	1	0.44
CLEAN ENERGY	0.29	0.16	0.28	0.21	0.32	0.2	0.44	1

Source: Cushman & Wakefield, Centre for Cities

07

THE VALUE EQUATION

Supply shortfalls from the impending development drought will lead to a spillover of demand from the top of the core market down the quality spectrum and into non-core locations.

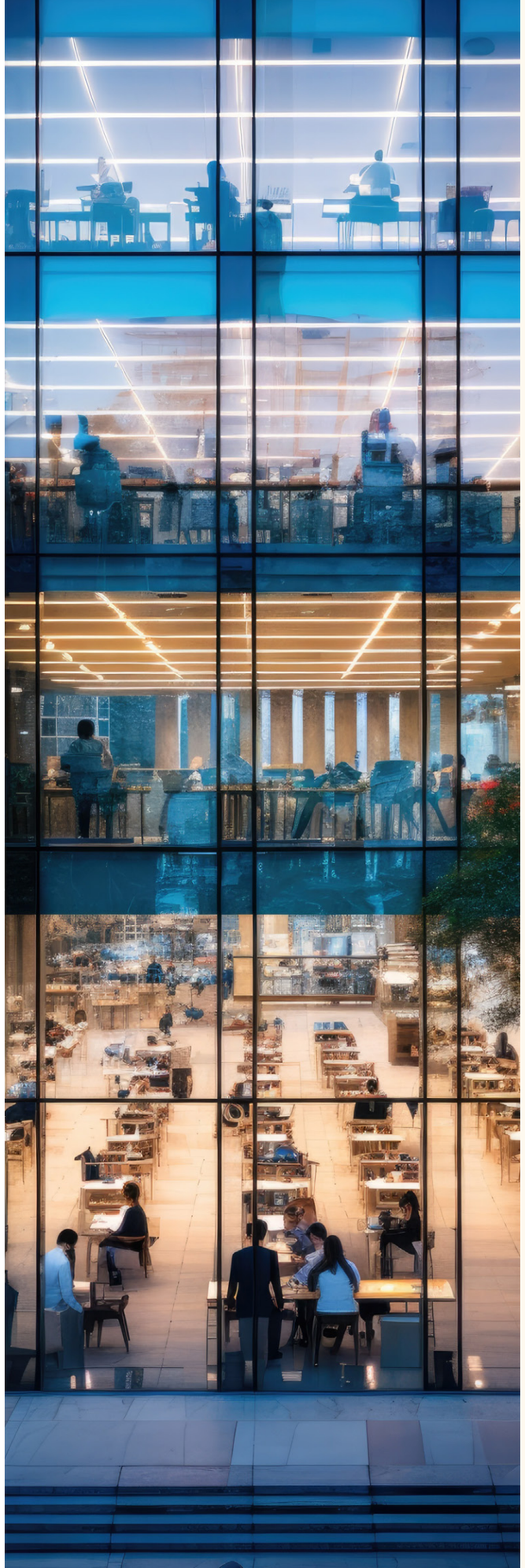


Since the pandemic, there has been a race to quality for businesses. Companies have sought to ensure employee engagement through focusing on quality assets in core locations to cut commute times and entice staff back into the workplace, concentrating demand into best-in-class, well-located stock[1].

Meanwhile, development viability challenges – brought on by rising construction costs, changes in regulation and policy[2], elevated borrowing costs and structural sector shifts – have meant that the pipeline of new space that meets these refined requirements coming forward is rapidly shrinking, causing a surge in rental growth, as projected in *Raising Standards* in Visions last year[3].

Consequentially, demand for Grade A space across Central London is expected to exceed development completions from 2026 onwards, amounting to a cumulative 13 million sq ft supply shortfall by 2030. Similarly, across the Big Five national office markets, the current under construction pipeline of two million sq ft is equivalent to under one year of Grade A take-up. If no new spaces come forward, this would amount to an under supply of eight million sq ft by 2030.

This will push occupiers to have to compromise on their office requirements. The question is, what will they compromise on: location or quality? History suggests that both are likely to see an uptick.



TWO TRUTHS

01

Over the last 20 years, when Grade A supply relative to demand (measured by years' supply, dividing existing availabilities with the rolling three-year average Grade A take-up level) in core Central London office markets decreases, take-up in non-core locations increases.

A particular inflection point can be seen at the one years' supply level. Above this, non-core take-up is typically 10% below the 20-year long-term average level. This jumps to an 18% outperformance when core Grade A years' supply falls below that mark.

02

Grade B core take-up reports a similar trend, with an 11% underperformance relative to the long-term average above one years' of Grade A supply, flipping to a 20% outperformance averaged below this level.

This trend is also evident nationally. The Big Five office markets report a 9% increase in Grade B activity when Grade A years' supply drops below this level versus a 4% shortfall above.

DIFFERENTIATED DEMAND

Company size tends to be a key factor in deciding whether to compromise on location or quality. For instance, larger floorplates and buildings available in non-core locations – which are projected to be a rarity in core areas over the next five years – tend to entice larger companies. Additionally, these firms also tend to have more gravitas with their current and future employees, meaning that they can be more confident in enticing staff to off-piste locations. This is evidenced by leases in excess of 50,000 sq ft accounting for 49% of non-core take-up between 2005 and 2025.

Conversely, smaller companies tend to favour remaining in core locations, compromising on quality instead. An 88% majority of core Grade B take-up in the last 20 years has been leases between 5,000 and 50,000 sq ft, enacted mainly by SME-sized businesses who are keen to seize the clustering and talent benefits amplified in core areas.

Smaller requirement sizes also mean there are likely to be more options immediately available in core locations. Further, there is a notable trend toward offering secondary core stock as Cat B fitted spaces – often more appealing to smaller scale occupiers lacking the time, expertise or capital to fit out the space themselves.

VALUE FOR MONEY

The office market is not alone in this spillover of demand. The Build to Rent (BtR) market has proliferated to meet renter requirements. Most recently, affordability pressures have had the impact of investors focusing on single family housing and rental products offering value for money[4]. These have broad ranging benefits including lower tenant turnover, reduced operational costs and faster delivery.

The Purpose-Built Student Accommodation (PBSA) market has also seen a trend in a similar vein[5]. Student visa issuances decreased 31% in 2024, reducing the international student population – the typical occupiers of the premium PBSA market – while cost pressures are also impacting the wider cohort. Subsequently, the highest quality PBSA products (the most expensive) have seen the weakest levels of rental growth at -1% between 2024/25 and 2025/26, while the lowest quality, cheapest stock has seen a 4% increase.



NATURAL EVOLUTION

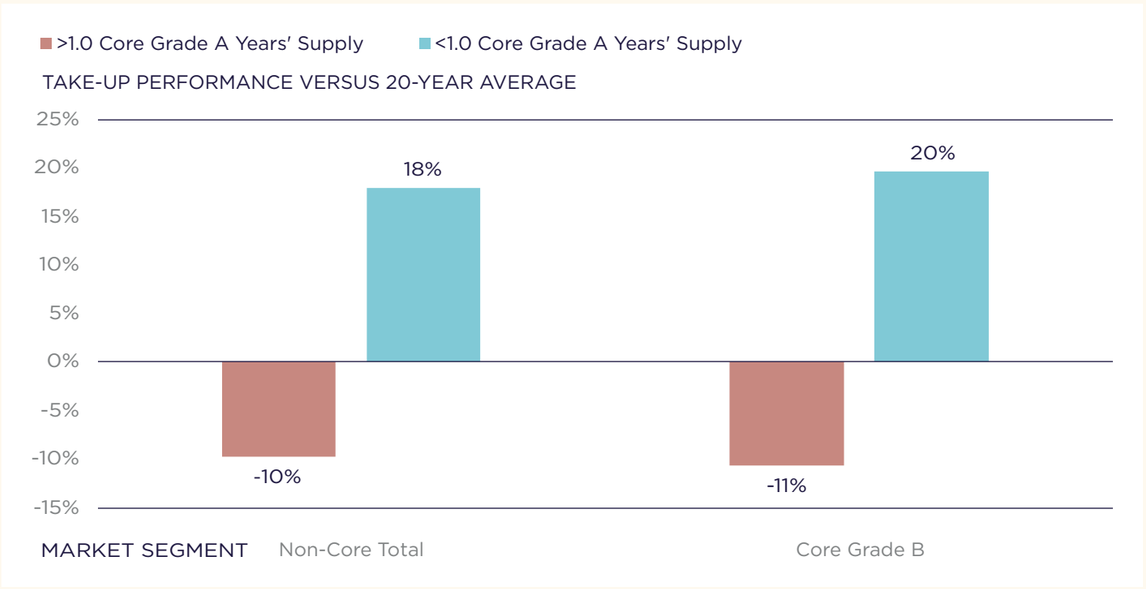
While office rental values may be significant and rising, it is typically the upfront capital expenditure of fit-out costs that is the sticking point for occupiers. Occupational and fit out costs at the top of the core market have rapidly climbed in recent years, increasing the pricing differential from both non-core and Grade B spaces.

With non-core and Grade B landlords often more motivated to provide flexible solutions to ease the fit-out cost burden, the value proposition relative to core Grade A stock bolsters further.

The diversification of demand down the quality spectrum is the natural evolution of the occupational story in a viability challenged environment – presenting a significant advantage for landlords who can tap into the 'best of the rest' market.

This is a cyclical trend: development viability will return in some form, potentially stoked by yield compression, in turn bringing supply at the top of the market – but this will take time to come through. Given the comparatively rapid delivery time, landlords of secondary stock are well placed to benefit. Those with good timing and quick thinking will be well-positioned.

CENTRAL LONDON OFFICE TAKE-UP PERFORMANCE BY MARKET SEGMENT VERSUS CORE GRADE A YEARS' SUPPLY



Source: Cushman & Wakefield, 2025

08

OPERATION ALPHA

Affordability pressures, rapid technological advancements, evolving experiential expectations, and shifting market dynamics are collectively propelling real estate toward a fully operational paradigm, where active management and performance-driven models become the new standard.



Operational real estate has grown as a portion of the real estate universe. Operational Real Estate sectors – those historically classed as alternatives - encompassing purpose-built student accommodation (PBSA), private rental sector (PRS) housing, senior living, hotels, and self-storage have captured £66 billion in UK investment during 2020-2024, a 182% increase over 2005-2009 levels against a 24% growth in the market overall.

This has been driven as a result of investors looking to capture demographic and social tailwinds[1] but also reflects capital reorienting towards active rather than passive performance[2]. Over the same time periods investor-owned operating companies have increased capital deployment nearly tenfold.

CORE CONVERGENCE

The wider picture is that of one far greater than what have historically been called ‘alternative sectors’. Evidence of this evolution spans retail turnover rents, flexible office arrangements in the office sector, and hybrid lease/licensing structures. This represents a genuine sectoral convergence: On the one hand, traditionally operational real estate sectors are continuing to gain investor liquidity and sophistication. On the other hand, conventional fixed income sectors have adopted operational characteristics to both capture return upside - managed solutions having increased by 895% since 2019[3]; and to mitigate risk – we estimate that turnover rent structures now account for over 15% of shopping centre leases.

Some are going further than others. The value proposition for institutional investors and sector specialist landlords is rapidly shifting towards a platform offering with L&G’s Vitza offering smart building software to occupiers and Prologis Ventures investing £305 million into related sectors[4] partnering with its occupier network to offer early access and testing in the process.

FULLY OPERATIONAL?

The economic case is compelling. British Land reports a rental premium of 20% and an occupancy rate of 92% across their Storey platform[5] whilst Retail Outlet Operator revenues have consistently outperformed inflation since 2006 (with the exception of 2020). However, this uplift is not simply through a higher rent - it is the commercialisation of square footage. By layering service income, management fees, platform subscriptions and meeting room revenues on top of base rent, owners transform passive rent collection into active operational performance.

In terms of performance, the implications are material where income sits sustainably above traditional rents. This has driven further institutional capital deployment and integration of flex components into core office portfolios and been used by shopping centre landlords to reduce voids and take a direct share in the performance of its retailers. This in turn decouples returns from yield compression cycles, while the requirement for specialisms increases the need for operator-investor partnerships.

As of H1 2025, refinancing activity accounted for 74% of all commercial real estate loan activity[6]. While the cost of debt continues to improve, capital values are significantly lower than they were in Mid-2022. Where there is additional operational income, in the form of management fees and service charge baked in, in addition to base lease income, this offers further insulation against risk and explains why REIT and institutional investor interest is increasing.

