ACCOMMODATION COSTS SURVEY 2018

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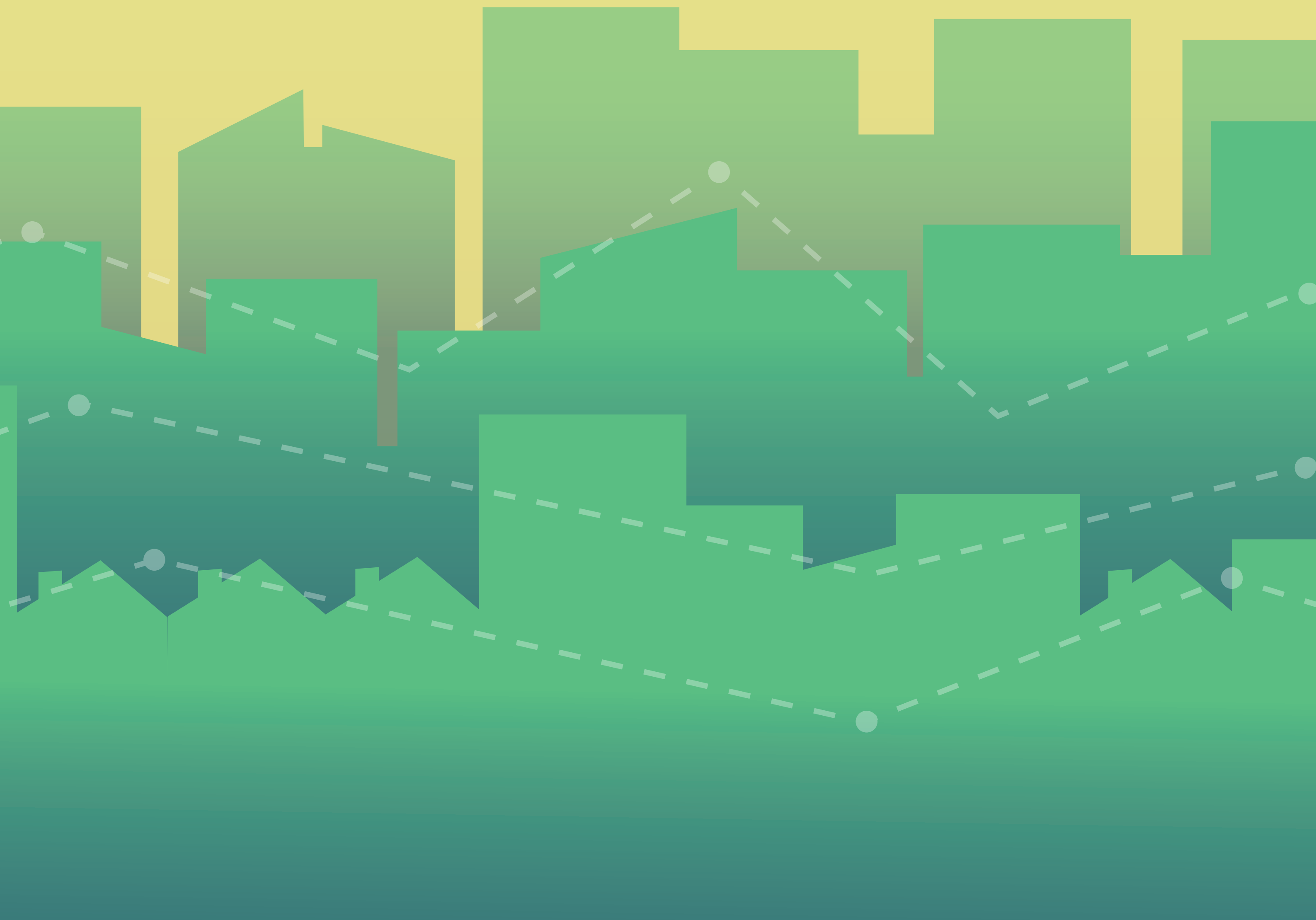

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FOREWORD

This survey has been running since 1967 and has consistently tracked rental changes in purpose-built student accommodation (often called "halls of residence") over that time. Since 2006, Unipol and NUS have partnered to produce what has become an increasingly detailed and sophisticated commentary resting, as it does, on the most substantial amount of data available.

Unlike many surveys and commentaries, this is not part of any commercial activity or linked to any company with a for-profit interest in the development or management of student accommodation. Many reports on the student accommodation sector are available: most of them use secondary data and many of them involve significant hype to attract investors and other clients to their latest schemes.

This report is, however, unashamedly student-centred, in that it looks at rent and accommodation policies that will impact on the users of that accommodation.

The growth of purpose-built (or converted) student accommodation has led to some positive improvements – standards have risen; many city centres have seen a significant regenerational input from their construction; and students, particularly first-year and international students, like living in them.

Student accommodation is a highly specialised form of rented housing with very special characteristics – it is high density, it brings together many people living away from home for the first time, most of the residents arrive at the same time with little inherited sense of community: the purpose of the accommodation is to provide a safe and secure environment for study and networking. In all these areas the educational institution has a central position.

This survey charts the continued rise of private sector suppliers to the current point where provision of purpose-built student accommodation is now split 50:50 between educational institutions and private operators. Recent years have seen a *de facto* "handing-over" of accommodation development to private providers, and it is important that educational institutions again take the lead in linking the importance of good accommodation with academic and personal development: the residential experience is inseparable from the academic experience.

Many recent reports have drawn attention to the mental health crisis affecting young people, but particularly students. Help and support to a diverse group of tenants with additional requirements have to be provided evenly throughout the accommodation sector and that duty of support and engagement rests with universities. They must extend their partnership arrangements beyond facilities management and the financial to ensure that all their students get the best help and support possible, regardless of who the landlord is.

An important issue in this report is the cost of student accommodation and how affordable it is for students. The report tracks the inexorable rise of rent levels, both in absolute terms, but also as a percentage of the student maintenance loan (which is itself means-tested). Average rent levels now account for 73 per cent of the student loan, up from 58 per cent only six years ago.

Rents have consistently outstripped inflation, alongside a tendency for the accommodation product to become increasingly luxurious. In an age where opportunity and diversity are desirable outcomes, the fall in the availability of lower-cost accommodation risks excluding students from a proper university and residential experience. Lower-cost accommodation needs to be developed and the educational institution needs to drive that process either directly or leading in partnership with others.

This report is only possible because of the co-operation of those in the sector who complete what is a long and onerous questionnaire. The vast majority of major suppliers have helped to provide the data on which this report rests. There is a view that the success of higher education within the UK is built on co-operation throughout the whole sector, where best practice is quickly identified and built on by others to the benefit of all. It is therefore disappointing that Liberty Living, the second largest private sector provider, owned by the Canada Pension Plan Investment Board (CPPIB), did not provide data for this survey: after many years of having been an active supporter of this report. Let us hope their relatively new owners have a change of heart in future and align themselves more closely to the inter-institutional co-operation that is at the core of the successful UK higher educational sector.

Finally, this report gives the readers the facts themselves, so that they can make up their own minds about the development of the sector. The aim of the report is clear: to encourage the provision of good quality accommodation, the best services for a special tenant group and the best deal for the student tenants, which facilitates access to education for all.

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EXECUTIVE SUMMARY

SURVEY COVERAGE

The fieldwork for the survey yielded 100 returns from institutions and 64 from private and charitable providers. The resulting data set represents 382,837 rooms in 2018/19, compared to 333,574 in 2015/16 and 363,366 in 2012/13. The sample amounts to approximately 64 per cent of the total sector. For the first time the coverage by provider type is split 50:50.

WEEKLY RENTS

In 2018/19 the overall average weekly rent stands at £147, an increase of five per cent since last year, of 8.9 per cent on 2015/16 and 31.3 per cent since 2011/12. The average for the private sector is £153, 9.3 per cent higher than the university mean of £140.

Rent rise rates have exceeded RPI throughout the timeline and have become increasingly detached from the index. There is no evidence of providers directly pegging rent increases to RPI, even though a significant number cite it as a key point of reference in rent setting. Proportionally, the gap between London and the rest of the UK is in line with earlier survey findings. The overall average weekly rent outside the capital is two thirds (68 per cent) of the average London level.

For en-suite rooms, the 2018/19 weekly price for universities is £145 and for private providers £3 more at £148 per week. Standard stock in universities is markedly cheaper than in the private sector, £117 as opposed to £126. Weekly rents for standard self-catered accommodation have risen strongly in London in both the educational and commercial sectors between 2012/13 – 2018/19, by 44 and 30 per cent respectively. Weekly rents for institutional studios are slightly higher (£197) than for private providers (£193), although they are offered on shorter contract lengths on average. The most expensive rents are in London, the South East, South West and East of England, directly reflecting high land values. Among institutions, Wales, Scotland and the North West are the most affordable markets.

LET LENGTHS

Nationally, the average contract length is 40 weeks for institutional and 46 weeks for private accommodation. The university figure is unchanged from 2015/16, but a week more than in 2012/13. The substantially longer letting year for privately-provided accommodation extends the annual cost gap considerably between the two provider types and is a major concern in the debate on the provision of affordable accommodation.

For both institutions and private providers, let lengths have gone up for nearly all stock types between 2012/13 and 2018/19. The greatest increases have been for studio stock. Outside London, private providers extending the average let length for studios by five weeks adds significantly to annual rents for the consumer. In the context of the affordability agenda, it is of concern that the rate of increase in standard room contract terms at universities has been greater than the rate for en-suite provision.

