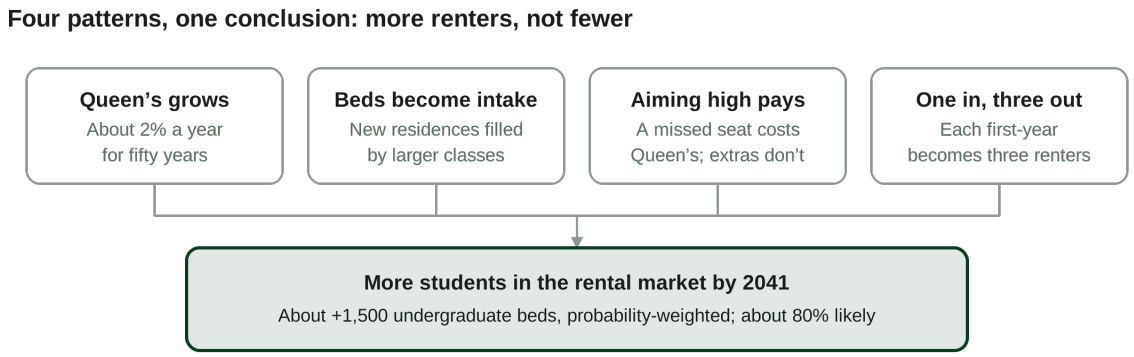
Queen's New Beds Won't Ease Kingston's Rental Crunch. They'll Feed It.

A.J. Keilty, CCIM, President, KEILTY Realty Management Inc. | 2026-11-05

EXECUTIVE SUMMARY

Queen's University's new Housing Strategy promises more than 3,000 net-new beds and says they will ease pressure on Kingston's rental market. Our view is the opposite: over the strategy's horizon to 2041, the number of students who need off-campus housing is more likely to grow than to shrink.

That is not a criticism of the strategy. Queen's needs the beds. But a strategy built to house more students sits inside an institution that has grown for fifty years, that has historically turned every new residence into a larger first-year class, and that faces strong financial reasons to admit more students rather than fewer.



The argument at a glance: four patterns and the conclusion they support

The argument rests on four observations:

1. **Queen's grows.** Full-time enrolment went from about 10,000 in the mid-1970s to 28,561 in 2025-26, roughly 2% a year. The one long pause, from 1974 to the mid-1990s, was a deliberate choice by university leadership.
2. **New residence beds have become a larger class.** When 550 beds opened in 2015, first-year intake rose by about 465. When a new residence opened in 2022, the first-year target rose by 228. Each time, the residence system filled again within a few years.
3. **Admissions economics reward over-enrolment.** A university cannot withdraw an offer once a student accepts it. Missing low costs tuition revenue; missing high costs the university almost nothing, because the extra student rents in Kingston.

4. **Every first-year becomes three upper-year renters.** In a four-year degree, a student spends year one in residence and years two to four off campus. A new residence bed that supports a larger class adds three off-campus renters later.

Put together, our probability-weighted estimate is that undergraduate off-campus demand rises by about 1,500 beds at steady state, even with all 3,000 new beds built. Our central case is about 2,500. If graduate enrolment grows at a similar pace, it could add roughly 2,000 more. We put the probability that off-campus student demand is higher in 2041 than today at about 80%.

The break-even is low. For the new beds to leave off-campus demand unchanged, Queen's needs to grow first-year intake by only about 750 students over the period, about 0.9% a year. From 2015 to 2026 it grew about 1.9% a year.

For owners, the strategy is a timing risk rather than a structural threat. The two risks worth planning for are a short dip if early phases house upper-year students before intake rises, and new graduate apartments priced near market that compete directly with studios and one-bedroom suites. Shared houses in the University District face the least direct price competition from anything Queen's is likely to build.

WHAT QUEEN'S ANNOUNCED

The Queen's University Housing Strategy, published in November 2026, sets a direction rather than a construction schedule. It names priority sites and a delivery model, and states that full build-out could add more than 3,000 net-new beds.

Queen's starts from a strong position. It reports that 21% of its students live in university-owned housing, at least 5 points above Ontario peers. It also reports that students it does not house make up 15% of Kingston's population, and that Kingston's 2025 vacancy rate was 2.4%, below the 4% it describes as balanced.

The strategy has three directions:

- **Protect the first-year experience.** Queen's wants to restore a residence guarantee for every first-year undergraduate, which it describes as a competitive advantage.
- **House research-based graduate students.** The strategy calls for flexible leases, affordability and family-friendly units, and says the same buildings can serve upper-year undergraduates.
- **Support the Kingston market.** Queen's states that housing all first-years and more graduate students will reduce the number of students seeking off-campus housing. It cites a survey finding that 70% of students in university housing want the option to stay.