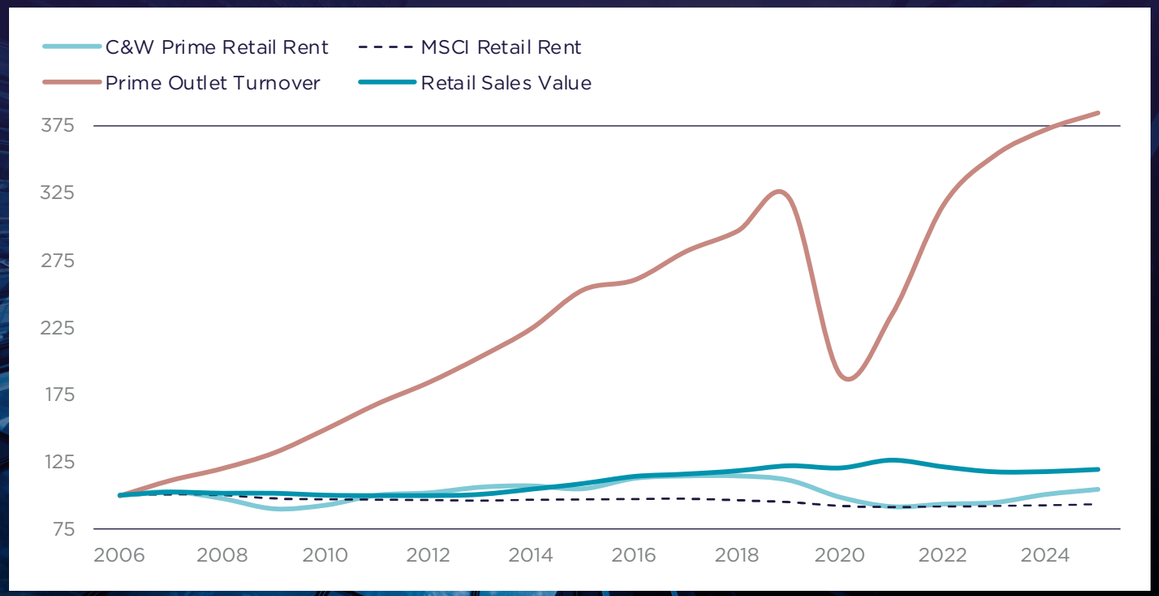
PRICING PERFORMANCE

Yet operationalisation introduces complexity and offsetting risks that investor discipline must both navigate and price. The standard deviation for gross income growth is 3.3x higher within alternative OPRE sectors than fixed income sectors. Flexible office leases and retail turnover rents exhibit substantially higher income volatility than traditional contracts. This volatility reflects a fundamental structural reality: operational income in traditional sectors is often short-term. Not only does this present challenges in mitigating risk, but also in pricing such risk.

OPRE challenges traditional valuation approaches such as Net Asset Value, that often overlook potential future value, driving industry practice away from traditional models towards more holistic appraisals.

The upside to this volatility is indeed the upside [See Chart]. The value lessons from established operational sectors reinforce this asymmetry. In prime retail outlets, for example, retailer turnovers have significantly outpaced both rental growth and retail sales growth, yet retail rents have failed to keep pace with retail sales values. Those investors able to successfully navigate tenant selection, portfolio curation, and performance monitoring capture alpha; those treating operational assets as passive income vehicles experienced below-market returns.

RETAIL PERFORMANCE INDICES



Source: Cushman & Wakefield, 2025

While there is additional operational risk, revenue forecasts suggest continued growth across a number of key sectors. To 2030, we forecast average annual Retail rental growth of 2.5% compared to revenue growth of 2.7%, while 2.2% Office rental growth is eclipsed by revenue growth of 5.1%.

Further opportunity for outperformance may be realised for those investors & landlords successfully capturing revenue upside from high growth occupier groups such as Digital Advertising & SEO (+9.2%, 8.8%), Cosmetic & Medical Retailing (+13.4%, 5.8%) and clean energy and aerospace (+7.5%, 6.2%).

OPERATION OPTIMISATION

The operationalisation of real estate is inseparable from technological enablement[7,8]. AI-driven pricing engines can adjust license fees in real-time across all sectors to maintain vacancy[9]. IoT sensors transform static assets into dynamic platforms[10]: driving cost savings by predictive HVAC management, while logistics facilities generate ancillary revenue from real-time inventory tracking subscriptions. In Seniors and Care Homes, fall-detection sensors and health monitoring systems reduce operational risk while enabling premium service tiers. Not only do these vast technological advancements enhance operational returns, but the growing adoption of AI is set to enhance the speed in which investors are able to quantify operational risk through scenario and sensitivity analysis or simulation. This digital infrastructure will accelerate the optimisation of operational real estate.

As capital values remain constrained, and yield compression remains modest, income performance has the potential to be a much greater value driver through 2026 but only for those equipped to manage operational complexity. Successfully navigating these risks requires capabilities that separate institutional winners from passive holders - a bifurcation that will intensify through 2026.

09

GENERATION REGENERATION

The process of delivering 12 New Towns will gather momentum during the course of the year. The success will be determined on their ability to deliver economic and social value wider than just housing numbers.



New Towns are central to the Government's housebuilding and economic growth agendas. This approach has precedent: the 32 New Towns created over three waves after 1946 are now home to 2.8 million residents and include some of the UK's fastest-growing economies.

Milton Keynes and its concrete cows contribute £16bn GVA annually; Crawley £6bn. The New Towns Taskforce has shortlisted 12 locations, each delivering minimum 10,000 homes with mixed-use development and supporting infrastructure and the abilities to put these into practice[1].

All New Towns must align with taskforce principles: robust infrastructure, high-quality placemaking, diverse housing mix, and minimum 40% affordable housing (focused on social rent). However, historical precedent - Milton Keynes, Stevenage, Harlow - shows that over time, New Towns develop distinct characteristics shaped by geography, demographics, economic drivers, and connectivity. Success requires recognising these locational differences rather than applying uniform templates.

DIFFERENT STROKES

While it is understandable to pool new towns together, the reality is that the 12 new towns make up what we have defined as a combination of **Urban Infill** – the redevelopment of under-utilised land within existing urban boundaries e.g. Victoria North; **City Overspill** – planned expansion on the edge of major urban centres e.g Brabazon; and **New Green Towns** – entirely new sustainable developments often built in rural areas e.g. Heyford Park, Oxfordshire. Each of the three New Town typologies are faced with structurally different characteristics and challenges each with a unique set of development considerations:

CATEGORY	URBAN INFILL	CITY OVERSPILL	NEW GREEN TOWNS
LOCATION	Within exisiting urban boundaries; often brownfield sites	Periphery of major cities; planned expansion zones	Entirely new settlements in rural/semi-rural areas
HOUSING MARKET IMPACT	Quick uplift due to proximity to amenities; short-term disruption possible	Medium-term growth as infrastructure matures; initially more affordable	Long-term value realisation; early phase may struggle with demand
SOCIAL INFRASTRUCTURE NEEDS	Pressure on existing surfaces; upgrade, extend refurb	Significant upfront investment required to avoid dependency on parent city	Must be embedded from outset; high capital cost may require innovative funding
TRANSPORT CONNECTIVITY	Already well-connected; focus on enhancing active travel	Must integrate with city networks (rail, bus, road); park-and-ride options. Cycle and walking routes essential.	Requires new or upgraded transport links; risk of isolation if poorly connected
CONSTRUCTION & MATERIALS	Space constraints favour vertical development & repurposing opportunities	Greater flexibility allows for innovation and sustainable layouts	Blank canvas for net-zero design, smart infrastructure, and circular systems
PHASING & TENURE	Fragmented delivery; higher proportion of rental and affordable units	Strategic phasing possible; balance tenure mix including family housing	Master planned delivery; opportunity to shape demographic and housing typologies
COMMERCIAL NEEDS	Benefits from proximity to existing employment and retail hubs	Needs local employment zones and retail centres to reduce commuting dependency	Must include employment land and civic uses to support a self-sustaining economy

BEYOND HOUSING

The delivery of over 210,000 dwellings through current new town plans will increase local housing supply by 25% in new town locations. Green New Towns will have the largest impact delivering a 165% uplift in housing supply through the delivery of circa 75,000 homes, followed by City Overspill delivering a 31% uplift and 46,500 homes. While over time, delivery should create market entry opportunities, and positively impact affordability[2] [See Chart], such scale is not feasible across all sites, with Victoria North delivering c.15,000 new homes, and Brabazon's offer equating for mixed-tenure delivery into markets where both owners and renters exceed recommended housing cost thresholds. Each typology should respond to distinct local market needs.

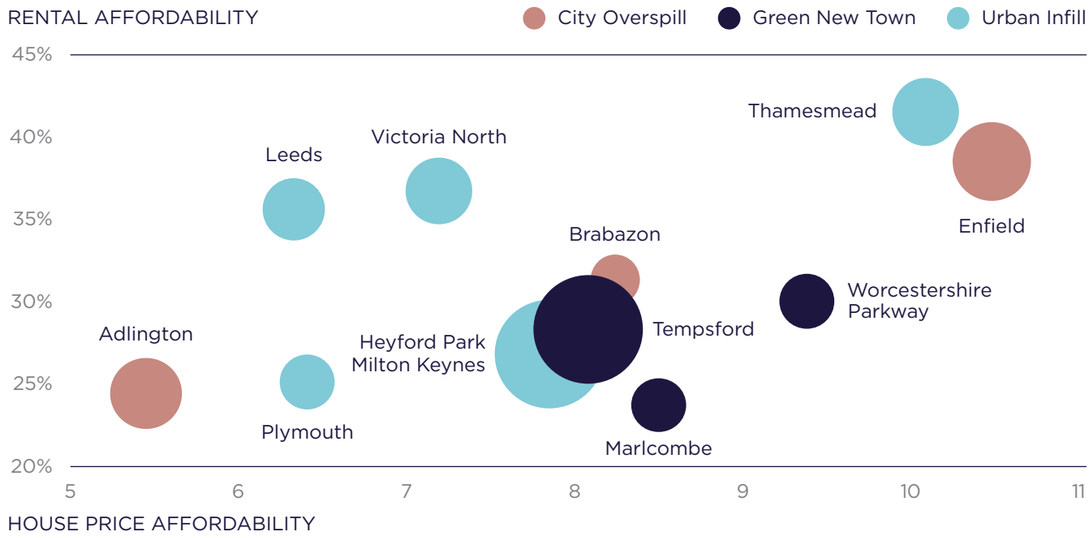
New Towns are not just about adding homes; they are instruments for fundamentally reshaping local economies and delivering better outcomes[3]. At Victoria North, New Town delivery is directly aligned with Greater Manchester's growth sectors in advanced manufacturing, digital and creative industries, and clean growth and the strategic investment zones of Atom Valley and Oxford Road. By expanding the range and affordability of housing, delivery supports graduate retention and attraction, and helps address skills gaps in high-value sectors, while also providing appropriate, affordable options for key workers who keep the city running.

At Brabazon in Bristol, the area's rich manufacturing based is supported further by space for advanced manufacturing, green energy, and defence, creating further agglomeration opportunities. For Green New Towns such as Heyford Park, the economic role is more nuanced but no less important. Strategically positioned between Oxford, Birmingham, and Milton Keynes, Heyford Park is likely to function as a high-quality commuter hub, supplying labour to neighbouring life sciences and tech clusters while supporting new light industrial, convenience, and amenity space.

SUSTAINABLE PLACES

New Towns offer significant opportunities to create economic and social value and deliver new standards[4]. City Overspill locations like Brabazon can reshape out-of-town development, complementing the strength of existing clusters with public realm, the arena and cultural anchors. In Manchester, the areas of Collyhurst and Cheetham Hill are in need of investment. The scale of Victoria should lead to the creation of seven neighbourhoods over the next twenty years, anchored by the City River Park. One of the challenges of urban infill locations will be in the knitting together of the existing and new locations to create opportunities for all. In the case of Heyford Park, the New Town has the potential to set new benchmarks for sustainable residential development, becoming an energy-surplus settlement with leisure facilities, walkable neighbourhoods and extensive nature trails.

HOUSING AFFORDABILITY VS DELIVERY



Source: Cushman & Wakefield, ONS
Note: Bubble size represents quantum of new housing delivery.

Sustainability and biodiversity are central, with energy-efficient homes, renewable energy generation, circular-economy principles, and dedicated green and blue spaces delivering biodiversity net gain. Enhanced transport links, including improved bus routes, upgraded rail infrastructure, and extensive walking and cycling networks will encourage low-carbon travel.

Green New Towns target energy-surplus operations with renewable generation, biodiversity net gain, and low-carbon transport infrastructure. Success depends on whether sustainability ambitions translate into measurable outcomes rather than aspirational principles.

MEASURING SUCCESS

The opportunity that sits around the delivery of New Towns is significant. However, despite the successes of the examples mentioned above, the UK does not have a flawless track record on delivery of social infrastructure projects. The first measure of success is first of all delivery, and secondly in the ability to take communities along the journey of such delivery. While the time horizons for delivery may be long-term, consensus building is a short-term necessity.

