

THE FUTURE OF FINANCE IN STUDENT HOUSING:

Why Outsourcing is No
Longer Optional?



ABSTRACT

The student accommodation sector is set for impressive growth, with revenues expected to reach **USD 1,383.4 million by 2030**, and a steady compound annual growth rate (CAGR) of **5.6% projected between 2025 and 2030**. As the market expands, financial operations face mounting pressure to deliver greater efficiency, meet stringent compliance requirements, and scale seamlessly.

This whitepaper delves into these pressing challenges, and positions outsourcing as a pivotal strategy for navigating them successfully. Through comprehensive data analysis and compelling real-world case studies, it offers invaluable insights for operators, investors, and finance leaders committed to securing long-term sustainability in the dynamic student housing market.

THE CURRENT STUDENT HOUSING LANDSCAPE:

A SECTOR UNDER PRESSURE

EXPLOSIVE MARKET GROWTH

The Purpose-Built Student Accommodation (PBSA) sector in the UK is experiencing rapid growth, but this momentum brings its own set of challenges. Today's students and their parents expect hotel-style living, seamless technology, and 24/7 support – creating a powerful opportunity for operators to elevate service delivery, and modernise infrastructure.

Nationally, demand for student housing is soaring. Over **1.48 million students** are in need of accommodation, and 96.4% seek housing during their academic journey. This requirement stretches across 74 university towns and cities, underscoring the scale and urgency of the challenge (**Cushman & Wakefield**). To meet these rising expectations, student property management businesses must raise the bar, and combine operational efficiency with exceptional resident experiences.

The real opportunity lies in scaling smartly without compromising on quality.

OPERATIONAL HEADWINDS

Student accommodation companies stand at a pivotal crossroads – demand is booming, so are the challenges. According to a research by StuRents, the country is projected to face a shortfall of over 620,000 student beds by 2026. This severe supply-demand gap presents a golden opportunity for developers and investors eager to capitalise on growth.

Yet, there are still bumps in the road to overcome.

Rising inflation, persistent supply chain disruptions, and increased interest rates are putting relentless pressure on margins. Consecutively, securing financing for new developments has become significantly more complex, as lenders impose stricter requirements around financial transparency, governance, and compliance. External market forces are proving just as influential as internal performance.

Nonetheless, in this high-stakes environment, rethinking the financial and operational strategies can come in handy for the student housing providers.



THE HIDDEN STRAIN OF IN-HOUSE FINANCE TEAMS

Uncovering the cost, capacity, and compliance challenges slowing growth

In-house finance teams in student housing operations often struggle under the weight of rapid expansion and complex reporting requirements. Limited headcount and rising salary expectations make it increasingly difficult to recruit and retain senior finance professionals with expertise in areas such as tax structuring, FP&A, and fund-level consolidation.

The result? An overstretched team that finds it challenging to adapt to new demands.

Meanwhile, outdated accounting systems and manual processes further erode efficiency. Without access to integrated technology or automated workflows, teams face delays in reporting cycles, inconsistent data accuracy, and missed opportunities for cost optimisation. Layered onto this are increasing regulatory expectations from **HMRC**, ESG mandates, and tenant protection laws. Any lapse in compliance can invite audits, penalties, and reputational damage that operators can scarcely afford.

UNDER THE LENS:

ADAPTING TO REGULATORY SCRUTINY FROM GOVERNMENT

As the student housing sector buds and attracts more institutional capital, it is also coming under greater government and regulatory scrutiny.

Authorities like HMRC, **the Financial Conduct Authority (FCA)**, and the **Office for Students (OfS)** are tightening their expectations around financial reporting, rent management, and tenant rights. This increased attention can have real consequences for PBSA operators who fall short of compliance standards.

According to a 2023 **report by the National Audit Office**, regulatory oversight across housing sectors, including PBSA, is intensifying in response to concerns around affordability, tenant safety, and misuse of public funding. The recent push for higher education institutions and student accommodation providers to deliver better value for money has further elevated the need for robust, auditable financial practices.

Moreover, the introduction of the **Economic Crime (Transparency and Enforcement) Act 2022** has put additional pressure on property-holding entities to disclose beneficial ownership, and ensure anti-money laundering (AML) compliance. Student property management operators managing large portfolios must now meet rigorous standards of financial transparency and corporate governance or risk penalties, investor distrust, and legal exposure.

ESG regulations are also playing a more prominent role. With the **UK's 2050 Net Zero target**, and evolving guidance from the Financial Reporting Council, PBSA providers are now expected to disclose data on energy efficiency, emissions, and social impact. Failing to integrate ESG frameworks can affect funding eligibility, valuations, and even student demand.

For finance teams already stretched thin, navigating the wave of evolving regulations is not just challenging. It places a significant strain on both resources and expertise. In such scenario, outsourcing to a skilled finance and compliance partner goes beyond cost efficiency; it becomes a critical pillar of risk mitigation.

Staying ahead of compliance is not merely about avoiding penalties. It is about earning investors' trust, unlocking funding opportunities, and safeguarding long-term stability in an increasingly scrutinised sector.



OUTSOURCING AS A SOLUTION:

F&A SERVICES, TENANT SUPPORT, TECHNOLOGY ENABLEMENT

In the face of escalating operational demands, regulatory pressure, and rising costs, outsourcing emerges as a strategic imperative for student housing providers. Rather than simply a cost-cutting measure, outsourcing represents an agile, scalable model for transforming complex finance and accounting operations into competitive advantages.

Specialist outsourcing partners like IMS Decimal deliver comprehensive end-to-end support spanning financial reporting, lease management, tenant billing, and cash flow optimisation. This allows in-house teams to pivot from routine operational tasks to strategic initiatives that drive growth and investor confidence.