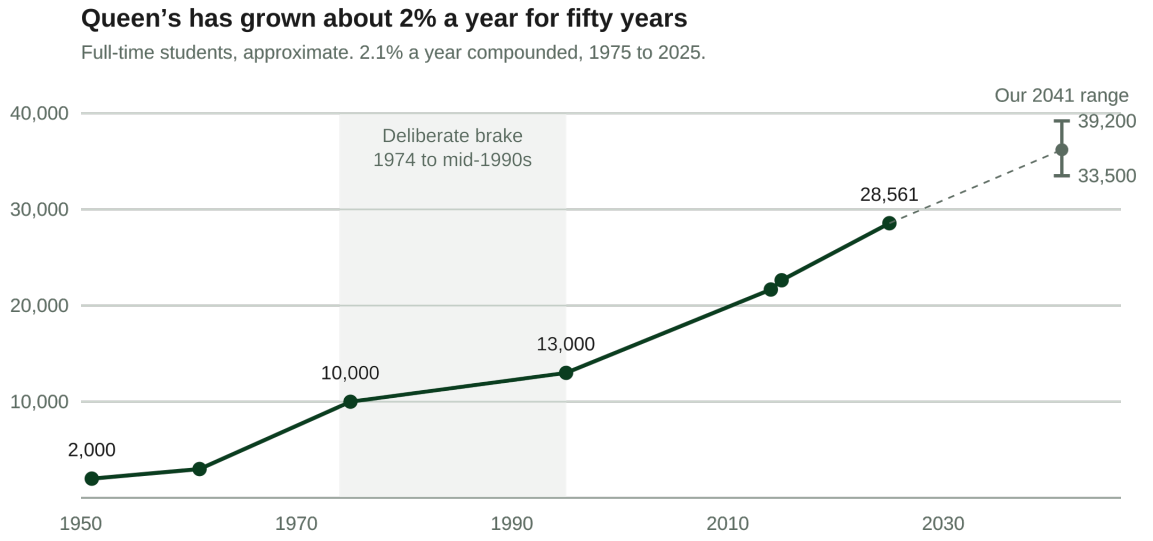
The priority sites are West Campus, An Clachan, and Aberdeen, Clergy and Earl Streets in Sydenham Ward. West Campus goes first. Its initial role is to let Queen's redevelop Gordon-Brockington House without reducing first-year beds during construction, so the first phase is largely replacement, not net-new supply.

Every project will be delivered through a public-private partnership (P3). The strategy contains no dates, no bed counts by phase and no capital budget. Queen's commits to refreshing its housing demand study at least once every ten years and is updating its Campus Master Plan.

The strategy's market claim is explicit: more beds on campus, fewer students in the rental market. The rest of this paper tests that claim against how Queen's has actually behaved.

FIFTY YEARS OF QUEEN'S ENROLMENT

Queen's has grown about 2% a year since the mid-1970s, and its one long pause was chosen by its leadership, not imposed on it.



Queen's Encyclopedia, Queen's Journal and Queen's enrolment reports, 1951 to 2025; definitions vary before 2014. The 2041 range is our forecast at 1% to 2% a year.

The boom, 1960s to mid-1970s. With the baby boom arriving and public funding flowing, Queen's, like most Canadian universities, tripled its enrolment and expanded its faculty and facilities.

The brake, 1974 to the mid-1990s. Principal John Deutsch put a brake on enrolment, believing that about 10,000 full-time students was large enough to keep the university's personal character. Growth slowed sharply through two decades of funding constraint. Applications soared anyway, and Queen's used that demand to raise admission standards rather than class size. The lesson for this paper: restraint is possible when leadership decides it matters more than volume.

The double cohort, 2003. When Ontario's five-year high school program ended, most Ontario universities expanded first-year intake sharply. Queen's limited its increase to 200 students and came in 11 over target, admitting about 3,500 from close to 40,000 applicants.

Growth resumes, 2005 to 2026. After 2005, growth returned and has run at about 2.5% a year since 2014. By 2008, enrolment had outrun residence and common rooms were converted into bedrooms. The first-year class grew from about 3,500 in 2003 to more than 5,500 in fall 2026.

The growth has not been smooth. It has come in steps, and the steps line up with new residence capacity, which is the subject of the next two sections.

WHY UNIVERSITIES OVER-ENROL

Admissions is a forecast made with incomplete information. A university issues offers in winter and spring, then waits to learn how many students accept. Once a student accepts, the offer cannot be withdrawn.

So the admissions office must choose how many offers to issue before it knows the yield. If it expects 85% of a group to accept and sizes its offers to that, any upward surprise in yield becomes enrolment growth that cannot be reversed.

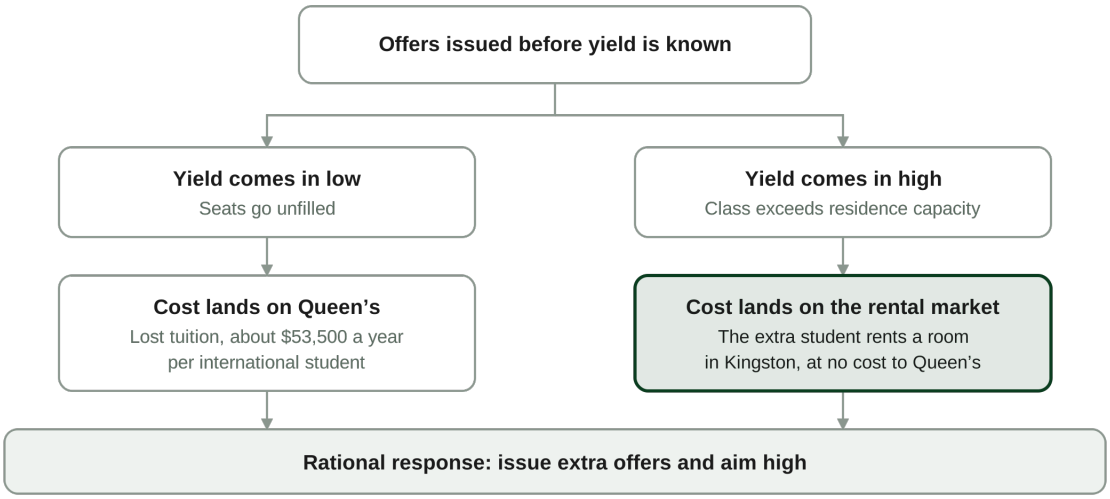
The costs of missing are not symmetric

The right target depends on which mistake costs more, and at Queen's the two mistakes are very different.