ANNUAL RENTS – HEADLINES AND CHANGE OVER TIME

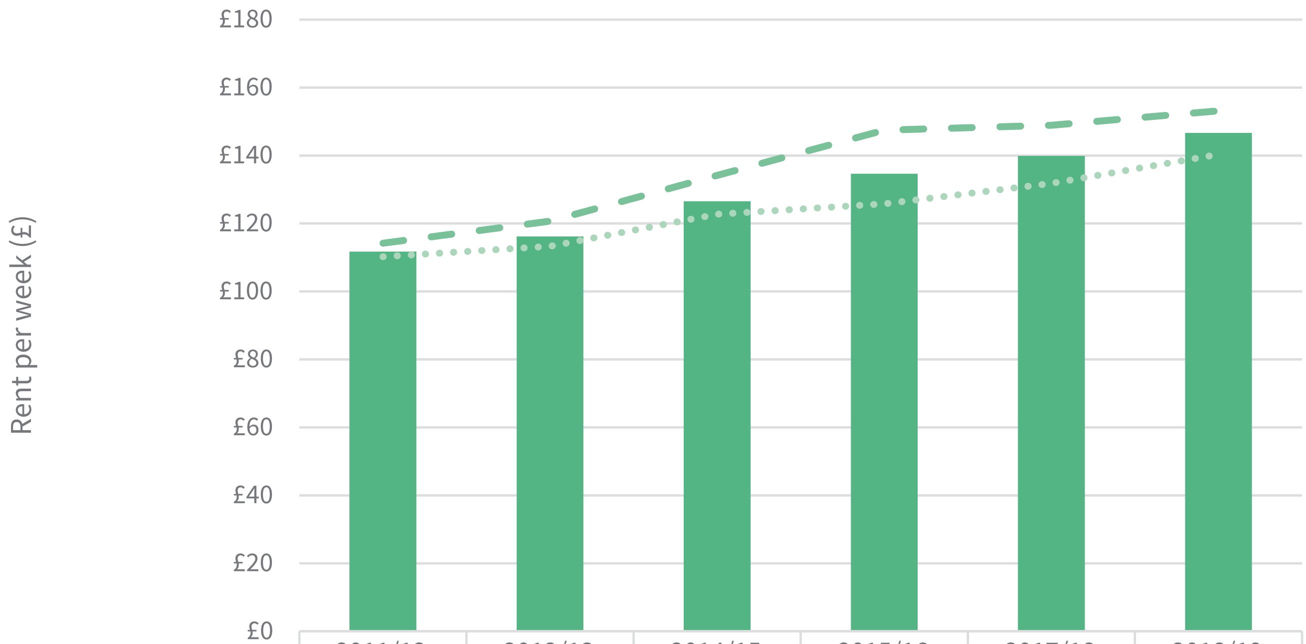
The average annual rent for 2018/19 is £6,366, up six per cent on the previous year and by a third on 2012/13. In London the average is £8,875 and for the rest of the UK £5,928.

£6,366

Average annual student rent for 2018/19 rising to **£8,875** in London

The shape of the rent curve for volume mapped against rental bands has been changing since 2012/13. As well as rising, rent ranges are broadening and the offer diversifying over time.

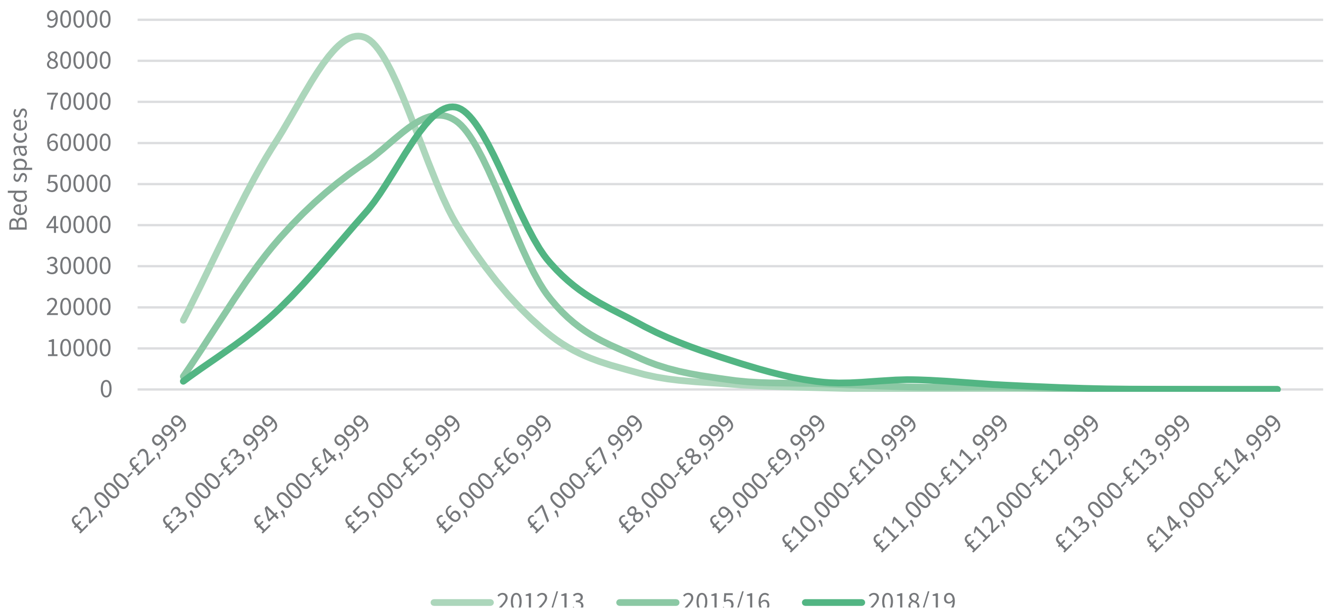
Since 2011/12, headline rents have gone up 4.8 per cent a year on a compound basis. On average, a student tenant signing up for a full contract term in 2018/19 will have paid £376 more than for equivalent accommodation in the previous year.



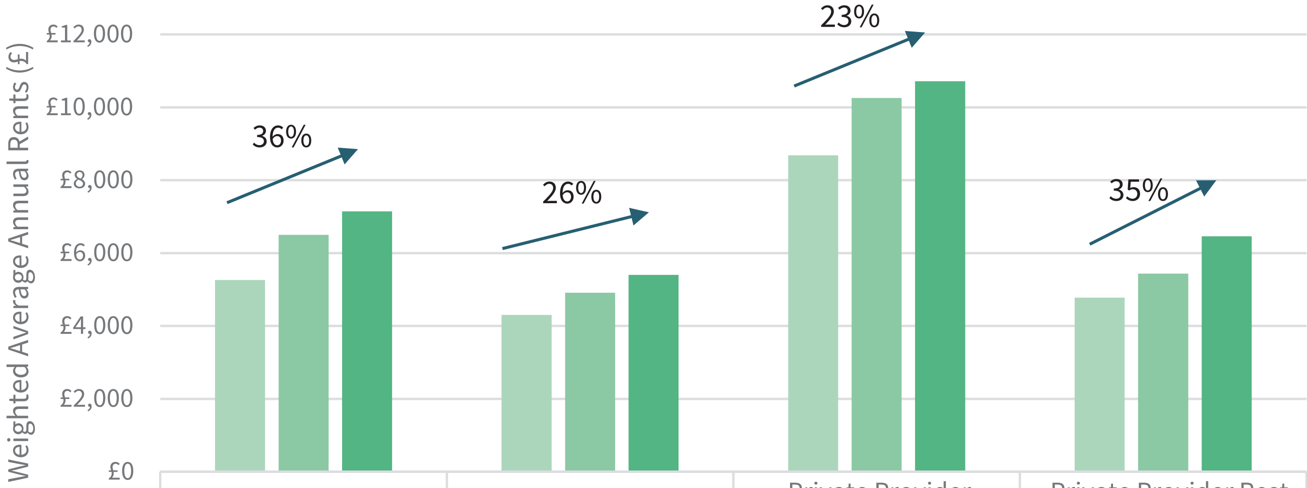
	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
All providers	£112	116	£127	£135	£140	£147
Institution	£110	113	£123	£126	£132	£140
Private provider	£114	121	£134	£147	£149	£153

Weekly weighted average rents: overall and by provider type, 2011/12 – 2018/19

Fig 13: Rent profile curves: institutional bed space numbers by price bandingover time



Rent profile curves: institutional bed space numbers by price banding over time



	Institution London	Institution Rest of UK	Private Provider London	Private Provider Rest of UK
2012/13	£5,264	£4,301	£8,685	£4,778
2015/16	£6,498	£4,911	£10,257	£5,438
2018/19	£7,147	£5,403	£10,715	£6,462

Weighted average annual rents by provider type: London vs the rest of the UK, 2012/13 – 2018/19

The rates of increase in rent between the two years of data collection for each of the three latest surveys (2011/12-2012/13, 2014/15-2015/16 and 2017/18-2018/19) were five, seven and six per cent respectively. Although respondents report inflation as a key reference point in setting rents, the introduction of new stock at higher price points is leading to rent increases exceeding RPI over time.

On a compound basis, rents have increased annually by 5.5 per cent in London and 4.7 per cent in the rest of the UK since 2011/12.

Wales and Scotland offer a high volume of low rents, compared to England. In 2018/19 the average annual rent is £4,768 in Wales, £5,111 in Scotland, £5,481 in the rest of England and £7,147 in London. The average annual university rent is £5,669, having risen from £5,085 in 2015/16 (+11.5 per cent) and £4,447 in 2012/13 (+14.3 per cent on 2015/16). There is a clear north-south divide: London-based universities and larger institutions in predominantly southern cities have the most expensive rent structures; Welsh and Scottish education providers and institutions based in the north of England are cheaper.

STOCK TYPES

In 2018/19, the proportion of bed spaces provided by the commercial sector has reached half of total stock, up from 39 per cent in 2012/13.

Since 2012/13 the balance between the three primary stock types (standard self-catered, en-suite self-catered and studio flats) has changed considerably. Self-catered en-suite accommodation accounts for the lion's share of stock, amounting to 58 per cent of total rooms in the survey, up two percentage points since 2012/13. This represents growth of nine per cent or 19,300 rooms.

Most standard accommodation (both self-catered and catered) is owned by institutions, and most studios by the private sector. Ownership of en-suite stock is more evenly distributed between provider types.

