

The How-to Handbook for Co-Living

YOUR GUIDE TO
DELIVERING
CO-LIVING
DEVELOPMENTS
THAT WORK

2026 edition



Ackroyd Lowrie



Ackroyd Lowrie Architects



Oliver Lowrie
Ackroyd Lowrie

Oliver is a Director of Ackroyd Lowrie and leading voice in the dialogue around the future of our cities.



Jon Ackroyd
Ackroyd Lowrie

Jon is Managing Director of Ackroyd Lowrie, and leading advocate of sustainable development and retrofit

Ackroyd Lowrie are a leading UK based Architectural practice specialising in regeneration and retrofit projects including multiple co-living schemes.

Unlike most Architects, Ackroyd Lowrie take a pro-active approach to ensuring our clients' schemes achieve the most valuable planning consents.

Our Breakfast Club Briefings have become well known in the UK Property Industry as a space for politicians, planners, developers and consultants to come together and create a consensus on future cities and place making.

These engagement events allow us to be able to advise our clients on how to create win-wins that ensure optimised schemes are presented to the Planners with the highest chance of gaining consent.



THE YEAR THE PIPELINE BROKE THROUGH

When we published the first edition of this handbook, co-living was still, in many respects, fighting for recognition. Planning consents were hard won, the pipeline was modest. What a difference a year makes.



Check out how your site rates on the Co-liv Scorecard App.

What's new in the 2026 edition

The data in this 2026 edition, compiled exclusively by Savills in January 2026, tells a story of a sector that has decisively turned a corner. This is the year that co-living started to be consented at real scale, and as a result, the pipeline has extended dramatically. In 2025, a record 8,847 co-living units were granted planning permission across the UK, surpassing the previous record set in 2024 by 27%. In London alone, 5,845 units were consented, nearly double the 2024 figure of 3,166.

Reference: Savills Co-living Pipeline Data, January 2026

The impact of this wave of consents is visible right across the numbers. The total permissions pipeline now stands at over 23,000 units nationwide, up from approximately 14,000 when we last reported. Applications also remained strong in 2025 at 8,642 units submitted, building on 2024's exceptional 10,011. Taken together, the active pipeline of co-living units at pre-planning, application, permission and under construction stages now exceeds 40,600 units. That is a sector with genuine momentum.

Just as importantly, operational stock has grown substantially. There are now 12,731 operational co-living units across the UK, up from approximately 9,000 when the last edition was published. A further 3,371 units completed in 2025 alone. Perhaps the most telling indicator of mainstream acceptance is that 25 of London's 33 boroughs have now consented co-living schemes, whether those units are now operational, under construction, or sitting with permission. That is three quarters of the capital. The conversation has shifted from 'should we allow this?' to 'how do we deliver it well?'

Regionally, the picture is broadening too. Manchester leads outside London with over 5,100 units in its total pipeline, followed by Salford, Glasgow, Exeter, Sheffield and Birmingham, each with significant activity at various stages of development.

For investors, the increased pipeline and track record of strong lease-up rates provide the proof points needed to deploy meaningful capital. For developers, the planning landscape, whilst still challenging, is measurably more supportive than it was even twelve months ago.

This edition updates all of our data and market commentary to reflect these shifts, incorporating the Renters' Rights Act 2025 (which takes effect from 1 May 2026), the latest investment outlook, updated loneliness and rental market statistics, and of course the comprehensive Savills pipeline data that underpins the entire report.

The fundamentals that made co-living compelling - demand outstripping supply, an affordability crisis in the rental sector, a loneliness epidemic among younger adults, and the need for flexible, professionally managed rental options, are all stronger today than they were when we first wrote about them.

The difference now is that the sector has more pipeline and operational evidence to deliver on its potential at scale.

Finally, this update includes an accompanying app where developers are able to check how a potential site measures up against a scorecard of Co-living fundamentals.

Go to <https://co-liv-scorecard.com> to check it out or use the QR code above

EXECUTIVE SUMMARY

The how-to Handbook for Co-living — 2026 edition

Co-living has firmly established itself as a recognised sub-sector within the rental residential market. What was once viewed with scepticism by planners and local authorities has become increasingly accepted, principally as the concept has been proven through the delivery of a growing number of high-quality, well-designed and well-operated assets across the UK. With 12,731 operational units and a total active pipeline exceeding 40,600 units as of January 2026, the sector's trajectory is undeniable.

Reference: Savills Co-living Pipeline Data, January 2026

Investors are increasingly drawn to the sector with its strong ESG credentials, secure income characteristics and favourable returns. Savills' 2025 European OpRE survey found that investors planned to deploy over £32 billion of capital into the Living sectors over the next three years, with the UK and Ireland a priority location for 50% of respondents. Co-living is starting to be recognised as an asset class in its own right, not just an alternative rental residential option.

Reference: Savills, UK Cross Sector Outlook 2026: Living Sectors

We believe that co-living has sufficiently proven it is here to stay and therefore this guide does not emphasise why this typology is needed, instead it focuses on how to deliver successful co-living at scale and to the requisite quality so that a Planning Consent can be delivered and a project can be funded.

The purpose of this guide is to inform those interested in developing co-living developments in the UK of what the standards should be to deliver the best outcomes for local authorities, investors,

developers, and, most importantly, those that inhabit the buildings. For co-living to be effective and thrive as an asset class, it must deliver exceptional quality for residents, the wider urban realm, and the planet.

It can:

- Help ease the pressure on an overheated rental sector, where BTR rents have risen 43% across the UK's 7 largest cities in the past three years
- Reduce the strain on the UK's housing stock, particularly as private landlords continue to exit the sector, with rental stock down 15% compared to 2019
- Help address the loneliness crisis, particularly amongst younger adults — the 2024/25 Community Life Survey found that adults aged 16–24 and 25–34 are significantly more likely to report high levels of loneliness than older age groups
- Provide an ultra-flexible living alternative to more traditional rental accommodation in a high-quality, safe environment
- Help the transition to low carbon lifestyles by encouraging car-free, high density, urban living
- Reverse the drain away from high streets by putting people back into town centres

Reference: Savills UK co-living Spotlight 2025; DCMS Community Life Survey 2024/25 (December 2025)

However, for co-living to achieve any of this, it needs to continue building on the strong foundations laid by the latest generation of schemes, which have demonstrated strong lease-up rates, high occupancy levels and genuine community value.

The purpose of this guide is to inform those interested in developing co-living developments in the UK of what the standards should be to deliver the best outcomes for local authorities, investors, developers, and, most importantly, those that inhabit the buildings. For co-living to be effective and thrive as an asset class, it must deliver exceptional quality for residents, the wider urban realm, and the planet.



CONTRIBUTORS



Dr Penny Clark
Conscious Co-living



Brent Stojanovic
Co-living Advisor



Mark Thomson
Savills



Paul Wellman
Savills



Lizzie Beagley
Savills



Nikita Asher
Trowers & Hamlins



Ashley Perry
Urban Land Institute



Toby King
Applied Energy



James Huckstep
Trowers & Hamlins



James Hanmer
Living for Life



Russ Beresford
COL



Chris Riley
Bywater



Nick Cuff
Urban Sketch

FOREWORD



Ashley Perry
Chair, ULI UK Living
Sectors Product Council

Co-living in the United Kingdom is emerging. It has had some detractors, some supporters and many, many commentators.

At co-living's very heart it is an operational real estate asset that requires a high-quality operator as well as high-quality real estate – much like any other rental living community – delivering exceptional resident service. What's not to like?

In the UK, the story so far has been mixed. Early pioneers navigated policy to create some co-living developments that drew criticism. Square pegs in round holes – or perhaps something along those lines. It has been renamed, rebranded and repositioned in various ways, but I recall a prominent MP “was not familiar” with the co-living term when quizzed after a keynote address in late 2023 at an event I attended.

Plenty of work to do.

Lack of political awareness is not new. As I saw first-hand in my consultancy capacity, Ireland brought forward a positive environment for co-living and was in favour (co-living was supported in new planning policy in 2018) before being very quickly banned (in 2020). Only in 2023 did the first communities open in Dublin, which have been well received locally. In Manchester, there was a cap placed on the number of co-living units permitted through planning.

It is nascent and needs explaining to all stakeholders – much like any new sector in its infancy.

Co-living is experiencing many of the same symptoms that Build to Rent did during the early 2010s, disinclination in Westminster, heterogeneity amongst local

authorities, and a knowledge gap in the public consciousness.

And while readers will agree there is still a long way to go in Build to Rent, denying its growing penetration – both in the public psyche and policy agenda – would be doing it a disservice.

Urban Land Institute (ULI) was at the forefront of catalysing the Build to Rent sector in the early and mid 2010s, and has since supported the emergence of European co-living. Its 2021 ULI and JLL European co-living Best Practice Guide highlighted four key focus areas to grow the sector: Perception, Planning and Policy, Partnerships, and Products.

The UK is fortunate to have made varying levels of progress across each, as aforementioned. The GLA guidance is now more clear. Perhaps less so at a Local Authority level. It is not a Core living sector asset class, and it may always remain niche. But the sector has found its feet, and is firmly in the sights of a growing tranche of institutional investors increasing their exposure to alternative income-generating sectors.

In this paper, leading architects Ackroyd Lowrie have assembled a group of experts to navigate each aspect of delivering a co-living community. It is by no means a prescriptive approach to co-living success, but enclosed is a definitive overview of the core areas of consideration and, in true co-living fashion, the success of this document is in collaboration.