- **Missing low costs real money.** In 2023-24, Queen's fell 226 students short of its international target, a shortfall it valued at about $12.1 million, or roughly $53,500 per student per year. A domestic shortfall costs less per student, but it repeats for four years.
- **Missing high costs Queen's very little.** Classrooms and faculty already exist. If residence is full, the extra student finds a room in Kingston. The cost lands on the rental market, not on the university's budget.

When one error is expensive and the other is nearly free, the rational choice is to aim high on purpose. That is not a failure of forecasting. It is a sound response to the incentives.

A missed seat costs Queen's; an extra student costs the rental market



Admissions decision: two outcomes and who bears each

Because the two errors fall on different parties, the safe choice for the university is to aim above residence capacity every year.

Financial pressure sharpens the incentive

Queen's has faced a structural operating deficit, with a projected $62.8 million shortfall for 2023-24 and $35.7 million for 2024-25. It attributes the pressure to the 2019 provincial tuition cut and freeze, inflation and falling international enrolment.

International students make up about 9.5% of enrolment but about 26% of tuition revenue. Provincial operating grants have been held at 2019-20 levels. An institution in that position cannot afford to come up short.

Yield is volatile

The cushion has to be large because yield moves. For fall 2026, Arts and Science received about 5% more applications, yet the number of students accepting its offers fell about 10%. The overall class still came in at a record size, above residence capacity.

What the record shows

Queen's headline misses are small. It came in 11 students over target in the 2003 double cohort, 226 over (about 1%) in 2014-15, and 60 over in 2021. On its own, a built-in cushion of a few percent raises the class each year but does not compound.

The compounding comes from two other habits. First, Queen's resets targets to what actually arrived: its 2025-26 budget cut international targets to match the prior year's intake. With strong domestic demand, that ratchet mostly runs upward. Second, Queen's makes planned step-ups whenever new residence beds open, which the next section describes.

One nuance matters. The most valuable students, international undergraduates, are capped at about 5% of first-year intake. So the incentive works mainly through domestic volume, which earns less per student but is available in large numbers: Queen's drew a record 64,400 applicants for fall 2026.

THE RESIDENCE GUARANTEE, AND WHY IT IS HARD TO RESTORE

For years, the first-year residence guarantee did one quiet job: it capped the size of the incoming class. Queen's said so in its 2013-16 enrolment projections, noting that first-year growth was limited by the guarantee and that new residence space would create the opportunity to grow.

The guarantee was both a promise to students and a constraint on the university. Remove the constraint and the class can grow.

How new beds became a larger class

Year	What happened	Effect on first-year intake
2026	All 5,050 residence beds full; 4,840 first-years housed	Class of 5,500+; about 660 first-years (12%) outside residence
2024	Guarantee withdrawn for offers after April; lottery for remaining beds	About 5,000 first-years for roughly 4,740 beds
2022	New residence of about 330 beds opens	Direct-entry target raised from 4,856 to 5,084
2015	Two residences with 550 beds open	About 465 more first-years, total 4,482
2008	Enrolment surge outruns residence	Common rooms converted to bedrooms

The pattern is consistent. Roughly 70% to 85% of new first-year beds were converted into a larger class, and within a few years the system was full again.

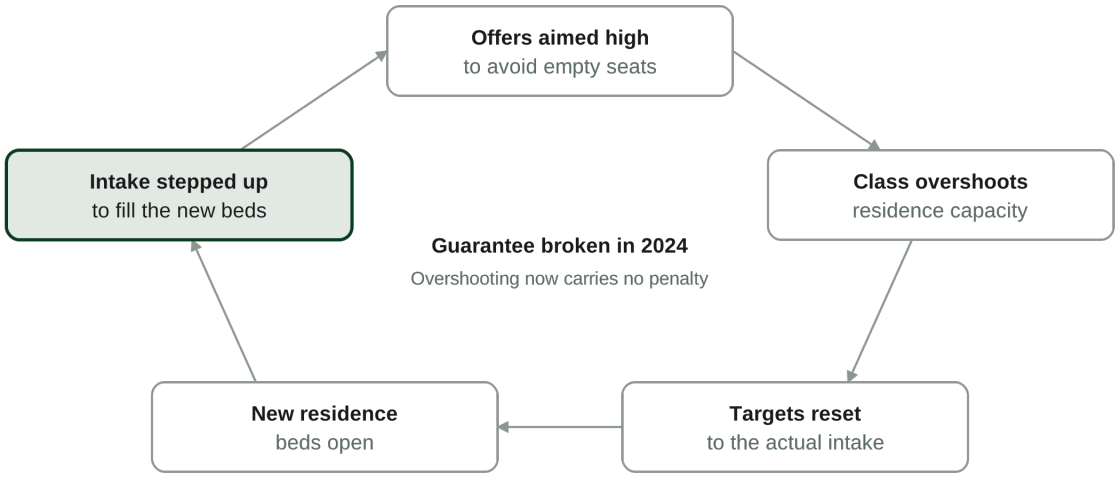
Why the guarantee works like the gold standard

A commitment device only works if breaking it is costly. Queen's broke the guarantee in 2024 and moved to describing a residence commitment to most first-year students. Since then, more than 90% of offers have carried the guarantee, and the rest have taken their chances.