As a proportion of total stock, self-catered standard rooms with shared facilities have declined from 24 to 17 per cent between 2012/13 and 2018/19. Numbers of standard rooms offered with catering packages have fallen from six to four per cent of purpose-built accommodation. Overall, the provision of standard

CHANGING STOCK PROFILE SINCE 2012/13...

+123%

Increase in the volume of studios in the market

+9%

Increase in the volume of self-catered en-suite accommodation

-26%

Decrease in self-catered standard accommodation

-33%

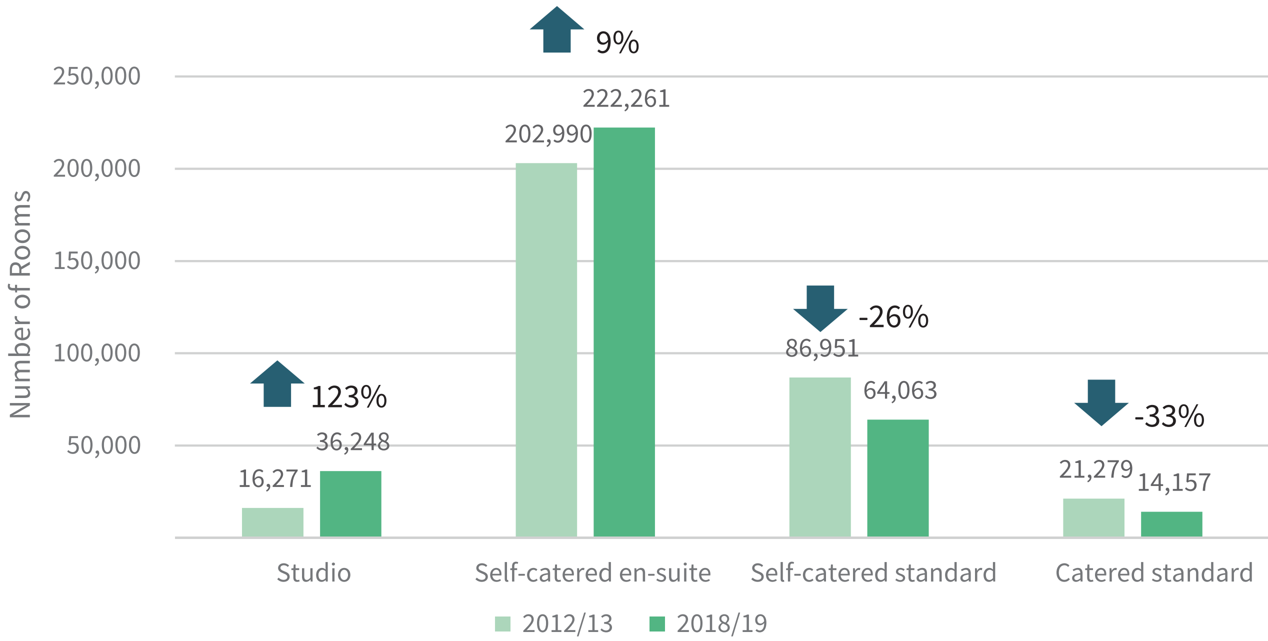
Decrease in catered standard accommodation

rooms with shared facilities has reduced by 30,000 rooms (28 per cent). This is as a result of universities taking many of them out of use to make way for higher-quality replacement accommodation.

The decline in standard stock is a cause for concern for the sector, because it represents the main stock type priced within an affordable range. Before it is completely replaced, universities (and ideally the private sector) should properly consider the important role standard stock plays in providing affordable accommodation and find ways to replace and repurpose it with other low-cost but attractive options.

STUDIO DEVELOPMENT

Studio rooms have increased by 123 per cent and more than doubled their profile as a proportion of UK stock since 2012/13, up from four to nine per cent in both 2015/16 and 2018/19. Fifteen per cent of all studios are in the capital, down from a third in 2012/13. The number of studios outside London has increased since that time by 181 per cent from 10,891 to 30,640. Studio development has always been overwhelmingly concentrated in the private sector, now more than ever. In 2018/19, the commercial sector accounts for 84 per cent of studio provision in London and 92 per cent



Volume of rooms by stock type over time

elsewhere. Currently, studios make up over 19 per cent of privately-provided stock nationally, up from 11 per cent in 2015/16. In stark contrast, studios account for two per cent of institutional rooms in the UK.

Studios are expensive: in London, the annual rent level varies significantly across provider types. Privately-provided studios are on average £4,442 more expensive than in the institutional sector.

Studio expansion is driven by strong developer and investor appetite, even though little additional demand for studios is in evidence anywhere in the UK. In recognition of the headwinds in this sub-market, the largest developers/managers have reduced their studio development over the last five years. However, smaller investors and development companies are continuing to develop studios, most of which are then passed on to management organisations.

Investor fixation with studio development and a strong pipeline persist, notwithstanding powerful contrary indicators in the market, including significant financial underperformance. It is clear that further studio development is not needed. Studios occupy key building sites that could be used to house many more students. They are expensive and militate against any affordability agenda. Intervention by planning authorities is overdue. It is time applicants were required to demonstrate an alternative use as part of being granted planning permission for more studio provision. Studios should have to meet larger minimum size standards that would allow unused units to be repurposed to meet genuine housing need.

AFFORDABILITY AND ENGAGEMENT OF STUDENTS IN THE RENT SETTING PROCESS

There has been a steady erosion of the proportion of maintenance support available once rent has been paid. In 2011/12 rents accounted for 58 per cent of the maximum financial support allowed. In 2018/19 the figure is 73 per cent. However, student support is means-tested above household incomes of £25,000, so that fewer than half of students receive the full loan package.

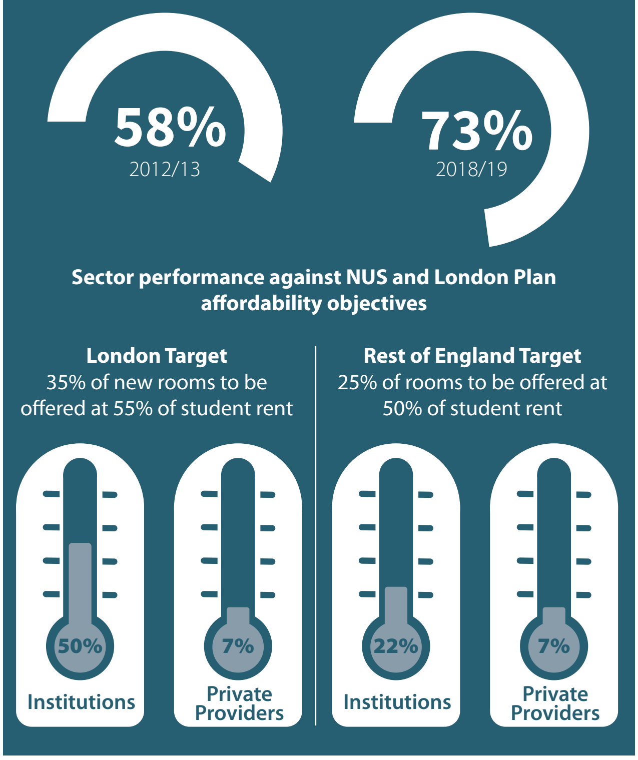
It is NUS policy that, outside London, an "affordable" rent for purpose-built accommodation is no more than 50 per cent of the maximum amount of student finance available in England and that providers should ensure at least a quarter of their portfolio sits within this cap. Currently, the institutional sector falls three percentage points short of meeting this objective, and private providers achieve only a seven per cent score against this measure. Additionally, the New London Plan requires that 35 per cent of rooms in new developments in London fit within a rental cap set at 55 per cent of the maximum student finance package. While universities as a whole meet this target, private providers are again languishing on seven per cent.

Survey findings suggest that affordability is on the agenda for providers: 68 per cent of institutions and 38 per cent of commercial operators say they have taken steps to improve affordability over the last five years. Freezing prices is the most common approach reported. Other options adopted include letting rooms over the summer to generate added revenue, 'early bird' discounts and bursaries for low-income students. Providers also report that they are open to negotiating and striking deals with students.

Only 34 per cent of institutions and 23 per cent of private providers currently have an affordability policy, often focussed on keeping rents low and offering a

AFFORDABILITY ISSUES

In 2018/19 weighted average rents make up 73% of the maximum available cash available to students in the form of grants and loans. In 2011/2012 the equivalent proportion was 58%



range of price points. Providers who report having an affordability agenda correlate with the most expensive rents. Half of institutional respondents based in London say they have an affordability policy. Providers operating in areas where the rental market is strongest have a greater need to implement measures to intervene in the provision of affordable stock for students from lower-income backgrounds.

WELFARE AND SUPPORTING STUDENTS WITH SPECIFIC REQUIREMENTS

Overall, private providers perform comparatively poorly in meeting the requirements of students with particular needs: 26 per cent report that they do not offer any specialist or alternative accommodation types, including adapted or adaptable rooms, single-sex halls, accommodation for families, alcohol-free halls, quiet blocks and safeguarding accommodation. This contrasts with a zero return for institutions on this question.

The proportion of institutional respondents reporting that they provide accommodation for student families is 38 per cent, up four per cent on the 2012/13 figure. However, this is well short of the level of actual and potential demand.

Significantly more institutions offer alcohol-free, quiet and single-sex accommodation than do private providers. This is perhaps surprising, given that international students, on whom the private sector is so reliant, are substantially more likely to be interested in these accommodation offerings.

Institutions scored significantly better than private providers on the question about rooms that could be adapted for ambulatory disability. As against 30 per cent for private providers, 68 per cent of universities reported that they had stock which could be adapted for these purposes. Institutions also outperform private providers on having some rooms that are actually adapted for ambulatory disability: 86 per cent, compared to 38 per cent. The figure for the private sector is particularly disappointing.