New Towns provide a rare opportunity to plan holistically at scale from the outset to ensure that each scheme delivers not only substantial new homes to meet local housing need and accelerate housing delivery, but also unlock labour mobility across wide geographies, improve connectivity, build social capital and set new sustainable standards for the future. This is no small challenge. The change will need to start now.

10

COMPETITIVE TENSION

The attractiveness of the UK as a place to invest is under question. Change is needed to ensure that the UK remains an attractive place to do business, with real estate at the heart of that offer.



The UK presents a paradox. Its genuine structural strengths - timezone, geography, financial services expertise, innovation capacity - remain. Its political soft power is intact[1], as evidenced during the course of 2025, and it remains a beacon of attractiveness to young people[2] for those looking to do business[3]. Structural strengths - timezone, geography, financial expertise, innovation - endure, ranking 3rd for youth attractiveness[4] and 2nd for investment[5].

However, the country faces mounting institutional headwinds that threaten to neutralise these advantages faster than the competition for talent and capital are eroding theirs[6]. Capital costs remain materially higher than comparable jurisdictions[7]; the volatility of business and consumer confidence in advance of the delayed Autumn Budget showed the impact of tax uncertainty; the Immigration Skills Charge while still small, has increased by 32%[8], raising the explicit cost of accessing the global talent that historically differentiated the UK market.

This is more than just cost. The issue is that while cost burdens compound, historical strengths of openness, talent magnetism and regulatory clarity are eroding. The issue isn't demand for UK assets but the systematic constriction of supply-side capacity.

While understanding a country's competitiveness is an ethereal notion, the impact is visible in practice[9] and hard metrics. The UK's competitiveness ranking has fallen 11 places since 2021 to 28th out of 69 in the IMD World Competitiveness Index[10] and sits 32nd out of 38 OECD countries in tax competitiveness[11]. High net-worth individuals are leaving the UK at accelerating rates: 10,900 departed in 2024, a 157% increase on the previous year[12], with 2025 projections even higher.

The London Stock Exchange has seen businesses delist, with IPO numbers remaining anaemic[13]. Private companies are increasingly choosing international listings or remaining private rather than accessing UK capital markets.

FDI project numbers fell 12% to 1,375 in 2024/25, the lowest since 2020[14]. Of these projects, creative and media fell 43%, life sciences 20% and R&D fell 26%.

Furthermore, the competitive intensity is not declining. It is accelerating.



THE TALENT NEXUS

Yet demand for UK assets persists - According to Schroders, US investors allocated £11bn to UK equities in 2025, exceeding all overseas markets, while institutional capital reports 'dry powder' exceeding pre-2019 levels.

The government's implicit AI strategy assumes technology will solve productivity challenges[15]. Yet while the UK is well placed to capture the benefits[16], AI deployment requires precisely what's being constrained[17]: global talent access, diverse semiconductor supply chains, accelerated data centre permitting, and grid capacity[18,19]. Unless the UK can uniquely capture, commercialise, and deploy AI advantage across its economy faster than competitors, the technology will produce global productivity gains but not specifically British ones[20].

The 'Wimbledon Effect[21]' - openness to global talent - previously created virtuous cycles fundamental to UK competitiveness. This architecture is dismantled: settlement periods extended, graduate visas contracted, family reunification restricted to degree-level roles. The cumulative effect is an architecture that dries the talent pipeline[22]. International student numbers have declined after years of growth[23] – even in an environment, where there should be an opportunity to attract talent as a result of policies in the US.

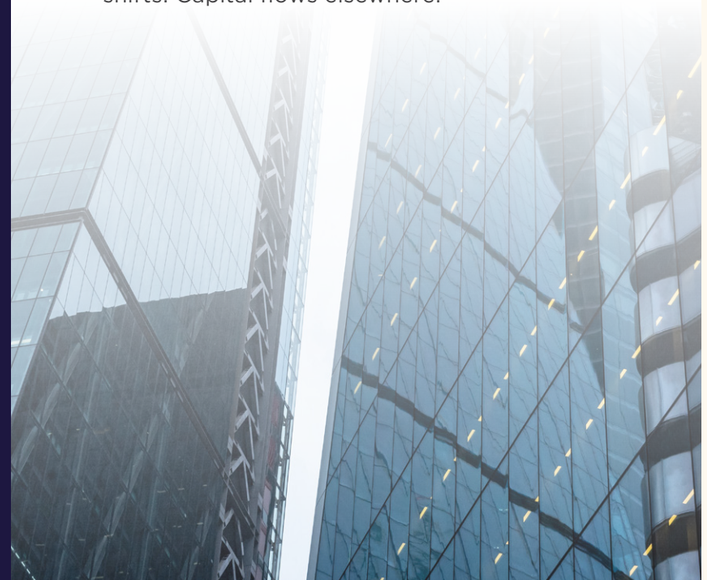
THE ESTATE OF THE NATION

The problem for real estate and capital investment runs deeper.

Businesses looking to enter or expand in the UK report chronic difficulty finding support[24], and appropriate premises in the right locations, regardless of cost[25]. The Ellison Institute of Technology in Oxford demonstrates a formula: UK life sciences employs researchers at 30% lower cost than the US yet requires lab infrastructure and regulatory clarity. Without accelerated planning for research facilities, this cost advantage evaporates in planning delays.

While London remains in theory one of the world's most liquid office markets[26], debt costs have stymied activity for three years[27]. Planning reforms notwithstanding, statutory requirements consume months and large-scale projects proceed at a glacial pace, compounding inefficiency.

This is not a marginal friction. When a company cannot secure appropriate space in suitable locations within reasonable timeframes at sensible cost; when investors face illiquidity; when development is unviable, the calculus shifts. Capital flows elsewhere.



OPPORTUNITY KNOCKS

Yet London's institutional depth remains unmatched; valuations have realigned; regional markets possess infrastructure and talent to capture deferred capital[28]. The institutional investor base remains committed, and valuations have realigned to reflect current conditions rather than theoretical premiums[29].

These frictions create medium-term potential. If planning reform accelerates, if policy uncertainty resolves, if development is made easier, the pent-up demand and deferred investment will flow into jurisdictions offering genuine competitive advantage.

The path forward requires clarity[30]: real estate investment must be decoupled from the broader competitiveness debate and treated as a genuine lever for regional growth and national productivity. By removing friction from real estate development, by signalling genuine commitment to regional productivity, and by positioning UK real estate as part of the solution to the UK's growth challenge, policymakers can attract precisely the capital and talent the country needs. Real estate development is not ancillary to competitiveness recovery, it is foundational to it.



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CONTACTS

RESEARCH

DARYL PERRY
Head of Research & Insight
daryl.perry@cushwake.com

EDWARD BAVISTER
Head of Retail, Logistics and Industrial Research
edward.bavister@cushwake.com

HEENA GADHAVI
Head of Central London Offices Research
heena.gadhavi@cushwake.com

JOSHUA WOOLNOUGH
Head of Regional Offices and Life Sciences Research
joshua.woolnough@cushwake.com

KIRAN PATEL
Head of EMEA Offices Research
kiran.patel@cushwake.com

MATTHEW DENTON
Research Analyst
matthew.denton@cushwake.com

MILLIE HARPER
Head of Living Research
millie.harper@cushwake.com

SECTOR LEADS

ANDY TYLER
Head of Offices
andy.tyler@cushwake.com

DAVID HAYNES
Head of Specialist Markets
david.haynes@cushwake.com

JON LEEDHAM
Head of Retail Logistics & Industrial
jon.leedham@cushwake.com

SERVICE LINE LEADS

ALISTAIR BROWN
Head of Leasing
alistair.brown@cushwake.com

AMY COOPER
Head of Project Development Services
amy.cooper@cushwake.com

ANDIE PENMAN
Head of Asset Services
andie.penman@cushwake.com

JASON WINFIELD
Head of Capital Markets
jason.winfield@cushwake.com

TOM NUTTALL
Head of Valuation & Advisory
tom.nuttall@cushwake.com

REGIONAL MANAGING PARTNERS

CAROLINE BAKER
Regional Managing Partner, North West
caroline.baker@cushwake.com

DOMINIC BOUVET
Head of Retail & Leisure Regional Managing Partner, London & South East
dominic.bouvet@cushwake.com

JON LEEDHAM
Regional Managing Partner, Midlands
jon.leedham@cushwake.com

MURRAY STRANG
Regional Managing Partner, Scotland
murray.strang@cushwake.com

SOPHIA SHAM
Regional Managing Partner, South West & Wales
sophia.sham@cushwake.com

STEPHEN MILES
Regional Managing Partner, Yorkshire & North East
stephen.miles@cushwake.com

WITH SPECIAL THANKS TO

MSCI

WIREDSCORE

ADDITIONAL CONTRIBUTORS

BEN PRETTY
Partner, Strategic Advisory
ben.pretty@cushwake.com

CHARLES DADY
Head of National Offices Leasing
charles.dady@cushwake.com

CHARLES SMITH
Chair of UK and Cross Border Valuation & Advisory
charles.smith@cushwake.com

JAMES DUNNE
Head of Living
james.dunne@cushwake.com

JAMES MEIKLE
Head of London Occupier Representation
james.meikle@cushwake.com

NICOLA GILLEN
Head of Total Workplace & Advisory EMEA
nicola.gillen@cushwake.com

RICHARD EVANS
Head of Logistics and Industrial
richard.evans@cushwake.com

RICHARD PICKERING
Director of Strategic Foresight & Intelligence EMEA & APAC
richard.pickering@cushwake.com

RICHARD WOMACK
Head of West End Capital Markets
richard.womack@cushwake.com

TONY COMBER
Head of Building Engineering Services and Sustainability Lead
tony.comber@cushwake.com

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ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles*, the firm receives numerous industry and business accolades for its award-winning culture.

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Appendix 6 - Bradford New Build Housing Developments 2020-25

Development & location	Development Description (Quantum, Tenure, typology, density)	Revenue/Pricing achieved	Timing of delivery (Start and end of sales)	Developer	Comments (eg any known public sector roles)
Northbeck Grange, Bradford	Development 167 units of 2-, 3- and 4-bedroom homes in Bradford. The gross area of the site is approximately 5.30 ha, which was calculated to have a net developable area of 4.37 ha in a viability assessment conducted by Allsop. The site delivered 31.5 dwellings per ha. The scheme consisted of 100% market housing after negotiating out of any Section 106 contributions.	Average Sale Price at the scheme was £192,149 at an average size of 758 sq ft. This equates to £254 per sq ft.	Sales started in June 2022 and ended in December 2024.	Gleeson Homes	Located on the former Grattan Factory site which was one of the biggest brownfield sites Bradford District.
Woodlands View, Ashbourne	Scheme comprised of 145 dwellings across 18 four beds, 107 three beds and 20 two bed homes. The scheme mirrored the land use and housing design set out in the Canal Road Urban Village Ltd. (CRUVL) Masterplan. The scheme converted 5.66ha of brownfield land into a housing development, equating to 25.6 dwellings per hectare.	Average sale price at the scheme was £210,108 at an average size of 968 sq ft. This equates to £217 per sq ft.	Sales started in July 2020 and ended in November 2022.	Keepmoat Homes & CRUVL	Woodlands View is part of New Bolton Woods Phase 3 which received £3,600,000 of WYCA funding from the Local Growth Fund. This represented 13.99% of total scheme costs.
Tempest Square, Tyersal	The scheme comprises 270 homes over 22.487 acres which equates to 12 dwellings per hectare.	Average sale price at the scheme was £168,413 at an average size of 799 sq ft. This equates to £211 per sq ft.	Sales started in January 2021 and ended in December 2024.	Gleeson Homes	Gleeson have requested that 15% of the units are sold via “Help to buy” or Gleeson’s own shared equity sale scheme. The shared equity units were to be sold at “below market rent”. The profitability of the scheme is to be reviewed at the first occupation of

					the 90th dwelling, and again at the 170th dwelling as stipulated within the section 106 agreement.
The Bridleways, Eccleshill	The scheme comprises of 278 units and features 3- and 4-bedroom homes.	Average sale price at the scheme was £254,512 at an average size of 924 sq ft. This equates to £276 per sq ft.	Sales started in December 2020 and ended in December 2024.	Barratt Homes	Barratt made a £1,000,000 contribution to the council.
Vision	The scheme comprises of 311 units as a mix of 2-, 3- and 4-bed.	Average sale price at the scheme was £223,335 at an average size of 921 sq ft. This equates to £243 per sq ft.	Sales started in October 2020 and ended in December 2024.	Keepmoat Homes	Under a Section 106 agreement Keepmoat have allocated 119 affordable units across the Vision and Pinnacle development.
Calverley View	The scheme comprises of 128 units as a mix of 2-, 3- and 4-bed homes.	Average sale price at the scheme was £184,410 at an average size of 763 sq ft. This equates to £242 per sq ft.	Sales began in May 2021 and ended in December 2024.	Gleeson	Gleeson's 'Community Matters' programme states that they engage local communities and contractors in their developments, as well as supporting local schools.
Westminster View, Clayton	The scheme comprises 99 dwellings across 2.41 hectares, which equates to 41 dwellings per hectare. The breakdown of the private market dwellings consists of 4 2-beds, 43 3-beds, and 32 4-beds. The private market dwellings are either detached or semi-detached. The dwellings are primarily 2 storeys in height but	Average sale prices at the scheme were £266,650 at an average size of 1013 sq ft. This equates to £263 per sq ft.	Sales started in July 2020 and ended in August 2024	Barratt Homes	Section 106 agreement comprises of 20 affordable housing dwellings comprising of 2-bed houses on plots 3 to 12 and 14 to 23. The affordable units are a mix of semi-detached and