The market did not punish the change. Applications kept climbing and reached a record for fall 2026. Once leaving 10% to 12% of first-years outside residence carries no visible reputational cost, the guarantee stops being a cap and becomes a marketing line.

That is why restoring it is harder than it looks. Restoring a guarantee is a choice that has to be renewed every spring, against a budget that rewards one more offer.

Each turn of the ratchet makes the next one easier



Enrolment ratchet: five steps in one direction

Each step in the loop is reasonable on its own. Together they explain why residence has filled again within a few years of every expansion.

The arithmetic of catching up

Suppose first-year intake grows 1.5% a year, below Queen's recent pace. The class would rise from about 5,500 today to about 6,900 by 2041. Housing 95% of that class takes about 6,500 first-year beds, against 4,840 first-years in residence today.

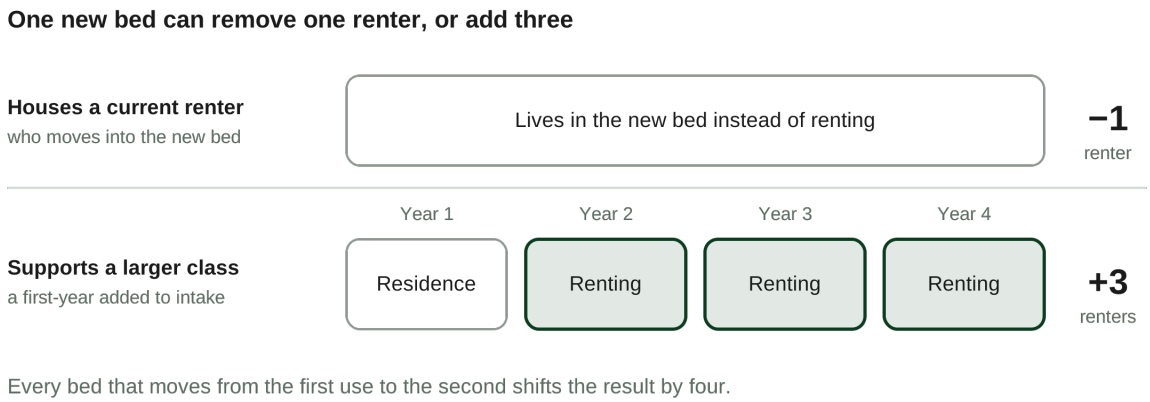
So about 1,700 of the 3,000 new beds would go simply to keeping pace with first-year growth and closing the current gap. That leaves about 1,300 for graduate and upper-year students, well short of the large shift out of the rental market that the strategy implies.

THE ONE-AND-THREE RULE

In a four-year undergraduate degree at Queen's, a student typically spends year one in residence and years two to four in the off-campus market. So every additional first-year student creates one on-campus bed of demand and, once that cohort moves through, three off-campus beds.

This simple rule is the key to reading any residence plan. A new residence bed can do one of two things:

- **Pull an existing student out of the rental market.** It might house a first-year who would otherwise rent, or an upper-year or graduate student who chooses to stay. Each such bed reduces off-campus demand by one.
- **Support a larger class.** It houses a new first-year who would not otherwise have been admitted. That bed adds three off-campus renters over the following three years.



One-and-three rule: two uses of one new bed in a four-year degree

The same bed produces opposite results depending on whom it houses, which is why the use of new beds matters more than their number.

With B new beds, of which G support growth in first-year intake, the net change in off-campus demand at steady state is:

> **Change in off-campus demand = 3G − (B − G) = 4G − B**

The break-even is G = B/4. For 3,000 new beds, first-year intake needs to grow by only 750 students for off-campus demand to be unchanged. That is about 14% of today's class, or roughly 0.9% a year over the strategy period. Queen's grew its first-year class about 23% from 2015 to 2026, close to 1.9% a year.

The rule has an asymmetry that is easy to miss. Every bed that shifts from housing an existing student to supporting a larger class moves the result by four beds, not one.

Refinements

- **Attrition.** About 94% of first-years return for second year, so slightly fewer than three upper-year renters follow each new first-year.
- **Longer programs.** Some programs run five years, including Engineering with an internship year and concurrent education. Those students follow a one-and-four pattern.
- **Students at home.** Some Kingston-area students live with family throughout. They do not enter the rental market at any stage.
- **Graduate students.** Master's students turn over in one or two years and doctoral students in four to six. They do not follow the undergraduate rule, so we treat them as a separate layer.
- **Timing.** The rule describes steady state. A larger class admitted in a given year reaches the rental market over the following one to three years, so the off-campus effect lags the beds.