BEYOND THE BACK OFFICE:

Comprehensive
Operational Excellence

Modern outsourcing extends far beyond traditional accounting functions. Today's service providers integrate tenant-facing financial operations - including automated rent collection, seamless payment tracking, and AI-enabled query resolution - creating a unified approach that enhances both financial accuracy and tenant satisfaction.

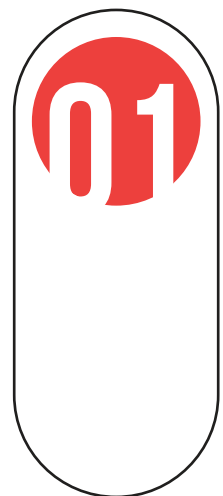
Technology acceleration represents another critical dimension. Outsourcing partners seamlessly integrate leading platforms such as Yardi, Sage Intacct, and Power BI, unlocking real-time reporting capabilities, predictive analytics, and data-driven decision-making that would otherwise require significant internal investment and expertise.

THE STRATEGIC VALUE PROPOSITION

When executed strategically, outsourcing transcends cost optimisation to become a foundation for operational excellence. By accessing deep sector expertise across accounts payable, receivables, treasury management, and regulatory compliance - operators can maintain financial control, while achieving the flexibility needed for rapid scaling across new developments and markets.

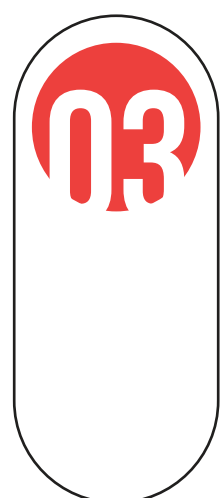
Advanced automation in billing, payment reconciliation, and dashboard reporting creates a seamless tenant experience, while improving accounts receivable recovery rates. Meanwhile, embedded governance and controls ensure continuous compliance with HMRC, ESG, and AML requirements without the overhead of maintaining specialised internal resources.

KEY STRATEGIC ADVANTAGES



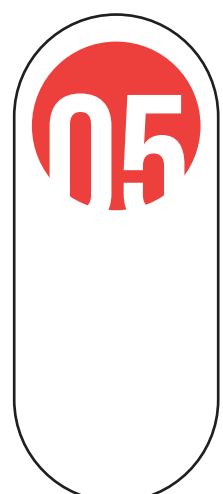
FINANCIAL OPTIMISATION:

Reduce overheads while accessing high-level expertise, without adding full-time roles



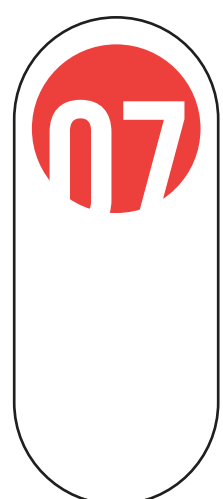
OPERATIONAL AGILITY:

Speed up close cycles, improve reporting accuracy, and stay audit-ready



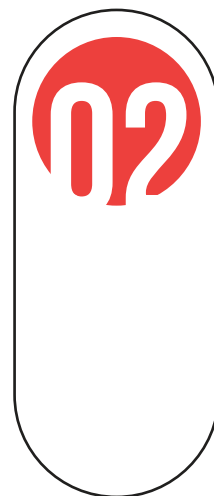
REGULATORY COMPLIANCE:

Stay compliant effortlessly with expert oversight and controls



RISK MANAGEMENT:

Mitigate risk with fraud prevention specialised support and compliance



TECHNOLOGY INTEGRATION

Deploy platforms like Yardi and Power BI quickly, and drive decisions with actionable data



TENANT EXPERIENCE:

Boost satisfaction with automated billing, real-time payments, and AI-assisted support



SCALABLE GROWTH:

Expand smoothly with flexible, resilient financial operations



By positioning outsourcing as a strategic enabler rather than a tactical cost reduction, Purpose-Build Student Accommodation companies can build resilient, scalable operations that support long-term growth objectives, while maintaining the financial discipline that investors demand.

THRIVE WITH IMS DECIMAL BY YOUR SIDE

In today's dynamic and highly regulated student housing market, IMS Decimal stands out as a strategic partner, delivering bespoke outsourced accounting & financial back-office support tailored specifically for Purpose-Built Student Accommodation companies.

Recognising the unique operational and financial complexities of this sector, IMS Decimal equips student housing businesses with the tools and expertise they need to navigate challenges confidently and capitalise on growth opportunities.

HOW IMS DECIMAL SUPPORTS PBSA COMPANIES

01. Automated Financial Workflows

Streamlining key processes such as rent invoicing, lease accounting, vendor payments, and expense management to reduce manual workload, minimise errors, and accelerate reporting cycles.

02. Cash Flow Stability and Forecasting

Enabling stronger financial control by tracking inflows and outflows, supporting timely collections, and forecasting future needs to ensure long-term liquidity and sustainability.

03. Compliance and Risk Mitigation

Ensuring PBSA operators stay compliant with tax regulations, financial reporting standards, and housing legislation, reducing risk exposure, and safeguarding reputational trust.

04. Data-Driven Insights

Delivering customised dashboards and financial reports with detailed visibility into occupancy trends, profitability metrics, and portfolio performance, empowering faster, smarter decision-making.

By outsourcing financial operations to IMS Decimal, PBSA providers unlock the freedom to focus on what truly matters – delivering high-quality student living experiences, expanding their footprint, and driving sustainable value for stakeholders.

With precision, scalability, and sector-specific insight, IMS Decimal supports PBSA companies move from simply competing to truly thriving.