	17 dwellings are 2 ½ storeys in height.				terraces of 3 dwellings.
Pinnacle, Lower Grange	The scheme comprises 292 new homes. The units are a mix of 2-, 3- and 4-bed homes, and some affordable units.	Average sale prices at the scheme were £220,090 at an average size of 892 sq ft. This equates to £247 per sq ft.	Sales started in July 2020 and ended in February 2025	Keepmoat	Keepmoat have implemented a First Homes Contribution and under a Section 106 agreement Keepmoat have allocated 119 affordable units across the Vision and Pinnacle development.
Brompton Fold	The scheme comprises of 267 dwellings spanning across 29.382 acres, which equates to approximately 25 units per hectare.	Average sale prices at the scheme were £271,588 at an average size of 989 sq ft. This equates to £275 per sq ft.	Sales started in May 2020 and ended in December 2022	Miller Homes	S106 The affordable housing required is 15% and equated to £1,926,006, parties agreed instead of providing affordable housing to pay the lump sum to the Council
Cote Farm	The scheme comprises of 206 homes of a mix of 2-, 3- and 4-bed.	Average sale prices at the scheme were £279,262 at an average size of 998 sq ft. This equates to £280 per sq ft.	Sales started in November 2020 and ended in October 2024	Persimmon Homes	Persimmon Homes agreed to pay between £2.4 million to £2.7 million in Section 106 obligations to Bradford City Council.
Hewenden Ridge	The scheme comprises of 135 homes of a mix of 3- and 4-bed, either detached or semi-detached.	Average sale prices at the scheme were £227,449 at an average size of 1002 sq ft. This equates to £227 per sq ft.	Sales started in July 2020 and ended in September 2021	David Wilson Homes	The section 106 agreement outlines 47 units as affordable housing.

King Charles walk	The scheme comprises of 30 dwellings spanning across 1.977 acres, which equates to approximately 38 dwellings per hectare. The units are a mix of 2- and 4-bed homes.	Average sale prices at the scheme were £273,333 at an average size of 1080 sq ft. This equates to £253 per sq ft.	Sales started in November 2021 and ended in March 2023	Chartford Homes	Section 106 agreement states the developers had to pay a £73,142 greenspace contribution, MetroCard Contribution and a pond contribution
Kings Park	The scheme comprises of 180 dwellings spanning across 22.981 acres, which equates to approximately 19 dwellings per hectare.	Average sale prices at the scheme were £314,244 at an average size of 1108 sq ft. This equates to £284 per sq ft.	Sales started in July 2020 and ended in April 2025	Miller Homes	Section 106 outlines that 15% of the dwellings are to be Affordable Units of which 40% are to be Sub-Market/ Intermediate Affordable Units and 60% are to be Social Rented Affordable Units.
Squirrel Fold	The scheme comprises of 160 homes. The units are a mix of 2- , 3- and 4-bed homes. 40 two bed homes, 101 three bed homes and 19 four bed homes, 32 affordable homes as well as two areas of public open space. The scheme spans across a 16.5-acre site, which equates to approximately 24 homes per hectare.	Average sale prices at the scheme were £225,524 at an average size of 798 sq ft. This equates to £283 per sq ft.	Sales started in February 2024 and ended in December 2024	Gleeson Homes	32 homes out of the 160 are classed as affordable as part of the S106 agreement.
Hareton Way	The scheme consists of 51 dwellings- all Affordable Housing- spanning across 5.493 acres, which equates to approximately 23 dwellings per hectare.	Average sale prices at the scheme were £173,625 at an average size of 1120 sq ft. This equates to £155 per sq ft.	Sales started in July 2020 and ended in January 2023	Bradford City Council	All 51 dwellings on this site are Affordable Housing, with a mix of rent and sale. 30 residents living close to the scheme raised formal objections.

Busfield Court	The scheme is an 8-unit development in Riddlesden, spanning across 0.487 acres, which equates to approximately 41 dwellings per hectare.	Average sale prices at the scheme were £254,929 at an average size of 1142 sq ft. This equates to £223 per sq ft.	Sales started in October 2022 and ended in September 2023	Clough Hey	Busfield Court is the site of the Former Methodist Church, which has been disused and overgrown for a number of years. 11 objections were received, raising concerns about parking, overdevelopment of the site and fears of a reduction in the value of neighbouring homes.
Branshaw Park	Branshaw Park is a 124-unit scheme by Persimmon comprising of two, three and four bedroom homes.	Average sale prices at the scheme were £213,402 at an average size of 934 sq ft. This equates to £228 per sq ft.	Sales started in July 2020 and ended in December 2022	Persimmon Homes	Persimmon were served a notice for failing to use a wheel washer for construction vehicles leaving the site. In addition to this, the scheme received more than 150 objections from the local community. It doesn't appear that the scheme received any public funding.
Odette's Point	A 135 unit development by Avant Homes, comprises of three ,four and five bed homes approximately 8 miles from Bradford city centre. The site is approximately 11.671 acres in size which equates to 11.56 units per acre.	Average sale prices at the scheme were £240,255 at an average size of 1062 sq ft. This equates to £226 per sq ft.	Sales started in April 2024 and ended in December 2024	Avant Homes	The scheme included 20 affordable homes which were delivered in conjunction with Avant Homes England and Bradford Council.

Appendix 7: Best Practice in Urban Placemaking in England

Best Practice in Urban Placemaking in England

C&W have analysed the following list of case studies of best practice in Urban Placemaking across the UK.

- Brents Cross, Cricklewood.
- Climate Innovation District, Leeds
- Kellam Island, Sheffield
- Leeds Docks (Guiness Partnerships), Leeds
- Merchants Gate, Wakefield
- Welsh Streets, Liverpool
- Salford/ Northern Quarter, Manchester
- Ouseburn, Newcastle
- Tottenham Hale, London
- Northshore, Stockton-on-Tees

These schemes are shown in a national context below:

Map of Best Practice Examples



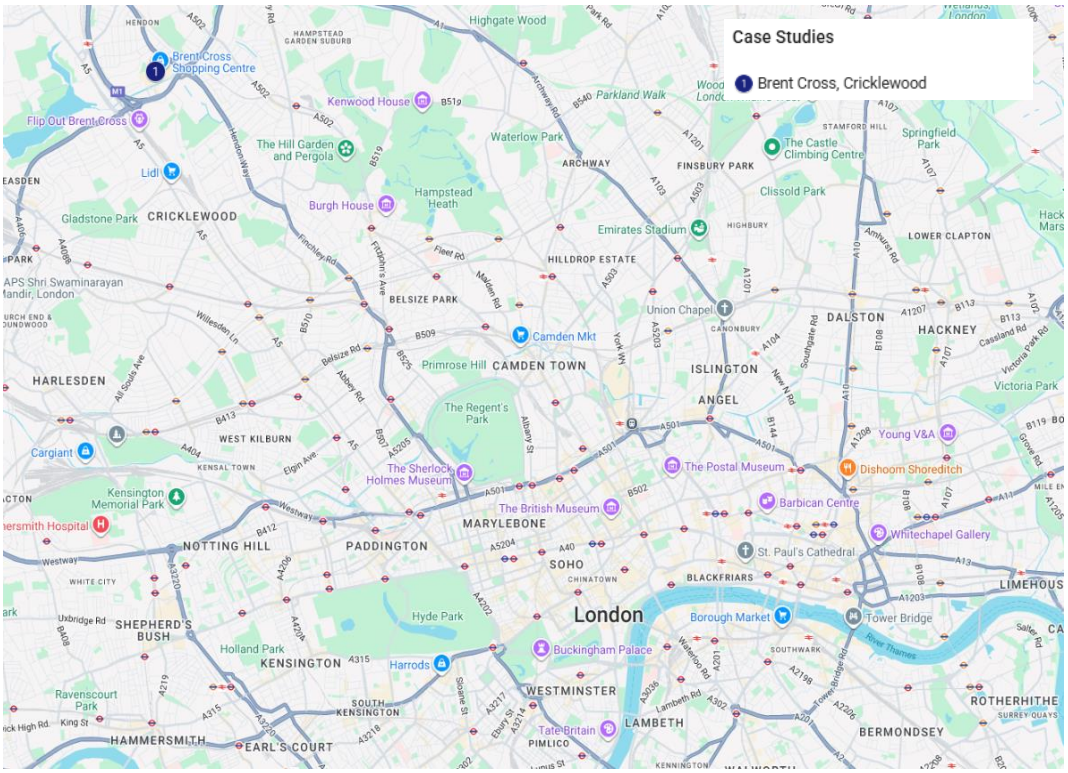
The case studies reviewed in this appendix are across a range of residential development typologies and tenures to show the difference routes to market that could be used to bring forward housing within the study area in Bradford City Centre and the Canal Road Corridor.

Brent Cross Cricklewood

Location

The Brent Cross scheme is a major regeneration project located in the London Borough of Barnet, between the areas of Hendon and Cricklewood. The scheme spans across 141 hectares in between Brent Cross West and Brent Cross Flyover and is approximately 5.82 miles from the centre of London (Trafalgar Square). The area has good transport links, with the scheme establishing the creation of Brents Cross West train station, which purposes reaching the centre of London in 15 minutes. Additionally, the A406 lies 0.25 miles North of the station and provides access to other areas of London such as Chiswick and Beckton. The A5, which boasts connections from London through to Wales, is also situated in close proximity, directly behind the station to the South-West.

Location Plan



Source: Google My Maps,2025.

Scheme Description

Brent Cross is among the largest regeneration schemes in the UK, costing a total sum of approximately £4.5 billion. The scheme comprises a comprehensive mixed-use redevelopment, including 6,700 new homes, 3 million sq ft of new office space, and 50+ acres of green spaces, intending to create 27,000 job opportunities and wider economic benefits in the local area.

6,700 new homes are set to be built under the Brents Cross scheme with a variety of tenures, including market/ private sale homes, BTR (over 500 planned), affordable housing, student accommodation, co-living units (over 300 planned) and retirement living.

The masterplan for Brent Cross Cricklewood Regeneration covers 141 hectares (370 acres) and is split into two parts. The first phase of construction began in 2015, with six further phases of development planned over a 20-year period, and the scheme's current portfolio of successes includes the creation of Brent Cross West train station in 2023, connecting to Central London in as little as 12 minutes, and a new

overbridge allowing pedestrians and cyclists to cross the Midland Main Line for the first time in over 150 years. A major road and public transport improvements, new cycling, walking and bus routes, and a new station on the Thameslink line, are also part of the vision to improve local connections to central London and beyond.

Image of Development



Source: Transforming Brents Cross

Partners Involved in Delivery and Delivery Mechanism

Hammerson and Aberdeen Standard Investments are set to deliver the northern half of the site, Brent Cross North, while Barnet Council, in partnership with Related Argent, will deliver the new Brent Cross Town.

Related Argent, the developers of the scheme, aim to create fully integrated new neighbourhoods rather than estates, which aligns with the masterplan for Brents Cross. The company formed in 2015 as a joint venture between Argent and Related Companies, and now operate not only as a developer, but they also own, manage and operate spaces. Their work spans from residential to workspace/offices, retail, hospitality, leisure and also schools, which is relevant for the breadth of the Brents Cross scheme. Related Argent have completed similar large-scale projects, such as Tottenham hale.

Investment into Scheme

The new Brent Cross West Station and associated rail works have been funded as part of a £418 million government grant funding agreement with the Ministry of Housing, Communities and Local Government. Additionally, a £148 million loan funding for Brent Cross South development was allocated from the government's £4.5 billion Home Building Fund, which was established to enable schemes to invest in infrastructure necessary to speed up the construction of thousands of new homes in the capital. A substantial sum of £319.5 million was allocated for the New Brent Cross West Station and critical infrastructure, funded by Government grant to Barnet Council via the Housing Infrastructure Fund, and earlier government investment of £97 million in 2016 was also granted for early phases of the scheme. Funding was also obtained from the government Green Heat Network Fund to enable low-carbon energy/heat network for brent Cross Town, with a sum of £14 million.