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Co-living concept image by Ackroyd Lowrie

PART ONE

What? Who? Why?

What is Co-living

A sub-sector within the Build-to-Rent (BTR) residential market, co-living is a rapidly maturing asset class, recognised for its growing contribution to the UK's housing stock. Its roots derive from the HMO principle, first formalised as part of the 1985 Housing Act, where people from more than one household or family would live together in a shared property.

Since then, the model has evolved considerably and today's co-living schemes are a far cry from the typical HMO in a converted residential dwelling. Modern co-living developments are purpose-built and professionally managed, and typically comprise a minimum of 50 studio units (of approximately 18–27m² each) with shared, high-quality amenities.

Co-living developments enable private renters to live in self-contained studios or apartments whilst benefiting from extensive communal facilities such as co-working spaces, gyms, communal kitchens, lounges, games rooms and cinema rooms.

Best in class co-living developments are also effectively managed on-site, providing a safe, accessible and community-focused place for people to lead their lives. Flexible lease lengths and all-inclusive bills can also take some of the pressure out of modern day life. Communities can evolve in co-living buildings through informal interactions and through organised events.

Whilst getting to know lots of your neighbours might not be for everyone, there is a platform created to help foster connections and long-term friendships, helping to address the loneliness epidemic that remains a persistent challenge.

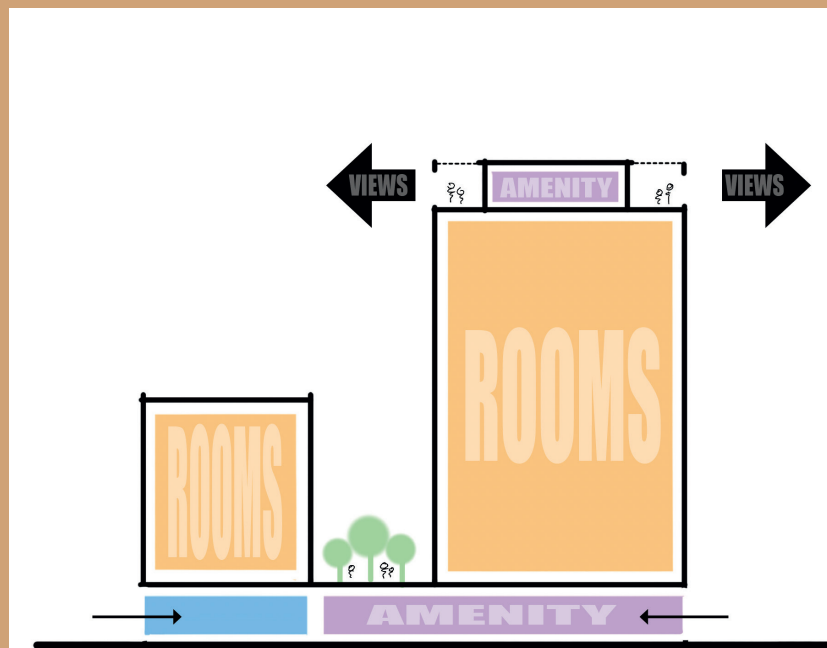


Sleep in the bedroom:
Live in the Building.

Russ Beresford, COL



Co-living concept
image by
Ackroyd Lowrie



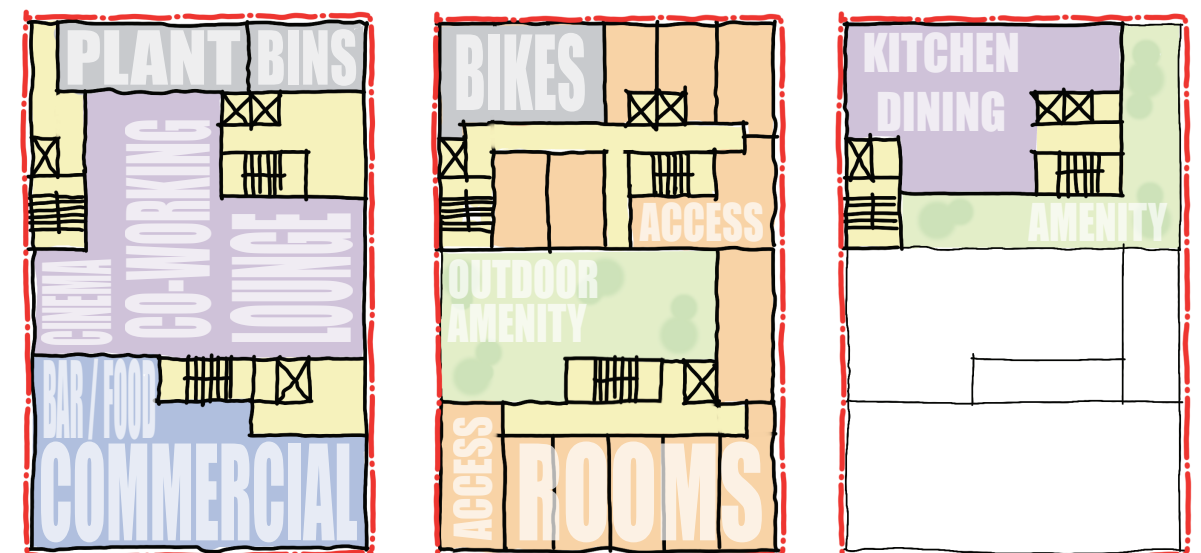
Co-living concept sketch
by Ackroyd Lowrie



Co-living is a shared living concept where residents live in individual studios, but share communal facilities across a building. We find splitting the shared amenity into 2 works well, with communal kitchens, dining areas and bars on the rooftop with a terrace, and the remainder of the shared amenities (cinema, gym, laundry, concierge etc) being located on ground floor.

**Oliver Lowrie,
Ackroyd Lowrie Architects**

Whilst co-living developments do not have their own use class (they are Sui Generis), a consensus is forming over what is required to make these schemes successful from a planning and operational perspective- driven largely by the requirements set out in the London Plan. We believe that co-living has the ability to meet a specific demand that is not currently being served by the pressured rental market in the UK.



Current market trends: Why now?

The UK's rental housing crisis has only deepened. Those who want to buy are unable to do so because of the inability to save for a deposit due to ever increasing costs of living, and those who would move into social housing are prohibited by lengthy waiting lists, so the rental sector is over-saturated. Savills report a 43% increase in BTR rents over the past three years across the UK's 7 largest cities. This has been driven by a 15% reduction in rental stock compared to 2019, accelerated by smaller buy-to-let landlords leaving the sector.

Reference: Savills, UK Co-living Spotlight 2025 (February 2025)

In London, BTR stock contracted by 3.5% between 2021 and 2023, marking the first decline in decades and highlighting the acute need for more housing and innovative solutions. The decline and cessation of mortgage interest tax relief for buy-to-let landlords

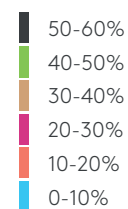
has made the idea of renting out a property significantly less appealing and has forced landlords to increase rents and/or sell portfolios.

Meanwhile, the Renters' Rights Act 2025- which received Royal Assent on 27 October 2025- represents the biggest reform to the private rented sector since the late 1980s. The new tenancy regime, which will apply to both new and existing tenancies from 1 May 2026, abolishes assured shorthold tenancies and with them 'no fault' evictions under section 21 of the Housing Act 1988. Whilst this legislation is broadly welcomed for tenant protection, it is further driving some private landlords from the sector, compounding the supply challenge that co-living can help address.

Reference: House of Commons Library, Renters' Reform in England (December 2025)

Where have London rents risen the fastest?

London rent rises, 2013-2023, by borough



Map data: © Crown copyright and database right 2018

Can Co-living meet this demand?

The latest Savills pipeline data, compiled in January 2026, reveals the full scale of the sector's growth. There are now 12,731 operational co-living units across the UK- up over 40% from the approximately 9,000 reported just twelve months ago. In 2025 alone, 3,371 units completed, following 3,331 completions in 2024. A further 1,473 units are expected to complete in 2026.

Reference: Savills Co-living Pipeline Data, January 2026

The pipeline continues to accelerate. 2025 was a record year for planning permissions, with 8,847 units consented, up 27% from 2024's previous record of 6,953. In London, 5,845 units were granted permission, nearly double the 3,166 consented in 2024. Applications remained strong at 8,642 units submitted in 2025, building on the exceptional 10,011 in 2024.

12,731
operational beds across
the UK in 2025

40,672
active pipeline

Following the 128% surge in planning applications in 2024, 2025 activity has stabilised at a level 97% above 2023, suggesting a new demand baseline:

**with 8,642 Co-living
units submitted and
8,847 permissions**

Source: Savills data

UK Co-living pipeline at a glance (January 2026)

Status	Units	Change vs 2025 report
Operational	12,731	+41% (was ~9,000)
Under construction	1,311	(was ~5,500)*
Permission	23,158	+65% (was ~14,000)
Application	11,128	
Pre-planning	5,075	
Total active pipeline (excl. operational)	40,672	

*Under construction figures reflect a point-in-time snapshot; many units previously under construction have since completed and moved to operational status.

Approximately 23,158 units now sit at permission stage nationwide, up significantly from the approximately 14,000 across 53 schemes reported last year. A further 11,128 units are at application stage and 5,075 at pre-planning, meaning the total active pipeline (excluding operational units) now exceeds 40,600.

