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Date: 04 March 2026

Dear Jamie Hipgrave,

Canterbury Co-living Demand: Demand Letter

This letter has been written in support of the proposed development of up to 146 Co-living homes at the Rosemary Lane site and an additional 20 units at the St John's Lane site in the local authority of Canterbury. Communal facilities at the Rosemary Lane site will be accessible to residents at both sites. These developments will provide high quality, purpose built rental accommodation suitable for Sharers, with dedicated internal amenity spaces. This will serve a significant, undersupplied demand pool of Private Rented Sector (PRS) Sharers across Canterbury. The aim of this letter is to present key figures from our analysis of Co-living demand, supply and the estimated shortfall. This serves as an update to the Knight Frank Co-living Demand Study report dated 27th November 2024.

Some key datasets have been updated since our full Co-living Demand Study was completed in November 2024. These updates show: an increase in the number of PRS households in Canterbury (previously 15,538 and now 16,205); an increase in the number of PRS sharer individuals (previously 9,448 and now 9,803); an increase in the projected number of new PRS sharer individuals by 2031 (previously 1,039 from 2023 to 2028, and now 1,339 from 2026 to 2031); no change in Co-living supply (still zero); and, altogether, a larger shortfall of Co-living homes in Canterbury (previously 9,448 and now 9,803), with the projected shortfall also increasing (previously 10,488 from 2023 to 2028, and now 11,142 from 2026 to 2031).

The provision of Co-living across the subject sites would offer the following clear benefits:

- Relieving pressure on existing housing stock;
- Offering greater choice of housing types for renters;
- Diverting demand away from HMOs;
- Releasing lower cost HMOs for those on lower incomes;
- Releasing HMO and Sharer stock (including unlicensed HMO homes) back to single household occupants, including families.

The above benefits of Co-living development are supported by the data analysis summarised below:

- There are 16,205 PRS households in Canterbury. The proportion of PRS households in the local authority has increased from 16% in 2001 to 22% in 2021.
- A strong presence of young households, as well as Sharer and One Person households, is an indicator of potential Co-living demand. 33% of PRS households in Canterbury are aged between 26 and 40. One Person Households and Sharer Households account for 50% of PRS households in Canterbury.
- The key demand groups for Co-living accommodation are typically MOSAIC Groups A 'City Prosperity' (high status city dwellers living in central locations and pursuing careers with high rewards) and Group O 'Rental Hubs' (educated young people privately renting in urban neighbourhoods). When combined, these groups account for 57% of PRS households in Canterbury.
- 3,398 PRS households in Canterbury are estimated to be Sharer households, which equates to 9,803 individuals living within 'Sharer' PRS households.

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- Knight Frank's projections estimate that there could be an additional 464 PRS Sharer households in Canterbury by 2031. This will result in an estimated 1,339 additional individuals renting in Canterbury as Sharers and takes the total to an estimated 11,142 individuals living within PRS Sharer households in Canterbury by 2031.

Calculating the Demand for Accommodation Suitable for Sharers

Date	Number of PRS households	Number of Sharer PRS households ¹	Estimated Number of Individuals Living as PRS Sharers
2026	16,205	3,398	9,803
Projected ² 2031	18,418	3,862	11,142
Change 2026-2031	2,213	464	1,339

¹Sharer households are defined as at least two adults, who are not a couple, living together in a single property with shared facilities.

²Knight Frank's PRS household projections are based on affordability constraints in the for-sale market.

Source: Knight Frank Research, Experian, Census 2021

- For individual earners in Canterbury, the maximum suggested rent at the median resident salary of £36,294 pa is £1,210 pcm. This assumes individuals will spend up to 40% of their earnings on rent.
- At a household level, the median PRS household income in Canterbury is £38,900 pa, with a maximum suggested rent of £1,297 pcm. At the upper quartile PRS household income of £51,800 pa, the maximum suggested rent is £1,727 pcm. This assumes households will spend up to 40% of their income on rent.
- There are approximately 1,110 HMOs in Canterbury, accounting for 24% of PRS households. An estimated 391 HMOs are operating without a license, which can lead to safety and overcrowding issues.
- There are currently no operational Co-living schemes in Canterbury. Further, there are no Co-living schemes currently under construction, indicating that supply of good quality, purpose-built accommodation suitable for Sharers will remain absent in the near future.
- There is currently a shortfall of 9,803 PRS Sharer individuals in Canterbury who do not have access to purpose-built Co-living accommodation, and this shortfall is expected to grow to 11,142 by 2031. The proposed Co-living schemes will provide for some of this demand.

Shortfall of Co-living units in Canterbury

Supply/Demand Metrics	2026	Projected change to 2031	2031
Supply (Co-living homes)	0	0	0
Demand (PRS 'Sharer' individuals)	9,803	1,339	11,142
Shortfall (Co-living homes)	9,803	1,339	11,142

Sources: Knight Frank Research, ONS, Census, Experian, Land Registry, ASHE

Overall, the provision of Co-living schemes at the proposed sites would provide high quality, purpose built and professionally managed accommodation suitable for a growing number of PRS Sharers in the local authority, and would relieve pressure on sub-divided, HMO-style housing stock.

Kind regards,

Lizzie Breckner

Partner, Head of Residential Investment Research

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