Key Successes and Why Applicable to Bradford

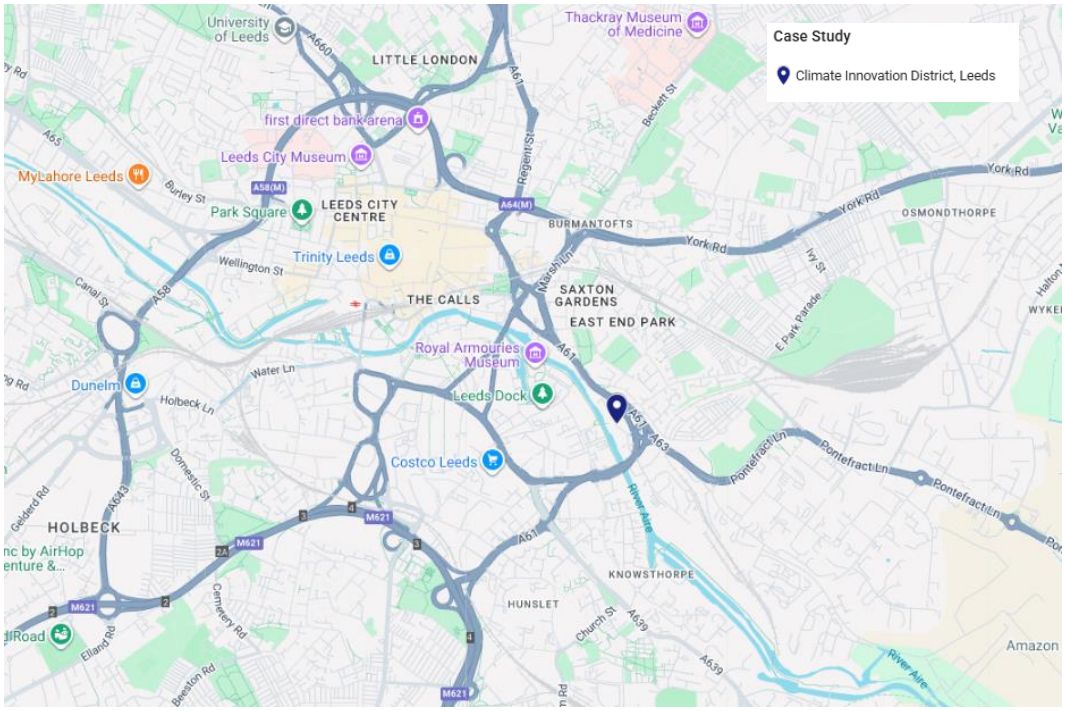
Brent Cross shows how large, complex regeneration can turn underused urban land into thriving mixed communities by combining housing with infrastructure, transport, and placemaking. Bradford can draw lessons from this in shaping its own large-scale housing growth, especially around brownfield reuse, infrastructure-first planning, and creating balanced, long-term neighbourhoods.

Climate Innovation District, Leeds

Location

The Climate Innovation District, Leeds is situated approximately 1 mile South-East from Leeds City Centre on a former industrial brownfield site. Access to and around the site includes the A61 and A63, which provide efficient access to inner and outer Leeds and other centres. The area surrounding the site has a range of amenities and services such as Crown Point Shopping Centre, Costco, Trinity Leeds Shopping Centre and a number of pubs and restaurants.

Location Plan



Source: Google MyMaps

Scheme Description

The Climate Innovation District scheme is a low-carbon, mixed-use regeneration designed with a car-light model on former industrial brownfield land spanning over 2.4 hectares. The scheme includes extensive sustainable urban drainage (SuDS), particularly flood resilient designs and surface-water management due to the nature of the area being by the river and the likelihood of flooding, which was deemed necessary particularly after significant flooding to the River Aire on Boxing Day in 2015.

The scheme will be delivered in phases and will eventually deliver over 800 units, comprising of a mix of 1-4 bed apartments and 2-4 bed townhouses of a mixed tenure model. Early phase townhouses will be private ownership. Phase 2 consists of an 87-unit residential development for private sale primarily, but some will be for rent (although there is no exact figure). 16 units in phase 2 will be affordable housing, comprising of 9 rented, 7 discounted equities.

Image of Development



Source: White Arkitekter, 2025

Partners Involved in Delivery and Delivery Mechanism

The scheme has been developed by CITU, a Yorkshire-based developer focused on low-carbon, offsite-manufactured homes and sustainable neighbourhoods. CITU focuses on regenerating brownfield/ industrial sites and using MMC (modern methods of construction) such as timber-framed panels and offsite manufacture, often produced in their Yorkshire factory. Citu worked closely with both Leeds City Council and the University of Leeds on developing the vision and concept for low carbon housing, and public sector partners comprising Leeds City Region / the CA and Homes England have supported the scheme through funding.

Investment into Scheme

The scheme was granted public funding from the Leeds City Region Revolving Investment Fund, which allocated £7.7 million, and further funding from the Public Sector Decarbonization Scheme, which granted £4.3 million. WYCA funded £1.25 million for Phase 1b of the scheme, which consists of the development of 142 homes, through the Brownfield Housing Fund. Further funding was secured from Maslow Capital, who provided £18 million Development Loan to support Citu's development of District Lofts, which would provide 87 residential units within the broader scheme.

Key Successes and Why Applicable to Bradford

The Climate Innovation District is an example of sustainable placemaking, repurposing a central brownfield site into a green, mixed-use neighbourhood with low-energy housing. The scheme promotes sustainability in everyday life, focusing on transport and energy efficiency.

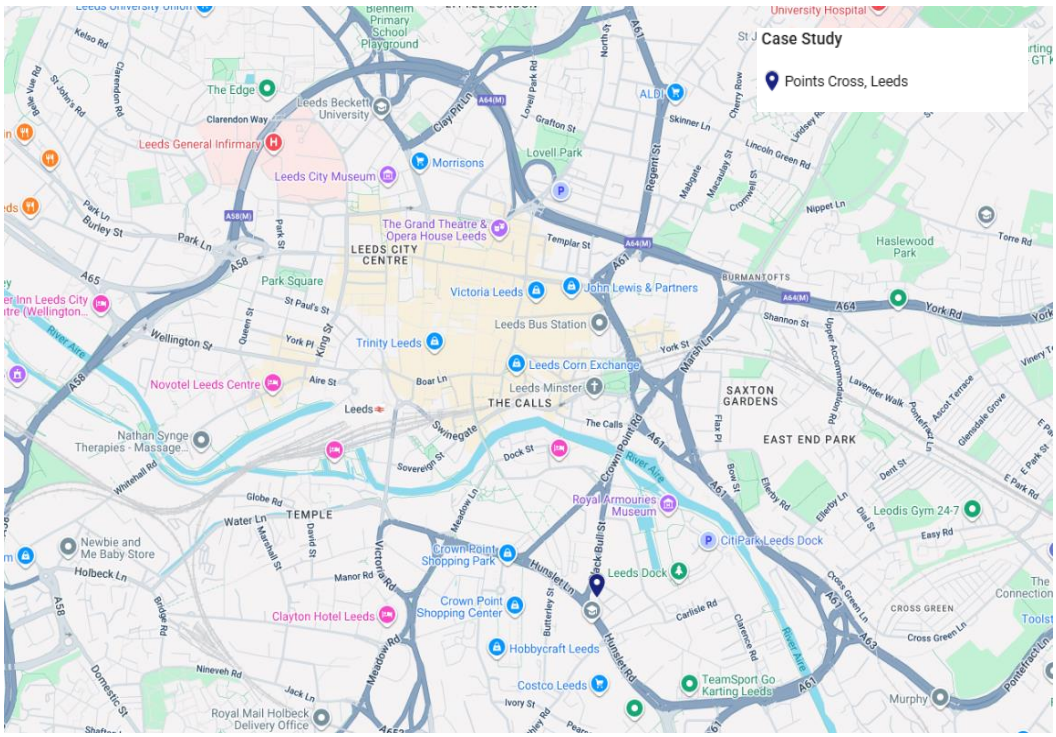
The use of industrial land is highly relevant for Bradford. Bradford has extensive brownfield and former mill land close to the city core and rail corridors. The Climate Innovation District shows that land can be repurposed into housing rather than defaulting to urban sprawl. In addition, the creation of green space and an urban park as part of the place making strategy was key to unlocking the values achieved in the sale of the homes that have been created.

Points Cross, Leeds

Location

Points Cross is situated approximately 0.85 miles South of Leeds City Centre on a former industrial brownfield site. The scheme has good transport connections to the A61, 0.4 miles from the site and provides access to nearby cities such as Sheffield, Barnsley, Wakefield and Harrogate. The site is also situated 0.6 miles from the A63, which has connections to Kingston upon Hull. The area surrounding the site has a range of amenities and services such as Crown Point Shopping Centre, the Royal Armouries Museum, Leeds Train Station (0.6 miles away) and Leeds Bus Station (0.55 miles away).

Location Plan



Source: Google My Maps, 2025

Scheme Description

Points Cross is a large-scale mixed-tenure urban regeneration project situated on the Southern fringe of Leeds city centre, focusing on sustainable design apartment blocks, with heights varying from 6-20 storeys.

The scheme aims to deliver 920 new homes across 5 phases, with 35% of the tenure consisting of affordable housing, rising from initial plans that cited 5%. Phase One alone delivered 318 shared ownership homes, available at 40-75% ownership. Unit mix in Phase One is as follows:

- 58 x 1-bed apartments
- 95 x 2-bed apartments
- 16 x 3-bed apartments
- 24 x 3-bed duplexes

Early phases adopted features such as photovoltaic panels, rainwater systems, EV charging and car-sharing schemes to achieve the scheme's sustainability targets.

The scheme has transformed a former car dealership industrial brownfield site.

Figure 3.7: Image of Development



Source: Guiness Partnership, 2025.

Partners Involved in Delivery and Delivery Mechanism

The scheme was built by United Living New Homes, contracted by The Guinness Partnership, who oversaw the general development of the scheme. The Guinness Partnership is one of the largest affordable housing providers in England, operating as both a housing association and a developer, delivering homes across a range of tenures, such as social rent, affordable rent, supported housing, and shared ownership. They are a not-for-profit organization, and Points Cross is the largest scheme in their portfolio. Homes England has involvement by funding the scheme to ensure its development, and Leeds City Council gave support under the Leeds Affordable Housing Growth Partnership Action Plan. There has also been a Brownfield Housing Fund grant provided by West Yorkshire Combined Authority.

Investment into Scheme

Public funding was secured specifically for phase 2 of the scheme from the West Yorkshire Combined Authority (WYCA) Brownfield Housing Fund allocated £3 million, and £2.75 million from the same fund for phase 1. Additionally, Homes England allocated £224 million to The Guinness Partnership to enable the delivery of 4,500 homes nationwide, however due to the scale of the fund it is unclear how much it was allocated for Points Cross.

Key Successes and Why Applicable to Bradford

Points Cross represents a large-scale residential development project that has been delivered within an inner urban area that has some comparable characteristics to the Bradford study area. It is interesting for the fact that it is 100% delivered by a registered housing provider as a predominantly affordable housing scheme, albeit with a mix of different affordable homes typologies. It demonstrates the capacity for affordable housing led regeneration and given the scale of affordable home requirements in Bradford, it could be an indication of the sort of scheme that could be brought forward in Bradford. It is too early to determine whether it has had a catalytic effect on the surrounding area of the South Bank however it has been successful in respect of delivering a large quantity of homes at pace.