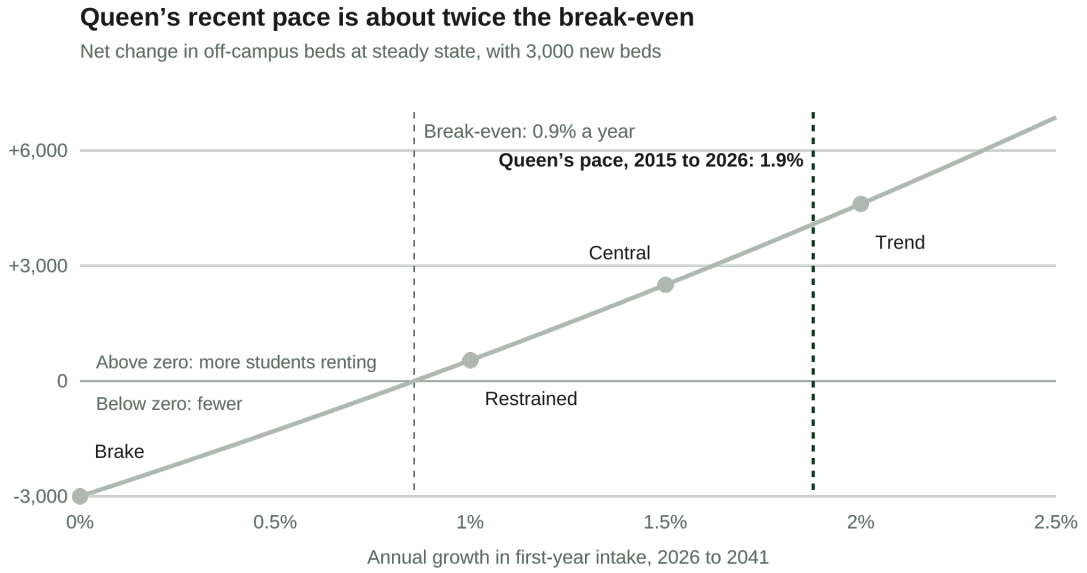
OUR FORECAST TO 2041

We expect undergraduate off-campus demand to rise by about 1,500 beds at steady state on a probability-weighted basis, with a central case of about 2,500. That assumes all 3,000 beds are built.

Queen's current budget projects a consistent undergraduate intake. We give that real weight, but a two- or three-year budget is a weak guide to a fifteen-year path. Queen's plans have described modest or no growth before, then grown when beds arrived. We therefore weight four scenarios, using the one-and-three rule.

Scenario	Annual intake growth	Our weight	First-year class by 2041	Intake growth (G)	Off-campus years 2 to 4 (3G)	Beds pulling from market (B minus G)	Net off-campus change at steady state
Brake, as in 1974 to the 1990s	0%	15%	5,500	0	0	3,000	−3,000
Restrained	1.0%	30%	6,385	885	+2,655	2,115	+540
Central: cushion, ratchet and step-ups	1.5%	35%	6,875	1,375	+4,125	1,625	+2,500
Fifty-year trend	2.0%	20%	7,400	1,900	+5,700	1,100	+4,600

Three of the four scenarios, carrying 85% of the weight, show off-campus demand rising. After allowing for attrition, the central case is closer to +2,300.



Our model: 5,500-student first-year class, 3,000 new beds, 15 years. Queen's pace from first-year classes of about 4,482 (2015) and 5,500 (2026).

The line crosses zero at about 0.9% a year. Queen's grew its first-year class at roughly twice that rate from 2015 to 2026, so even a meaningful slowdown would leave off-campus demand rising.

The graduate layer

Queen's has about 7,400 graduate students, and graduate housing is one of the strategy's three priorities. If graduate enrolment also grows 1.5% a year, it adds roughly 2,000 students by 2041. Some will be housed in the new buildings, which is already counted in the beds above. The rest enter the rental market, mostly as tenants of studios and one-bedroom suites.

A cross-check on total enrolment

At the growth rates above, full-time enrolment would reach about 33,500 (1%), 36,200 (1.5%) or 39,200 (2%) by 2041, against 28,561 in 2025-26. At the fifty-year trend, enrolment growth absorbs all 3,000 new beds in about five years.

Delivery risk works in owners' favour

The 3,000 figure assumes every priority site is built. Each depends on a P3 partner, municipal approvals and a university balance sheet under pressure. If only half the beds are delivered by 2041, add 1,500 to every row of the table.

Timing

The first West Campus phase is mainly a replacement for Gordon-Brockington House, so little net-new supply is likely before 2030. If a later phase opens to upper-year or graduate students before intake rises, the market could see a soft patch of one to three years. The larger classes that follow reach the rental market a year later and keep arriving for three years.

On balance, we put the probability that off-campus student demand in 2041 is higher than today at about 80%.

PRICE: WHY UPPER-YEAR STUDENTS LEAVE

Queen's residence costs more per month than a room in a shared house, and that holds for upper-year students too. A year two to four student who compares the options rationally will usually choose the house.

The 2026-27 residence fee for a standard single is $17,629, including a mandatory 19-meal-a-week plan, for an eight-month term. Upper-year residence is priced the same way: the 2025-26 upper-year single plus was $18,349. Queen's does not publish the meal plan separately; we estimate it at $6,000 to $7,000, in line with comparable Ontario plans.

Option (2026-27 unless noted)	Months of housing	Total cost	Per month of housing
Residence single, room and meals	8	$17,629	about $2,200
Residence single, room only (our meal plan estimate removed)	8	about $10,600 to $11,600	about $1,330 to $1,450
Shared house room, $875 plus about $100 utilities	12	about $11,700	about $975
Purpose-built student housing, furnished, per bed	12	about $20,100 to $26,400	$1,675 to $2,199
Queen's graduate one-bedroom, John Orr Tower (2024-25)	12	about $16,000 plus utilities	$1,331 plus utilities

A shared-house room gives a student four more months of housing for less money than residence. Even with the meal plan removed, a residence room costs about 40% more per month. Queen's own advisors report shared-house rooms at $700 to $1,300 before utilities.

What this means for the 70% who want to stay

The strategy's survey finding, that 70% of students in university housing want the option to stay, is a stated preference. At residence prices, few upper-year students act on it.

That matters for the forecast. If new upper-year beds follow the residence model, with eight-month terms and a mandatory meal plan, they will struggle to attract upper-year students. The most likely use of an unfilled bed is a first-year student, as in 2015 and 2022, which adds three off-campus renters later.