Most providers acknowledge that their systems for supporting and addressing student mental health issues in a residential environment require further adjustment. Many are actively enhancing their engagement with proactive and responsive activities to tackle student mental health. Among these, institutions are leading the way in increasing mental health first aid training, student service referrals and support from dedicated staff. However, it is evident that private providers overall are some way behind. While there is strong anecdotal evidence of some excellent practice among large commercial operators, it appears that the deficit is largely among smaller private providers.

The even split in ownership of the sector between private and institutional providers has implications for the welfare and pastoral support package that tenants are getting. Universities committed to supporting the wellbeing and good mental health of all students in purpose-built accommodation should satisfy themselves that their arrangements are adequate.

However, they should also ensure, in partnership with private operators, that tenants in commercial accommodation are being properly provided for, have full access to institutional pastoral care services and are supported through a multi-agency approach, based on strong channels of communication.

OUTLOOK AND CONCLUSION

When asked about the size of the portfolios that they might own/manage in future, institutions and private providers had different outlooks. Commercial operators were more likely to say their portfolios would expand. Although the proportion of institutions projecting portfolio growth is lower in comparison, more institutions expect growth (53 per cent) than stability (38 per cent) or shrinkage (11 per cent).

Achieving affordability is rated the largest current challenge in the sector by institutions.

Private providers identify this and oversupply as their biggest challenges

Asked what they thought the greatest challenges would be in future, respondents cited affordability most often. This is a key finding of the current survey. However, while they report activity towards maintaining an appropriate range of price points and developing affordability strategies, providers also seem to be indicating there is no guarantee these efforts will be successful. RPI and market comparators continue to be the central points of reference for rent setting strategies, and university accommodation services still have to deliver a recurrent surplus to contribute to the corporate bottom line on income generation. Balancing the various priorities will continue to be a challenge.

The survey results highlight that oversupply will also be a key challenge. This may take the form of oversupply of stock in general or at particular price points within markets. It is likely to concern private providers more, because of the heightened level of competition they will face from each other. Oversupply in economic terms may depress price expectations, which may explain why private providers are slightly more pessimistic about rent increases in the future.

All providers were asked their views on the outlook for rent changes in future, as a proxy for confidence levels in the market generally. Eighty-five per cent expect rents to rise in the next five years, including 21 per cent who anticipate that the strong rent increases posted in recent years will continue. Over 64 per cent believe that rents are likely to continue to rise, but more slowly than they have done to date. A slightly more optimistic stance is evident in the outlooks of some universities, who believe that rents will grow as strongly as they have done in the past (24 per cent of institutions as against 17 per cent of private providers). Some private providers are more cautious again: 15 per cent of them expect rents to remain static, compared with nine per cent of institutions. Only a small number of respondents of either type feel that rents will have to reduce over time.

The research output from this survey reveals powerful tensions in decision-making, arguably more pronounced in the institutional sector. For universities, competing dynamics include:

- commitments to widening participation and ensuring fair access, feeding through into objectives on balanced rent structures and the provision of affordable accommodation
- the need to support student recruitment efforts in a marketised higher education environment through investment in the accommodation offer, largely funded through rental income
- the requirement to meet income targets for accommodation services and return a recurrent surplus to the corporate bottom line
- the importance of being able to compete with the commercial sector both in the quality of accommodation products and in the student tenant market in order to maximise occupancy.

Over the last two decades institutions have willingly relinquished their role as sole providers of purpose-built student accommodation in the face of rapid increases in student numbers and demand for accommodation that they could not meet. As part of this process, they have allowed private providers to shape the market according to a model of higher-specification, higher-cost and predominantly en-suite provision (plus the rise of the studio flat phenomenon). This is a lead which institutions have followed. In competing with the private sector on accommodation products, universities have generally sought to replicate the private sector offer. However, it is worth reiterating both the gap between the two provider types on weekly rents and in particular on let lengths, and also the poor performance of the private sector against NUS and London Plan affordability targets, as compared to the university sector. Within this landscape, the volume of affordable accommodation has been eroded as a proportion of stock nationally.

In the context of rents routinely outstripping RPI, affordability is much discussed in this survey. However, there is scant evidence that new student developments are being developed in line with a mid-cost point, and the fastest area of growth continues to be in high-cost studios.

There has been much talk in the sector of developing cheaper accommodation consisting of smaller rooms with larger clusters of students sharing round communal lounges/kitchens. To date, however, these ideas have been slow to translate into end products. Mid-priced cluster flats must be the way the sector moves forward, if it is a) to meet the growing demand from first-year students and parents who are not willing to stack more debt on top of their academic fees, and b) to facilitate returning undergraduate demand in light of increasingly constrained housing markets. The shape of new provision should be defined by new stock types that promote wellbeing by design; that are more social, supported by investment in residential life; and are configured with more social space that can be used for informal study as well as socialising.

There are examples of innovation, specifically in the university sector. The private sector's success in lifting student housing expectations and standards over the last 15 years is acknowledged (although this has entailed higher rents). However, there is a need for more development on the townhouse model, and for larger units accommodating larger numbers of students, served by larger catered areas and, importantly, larger social spaces. These types of design should be on the agenda of architects as they look to future developments. The private sector does not have a strong track record of innovation or innovative design other than at the top of the market, where it can extend its amenity range and where revenue can account for new architectural inputs. In maintaining this focus, the private sector and the sector more generally have neglected the mid-market. Innovation can be led by the educational institutions themselves: they are well placed to do this and should use the influence they have positively across the sector.

There is no doubt that the affordability of some student accommodation will become more important over the next few years, not least as a matter of interest for the Augar Review and, increasingly, for the newly-established Office for Students.

RECOMMENDATIONS

IN THE LIGHT OF THE FINDINGS IN THE REPORT RECOMMENDATIONS ARE MADE IN SEVEN AREAS:

COST AND AFFORDABILITY

More than ever, cost and affordability are the central issues in the provision of purpose-built student accommodation. In 2011/12 rents accounted for 58 per cent of the maximum financial support on average. This has risen to 73 per cent in 2018/19.

This report highlights rising rents, driven both by increases in weekly rates and longer tenancies over time. High-quality stock including studios have seen the greatest growth in volume terms. Older stock is being lost from portfolios. As more competition at the higher-rent levels increases, it should drive greater consideration of mid-range price points that appeal to the widest range of students.

Policy drivers such as the NUS and London Plan affordability criteria highlight the critical need to maintain balance in rent ranges, and the cost of higher education more widely is being considered by the Augar review.

We recommend that all providers should take steps to ensure the provision of affordable stock now and incorporate these into their strategies.

For institutions, it is recommended that, as a minimum, 25 per cent of all rents charged should fall within the bottom quartile of their rent structure; for private providers this should also be the case at each accommodation site they run. Against this measure, universities currently come up three percentage points short, and the private sector 18.

Only 34 per cent of institutions and 23 per cent of private providers currently have a policy on providing affordable accommodation for their students. Affordability forms part of the fair access to higher education agenda, specifically ensuring that lower-income students are not excluded from a residential experience of higher education. In high-cost housing areas (such as London) the level of affordable provision affects the majority of the student population, not just the lower-income students.

We recommend that, as part of their considerations on value for money, the Office for Students should require those it regulates to have an affordability policy relating to their own and partnered student accommodation, which should contain meaningful commitments to ensure affordability.

ACCOMMODATION AS A FACILITATOR OF ACCESS TO HIGHER EDUCATION

It is of concern that 14 per cent of institutions do not provide accommodation which is adapted for an ambulatory disability, and more so that a further 32 per cent do not provide rooms that could be adapted. Similarly, of the institutions that do provide adapted rooms, more than half of the providers have less than 20 rooms of this type. This suggests a serious failing on the part of all providers to adequately meet the needs of disabled students, and in particular those with specific ambulatory requirements.

We recommend that providers pay close attention to Equality Law and the imperative to ensure that a lack of suitable accommodation (for example, rooms that are, or could be adapted, or rooms for students with families) does not act as a barrier for students with those needs to attend university. Institutions in particular must ensure they have appropriately varied and accessible stock which is well advertised to prospective students.

STUDIO FLATS

Studio flats have increased by 123 per cent over the 2012/13 – 2018/19 timeline and now account for nine per cent of total bed spaces covered in the survey. Studio development has always been overwhelmingly concentrated in the private sector, more so now than ever before. The development focus has shifted from London to the rest of the UK in recent years.

The number of studios outside London has increased since 2012/13 by 181 per cent from 10,891 to 30,640. Studios make for very expensive housing and militate against any affordability agenda: private sector rents average £15,256 in London and £8,641 elsewhere for a full contract term in 2018/19.

The continuing rise of studios fits into a developer-driven agenda. Supply is not based on need nor student demand.

We recommend that planners should intervene and call time on over-investment in the studio market and should impose strict conditions on the granting of permission for more studios. Applicants should be required to demonstrate an alternative use and studios should meet larger minimum size standards that would allow unused units to be repurposed for the fast-developing co-living movement or single key worker housing.

COMMUNITY BY DESIGN

Innovations are occurring both in university stock and the private sector. The provision of social space at many levels within a residence is of key importance, including kitchens and large and small spaces at ground-floor level that are designed with community-building at their heart.

We recommend that, in light of the current crisis in student mental health, all providers should be considering how a community can be nurtured, using social spaces and optional residential life programmes as common good practice.

MENTAL HEALTH AND WELLBEING

This year's survey included new measures on student mental health support and provided evidence of a mix of approaches across the sector.

All providers should recognise the unique role they have in their residents' lives, and accordingly seek to join up with universities and students' unions to ensure that student wellbeing is promoted in a joined-up way, offering campus-wide solutions and quick access to mental health support services for those in need.

ENGAGEMENT WITH STUDENTS

Whether it be through formal surveys or day to day contact, engagement with students over affordability, value for money and welfare issues.

We recommend that providers establish an open dialogue with students, in partnership with their students' unions, in order to help to manage expectations and deliver on student needs.