Northern Quarter, Manchester

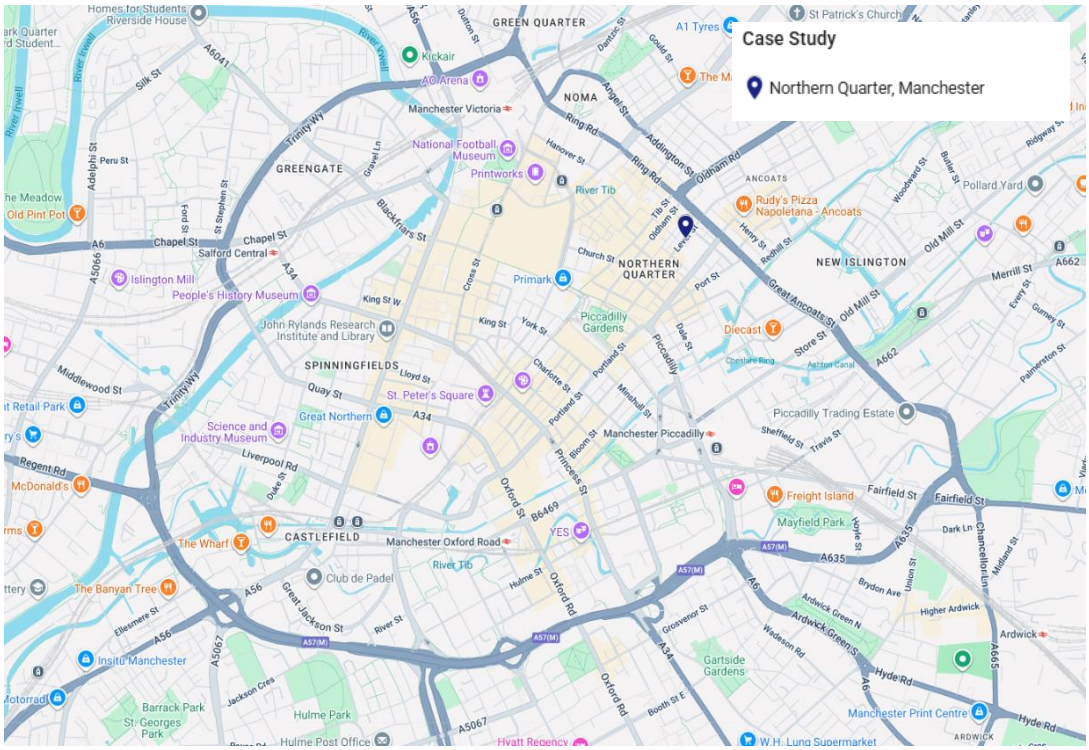
Location

Northern Quarter is situated within Manchester city centre, 0.4 miles North of Manchester Picadilly train station and under 0.2 miles South-west of the A62, which has connections to Leeds through Huddersfield and Marsden. The area surrounding the scheme provides a range of services and amenities, such as the Arndale Centre, the Piccadilly Street Food Market, Piccadilly Gardens and a range of restaurants, pubs and bars.

Northern Quarter is historically an industrial/ warehouse district, with the scheme enabling a transformation. As a result of the regeneration process, Northern Quarter has established itself as a modern, creative and innovative area and is now considered one of Manchester's most desirable and walkable neighbourhoods. With city centre population forecasted to reach 250,000 by 2030, regeneration has been necessary to provide more residential units in the area to meet an influx of demand.

The Northern Quarter area prides itself on its Victorian architecture, which has been important to consider amongst regeneration. The long-term effects of the 1996 Manchester bombing was a motivation to find new economic opportunities and revitalize the city's central areas.

Location Plan



Source: Google My Maps, 2025

Scheme Description

Intending to target young professionals, a 1.54-acre site saw the development of a build-to-rent mixed use scheme comprising over 300 new homes, 20% of which affordable housing (60 units) and two new build 10- and 12-storey apartment blocks housing a mix of 1-, 2- and 3-bedroom apartments. Two ground-floor commercial spaces have been constructed to support small independent retailers, and the creation of 4 new public squares/open spaces to meet the council's intention to encourage spaces for the community to use. The council required high standards of sustainability and low carbon design.

'The Joinery' is a 261-unit build-to-rent development included in the wider regeneration of Northern Quarter, on a brownfield site that was formerly occupied by a canal wharf, petrol filling station, textile warehouse. This development intends to attract through the creation of high-quality shared amenity

gardens and roof terraces, and the broader design seeks to reflect the bohemian style, industrial heritage of the Northern Quarter.

Image of Development



Source: Place Northwest

Partners Involved in Delivery and Delivery Mechanism

Manchester City Council are a significant partner in the scheme as the landowner, overseeing the redevelopment of Northern Quarter. In 2024, Glenbrook purchased the former car park unit and now operate it.

The Joinery was developed by Axis Real Estate in partnership with Marco Living. Funding was provided by City Developments Limited. United Living New Homes- a subsidiary of United Living- were the building contractor who delivered the scheme. They specialise specialises in affordable housing, sustainable solutions, new build, planned maintenance, low carbon retrofit, extra care & land funding opportunities, building both large- and small-scale developments.

Investment into Scheme

While the scheme has largely been privately funded by City Developments Limited (CDL) for £75.6 million, there is noted potential for the affordable housing contribution within the Northern Quarter scheme to be subsidised, but this has not yet been confirmed.

Key Successes and Why Applicable to Bradford

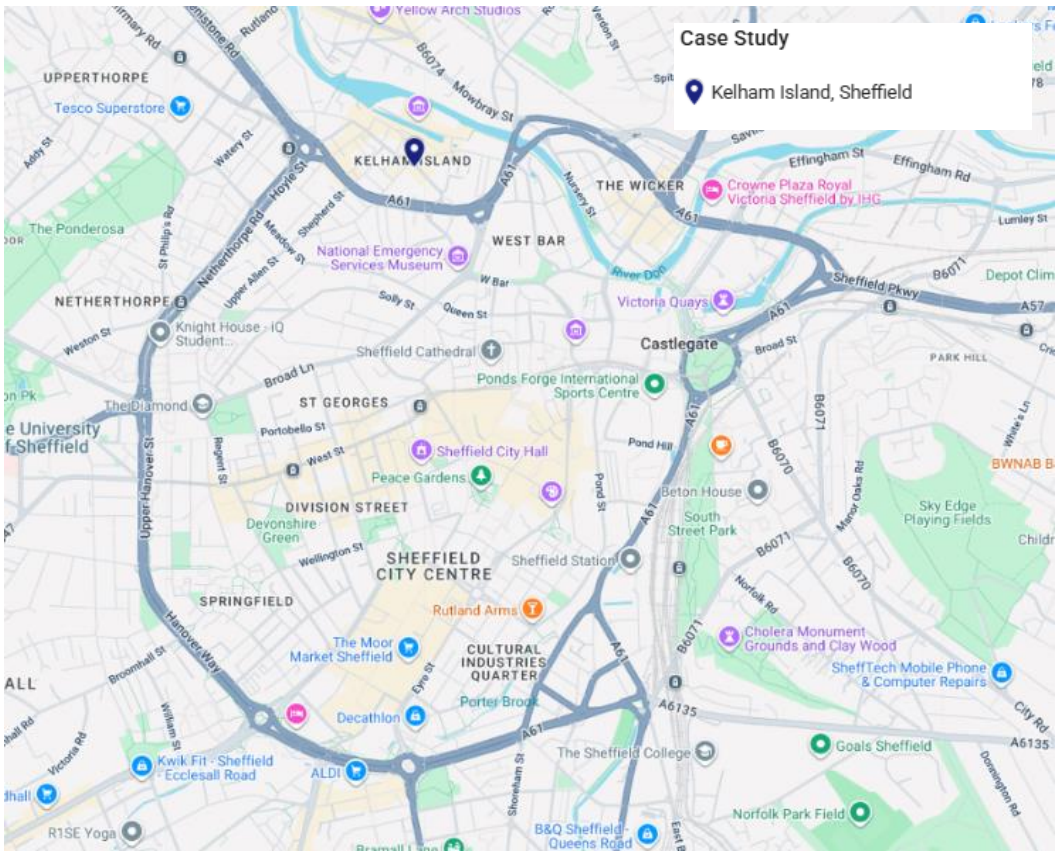
Its approach has leaned heavily on adaptive reuse, infill, and sensitive new builds. The redevelopment of the northern quarter has changed the demographics of the area, enticing more affluent people to the area, however this is reported to have had a negative impact on the previous residents of the area, as house prices/rental prices have increased as a consequence. The Northern Quarter focused on enhancing the qualities of the area rather than a comprehensive redevelopment of the area. A similar approach in the centre of Bradford could be adopted but recognising the need to balance housing growth and provide an appropriate mix for new and pre-existing residents.

Kellam Island, Sheffield

Location

Kelham Island is located approximately 0.6 miles North of Sheffield city centre and is situated to the South of the River Don. The now redeveloped area formerly consisted of an abandoned industrial brownfield site and identified with a long history of industrial innovation, particularly steelmaking. In 1985 the site became one of the first industrial conservation areas in the UK, and restoration began in the 1990s, anchored by the Kelham Island Museum to embody the industrial heritage of the area.

Location **Plan**



Scheme Description

The Kelham Island “Quarter” covers around 15-20 hectares of land. The scheme boasts a range of developments to address the ambition of sustainable regeneration, such as Cornish Place, which focuses on the restoration of mills converted into 100 loft-style apartments, and he Little Kelham scheme which focuses on low-carbon sustainable homes. Kelham Island has also seen the establishment of Central Quay, a student residential building owned by Unite.

The masterplan for the scheme illustrates plans for over 3,000 new homes with a variety of tenures, including affordable flats, executive apartments, student/ key worker accommodation, 350 build-to-rent homes, new build blocks ranging from 1-3 beds, some modern townhouses and the conversion of former mills into apartments.

The Kelham Island Museum anchors the district and celebrates the area’s industrial heritage, reinforcing the rich industrial history of Kelham Island. Kelham Island has also seen the establishment of a series of new housing developments ranging to eco-friendly new builds, such as Kelham Central and Dun Works.

The scheme is home to Kelham Riverside, a development by the Raven Group of mixed-use buildings, apartments, bars and restaurants and commercial space. The proposal for Kelham riverside includes the demolition of former industrial sites to open out the River Don, and in their place construct around 145 private apartments, 200 student flats and a public square.

Image of Development



Source: CITU, 2025

Partners Involved in Delivery and Delivery Mechanism

The Little Kelham and Kelham Central schemes were developed by Citu, who acquired Little Kelham in 2012 to create a low-carbon development. Citu focus on regenerating brownfield/ industrial sites and transforming them into low-carbon, climate conscious neighbourhoods. Citu are a Yorkshire-based developer who employ MMC (modern methods of construction) such as timber-framed panels and off-site manufacture, often produced in their own factory. Their portfolio includes similar carbon-conscious developments such as the Climate Innovation District, Leeds.

Raven Group and Axis architecture developed the Kelham Riverside scheme within the wider Kelham Island, and Sheffield City Council is leading a phased, incremental transformation of the district, focusing on heritage-led renewal of historic steelworks and mills such as Cornish Place, Brooklyn Works and Green Lane Works.

Investment into Scheme

Sheffield City Council received £37 million in government funding for projects that include the Castlegate and Attercliffe regeneration, and a further £8 million loan from South Yorkshire Pension Fund was acquired for early phases of the scheme. Via the UK Shared Prosperity Fund, Sheffield City Council was allocated £15.5 million from South Yorkshire Mayoral Combined Authority (SYMCA). Specifically in the example of Kelham Central, a £16.5 million loan was obtained from Aldermore to Citu.

Key Successes and Why Applicable to Bradford

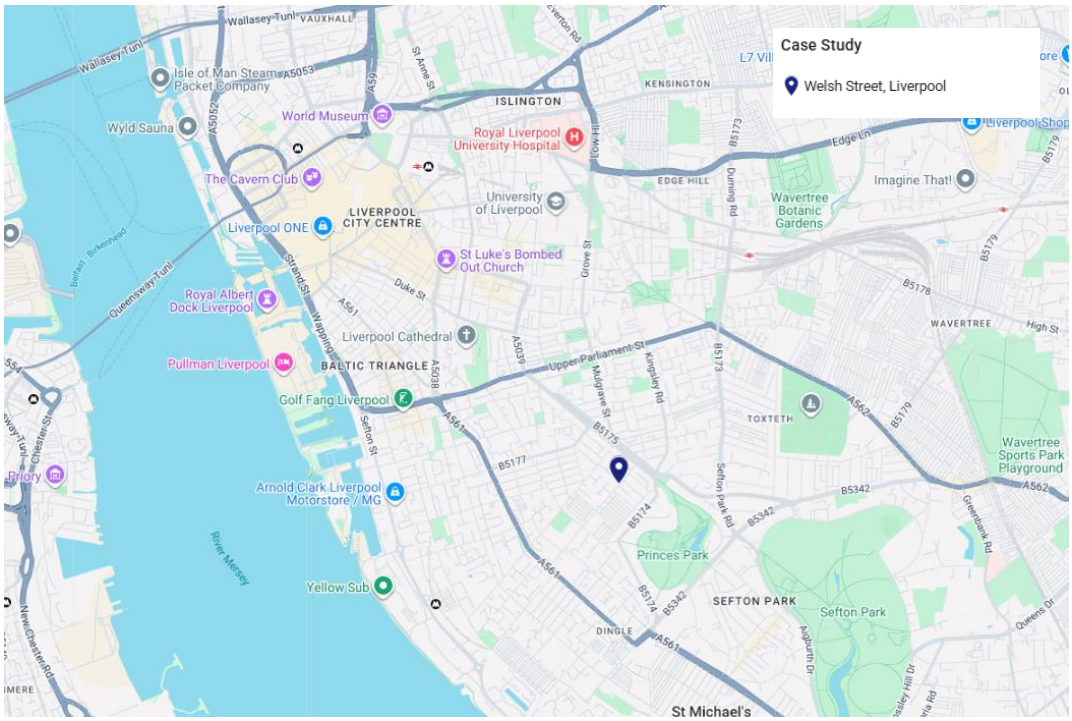
The regeneration of Kelham Island, specifically the Little Kelham and Kelham Central CITU schemes represent high quality design and environmental ambition. Importantly, they have contributed to raising the profile of Kelham Island, as a desirable, contemporary, mixed-use neighbourhood. Furthermore, the long-term vision of transforming Kelham Island over a long period of time has led to the gradual redevelopment which has led to organic growth in the community. The typology of homes, with a focus on small urban town houses built to a high density filled a gap in the market in respect of the availability of houses close to the city centre, and this could potentially be a useful model that Bradford could seek to target.