Where Queen's has priced below market

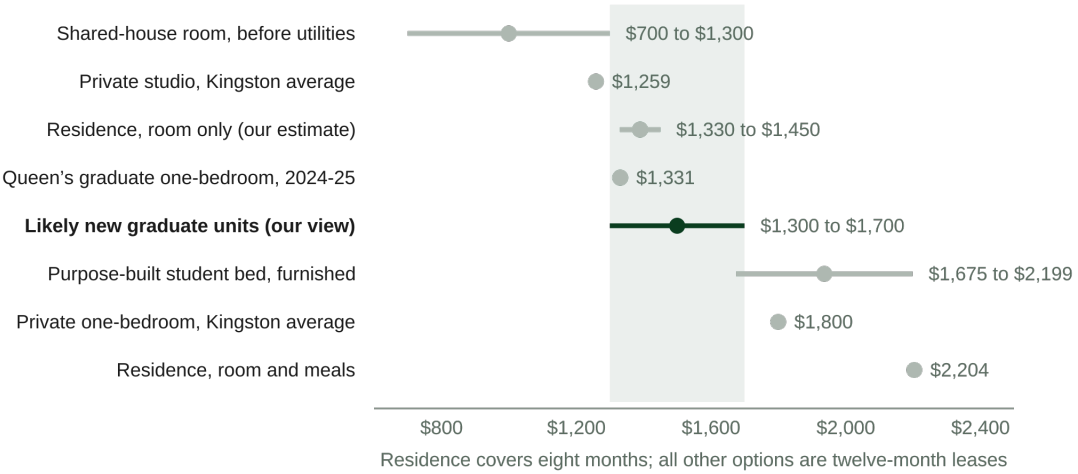
Graduate housing is the exception. Queen's has said its An Clachan and John Orr Tower apartments rent at about 50% below market. In 2024-25, a John Orr Tower one-bedroom was $1,331 plus utilities, against a market comparison of $1,877.

That subsidy is shrinking. Queen's announced a 31.5% increase over three years, on top of an earlier increase. A P3 partner will also need a market return, so deep discounts are unlikely unless Queen's subsidizes land or rent.

Our expectation is that new graduate studios and one-bedrooms will be priced near market, in roughly the $1,300 to $1,700 range. That puts them in direct competition with private studios, one-bedrooms and the lower end of purpose-built student housing, but well above a shared-house room.

New graduate units would land above shared-house rooms

Monthly cost per person; shaded band shows where we expect new Queen's graduate units to price



Residence covers eight months; all other options are twelve-month leases

Queen's Residences fees, Queen's Community Housing, Zoocasa and Zumper data as cited in this section; residence room-only and new graduate units are our estimates.

The shaded band overlaps private studios, residence rooms and the low end of purpose-built beds. It sits above every shared-house room.

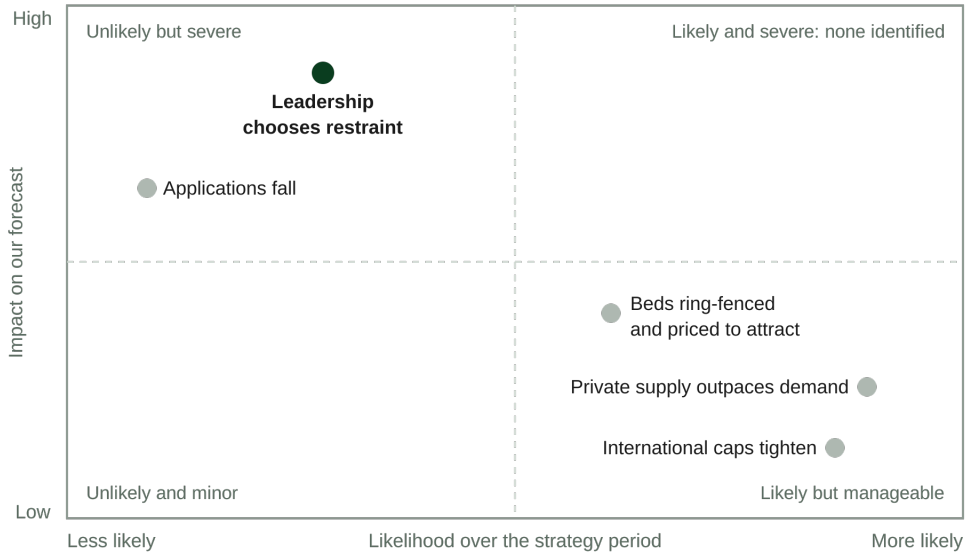
WHAT COULD PROVE THIS VIEW WRONG

We hold this view with conviction, not certainty. Five developments would change it, and owners should watch for each.

1. **Leadership chooses restraint.** From 1974 to the mid-1990s, Queen's held enrolment near flat for two decades while applications soared, and did so through sharp funding cuts. A principal and board who decide that the residence guarantee matters more than volume could repeat that. This is the 15% scenario in our forecast, and it is the most important risk.
2. **Applications fall.** Our forecast assumes Queen's can keep filling larger classes. A sustained decline in Ontario applications, or a loss of Queen's appeal, would remove the pressure to grow. Today the opposite holds, with record applications for fall 2026.
3. **The beds are ring-fenced and priced to attract.** If Queen's formally designates new buildings for graduate and upper-year students on twelve-month leases at or below market, those beds will pull renters out of the market rather than supporting a larger class. That is the version of the strategy that most reduces off-campus demand.
4. **International policy tightens further.** Federal study permit caps already limit international intake. Tighter caps would weaken Queen's highest-value growth channel, although domestic demand has so far more than filled the gap.