DEGREES FOR DEBT AND FINING

In the event of debt, 16 per cent of institutions permit their students to graduate but forbid them from attending their awards ceremony, and an additional six per cent do not let them graduate at all. This contravenes the 2014 ruling of the Office for Fair Trading that policies preventing students in debt from graduating are likely to be in breach of consumer protection laws.

We recommend that the Competitions and Markets Authority should intervene to ensure that accommodation debts are not being used to stop students graduating and that the Office for Students should set proportionality guidelines for universities who do not allow students to attend graduation ceremonies that have limited, and sometimes, contested, debts to an institution.

CHAPTER 1
RENT

WEEKLY RENTS

Headline rents

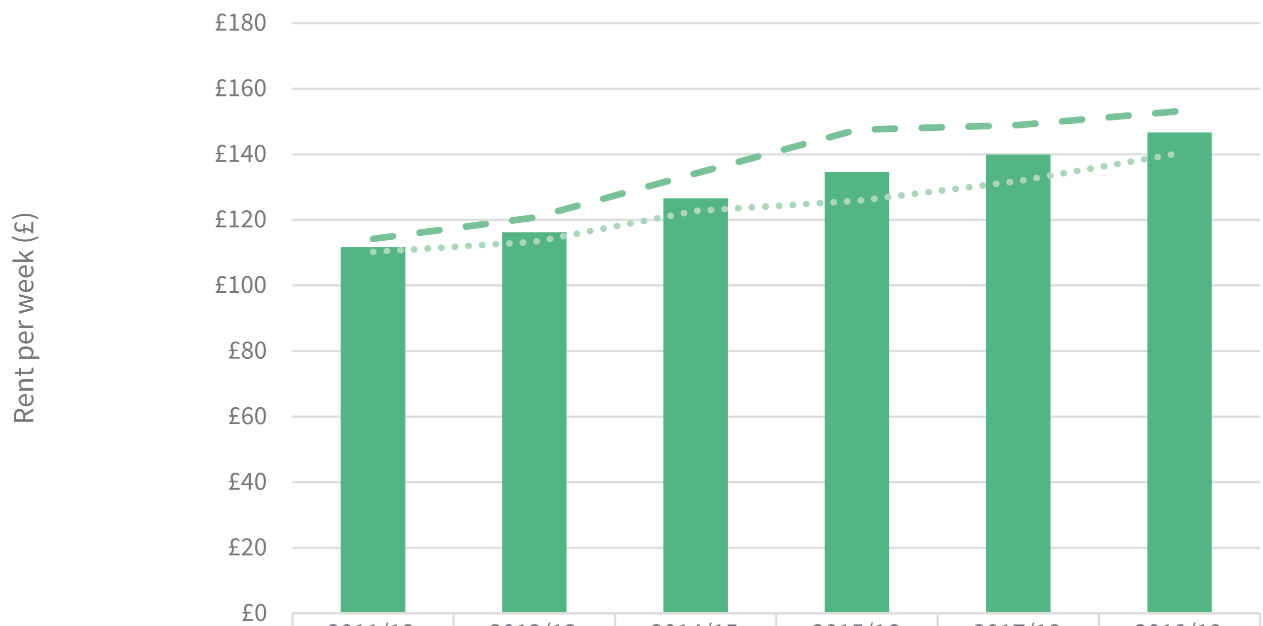
Figure 1 shows average weighted average weekly rents for purpose-built student accommodation over time. In 2018/19, the overall average stands at £147. This represents an increase of five per cent since last year, of 8.9 per cent on 2015/16 and of 31.3 per cent since 2011/12.

The average for the private sector is 9.3 per cent higher than the institutional mean. Within the timeline, this contrasts with a high point of 16.7 per cent in 2015/16 and the lowest level, found for 2011/12 (3.6 per cent).

To filter out any possible skewing effects of variant respondent profiles across recent surveys, Figure 2 uses data from the 37 providers who have taken part in all three of the most recent iterations. For this set of respondents, the overall weighted mean rent for the 2018/19 letting year stands at £145. This represents a 5.8 per cent increase on the previous year and a 28.3 per cent rise since 2011/12. The average annual increase between the letting years 2011/12 – 2012/13, 2014/15 – 2015/16 and 2017/18 – 2018/19 is 3.6 per cent. These findings are broadly in line with those for the full data set. The sample size does not bear disaggregation to provider level.

Figure 3 shows the annual percentage change in average weekly rents for the 37 providers who have taken part in

The most expensive rent recorded in the survey is a privately-provided studio in Bloomsbury, costing £535 a week for a 51-week let (£27,285), and the lowest a standard room in an institutional cluster flat in Manchester at £65 a week for a 40-week let (£2,600). Not all rents are registered in the survey and the cheapest known to the researchers is a standard room in a cluster flat in Dennis Bellamy Hall, Laisteridge Lane, Bradford, offered for £40 per week for 2018/19. The most expensive student accommodation identified in the UK is a two-bedroom flat in Mayfair, priced at £1,300 per person per week for 2017/18 (£66,300 for a 51-week contract).



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
All providers	£112	116	£127	£135	£140	£147
Institution	£110	113	£123	£126	£132	£140
Private provider	£114	121	£134	£147	£149	£153

Figure 1: Weighted average weekly rents: overall and by provider type, 2011/12 – 2018/19

the three most recent surveys, and plots these against percentage changes in the Retail Prices Index over time. Rent rise rates have exceeded RPI throughout the timeline and have become increasingly detached from the index. Although providers take account of a range of factors in setting rents, it is not possible to establish from the chart any sign of direct pegging of rent increases to RPI. This may be because these providers have increased the size of their portfolios, offering newer blocks at higher rents over time, the effect of which is that average rents outpace RPI within portfolios as well as overall.

Figure 4 shows the gap between weighted average weekly rents between London and the rest of the UK over time. Proportionally, this has fluctuated moderately across the selected period: average rent in the rest of the UK has been as low as 60 per cent of the London rate (2015/16) and as high as 74 per cent (2011/12). The figure in 2018/19 is 68 per cent.

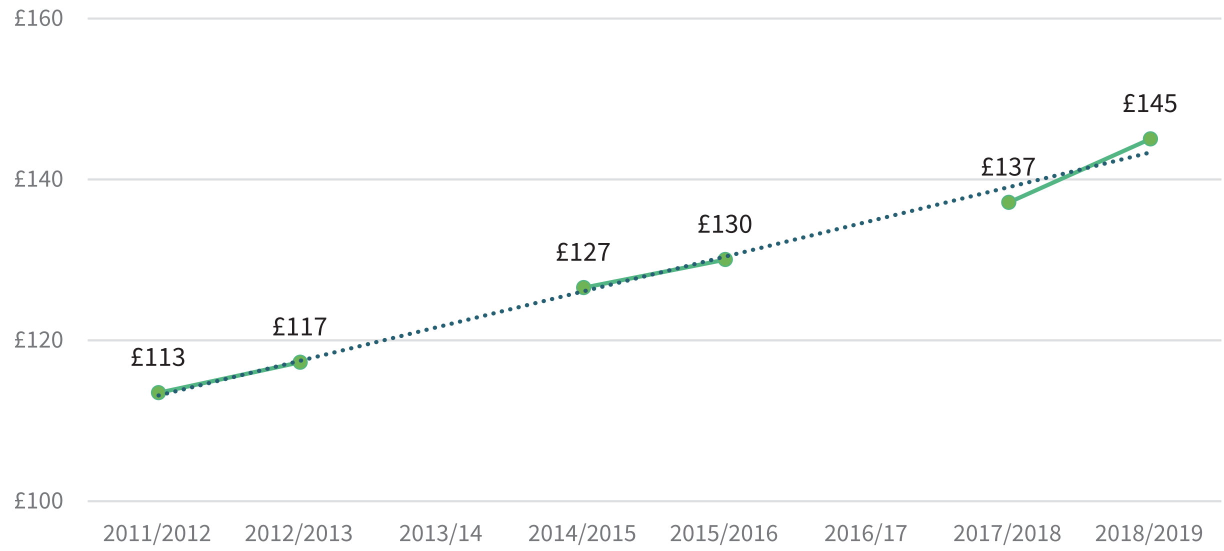


Figure 2: Overall weighted average weekly rents: respondents who have participated in the current and previous two surveys, 2011/12 – 2018/19