Reference: Savills Co-living Pipeline Data, January 2026

However, this figure is still dwarfed by the total addressable market, which Savills estimate to be 750,000. This figure is drawn from Experian household data comprising a demographic of people who live in the rental sector, are aged 18–40, have no children and an income that enables them to afford a one-bedroom property within their local authority.

Even if this figure is optimistic, it is clear that the demand for co-living vastly outstrips supply. The latest generation of schemes have demonstrated strong lease-up rates and high occupancy levels, underpinned by a varied tenant pool. Folk's co-living buildings—including the 2,000 strong enquiry list for the 270-bed scheme at Florence Dock in Battersea and 700 person waiting list for its 315-bed scheme Sunday Mills in Earlsfield—demonstrate that when

the right scheme is delivered in the right location, it can be fully let with ease.

Looking ahead, with viability pressures on C3 housing, Co-living delivery is expected to accelerate further. Savills note in their 2026 Cross Sector Outlook that co-living is set to further evolve, finding its place in markets where it provides a less expensive alternative to more mainstream, but under-supplied, tenures.

Reference: Savills, UK Cross Sector Outlook 2026: Living Sectors



Co-living concept image by Ackroyd Lowrie

Planning permissions granted by year

Year	London	Regions	Total
2021	1,645	3,074	4,719
2022	2,009	1,582	3,591
2023	3,277	694	3,971
2024	3,166	3,787	6,953
2025 (record)	5,845	3,002	8,847

Reference: Savills Co-living Pipeline Data, January 2026

Who rents a Co-living apartment?

The core target market for Co-living is young professionals or recent graduates who would like to live in vibrant, urban environments with a sense of community and plenty of amenities but have been costed out by lack of supply and ever increasing rents in more traditional rental product.

Co-living is proving particularly appealing to the 20–40 age group, including international residents and young professionals, who are drawn to the convenience, flexibility, and social aspects of the offering. Savills research shows that cities with strong graduate retention rates, such as London, Manchester and Birmingham, are key markets for co-living developments. London leads the way with a 59% graduate retention rate and a total of 158,000 graduates entering the workforce annually. Many graduates, who are familiar with high-quality purpose-built student accommodation (PBSA) from during their studies, seek similar options as they begin their careers, particularly if relocating to a new city.

Reference: Savills, UK Co-living Spotlight 2025 (February 2025)

However, the demographic is more varied than many expect. Co-living is also a popular option for those looking to start afresh in a new city or have perhaps relocated following a career or relationship change. No longer dominated by those fresh out of university and starting their first job, the average age of a co-living tenant in London has been rising.



Workspace within Tanner Street PBSL (co-living) scheme designed by Ackroyd Lowrie for Bywater Properties



The range of demographic was proven out at Folk's Co-living buildings in Harrow, Battersea and Earlsfield where there are people from 18 years old all the way into their 60s with wide range of jobs and income brackets.

Russ Beresford, COL

Why are they choosing this product?

The appeal of co-living is that it provides an immediate community. Not only are these schemes packed with great amenity space, but they will typically have an events programme alongside. A gym will have classes, a cinema will have film nights, the communal kitchen will have cooking classes and lounge spaces host maker classes and other immersive events. This makes it very easy to meet and socialise with other single renters at a similar life stage and establish new connections.

Another significant appeal is that co-living offers flexible length tenancies. Savills research suggests tenancies typically range from 3–12 months, but can be as long as 3 years, meaning co-living offers a viable, affordable and flexible option that other forms of shared rental accommodation can't match.

The attractiveness of a single monthly bill also resonates with occupiers. People can manage their month-on-month finances easily and are generally insulated from fluctuating utility and other living costs. Savills analysis shows that all-inclusive co-living opening rents in London range from £1,550 to £1,750 per month in a sample of 11 operational schemes with over 2,700 units. These rents are comparable to a room in a house share in areas such as Hackney, Hammersmith & Fulham, or Vauxhall (SW8), and so offer an attractive alternative for those wanting their own living space, of a higher quality, combined with a range of amenity and social opportunities.

Reference: Savills press release, 13 February 2025

Co-living is also heralded as a way to lessen the loneliness crisis. The DCMS Community Life Survey 2024/25 found that 7% of adults in England reported feeling lonely often or always, with younger adults aged 16–24 and 25–34 significantly more likely to experience high levels of loneliness than older age groups. Separately, research from the British Association for Counselling and Psychotherapy in 2025 found that 72% of 16–25 year olds said loneliness has a negative effect on their mental health and wellbeing. The social and physical well-being benefits that co-living offers can help tackle feelings of isolation and, by putting shared spaces at the heart of each development, new connections are made.

Reference: DCMS Community Life Survey 2024/25 (December 2025); BACP Public Perceptions Survey 2025 (June 2025)



These are renters with incomes too high to qualify for social housing without the realistic chance to get on the housing ladder. Not everyone wants to live in a flat-share with people they barely know.

Paul Wellman, Associate Director – Residential Research & Consultancy, Savills

PART TWO

How to...

How to...

Select a Co-living site?

Whilst many locations could work as a place to deliver a successful co-living building, the particular nuances of the asset class will mean that some locations are more suitable than others.

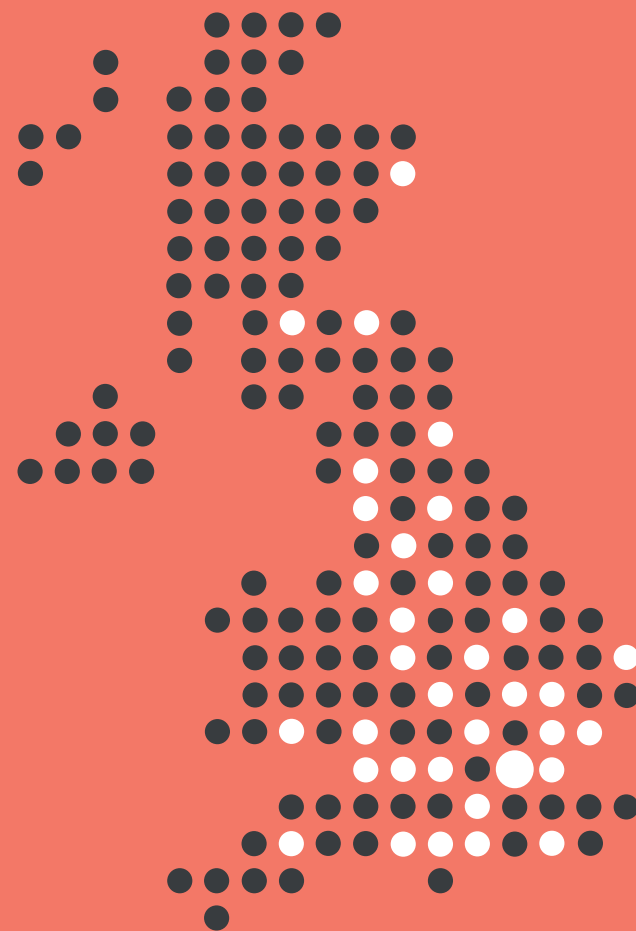
Co-living buildings will typically have low or no parking, meaning residents will be heavily reliant on public transport to support their working and personal life. Even with the backdrop of increased working from home, post Covid, the ability to access a principal place of work easily via public transport will be a key driver on determining the better locations. And whilst co-living buildings can and do provide great amenities within the building, the better locations will also have close access to shops, restaurants and bars. All the ingredients to deliver an enjoyable, diverse and convenient place to live.



Check out how your site rates on the Co-liv Scorecard App.

Co-living schemes around the UK

UK pipeline (Q1 2026)



Source: Savills



Co-living schemes need to be within no more than a 10 min walk of a train or tube station that enables the residents to access major employment hubs within 30 minutes.

Oliver Lowrie, Ackroyd Lowrie

How to...

Get planning for Co-living?

In the UK, co-living developments do not fall under the same C3 planning use class as their BTR counterparts and instead are treated as Sui Generis (without category), meaning they are not of any particular planning use. This means local planning authorities are required to consider schemes on a case-by-case basis, with limited defined applicable standards or regulations. This has resulted in a balance between action and caution, depending on the authority.

As stated elsewhere in this report, the planning outlook has improved markedly over the past 12 months, particularly in London. However, whilst the planning system has the London Plan to guide it, the politics from borough to borough can change regularly. So it is crucial to keep up to date with the opinions of council Leaders and Mayors as well as planning officers.

Contact Ackroyd Lowrie for a feasibility study that will identify opportunities and challenges.