5. **Private supply outpaces demand.** Our forecast concerns student demand, not rents. New purpose-built student housing is already arriving in Kingston, and the City approved work on a formal Student Housing Strategy in February 2026 to encourage more along major corridors. Rising demand can still meet falling rents in a given segment if supply rises faster.

No risk is both likely and severe; restraint matters most



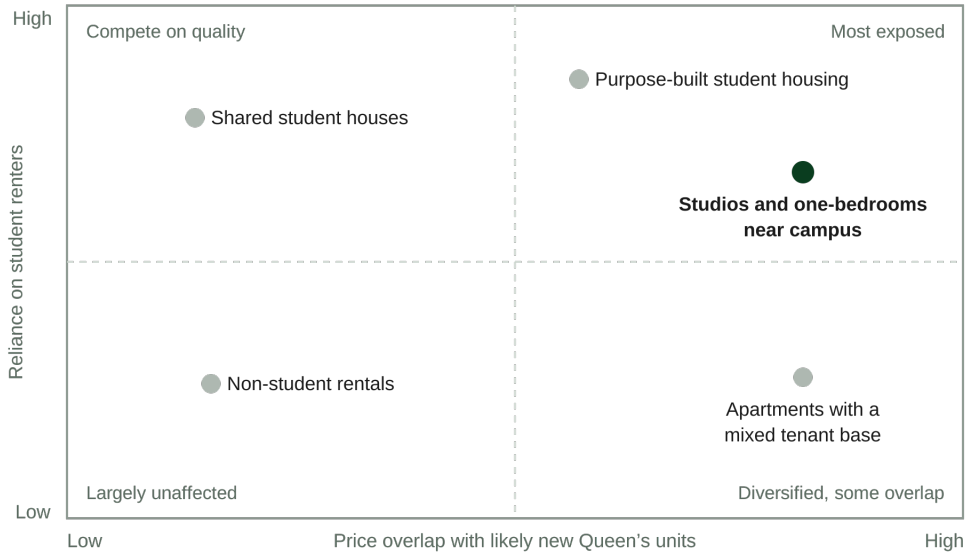
Risk map: five risks placed by zone, our judgment

One development that would look like a risk is not. If the P3 program stalls, Queen's builds fewer beds and off-campus demand rises faster than our forecast. Delivery risk sits on the side of rental owners.

WHAT IT MEANS FOR KINGSTON RENTAL OWNERS

The strategy does not change the long-run case for student rental housing in Kingston, but it affects property types differently. The common thread is that price and lease structure, not just location, decide who competes with whom.

Studios and one-bedrooms near campus carry the most exposure



Owner exposure map: property types placed by zone, our judgment

Exposure rises with two things: how close a property's rent sits to the band where new graduate units are likely to price, and how much it relies on students to fill it.

Shared houses in the University District

These face the least direct competition from anything Queen's is likely to build. A room at $700 to $1,300 sits well below both residence and new purpose-built housing, and the upper-year renter who chooses on price will keep choosing it.

The pressure on this segment comes from elsewhere. Older houses have been sitting vacant longer in 2026, with summer sublet discounts, as students compare them with newer buildings. Condition, licensing compliance and responsiveness matter more each year. Owners of these properties should plan for a quality contest, not a demand problem.

Studios and one-bedroom suites near campus

This is the segment most exposed to the strategy. New graduate housing will most likely be studios and one-bedrooms on twelve-month leases, priced near market and built by a P3 partner with modern finishes.

The defences are the ones any owner facing new supply would use: renovated suites, furnished options, utilities included, reliable maintenance and a tenant base that does not depend on one institution. Kingston's hospitals, public sector and growing professional workforce rent the same suite types.

Purpose-built student housing

Premium buildings already price at $1,675 to $2,199 per furnished bed. Queen's residence-style beds will not undercut them on amenities, and graduate apartments will serve a different renter. The competition for this segment is other private supply, which is growing.

Properties near the Sydenham Ward priority sites

Aberdeen, Clergy and Earl Streets are named priority sites. Owners nearby should expect construction disruption at some point and new supply on their doorstep once it opens. Proximity to campus will remain an advantage, but those owners will feel any shift in the graduate and upper-year market first.

The first-year overflow

About 660 first-years arrived in fall 2026 without a residence room, and our view is that some overflow will persist. These are 17- and 18-year-olds whose parents value safety, furnishings, all-inclusive rents and a short walk to campus. Queen's supports them through its First Year Off-Campus Community, and the need tends to surface late in the summer.

Underwriting

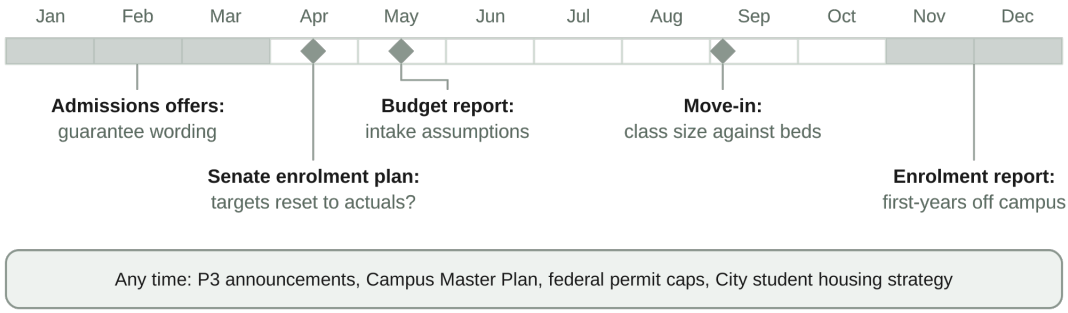
For owners valuing or refinancing student-oriented properties, we would not build a structural decline in student demand into a base case. A reasonable downside case reduces off-campus demand by 1,000 to 1,500 beds between 2029 and 2032, reflecting the possible soft patch when early phases open. Beyond that window, the evidence points to growth.