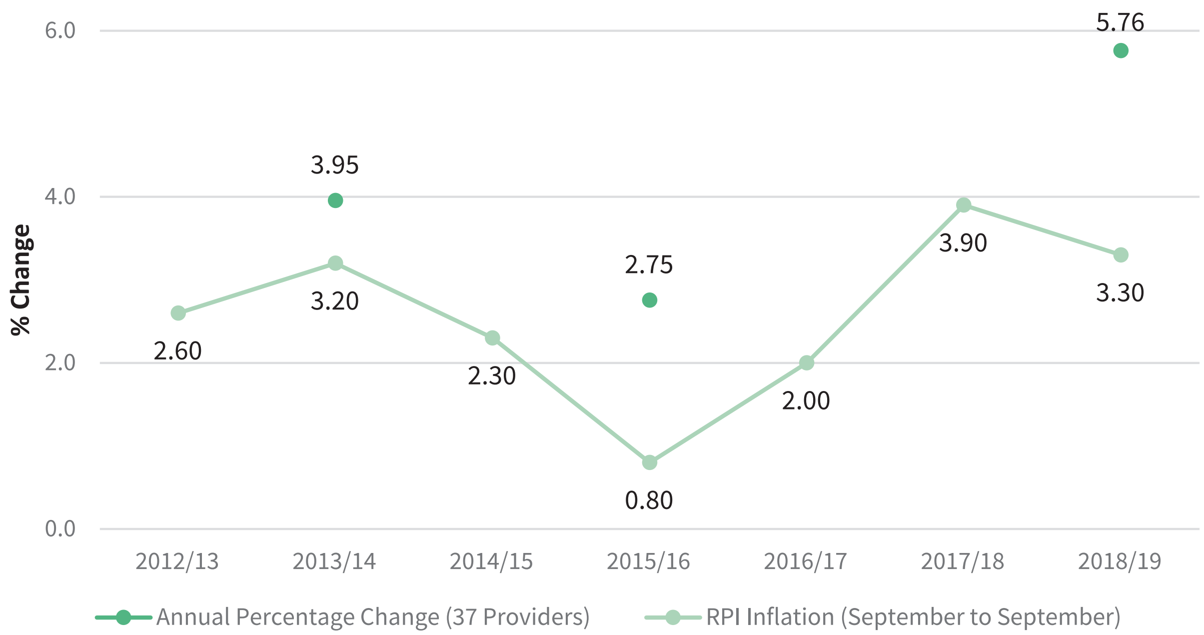
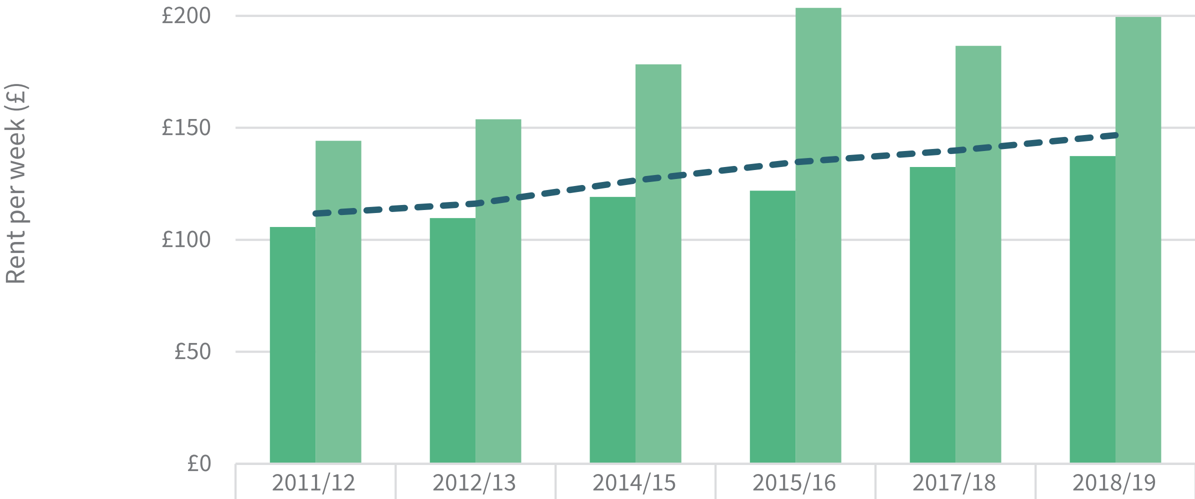
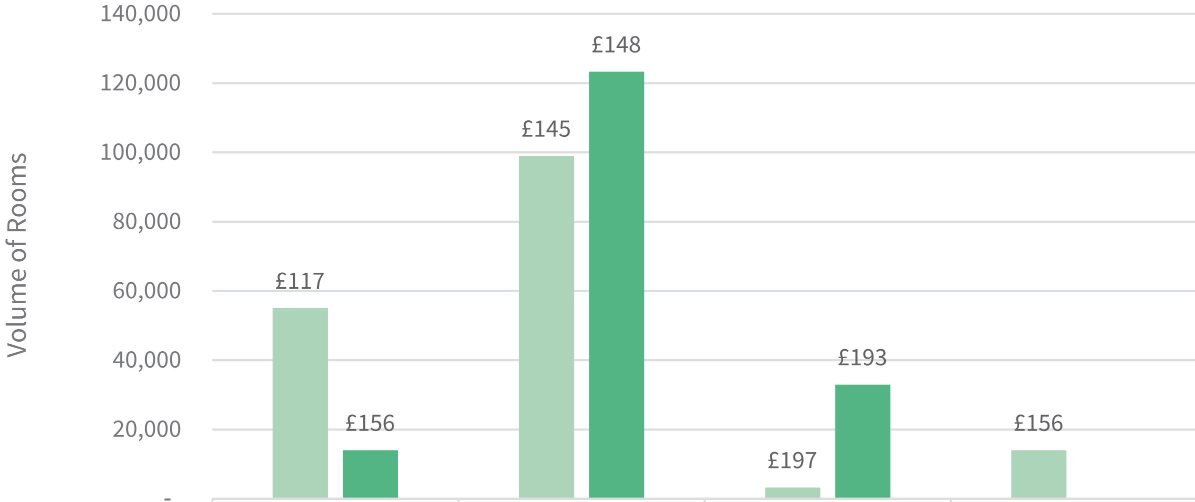


Figure 3: Overall weekly rent increases (like for like) vs RPI, 2012/13 – 2018/19



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
Rest of UK	£106	110	£119	£122	£132	£137
London	£144	154	£178	£204	£187	£200
All providers	£112	116	£127	£135	£140	£147

Figure 4: Weighted average weekly rents by provider type: London vs the rest of the UK, 2011/12 – 2018/19



	Standard (self-catered)	En-suite	Studio	Standard (Catered)
Institution	55,038	98,966	3,267	14,037
Private Provider	14,037	123,295	32,981	

Figure 5: Volume of rooms by provider type, core stock type and weighted average weekly rents, 2018/19

Weekly rents by stock type [i]

Based on the full data set for the current survey, Figure 5 shows average rent levels in 2018/19 by the main accommodation types, alongside a stock volume profile.

For en-suite rooms, the weekly prices for each provider type are within £3 of each other and the volume of stock is also similar. Standard stock offered by institutions is £9 per week cheaper than in the private sector. This can probably be attributed to university accommodation being both older (and in many cases infrequently refurbished) and often free of loan financing. In each case private providers set longer letting periods than institutions – see section on contract lengths. Standard catered stock in private hands represents a very small number of rooms and has been omitted from this analysis.

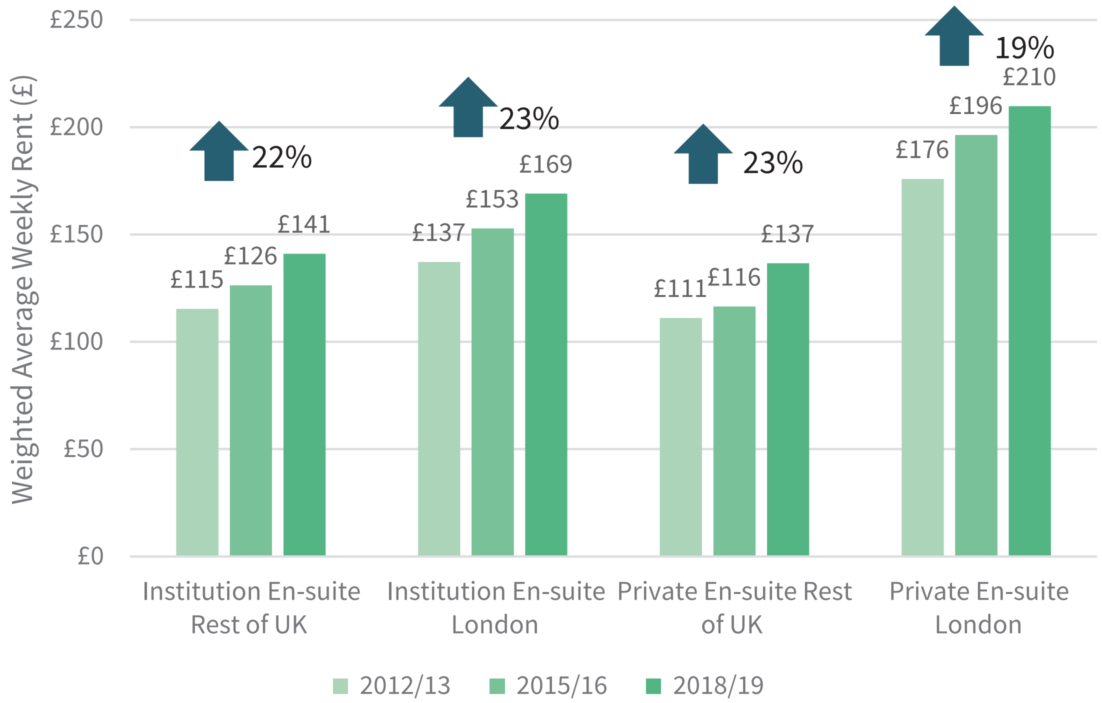


Figure 6: En-suite self-catered rents by provider type: London vs the rest of the UK, 2012/13 – 2018/19[ii]