The impact of consenting at scale

The data tells a compelling story of growing planning momentum. In 2025, 8,847 co-living units were granted permission across the UK - a new record, up 27% from 2024's figure of 6,953 and more than double 2023's 3,971. In London alone, permissions nearly doubled year-on-year from 3,166 to 5,845 units. This acceleration in consenting is the most significant development in the

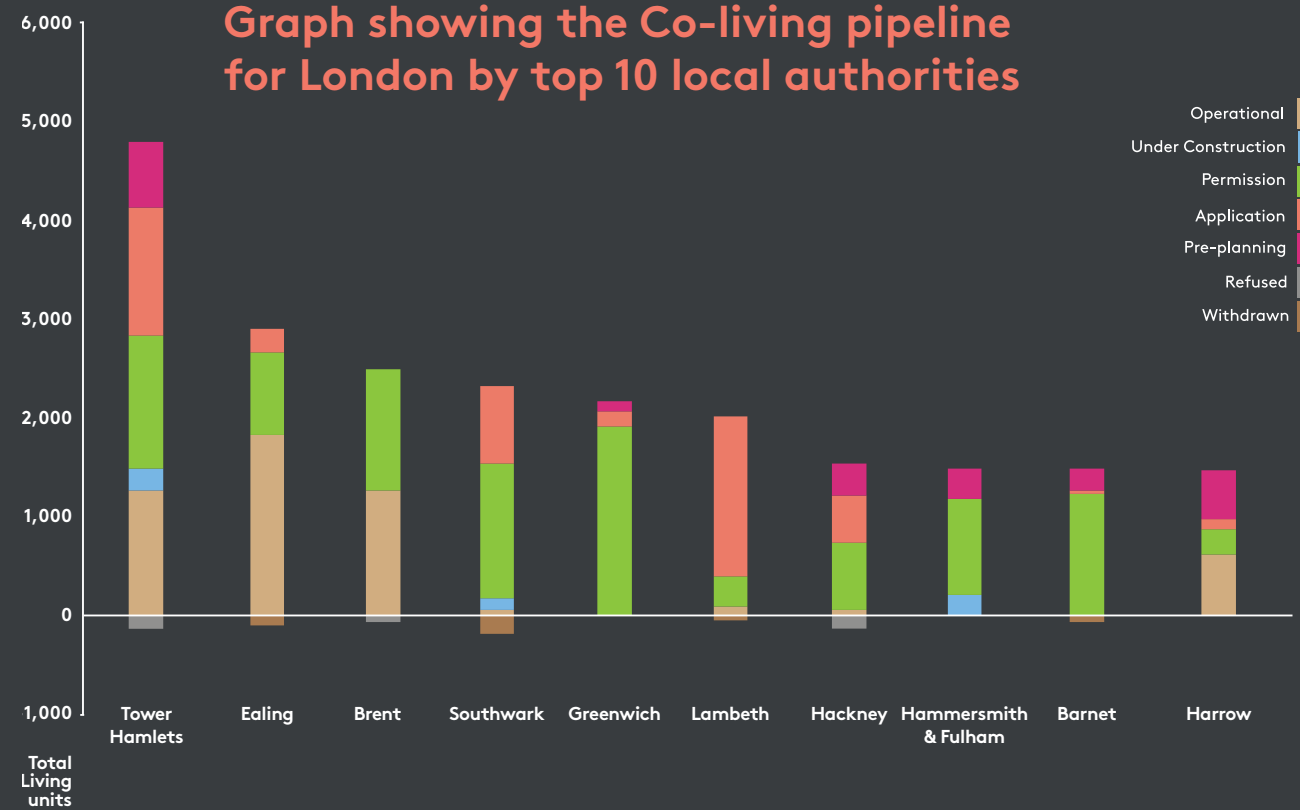
GLA guidance — London Plan

An extremely positive step in helping local authorities assess Co-living proposals was the adoption in February 2024 by the GLA of the London Plan Guidance on Large-Scale Purpose-Built Shared Living. This guidance seeks to set a benchmark in relation to quality and quantity of amenity space, and has largely responded to feedback from the industry to ensure the guidance is not too prescriptive.

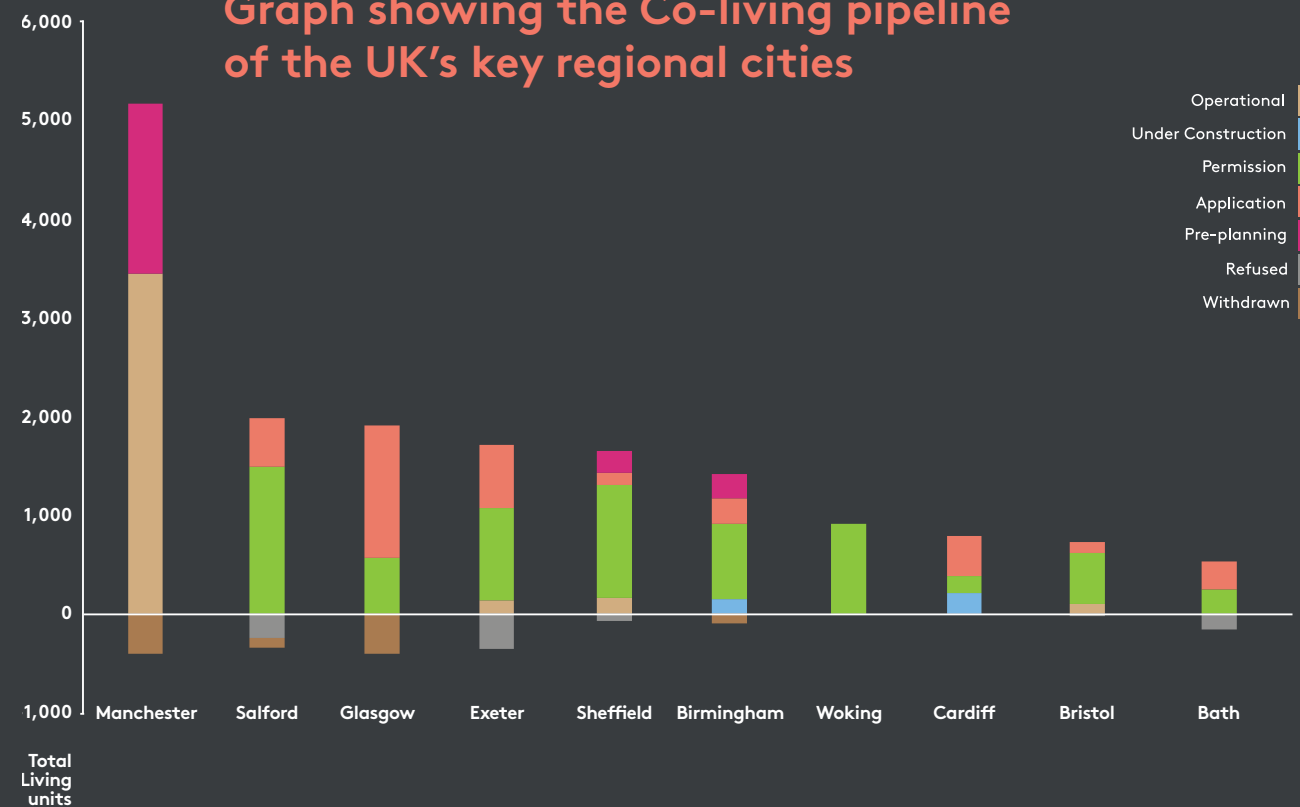
Key elements of the GLA guidance include:

- Areas more likely to be suitable for co-living include the CAZ, Inner London Opportunity Areas, Town Centres, all areas with PTAL 5/6 and Inner London PTAL
- The units should be suitably sized and no less than 18 sqm, but no greater than 27 sqm
- Internal community space requirement per resident is on a sliding scale basis: starting from 4sqm per resident for the first 100 residents, dropping to 3sqm from 101-400th resident
- Requirement for one cooking station per 15 residents
- Laundry and drying facilities requirement of 1 per 35 residents

Graph showing the Co-living pipeline for London by top 10 local authorities



Graph showing the Co-living pipeline of the UK's key regional cities



sector over the past twelve months, and signals a fundamental shift in planning authorities' willingness to support co-living.

Reference: Savills Co-living Pipeline Data, January 2026

Affordable housing

As with all other residential planning applications, the Affordable Housing question will need answering. Either through financial contribution or delivery of an on-site C3 offer. The London Plan states that co-living can count towards Councils' local housing targets at a ratio of 1.8:1. In addition, the latest SPG guidance supports the delivery of

C3 affordable homes on-site in combination with co-living. Off-site Affordable Housing payments remain an issue that needs further clarity.

Expectations by Local Authorities and the GLA continue to be extremely high and can be a barrier to scheme viability.



Now there are operational purpose-built sites, it is clear to see from leasing rates that there is a significant demand for this type of rental housing. Whilst many Councils are now supportive of Co-living as it widens housing choice and addresses a growing need, those that remain unsupportive or concerned with the quality of co-living should visit and experience the operational sites.

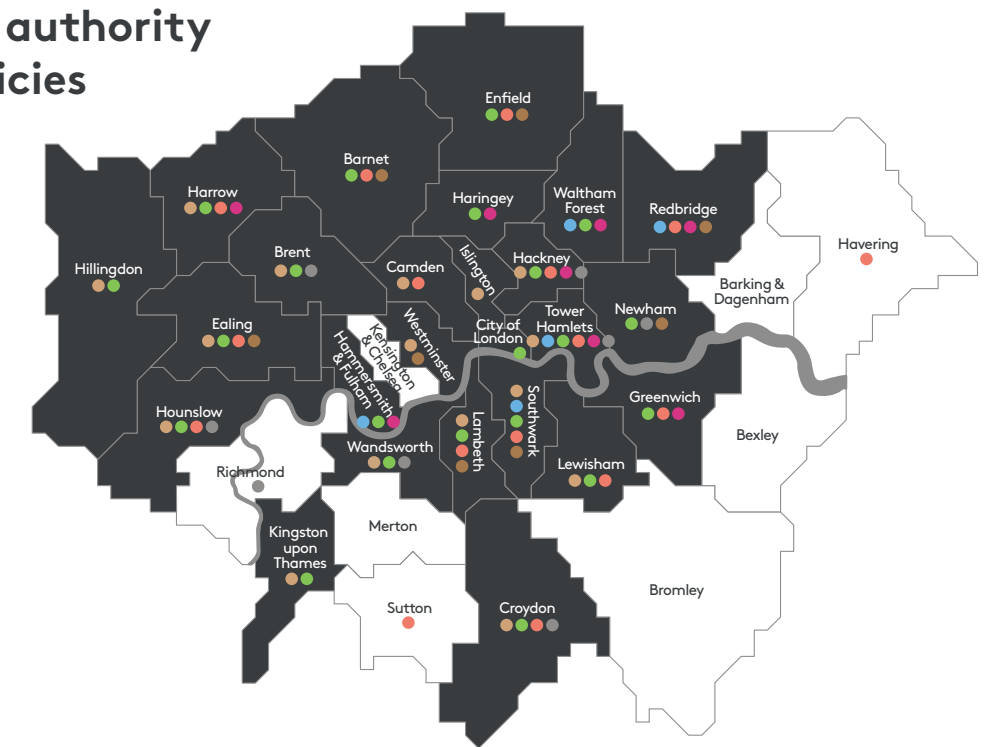
Mark Thomson, Director, Savills Planning