SIGNALS TO WATCH

The most useful signals come from Queen's own reporting calendar, not from press releases. The single clearest signal will be whether the first West Campus beds are designated for first-year students: if they are, history is repeating.

Signal	When it appears	What it tells owners
Senate-approved enrolment plan	Each April	Whether targets are reset to the prior year's actual intake, and whether step-ups are tied to new beds
Fall enrolment report	Each November or December	The size of the first-year class against residence capacity, and how many first-years live off campus
Residence guarantee wording	Admissions materials, each winter	Whether the guarantee is restored in full or stays a commitment to most students
West Campus phase design	P3 announcements	Whether beds are first-year, upper-year or graduate, and whether leases are eight or twelve months
Graduate housing rents	P3 announcements and Community Housing rates	Whether new graduate units price below market, near market or above it
Campus Master Plan update	Ongoing	Which sites, how many beds and in what order
Federal study permit caps	Annually	The room left for international growth
City of Kingston Student Housing Strategy	2026 onward	How fast private purpose-built supply arrives along major corridors

Most signals arrive in spring and late fall



Watch calendar: Queen's reporting year, months approximate

Taken together, these signals will show within two or three years which scenario Queen's is following. An owner who reads them each spring will see a change in direction well before it reaches the rental market.

WHAT WE WOULD OWN, AND WHAT WE WOULD AVOID

If we were adding to a Kingston portfolio over the strategy's horizon to 2041, we would favour assets that benefit from rising student demand without competing on price with anything Queen's is likely to build. We would be cautious with assets that sit in the price band where new graduate units are likely to land, or that face a fast-growing private supply. This is our view as owners and managers, not individual investment advice.

Property type	Our stance	Why
Multi-bedroom student houses in the University District	Own	Demand rises in most scenarios, and nothing Queen's is likely to build competes with a $700 to $1,300 room. The contest is quality, which a good operator can win.
Mid-size apartment buildings with a mixed tenant base near downtown and the hospitals	Own	Student demand helps without being the only source of renters. Annual student turnover lets rents reset to market faster than in a building of long-term tenants.
A role in Queen's P3 program	Pursue	Every new Queen's project will be a public-private partnership. Taking part means sharing in the demand rather than competing with it.
Studio-heavy and one-bedroom-heavy buildings that rely on students	Be cautious	They sit in the band where new graduate units are likely to price, roughly $1,300 to $1,700 a month.
New premium purpose-built student housing	Be cautious	The risk is supply, not demand. New buildings are already open, and the City is encouraging more along major corridors.
Product-led competitors beside the Sydenham Ward priority sites	Be cautious	Owners next to Aberdeen, Clergy and Earl Streets will face new supply on their doorstep first.

What we would own

Multi-bedroom student houses in the University District. This is the clearest beneficiary of our thesis. The best entry is older stock that is under-managed or under-improved, bought on in-place rents, then renovated, properly licensed and run well. Ontario's 2022 housing legislation allows up to three residential units on most lots, so some properties also have room to add bedrooms.

Mid-size apartment buildings with a mixed tenant base. Kingston General Hospital, Hotel Dieu, the public sector and a growing professional workforce rent the same suites students do. Under Ontario's rent rules, increases for sitting tenants in older buildings are capped by the guideline, but rent resets to market when a unit turns over. A building with a meaningful student share turns over often, so it captures market rent far faster than buyers usually underwrite.

A seat in the P3 pipeline. This is not an asset class, but it may be the best risk-adjusted way to own the trend. Queen's has named its sites and its delivery model. Developers, operators and capital partners who take part will be on the right side of whatever growth follows.

What we would be careful with

Studios and one-bedrooms that depend on students. These are the most exposed. A new graduate studio on a twelve-month lease, priced near market by a P3 partner with modern finishes, is a direct substitute. Owners of these buildings should plan to broaden their tenant base well before new supply opens.

New premium purpose-built student housing. Rising demand can still meet falling rents if supply grows faster. At $1,675 to $2,199 a bed, this segment competes mainly with other new private buildings, and that pipeline is growing.

Assets next to the priority sites. Proximity to campus remains an advantage. But an owner who competes on product rather than price, close to Aberdeen, Clergy and Earl Streets, will feel any shift in the graduate and upper-year market first.

The common thread

Own the rooms Queen's cannot price against, own buildings that do not depend on one institution, and be wary of suites that a new graduate building could replace one for one. In each case, the deciding question is the same: if Queen's opens a new building down the street, does your tenant have a reason to stay?

NOTES ON METHOD AND SOURCES

Enrolment figures before 2014 come from historical summaries and use differing definitions of full-time enrolment, so treat the long-run series as directional. Growth rates are compound annual rates between the points shown. The meal plan value is our estimate, because Queen's does not publish it separately. Scenario weights reflect our judgment, not a statistical model.

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