Welsh Streets, Liverpool

Location

The Welsh Streets scheme is located approximately 1.4 miles South-East of Liverpool city centre, and 1.3 miles East of the River Mersey. The Welsh Streets have good transport connections to the A561, which lies less than 0.4 miles South-West of the streets and runs through Liverpool. The area surrounding the streets has a range of amenities and services, such as Liverpool Lime St Train Station (1.5 miles North), a youth and community hub, allotments, Tesco Extra, Princes Park and play area.

Location Plan



Source: Google My Maps, 2025.

Scheme Description

The Welsh Streets are a group of Victorian terraced streets, built in the 1870s to house Welsh migrant workers. By the late 20th Century, many homes had fallen into disrepair, with some vacant for decades. Early 2000s plans proposed demolition, but this was highly controversial. The collapse of HMRI funding for the plans spurred the emergence of plans for redevelopment.

The regeneration sought to preserve heritage by retaining the character of the Victorian terraces whilst providing modern homes. The scheme also planned to provide public green spaces. Hundreds of existing terraces were retrofitted with new insulation, open-plan layouts, modern kitchens, bathrooms and improved gardens.

296 build-to-rent homes were refurbished as a result of the scheme, with 127 being either affordable rent or shared ownership. The refurbished homes were not sold on the open market- the scheme's developer Placefirst manages the properties as a landlord. Some homes were merged into larger family homes to accommodate the housing needs of the local area. Gaps left by demolished or uninhabitable terraces were redeveloped with new houses and departments, and 1.24 acres of landscaped communal areas were introduced.

Image of Development



Source: Historic England, 2021

Partners Involved in Delivery and Delivery Mechanism

Placefirst developed the 296 build-to-rent homes. Placefirst is a UK property company specialising in build-to-rent neighbourhoods, particularly through the refurbishment of older houses and the delivery of long-term rental communities. They manage the properties as a landlord. Previous similar examples of their work include Barkerhouse Road, Nelson (Lancashire), which saw the transformation of derelict streets into energy-efficient rental housing. Homes England are a non-departmental public body that partnered with Liverpool City Council to contribute funding towards the scheme to assist Placefirst with development.

SAVE Britain's Heritage, whilst not an official partner in the scheme, is named as a driving force in the regeneration of the area; following plans of demolition, the heritage group led a successful campaign, involving purchasing a house, and won a public enquiry in 2014 to protect the Welsh Streets and ensure their redevelopment.

Plus, Dane Housing is a housing association operating across Merseyside and Cheshire. They transformed 127 of the terraced houses on the Welsh Streets, in a three-phase project in partnership with Homes England and Leeds City Council. They own and manage around 13,500 homes and deliver affordable rent, shared ownership, and supported housing.

Investment into Scheme

Public funding was obtained only for the 127 Plus Dane affordable rent and shared ownership units only and consisted of a £1.7 million grant from Liverpool City Council and £4 million from Homes England.

Key Successes and Why Applicable to Bradford

The Welsh Streets are a strong example of how to revitalise a deteriorated inner-urban Victorian terrace neighbourhood by combining heritage conservation, infill design, energy upgrades and community-oriented planning.

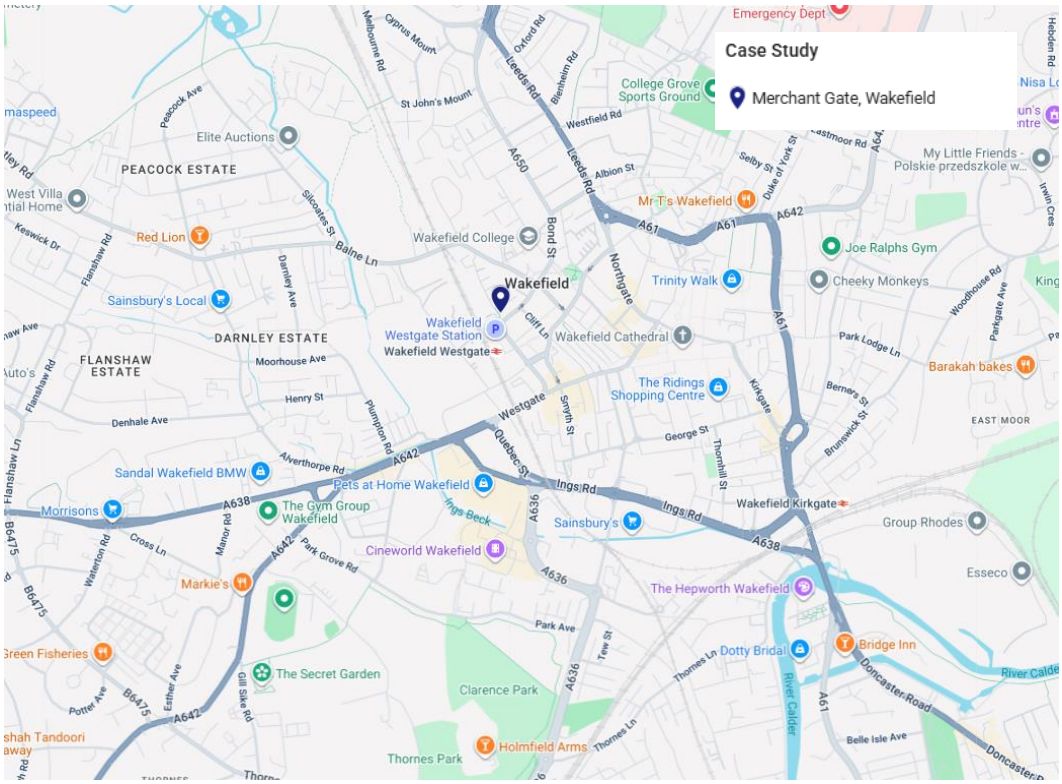
The Welsh Street could be applicable to Bradford as it provides a model for alternatives to demolition-led clearance. The redevelopment of existing terraced housing in low value areas of Liverpool could be highly applicable to the type of housing that currently exists in Bradford.

Merchant Gate, Wakefield

Location

The Merchant Gate scheme is located to the west of the centre of Wakefield (0.1 mile west of Wakefield Town Hall), and West of Wakefield Westgate train station. It is adjacent to Wakefield Westgate railway station, occupying a formerly derelict strip of land near the Civic Quarter. Previously, the site was made up of disused railway goods yards, a dairy and council depot and abandoned buildings, and parts of the site were previously poorly connected to the rest of the city centre. Some of the old council offices were in poor condition, which had a negative impact both visually and functionally, and thus spurred plans for redevelopment.

Location Plan



Source: Google My Maps, 2025

Scheme Description

Merchant Gate is an area-wide regeneration scheme comprised of mixed-use developments and spanning over 17 acres. The masterplan for the development illustrates a total of 182 homes to be constructed- with 16 being affordable 2-bed apartments, 48,000 sq ft of Grade-A office space, 35,000 sq ft of retail and leisure space, 123,000 sq ft of civic office space (known as Wakefield One), a 1,451-space multi-storey car park, Wakefield College- accommodating over 10,000 students, a performing arts school (Capa College) to accommodate 500 students, and several public realm areas.

Due to the scale of the scheme, development has been phased over several years. However, Merchant Gate celebrates recent successes such as the establishment of Capa College, a performing arts school for students aged 16-19.

Alone, the residential development within the wider scheme is set to span 2.5-3 acres of the overall 17 acres, and focus on creating a pedestrian-friendly environment, complemented by the allocation of ground floor retail/ commercial units within the apartment blocks. Phase 1 of development includes the construction of 66 apartments, all private market sale. The Strata phase includes 100 2-bed townhouses for private market sale, and 16 2-bed affordable housing apartments.

Image of Development



Source: Think Architecture

Partners Involved in Delivery and Delivery Mechanism

The scheme was delivered by English Cities Fund (ECF). ECF is a partnership between Muse Developments, Legal & General, and Homes England. The partners aim to transform underused urban sites into communities, such as with Merchant Gate. The partnership reaffirmed its commitment in 2022 by extending its joint venture until 2036, with plans to develop an additional 6,600 homes in "high priority" areas.

Strata developed the 'Strata Phase' of the Merchant Gate development. They operate primarily within Yorkshire and the Midlands and focus on incorporating energy-efficient designs. They have been involved with other developments within Wakefield, such as Agenda- a collection of 2-bed homes located on Balne Lane.

Key Successes and Why Applicable to Bradford

Merchant Gate has displayed the potential for creating a new mixed-use development on brownfield land around a rail station. This offers a precedent for future development around the proposed relocated Interchange in Bradford. The delivery of a town house-based scheme in the style of back-to-back houses, by a volume house builder in Strata, demonstrates the ability of volume house builders to adapt standard house types and tailor a more urban and denser format. This is also potentially relevant to Bradford given the desire to achieve a relatively dense development in the central area.

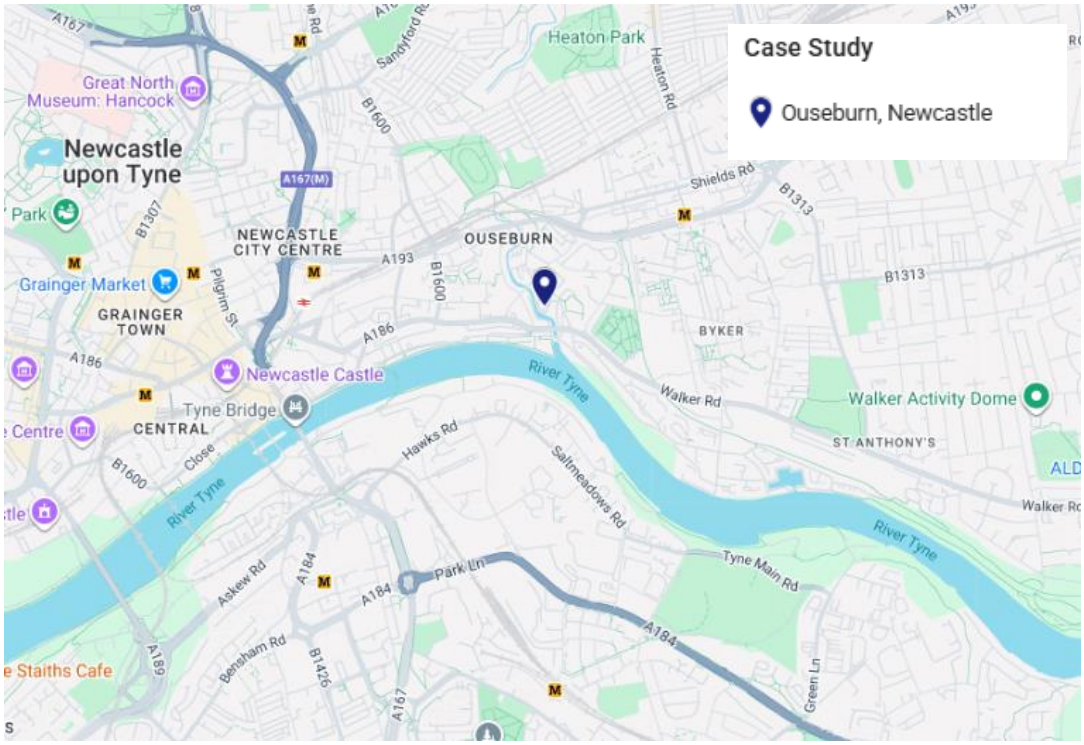
Ouseburn, Newcastle

Location

The Ouseburn development is located directly north of the River Tyne, 0.75 miles east of Newcastle City Centre. The scheme is bordered by an industrial scrap yard to the north, a burial ground to the east, and some commercial units to the south and west of the site.