London local authority Co-living policies

- Local authorities with completed, under construction or permission
- Local authorities without completed, under construction or permission

London pipeline (Q1 2026)

- Operational
- Under construction
- Permission
- Application
- Pre-planning
- Refused
- Withdrawn



London local authority Co-living status update

	Operational	Under construction	Permission	Application	Pre-planning	Refused	Withdrawn
Barking and Dagenham	No	No	No	No	No	No	No
Barnet	No	No	Yes	Yes	Yes	No	Yes
Bexley	No	No	No	No	No	No	No
Brent	Yes	No	Yes	No	No	Yes	No
Bromley	No	No	No	No	No	No	No
Camden	Yes	No	No	Yes	No	No	No
City of London	No	No	Yes	No	No	No	No
Croydon	Yes	No	Yes	Yes	No	Yes	No
Ealing	Yes	No	Yes	Yes	No	No	Yes
Enfield	No	No	Yes	Yes	No	No	Yes
Greenwich	No	No	Yes	Yes	Yes	No	No
Hackney	Yes	No	Yes	Yes	Yes	Yes	No
Hammersmith & Fulham	No	Yes	Yes	No	Yes	No	No
Haringey	No	No	Yes	No	Yes	No	No
Harrow	Yes	No	Yes	Yes	Yes	No	No
Havering	No	No	No	Yes	No	No	No
Hillingdon	Yes	No	Yes	No	No	No	No
Hounslow	Yes	No	Yes	Yes	No	Yes	No
Islington	Yes	No	No	No	No	No	No
Kensington & Chelsea	No	No	No	No	No	No	No
Kingston upon Thames	Yes	No	Yes	No	No	No	No
Lambeth	Yes	No	Yes	Yes	No	No	Yes
Lewisham	Yes	No	Yes	Yes	No	No	No
Merton	No	No	No	No	No	No	No
Newham	No	No	Yes	No	No	Yes	Yes
Redbridge	No	Yes	No	Yes	Yes	No	Yes
Richmond upon Thames	No	No	No	Yes	No	Yes	Yes
Southwark	Yes	Yes	Yes	Yes	No	No	Yes
Sutton	No	No	No	Yes	No	No	No
Tower Hamlets	Yes	Yes	Yes	Yes	Yes	Yes	No
Waltham Forest	No	Yes	Yes	No	Yes	No	No
Wandsworth	Yes	No	Yes	No	No	Yes	No
Westminster	Yes	No	No	No	No	No	Yes

Data compiled exclusively for this report by Savills reveals that as of February 2026:

75% – 25 out of 33 of London boroughs have consented Co-living schemes

49% – 16 out of 33 of London boroughs have operational Co-living schemes

The national picture is more varied. While the majority of key regional cities have approved a co-living scheme, only eight of the top 19 have an operational scheme. As of February 2026:

An educational piece needs to come to inform planners and the wider sector what co-living is, what it looks like and the benefits of it. The opportunity is there to increase the sector over the next few years, over the next decade, getting more stock into the market and getting people to have a look at this, what it looks like and once they do that, opinions can change.

Paul Wellman, Associate Director – Residential Research & Consultancy, Savills



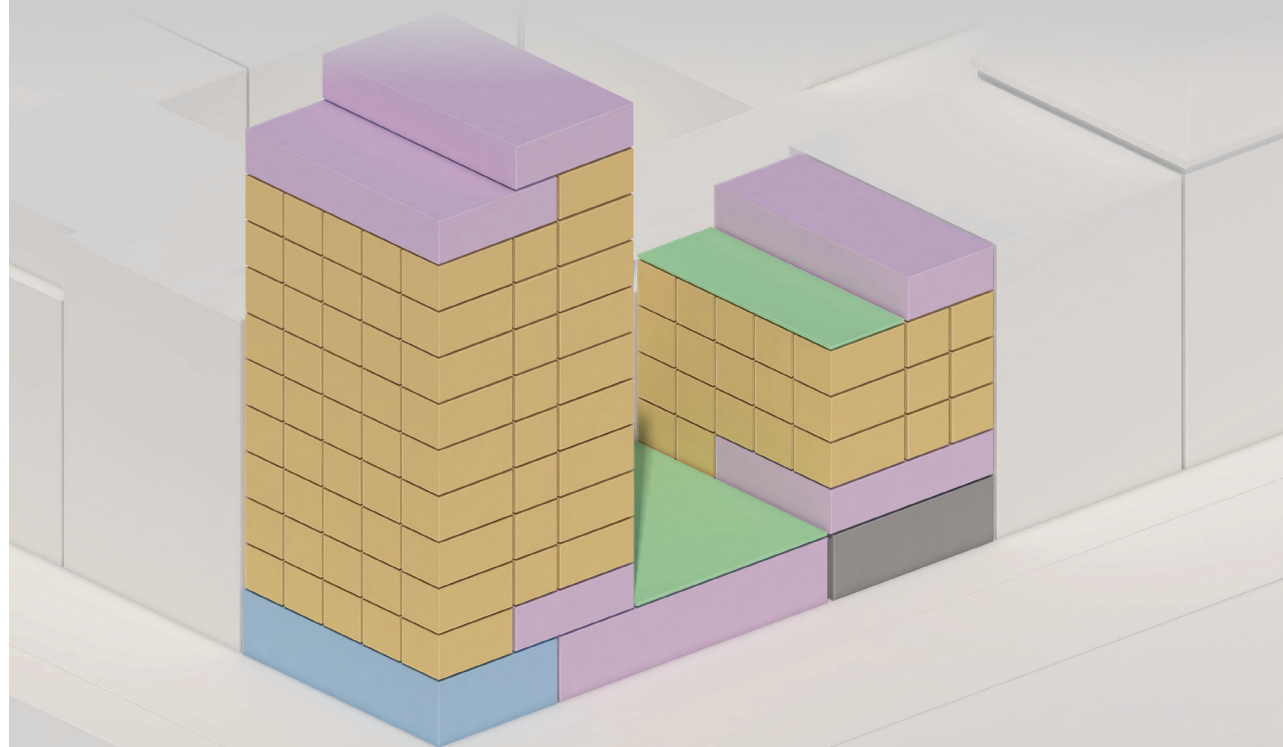
How to...

Design a Co-living scheme?

Axonomic diagram showing Ackroyd Lowrie design approach to arranging a Co-living building

Design principles

Co-living's most common design philosophy is for private studio style units with en suite bathrooms and a kitchenette, with access to varied well-designed shared internal and external amenity spaces. Ackroyd Lowrie believe it is best to group shared internal amenity at Ground Floor, and on the Top floor, with rooms arranged in the middle.



Feasibility study created by
Ackroyd Lowrie

Minimum size

The GLA guidance for large-scale, purpose-built accommodation is a minimum of 50 beds, however, given that these schemes require a certain amount of management, an economy of scale can be applied.

Room sizes

One of the most debated elements in the co-living discussion is room size. The New London Plan Policy H16 identifies key spatial size requirements: standard private unit size of 18–27m² and accessible private unit size of 28–37m². The direction of travel is undoubtedly for larger rooms.

Legal basis for occupation

Under current UK Law, when an occupier is granted exclusive possession of property, for a term, in return for making a specified periodic payment, a tenancy will arise. The Renters' Rights Act 2025, which takes effect from 1 May

2026, abolishes assured shorthold tenancies and introduces periodic assured tenancies with no end date for private rented sector tenancies. Potential residents will therefore have greater security of tenure, and developers and operators need to ensure their legal frameworks are updated to reflect this fundamental change.