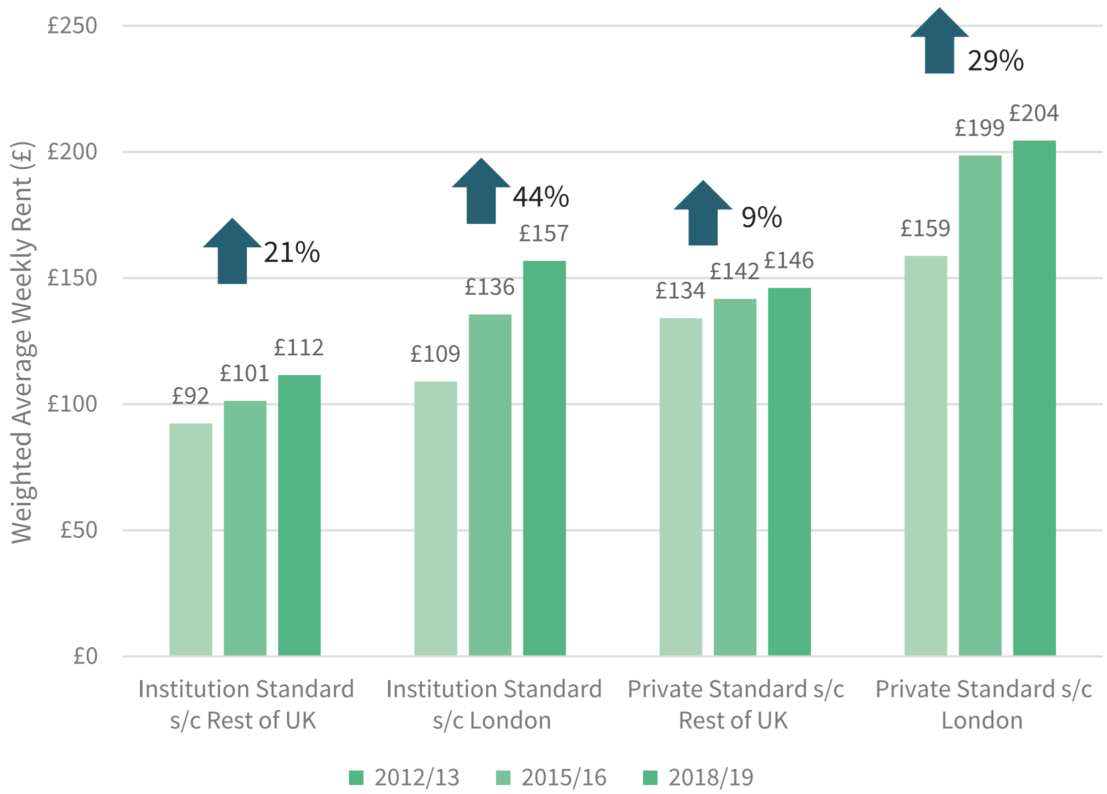


Figure 7: Standard self-catered rents by provider type: London vs the rest of the UK, 2012/13 – 2018/19

Weekly rents for studios offered by institutions are slightly higher than for private providers, although there are few of them and they work on shorter contract lengths on average. Studios are not a common stock type on campus because universities understand that they create an insular living environment and act as a social inhibitor, detrimental to student welfare and mental health. As the stock is well served in the private sector, there is also little need to compete.

Figure 6 shows weekly rents in the core stock type of en-suite cluster flat accommodation across the 2012/13 – 2018/19 period for London and the rest of the UK. Over this timeline, increases in weekly rent for en-suite rooms at institutions and private providers inside and out of London lie within four percentage points of each other. It is likely that the more sluggish growth in private en-suite rents for commercial providers in London is a reflection of two things: rents that are already high and a slackening-off of new development in the capital, which has slowed the entry of newer higher-priced blocks.

As Figure 7 shows, weekly rents for standard self-catered accommodation have risen strongly in London in both the education and commercial sectors between 2012/13 and 2018/19 (by 44 and 30 per cent respectively).

Much of the increase in rents in privately-provided accommodation was posted in the first half of the period, while institutional rises have been more evenly spread. It is of concern that such significant price hikes have been made for standard accommodation, particularly in university stock, which accounts for the majority of standard rooms in the sector.

Over this timeline, the gap between standard and en-suite rents has narrowed substantially in London. Given that standard accommodation is often older, of a lower specification and not encumbered by debt, the level of increases in London reflects in many cases providers seizing an opportunity to maximise surplus for a stock type that has traditionally formed the core of the more affordable range of accommodation in the market. It should be noted, however, that, where older standard stock has been refurbished (quantity unknown), this often produces a need for significantly higher price points, particularly if stock transfer has taken place to raise investment.

In the rest of the UK, institutional rents for standard rooms have risen in line with the rates of increase in en-suite rents. It appears that some institutions are fixing prices for standard accommodation to maintain

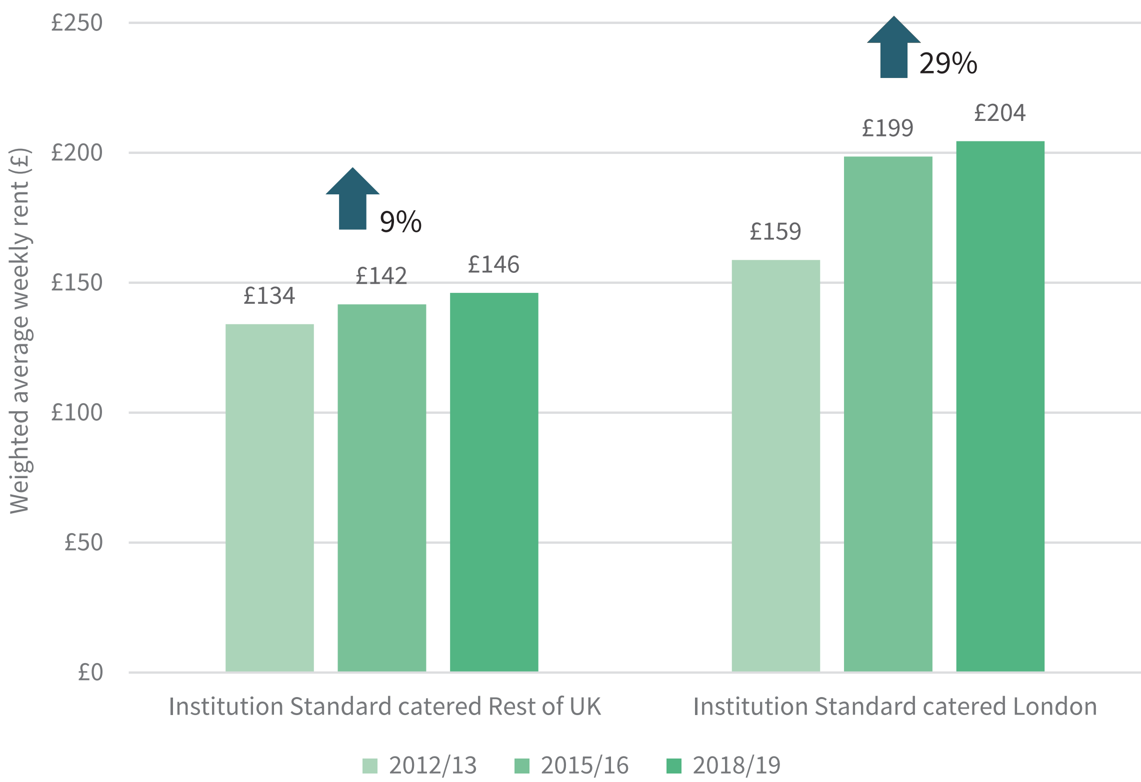


Figure 8: Standard catered rents in institutions: London vs rest of the UK, 2012/13 – 2018/19

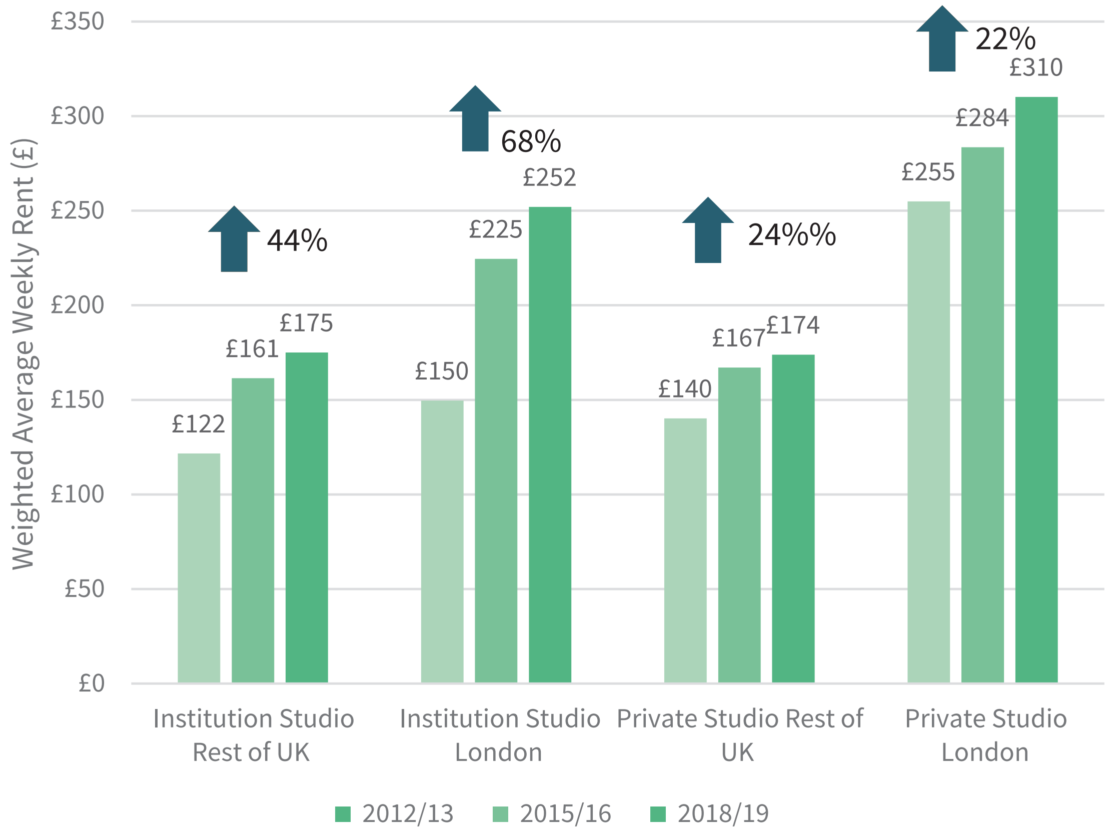


Figure 9: Studio flat rents by provider type: London vs the rest of the UK, 2012/13 – 2018/19

Figure 10: Weighted average rents by provider type and region, 2018/19

an arbitrary differential with en-suite provision that does not reflect the significantly lower running costs for unrefurbished standard accommodation.

Figure 8 shows a significant gap between London and the rest of the UK not only in the cost of standard catered provision in universities, but also in the rate of increase in weekly rents since 2012/13. The percentage increases shown here are considerably lower than the rises for standard self-catered rooms recorded in Figure 7. Figure 9 shows actual weekly increases in studio rents in each of the three most recent Accommodation Costs Surveys and the percentage rises across the period for both institutions and private providers.