The scheme sits within a historically neglected area, regenerating a former industrial brownfield site that became mostly derelict post-war. Industry began in the area with glass and pottery in the 17th century, followed by shipbuilding and lead works in the 19th century.

Location Plan



Scheme Description

Ouseburn Valley has been coined one of the 'coolest neighbourhoods' in the UK since its transformation. The redevelopment of Ouseburn consists of 3 major schemes which straddle the sides of the Ouseburn, a small river that runs broadly north from Newcastle. To date, phases 1 & 2 of the scheme are complete- consisting of 100+ homes and 9,000sqft office space, and phase 3 has been submitted for planning. The scheme will deliver a total of 300-350 homes, and between 18-20,000sqft office, retail/leisure and creative workspace.

The riverside development focuses on a sustainable design for the homes using igloo's Footprint® methodology, which reflects the wider goals of the Ouseburn Regeneration Plan (ORP), a refresh of the existing 2003 Ouseburn Valley Regeneration Strategy that aims to regenerate the historic Lower Ouseburn Vallet into a sustainable, mixed-use urban village, whilst also preserving the area's heritage.

Image of Development



Source: igloo Regeneration, 2017

Partners Involved in Delivery and Delivery Mechanism

Joint venture between Newcastle City, Council, Homes England and igloo with Thriving Investments (part of the Places for People group).

The scheme is being developed by igloo, focusing mainly on the residential and commercial aspects. Homes England are a government body supporting the project, and Thriving Investments are the investment arm that have managed the fund and enabled the delivery of the development.

Investment into Scheme

Newcastle City Council allocated a £16,657,000 sum for the infrastructure improvements in the wider Ouseburn regeneration scheme; however, this has been divided across several housing sites. Approximately £2.5 million was secured from the Housing Infrastructure Fund for associated works relating to the development of Ouseburn.

Key Successes and Why Applicable to Bradford

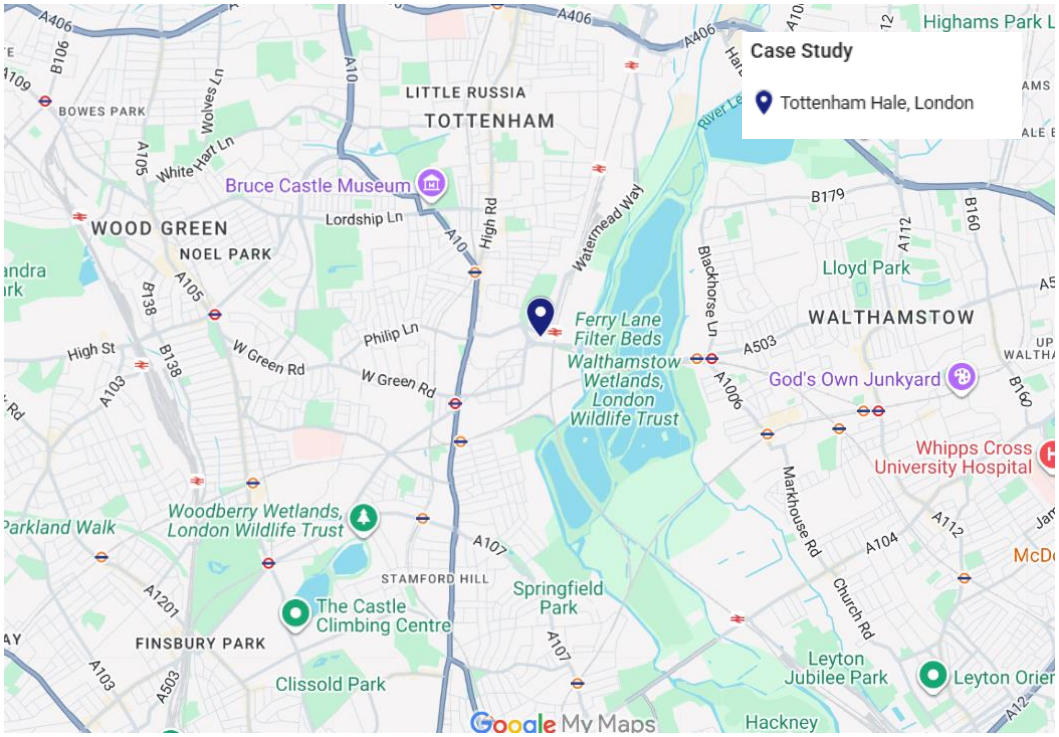
The Ouseburn scheme represents another example of the redevelopment of an area of a post-industrial declining area into what could be classed as a 'trendy' and vibrant place. The history of the area is comparable to that of Bradford's in terms of industrial decline. The mix of housing types was key to the regeneration process.

Tottenham Hale, London

Location

Tottenham Hale is located in North London, as part of the London Borough of Haringey, approximately less than 5 miles from the centre of London (marked by Kings Cross Station). The site is 0.35 miles East of the A10 which links the City of London to Norfolk. There is also a bus route that runs along this road that is significant due to its links to Heathrow Central Bus Station. The area surrounding the scheme boasts a range of amenities and services, such as a wide range of shops, a community nature park, nearby schools, a football pitch and a number of pubs and restaurants. Additionally, the Tottenham Hale train and tube stations are located 0.1 miles East of the site

Location Plan



Source: Google My Maps, 2025

Scheme Description

The Tottenham Hale development, known as the 'Heart of Hale' scheme, is a multi-phased regeneration project that will feature 7 new buildings, 1,000 new homes, 15 new commercial units across retail and hospitality and a new cinema. Located near the Walthamstow wetlands, the scheme includes green spaces for residents. As a further part of the development, the new £30million Tottenham Hale train station offers direct links to the West End, City of London, and London Stanstead Airport.

The Ferry Island development will feature homes to rent and is due to be completed by the end of the year (2025). The block will consist of 108 studios, 1-, 2- and 3-bed BTR apartments. Ashley Road will consist of two towers housing 183 units, arranged around a communal hexagonal terrace. A significant portion of these units will be affordable, comprising of both London Living Rent (LLR) and Discount Market Rent (DMR) units.

Image of Development



Source: Heart of Hale

Partners Involved in Delivery and Delivery Mechanism

Related Argent are the strategic development partner in the scheme. They are a developer that specialise in creating public spaces that are carefully designed and well-maintained and are also long-term owners and managers of their developments. The London Borough of Haringey council are co-ordinating the development and are a key partner in regeneration efforts in the area.

In wider relation to the scheme, Waterside Places (a partnership between Muse Developments and the Canal & River Trust) have worked on Hale Wharf, a residential development as one of the sites of the Tottenham Hale regeneration area.

Investment into Scheme

ICG Real Estate provided a significant construction loan of £243 million for the final phase of a build-to-rent scheme within the development, which consists of 484 apartments. In 2024, Crosstree Real Estate Partners invested £150 million in a 431-bed student property adjacent to the main Heart of Hale masterplan. The local council have funded over £5.85 million to assist with the establishment of the 3 green spaces, and public infrastructure funding of £30 million was secured to fund the new Tottenham Hale train station. The delivery of 131 affordable homes has also contributed funding to the scheme.

Key Successes and Why Applicable to Bradford

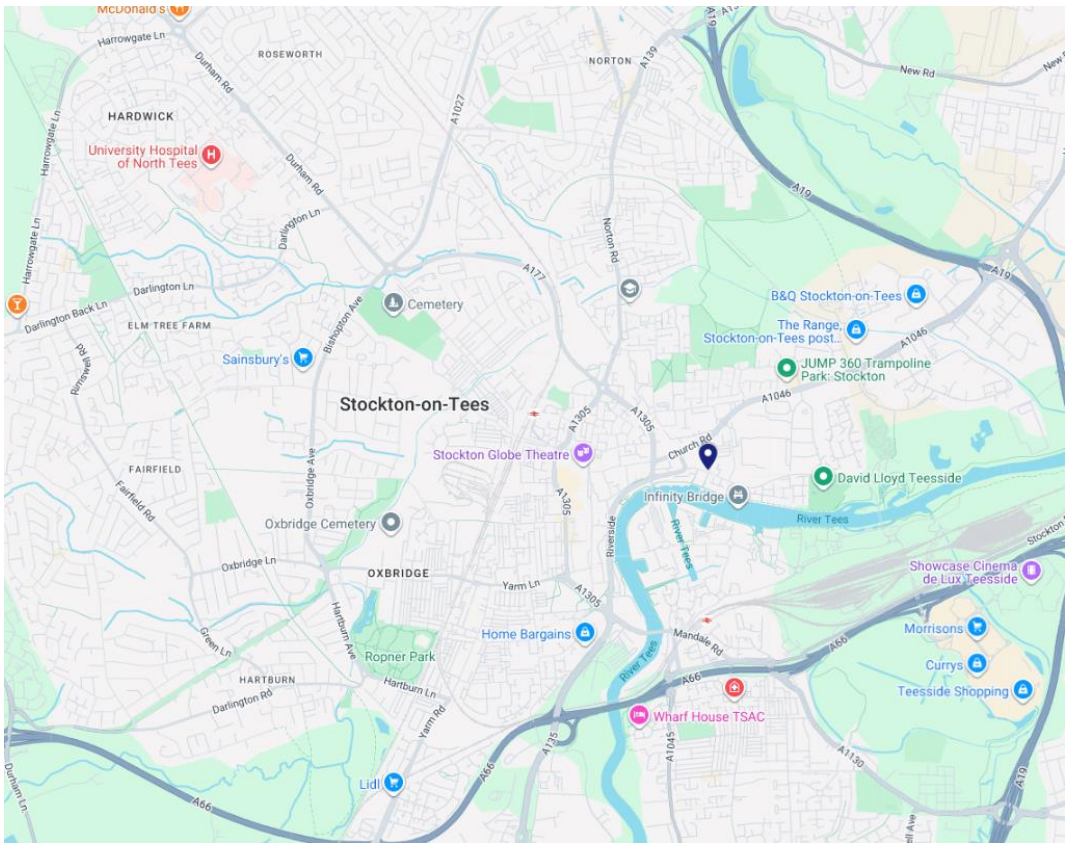
The Tottenham Hale is a key example of the impact that a significant transport hub can have in supporting extensive regeneration via housing and commercial space. However, it should be noted that the values achievable in Tottenham are far greater than that in Bradford and therefore the comparability of the scheme an applicability as a precedent for Bradford is more limited.

Northshore, Stockton on Tees

Location

The development is located on the north bank of the River Tees on former industrial riverbank land, directly adjacent to Stockton town centre (5–10-minute walk from the high street). The site sits between the Infinity Bridge to the west and Victoria Bridge to the East.

Location Plan



Source: Google MyMaps, 2025

Scheme Description

The Northshore scheme is a 56-acre mixed-use waterfront regeneration scheme that includes a total of 80,000sqft of commercial accommodation, a 128-bed Hampton by Hilton hotel and over 200 new family houses, 113 of which will be affordable homes. The development is ongoing, but seeks to eventually deliver a vibrant community, and has already received several awards for its eco-friendly design.

The project launched back in 2011 fuelled by the area's wide-reaching regeneration strategy. This site in particular was targeted as it boasts close connections to the town centre and has wonderful views overlooking the river, making it a desirable place to live. Moreover, the transformation from a derelict industrial brownfield land highlights the local council's efforts to refurbish redundant land and implement an integrated community ideal.

To date, phases 1 & 2 of the scheme are complete. Phase 1 consisted of 50 units, with a further 76 in phase 2. Phase 3, which comprised 82 units, began on site March 2016. As of August 2023, phase 3 was still underway.

Image of Development



Source: Napier Architects

Partners Involved in Delivery and Delivery Mechanism

The developer of the scheme is Muse; a place maker focused on delivering high-quality urban neighbourhoods. Northshore has been wholly delivered in partnership alongside Homes England and Stockton-on-Tees Borough Council, who take interest in the scheme via their wider regeneration plan. Lovell, alongside Muse, delivered new housing within the scheme, including over 200 family houses and a further 113 affordable homes.

Investment into Scheme

The redevelopment has been part funded by the Tees Valley Combined Authority, which allocated £1.34 million through the Brownfield Housing Fund. Homes and Communities Agency (HCA) contributed a sum of over £20 million for site preparation and enabling works. Additional HCA funding allocated a further £3 million. £2.87 million was secured from the Northeast European Regional Development Fund (ERDF) and matched by HCA, for a new innovation centre in Northshore of 36,000 sq ft. The Infinity Bridge was funded by a £15 million investment.

Key Successes and Why Applicable to Bradford

The Northshore development represents a successful regeneration of an underused redundant brownfield site which has now become a desirable location for residents and businesses. The project helped to support the local area further, being the first in a series of significant investments into Stockton-On-Tees. The development showed how an initial influx of investment can help to drive further investment in the future, in a low value area.



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