Reference: Renters' Rights Act 2025 (c. 26);
House of Commons Library (December 2025)

Standard private unit size: 18-27 m²

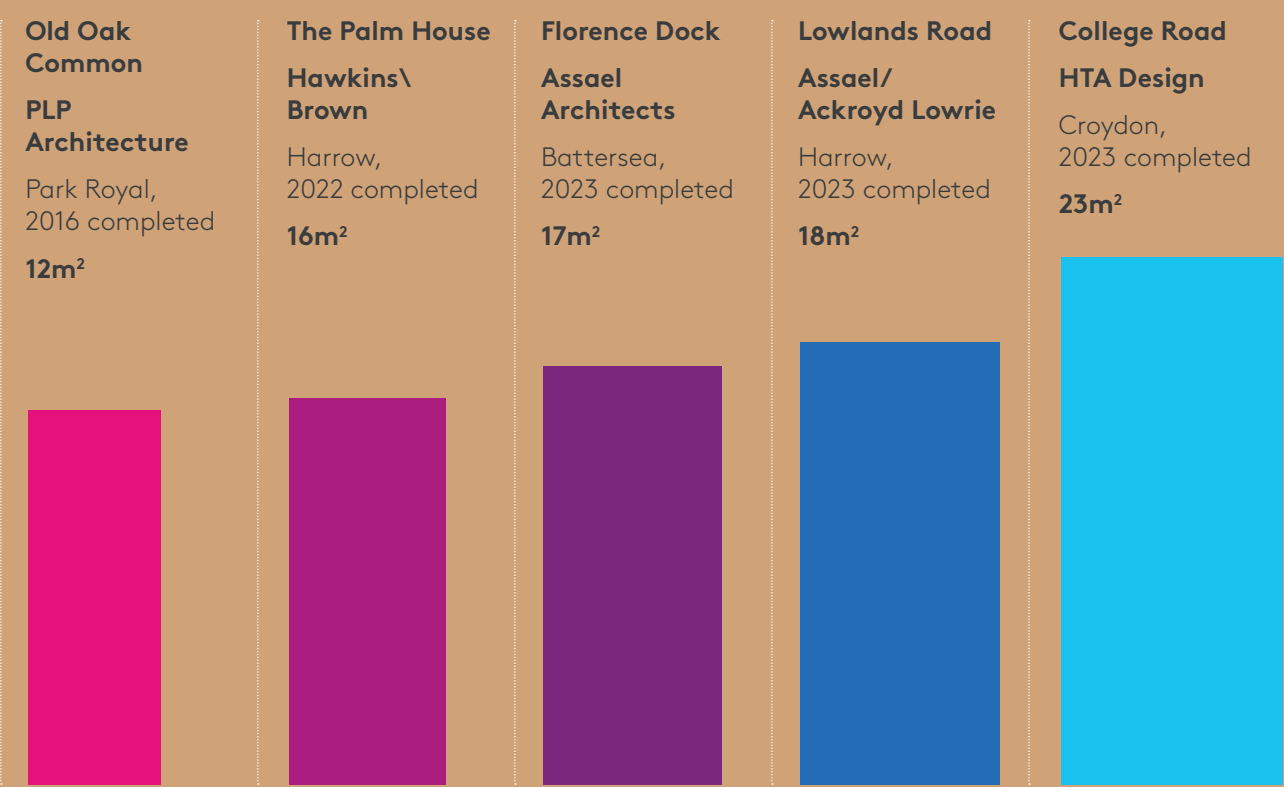
Accessible private unit size: 28-37 m²

If you want a feasibility study of your site, add the details to the Co-Liv Scorecard App, and Ackroyd Lowrie will be in touch to arrange a call



Scheme	Location	Developer	Number of beds
Old Oak Common	Willesden	The Collective	550
The Palm House	Harrow	Halcyon/Folk	222
College Road	Croydon	Tide	817
Dandi Wembley	Wembley	Dandi	360
Sunday Mills	Earlsfield	Halcyon/Folk	315
Wembley Ark	Wembley	Re:Shape	300
Florence Dock	Battersea	Halcyon/Folk	270
Lowlands	Southfields	True North Management	86
Holm Wimbledon Park	Southfields	True North Management	86
West Court	Hounslow	Gravity Co-living	97
Lowlands Road	Harrow	Formation	103
Ark Canary Wharf	Canary Wharf	Ark	705

Example typical room sizes



*Areas taken from Planning Portal and visually represented by Ackroyd Lowrie based on submitted planning documents. The areas are based on tracing a typical room sizes and are approximate

How the Renters’ Rights Act 2025 Will Affect Co-Living

The Renters’ Rights Act 2025 represents the most significant reform to the private rented sector in England for more than three decades. When the new regime took effect in May 2026 it fundamentally reshaped the legal framework within which Co-Living schemes operate. For developers, investors and operators, the key question is how a model built on flexibility, community and relatively short occupation periods fits within a tenancy regime that is designed to give residents greater security of tenure.



Nikita Asher
Property law specialist,
Trowers & Hamlins



James Huckstep
Construction law specialist,
Trowers & Hamlins

The end of assured shorthold tenancies

The Act abolishes assured shorthold tenancies (ASTs), which have formed the backbone of the private rented sector since the late 1980s. In their place, all new private rented sector tenancies will be assured periodic tenancies with no fixed end date. For Co-Living schemes this represents a meaningful shift. Many current schemes operate with occupation agreements ranging from three to twelve months, reflecting the more flexible lifestyles of the typical resident demographic. Under the new framework, residents will still be able to leave by giving notice, but landlords will no longer be able to rely on a fixed term expiring to regain possession. While this change increases security for residents, it may reduce some of the operational flexibility traditionally associated with Co-Living.

A maturing asset class

While the Renters’ Rights Act introduces additional regulation, it also reflects the increasing institutionalisation of the rental housing sector. As Co-Living continues to mature as an asset class, greater alignment with the wider residential regulatory framework is perhaps inevitable. For investors and developers, the key takeaway is that legal structuring and operational strategy will need to

evolve alongside the sector itself What remains unchanged is the underlying demand for high-quality, professionally managed rental accommodation in well-connected urban locations. If anything, a clearer and more consistent tenancy regime may ultimately increase confidence in the sector over the long term.

Occupation agreements and the “licence vs tenancy” question

Some Co-Living operators have historically explored licence or membership-style agreements as an alternative to traditional tenancies. These agreements often emphasise access to shared amenities and community programming as part of a broader “membership” experience. However, under long-established principles of English property law, the label applied to an agreement is less important than its substance. Where a resident is granted exclusive possession of a room or studio for a period of time in return for rent, a tenancy will generally arise. In practice, this means that many Co-Living occupation agreements are likely to fall within the new statutory tenancy framework regardless of how they are described and the new legislation reinforces the importance of ensuring that occupation structures are robust and compliant with the residential tenancy regime.

Summary of GLA guidance on required areas for Large-scale purpose-built shared living

Communal area/facility	Required/optional	Included in communal space requirement	Benchmark	
External Communal Space:				
Terrace/Garden	Required	No	< 400 residents:	1m ² /resident
			400 + residents:	0.5m ² /resident
Internal communal space:	Required	Yes	< 100 residents:	4m ² /resident
			Every additional resident 101-400:	3m ² /resident
			Every additional resident above 401:	2m ² /resident
Must include: Living room/Lounge Communal kitchen Dining space	Required	Yes	Kitchen:	0.5m ² /resident to include one cooking station per 15 residents
			Dining:	Two dining spaces per cooking station
May also include: Gym Workspace Cafes/Bars	Optional	Yes		
Circulation:	Required	No	< 400 residents:	1m ² /resident
			400 + residents:	0.5m ² /resident
Cycle storage:	Required	No		0.75m ² /resident
Laundry/Drying facility:	Required	No		One washer/dryer per 35 residents
Toilets:	Required	No		



The updated GLA guidance on Shared Living takes on board many of the concerns of those in the industry on the previous guidance. It gives greater flexibility to designers which will result in buildings with exciting and varied spaces for residents to use. At Ackroyd Lowrie, we see this update as being the framework for successful buildings, and we believe that similar policies will be adopted nationwide.

Oliver Lowrie, Director, Ackroyd Lowrie Architects

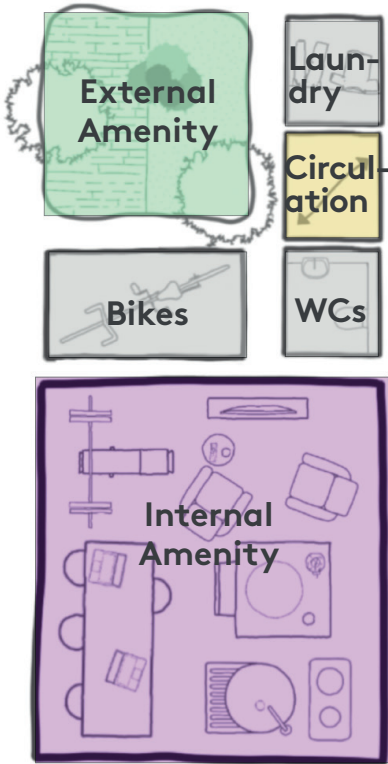


Room sketch by Ackroyd Lowrie

Required in each room

Diagram showing spatial requirements required under New GLA Guidance in the room and in addition to the room

Area required per room throughout rest of building:



Developers have found themselves in a unique position to re-define city living and so the GLA's new large-scale purpose-built shared living (LSPBSL) London Plan Guidance (LPG) which was published on 29th February 2024, has been a welcome step forward in this space. Whilst the guidance will only be applicable in London, we may see Co-living developers and local planning authorities outside of the capital following suit and apply similar criteria as a model of best practice.

Whilst the co-living offering goes some way in providing a much needed and unique additional housing option for some people, the co-living units do not meet the minimum London Plan internal space standards for C3 housing. Consequently, it cannot be considered an affordable housing product that provides housing that is genuinely affordable or housing to support families. It is very much viewed as a 'transitional' accommodation option suited to single-person households.

How to...

Service Co-living?



Toby King
Applied Energy



Internal image of room at Lowlands Road by Assael Architects/ Ackroyd Lowrie Architects/ Interior Design: Sladjana Cvetkovic

How do the new Part O regulations affect this?

In addition to essential requirements, there are other design considerations that can set a co-living scheme apart from its BTR or PBSA counterparts. It needs to feel more sophisticated and present an elevated living experience for residents. One of the biggest differentiators is through smart building technology — better integration of environmental controls such as lighting and temperature, improved security, and energy efficiency.

Part O requirements mean developers will have to address the issue of overheating, meaning the conversation about whether to add cooling will slowly become redundant. Overheating will need to be modelled in advance and designed out via tried and tested solutions.

Building technology can enhance the co-living lifestyle. In addition to the obvious infrastructure requirements to provide a robust and reliable network and internet access for resident use, building technology can enhance the daily lives of residents in other ways including better integration of environmental controls such as lighting and temperature; improved security; and energy efficiency. A well-designed building, incorporating the right technology, will be able to adapt to change, and improve the experience for the resident and operator.

The decision to include cooling is a big one that is challenging brands on site. Most PBSA is not provided with mechanical cooling and there is therefore a perception that co-living could include it to elevate the offering from previous living experiences.

How to...

Value and underwrite a Co-living Scheme?



James Hanmer
LFL

Co-living is attracting a growing share of institutional investment. The Living sectors accounted for 25% of total investment in the UK in 2025, up from just 11% in 2015. Savills' 2025 European OpRE survey found that investors planned to deploy over £32 billion of capital into the Living sectors over the next three years, with the UK and Ireland a priority location for 50% of respondents. Living sector investment surged to £3.2bn in Q3 2025 alone, a rise of more than 60% compared to the previous quarter.

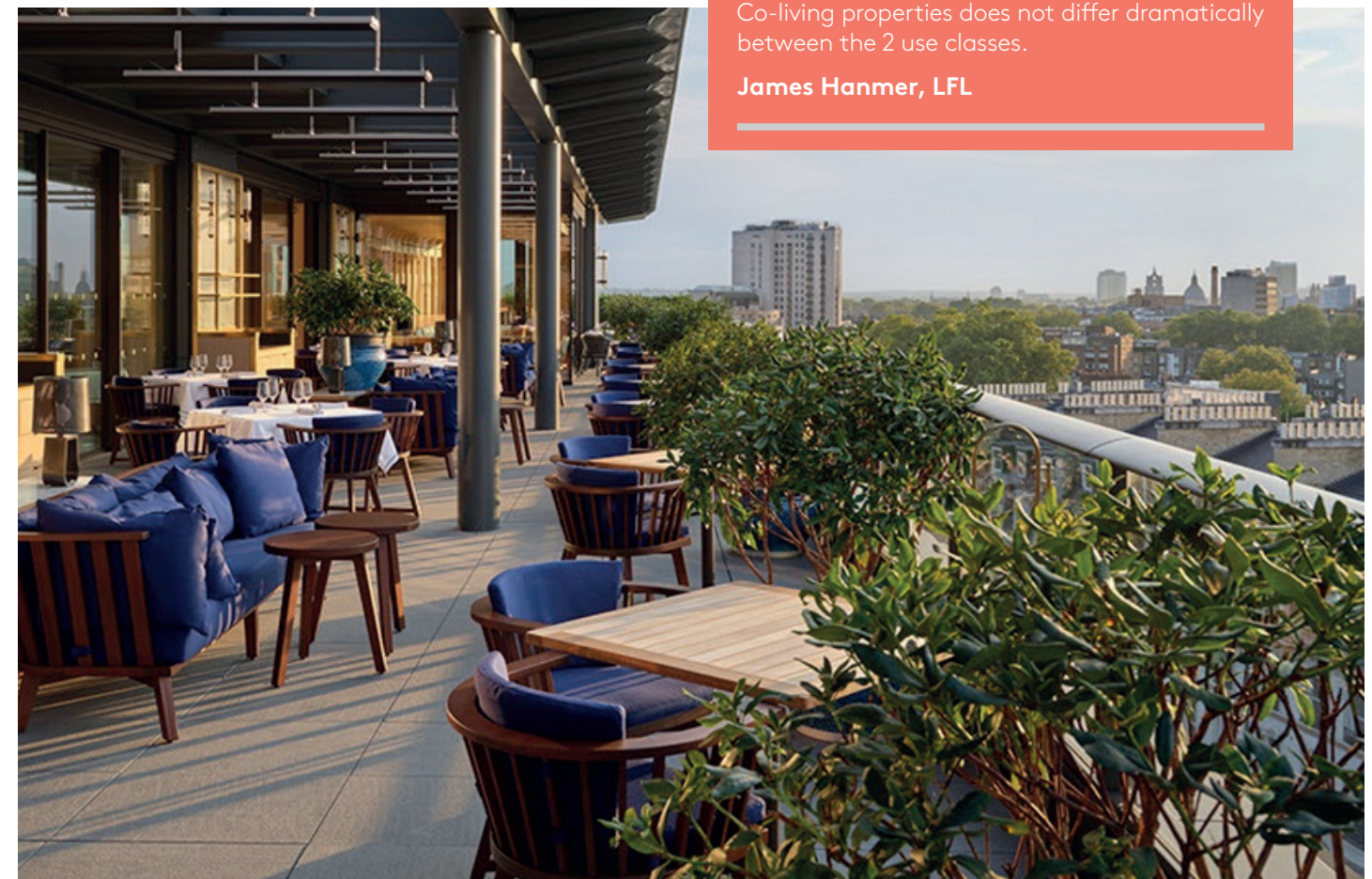
Reference: Savills, UK Cross Sector Outlook 2026; CBRE, UK Living Outlook 2026

However, the lack of certainty over planning success have historically meant Co-living is seen as a riskier proposition compared to BTR or PBSA. Most institutional investors are currently looking to access the market at the forward funding stage when the planning risk and most of the construction cost risk has been mitigated.

Concept Co-living image by Ackroyd Lowrie

The majority of new Co-living schemes coming forward are as sui generis use and, the expectation is that this where we are going to see highest liquidity on exit. However, the challenges around delivering such consents, has seen many investors also take active interest in 'open' C1 both for built and development opportunities given that the functionality of Co-living properties does not differ dramatically between the 2 use classes.

James Hanmer, LFL



How to...

Construct a Co-living scheme?

Whilst most methods of construction will be appropriate, the repetitive modules of co-living units lend themselves to Modern Methods of Construction (MMC). Amenity spaces at ground floor will likely require a concrete or steel frame, but the units above can be pre-fabricated either via panellised or volumetric off-site construction.

The avoidance of providing a basement will undoubtedly be the goal for many co-living developers, noting the impact upon programme and overall project costs, but may not be achievable on all sites with a restrictive footprint.

With the implementation of the Building Safety Act 2022, further requirements on core design and fire-fighting strategy are putting pressure on scheme design and efficiency.

Recent industry surveys indicate that UK construction output contracted for a twelfth consecutive month in December 2025, with housebuilding activity at its weakest since 2020.

However, as build costs ease and interest rates stabilise, the outlook for 2026 construction activity is more positive.

Reference: Charles Russell Speechlys, UK Living Sector 2026 (January 2026)

Lowlands Road,
Planning: Assael
Architects,
Delivery: Ackroyd
Lowrie Architects

Lowlands Road

103 bed co-living was designed with a steel frame to allow 'top down' construction of basement concurrently with upper floors.



How to...

Market a Co-living scheme?



Russ Beresford
COL

To attract the core demographic, marketing for co-living is heavily focused on single occupiers, emphasising the convenience, connectivity and affordability these developments offer.

Savills analysis shows that all-inclusive co-living opening rents in London range from £1,550 to £1,750 per month in a sample of 11 operational schemes with over 2,700 units. Although the rent on a co-living unit is likely to be higher than the average rent of a room in a shared house, it is far more likely to be less than a single market rented unit. Furthermore, it is inclusive of all household bills, council tax and gym membership — meaning tenants in these properties are paying between 10–20% less than open market studio flats or BTR studios.

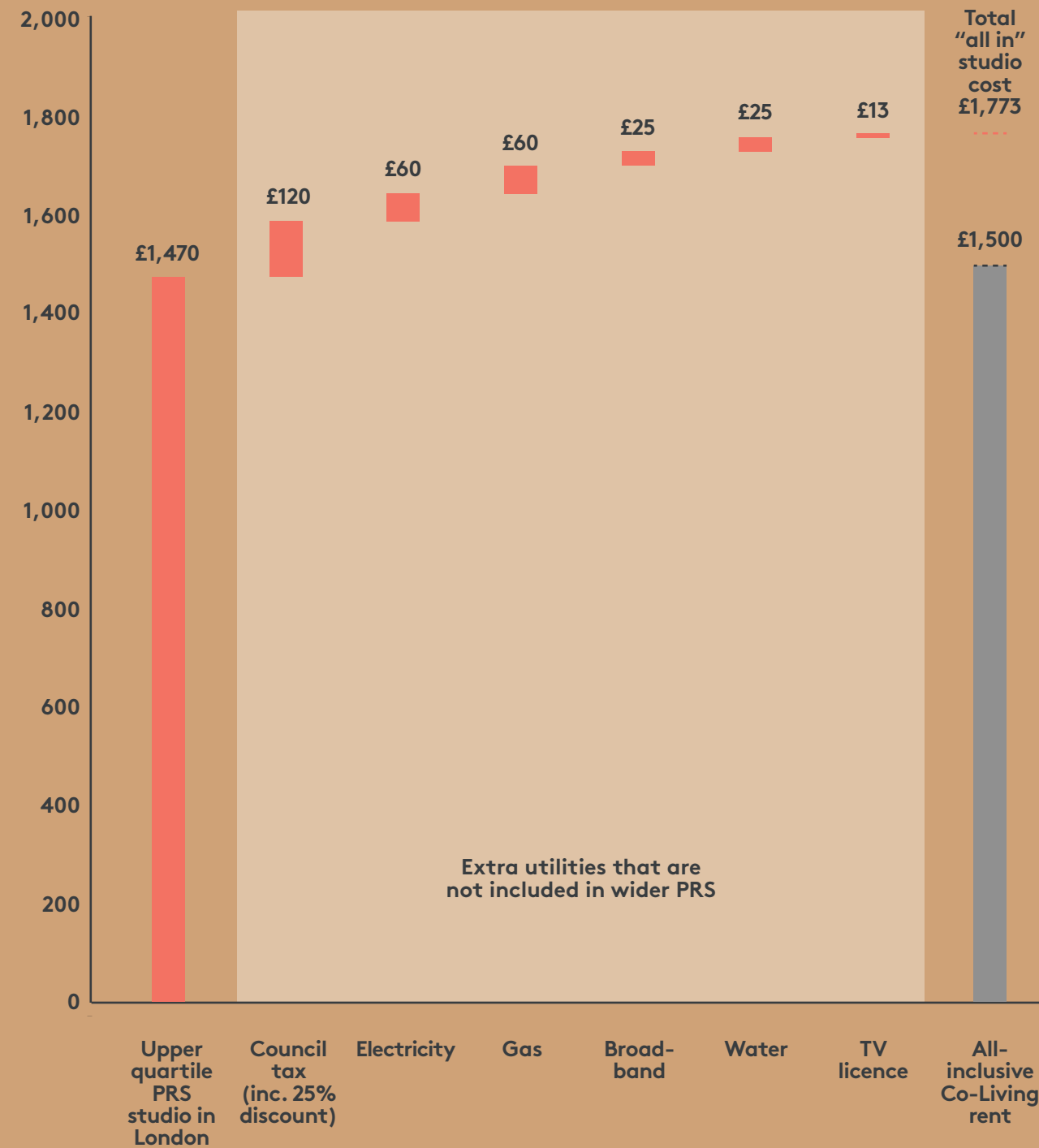
Reference: Savills, UK Co-living Spotlight 2025 (February 2025)

Of the current co-living schemes in London, the average rent is around £1,550–£1,750 pcm, including council tax, utility bills and gym membership. This means tenants in these properties are paying between 10–20% less than open market studio flats, or BTR studios.

An interesting point that sets it apart from traditional rental residential is that co-living targets the single person market quite directly.

Russ Beresford, Co-Founder, Halcyon Development Partners

Graph showing the hypothetical value proposition



How to...

Build a community?



Dr Penny Clark
Conscious Co-living

The challenge and the opportunity for co-living building management is that a series of individuals must become a community if they are to have a long-term interest in the building.

This involves:

1. Make co-creation a key value of the community and business
2. Market and curate for people who want to co-create
3. Set clear expectations around co-creating during the on-boarding process
4. Involve residents in decision-making processes
5. Support and encourage interest-based resident-led events, workshops, and social activities
6. Communicate with residents about developments and opportunities for involvement
7. Regularly capture feedback and share the data to further empower residents.

Building an engaged community through co-creation

Creating community engagement is one of the biggest challenges that co-living operators consistently face. The key to building an engaged community lies in empowering residents to co-create the experience.



Concept Co-living image by
Ackroyd Lowrie

How does...

Co-living support ESG?



Russ Beresford
COL

1. Socioeconomic value

As the UK tackles a rental housing crisis, co-living can offer a solution that delivers real social mobility and value. By catering for a growing and increasingly diverse population, co-living offers an affordable product to those who otherwise have little choice.

2. Health & well-being

Co-living, by its very nature, can positively impact mental and physical health. Its shared facilities can eradicate feelings of isolation and loneliness by providing high-quality spaces to interact and connect with others on a frequent basis.

3. Greener cities

The operational efficiencies of co-living can significantly drive down the environmental footprint. Located in urban environments well-served by public transport means sustainable travel becomes a default choice. Doctoral research by Conscious co-living found that co-living case studies reported greenhouse gas emissions up to two thirds lower than the average UK household.

4. Community engagement

Co-living schemes offer opportunities for greater neighbourhood connectivity. Strategic partnerships with local businesses can foster stronger community relationships.

How to...

Operate a Co-living building?



Brent Stojanovic
Co-living Specialist

Operating co-living communities efficiently and effectively can often be more complex than adjacent typologies such as build-to-rent. This is owed to higher frequency turnover of residents and shorter tenure lengths coupled with more intense lettings and marketing activities and increased expectations around resident experience, cultural programming and events.

The unique aspects of co-living provide owners and operators with equally unique opportunities. The higher resident churn provides scope for regular repricing and income optimisation. Managing and mitigating excessive energy consumption by residents is an important aspect of operating these assets from the dual perspectives of cost and sustainability.

Rooftop bar,
Lowlands Road.
Assael Architects
/ Ackroyd Lowrie
Architects
Interior Design:
Sladjana
Cvetkovic



How to...

Make it Investable

The fundamental reasons for investing in co-living are no different from the build-to-rent sector. Investors seek a robust income stream that tends to grow in-line with inflation over time. The appeal is the obvious demand and supply imbalance with 12,731 operational units against an estimated addressable market of 750,000, the opportunity is substantial.

Reference: Savills Co-living Pipeline Data, January 2026

Co-living is viewed as either “PBSA-plus” or “BTR-light”. Yields sit somewhere between PBSA and BTR but are forecast to move closer to BTR, giving investors an opportunity for yield compression. International capital, particularly from Asia, is interested in deploying capital into co-living. Portfolio and platform consolidation is expected to gather pace in 2026 as investors seek scale and stronger operating capability.

Reference: Charles Russell Speechlys, UK Living Sector 2026; CBRE, UK Living Outlook 2026

BTR occupancy is averaging approximately 97% and income growth is expected to persist into 2026. CBRE’s 2026 outlook notes that the introduction of Assured Periodic Tenancies in May 2026 under the Renters’ Rights Act may increase demand and tenant mobility, creating further opportunities.

Reference: CBRE, UK Living Outlook 2026

But the fundamentals of the asset will be the occupancy, and the demand- and both are driven by people wanting to live there. This is a combination of selecting the right site, and designing a building that people want to live in. In a world that has stopped valuing design, this is a clear example of the ROI of great design. Spaces where people can build communities will have longer tenancies, fewer voids, and ultimately greater value.

What we have in the sector is genuine demand from both tenants and investors. We are very much in the development phase of co-living. Development has its obvious challenges in the current regulatory and high cost environment.

The institutional grade stock that has been built in the last 3 years has been of high quality and leased up and stabilised with great success.

Investors have been waiting to get access to operational stock and scale but in the meantime, engagement in investment opportunities through development funding individually or on a programmatic basis is incredibly exciting.

Lizzie Beagley, Head of UK PBSA & Co-living Transactions, Savills

Co-living represents one of the strongest structural investment opportunities in the UK living sector. In supply-constrained cities such as London, Bath and Bristol, it delivers professionally managed, high-quality accommodation that aligns with evolving lifestyle preferences while generating resilient occupancy, diversified income streams. Successful schemes combine thoughtfully designed private living spaces with generous, high-quality amenity areas that foster community, support wellbeing and enhance the day-to-day resident experience. By creating environments where people can comfortably live, work and socialise, co-living encourages longer tenancies, strengthens resident satisfaction and reduces operational turnover. As affordability pressures persist and urban populations continue to expand, the sector is well positioned to outperform more traditional residential asset classes.

Chris Riley, Bywater



Chris Riley
Bywater



How to...

Make it Exit-able

The opportunities the co-living sector presents are vast. The diversity of what it can offer, at different price points, scales or locations, makes it both an attractive proposition for investors and an appealing choice for residents.

As pioneer funds come to an end and some current owners look to recycle capital, opportunities are increasing for other investors looking to enhance returns through asset management, operational efficiencies, and targeted capex. Funding structures that have evolved mean developers are increasingly likely to receive their profit once schemes are stabilised, rather than on practical completion.

Reference: Savills, UK Cross Sector Outlook 2026: Living Sectors

Key to the future success of co-living is more widespread understanding, and continued progress within the planning sector to enable it to find its feet as a real asset class. Those involved within the sector need to continue promoting the benefits it can bring to individuals, cities and communities.

At Ackroyd Lowrie, we are offering a free, fully costed feasibility study for future co-living schemes. Use the QR code opposite to get started!

The most important aspect has to be ensuring that you have a quantum of bedrooms which is manageable from a capital markets point of view. Usually you want to be upwards of 150 to ensure operational efficiency but not much more than 400. If you are well in excess of 400 beds, you are looking at very sizeable GDVs which can be sticky to capitalise particularly in challenging markets. Go too big and the rental story also gets trickier with lettings tending to compete with each other. As the sector matures, I would hope to see newer typologies emerge which help address this. I can see a sharer typology being quite popular and potentially more affordable and there is no reason why this couldn’t be mixed in with studios.

Nick Cuff, Urban Sketch



James Hanmer
LFL

The investment opportunity in Co-living will be significant and we are starting to see more institutional capital seek participation. Gaining representation in the sector follows the demographic shifts in UK society and is conviction on a city and therefore the broad and diverse range of residents that can occupy. The sector should also be well placed to weather any RRB headwinds better than some other living sectors.

James Hanmer, LFL



Nick Cuff
Urban Sketch

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