Both in and outside London, universities have increased studio rents very significantly compared to the commercial sector, although these account for only a small part of the studio market. The uplift in private studio rents over the period is broadly in line with those for private en-suite rooms.

The distinctive place that studio flat provision occupies in the UK purpose-built student sector is explored further in Chapter 3.

Weekly rents by region [iii]

Figure 10 sets out weighted average weekly rents by region and provider type. The most expensive are in London, directly reflecting high land values. The South East, South West and East of England regions also command high land prices, passed on to the consumer in high private sector rents. Among institutions, Wales, Scotland and the North West are the most affordable markets. Worthy of note is the pronounced disparity between institutional and private sector rents in the East of England – Cambridge college rents are particularly low and are typically offered on 30-week tenancies/licences. It is also worth highlighting the gap between the university and commercial sectors in Wales, where new accommodation development by private providers has pushed rents much higher than in institutions overall. In Yorkshire and the East Midlands, university rents are higher than in the private sector. This may reflect the intense price competition in larger markets such as Sheffield and Leicester.

As expected, the weekly average rent in London for each provider type is significantly more than for other UK regions, taken as a whole. In the rest of the UK the average charged by universities is £41 lower than for London. The mean rate among private providers in London is £84 more expensive than for the rest of the UK.

Between 2011/12 and 2018/19, weekly rents for private providers in London rose by 3.6 per cent on average each year. This rate of increase places it squarely within the regional pack, which ranges from 2.8 per cent (the North West) to 6.7 per cent (Wales). For education providers, weekly rents in London increased at a higher average rate per year (4.2 per cent) over the same period, placing it towards the top of the range, which extends from 1.6 per cent (the East Midlands) to 4.6 per cent (the South East).

CONTRACT LENGTHS AND STOCK USE THROUGH THE YEAR

Headline letting periods

The annual cost of renting purpose-built student accommodation is, of course, a function of both weekly rental and contract length. The annual rent may therefore be understood to give a truer picture of the cost to the consumer. However, caution needs to be exercised in reading rents calculated for the letting year (weekly rent multiplied by the number of weeks in the contract). Typically, undergraduates may favour a shorter letting year, because there is minimal teaching over the summer period. Postgraduates, on the other hand, may find a longer letting year useful. This said, not all long lets are taken up by postgraduate students, as some late undergraduate entrants resort to taking rooms on longer tenancies when shorter ones are no longer available.

As a further cautionary note, the data capture on contract lengths reflects letting periods derived from providers' business plans. Although they represent the "official" position, they do not take account of discounting in the form of shorter periods offered by or negotiated with providers. This is particularly noteworthy for the current survey iteration, as the reported incidence of shorter lets is high for the 2018/19 cycle, especially in the private sector.

UK-wide, the average contract length is 40 weeks for institutional and 46 for private accommodation. The university figure is unchanged from 2015/16, but a week more than in 2012/13. The average for commercial provision was level across the two previous cycles but increased by one week in 2017/18 and a further week in 2018/19. For both provider types, the average contract in London is a week longer than for the rest of the UK.

It is likely that the gap between provider types reflects a continuing university view that the letting and academic years should stay in broad alignment, although freeing accommodation up for conference business across the summer period may be a contributory factor in some cases.

On average the longer letting year for accommodation in the commercial sector significantly extends the annual cost gap between the two provider types – see section below on annual rents.

Contract lengths by stock type

As Figure 11 shows, there is significant variance in contract length across stock and provider types and in and outside London. Private providers generally set longer standard terms. For both institutions and private providers, let lengths have been extended for all stock types between 2012/13 and 2018/19. The exception to this is standard self-catered rooms in privately-provided accommodation, where the average term has remained level.

Generally, studio flat let lengths for both provider types tend to be greater and this remains the case. Over the 2012/13 – 2018/19 timeline, the greatest increases in contract periods have been for studio stock, in which, outside London, private providers have added an average of five weeks. For studio flats in London, standard terms set by institutions are on average six weeks shorter than those in the private sector, but account for only small numbers.

For standard rooms overall, contract periods are shorter, particularly so among institutions, although commercial provision is low. However, in the context of the affordability agenda, it is of concern that the rate of increase in contracts for self-catered standard rooms in the institutional sector has been greater than the rate for en-suite provision over the period, so that for university accommodation in London, tenants in standard self-catered rooms pay a week's rent more than en-suite occupants in 2018/19, and outside the capital there is now parity in institutional let lengths between these stock types.

	Institution RoUK	Institution London	Private provider RoUK	Private provider London
En-suite				
2012/13	40	40	44	46
2018/19	41	41	45	48
Standard self-catered				
2012/13	39	40	43	43
2018/19	41	42	43	45
Standard catered				
2012/13	36	36		
2018/19	39	38		
Studio				
2012/13	43	40	45	46
2018/19	44	43	50	49
TOTAL				
2012/13	39	39	43	46
2018/19	40	41	46	47

Figure 11: Average let lengths (weeks) by core stock type and provider type: London vs the rest of the UK, 2012/13 and 2018/19

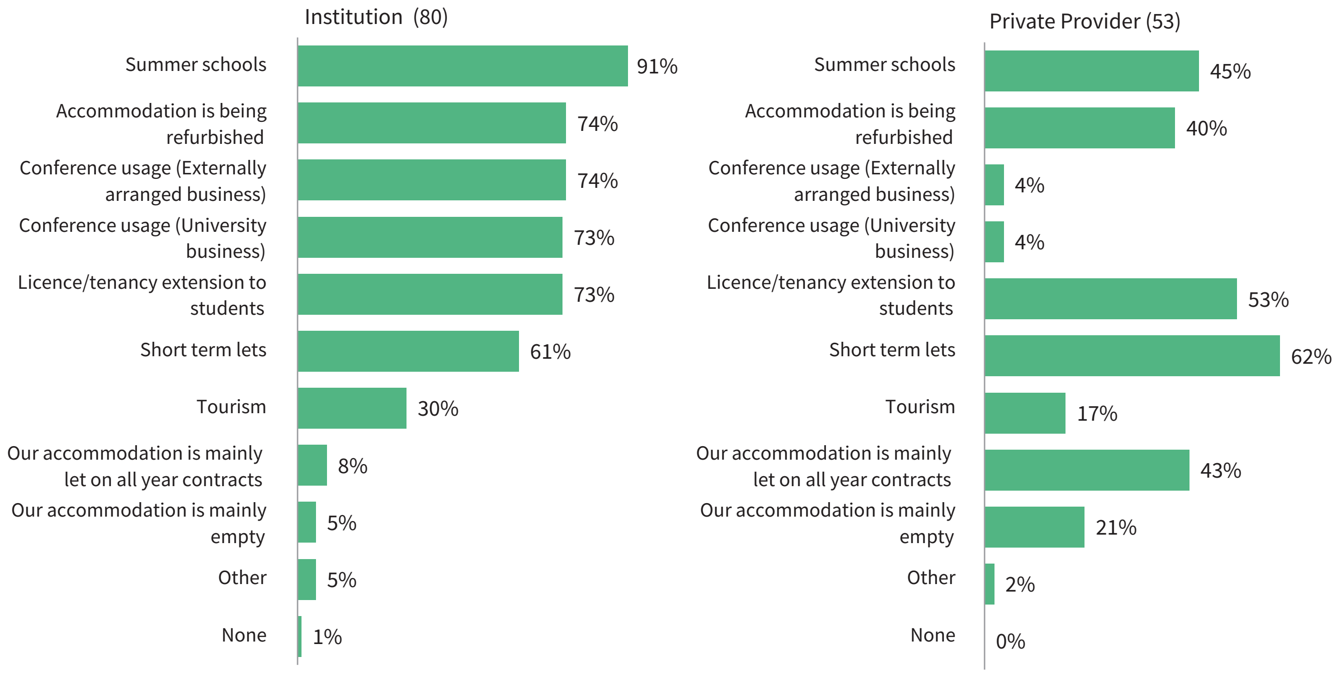


Figure 12: Use of portfolios over the summer months

Stock use beyond the letting year

Figure 12 shows that education providers are significantly more effective and efficient in their portfolio use over the summer period and maximise their advantage in having more direct access to the market for conference and summer school business. These findings should, however, be understood in the context of the major differential in all-year contracts between provider types.

The figures for refurbishment, short-term lets and external conferences have declined markedly since the last survey, although these may be affected by the respondent sample. There are no significant variations in the picture for London.

ANNUAL RENTS [iv]

Rent levels 2011/12 – 2018/19

Figure 13 highlights the overall picture of changing annual rents across the three data collection cycles of the Accommodation Costs Survey. They serve to illustrate not only the mean increase in annual rents over time, but also the broadening of the rent range and diversification of the offer.

The number of bed spaces with an annual price tag of below £5,000 stood at 162,235 in 2012/13, declining to 93,845 in 2015/16 and down to 63,680 currently. Figure 14 shows overall weighted annual rents over time, compared to the Retail Prices Index. Since 2011/12, headline rents have increased 4.8 per cent per annum on a compound basis. (These figures include growth from rent increases and from the expansion of stock volume over time.) On average, a student tenant signing up for a full advertised contract term in purpose-built accommodation in 2018/19 will have paid £376 more than for equivalent accommodation in the previous year.

The rates of increase in rent between 2011/12 – 2012/13, 2014/15 – 2015/16 and 2017/18 – 2018/19 were five, seven and six per cent respectively, all considerably in excess of the Retail Prices Index for those years. There is no discernible correlation between rents set and the rate of inflation. Although respondents report that their main tools in setting rents are inflation, market comparators and running costs, the introduction of new stock at higher price points is leading to headline rents in markets becoming more expensive than RPI over time. It has been suggested that a factor here is costs incurred in areas where inflation has substantially exceeded RPI, for example, in building (including maintenance and refurbishment), staffing (the Living Wage) and catering (where offered). However, this is unlikely to have had other than a marginal impact.

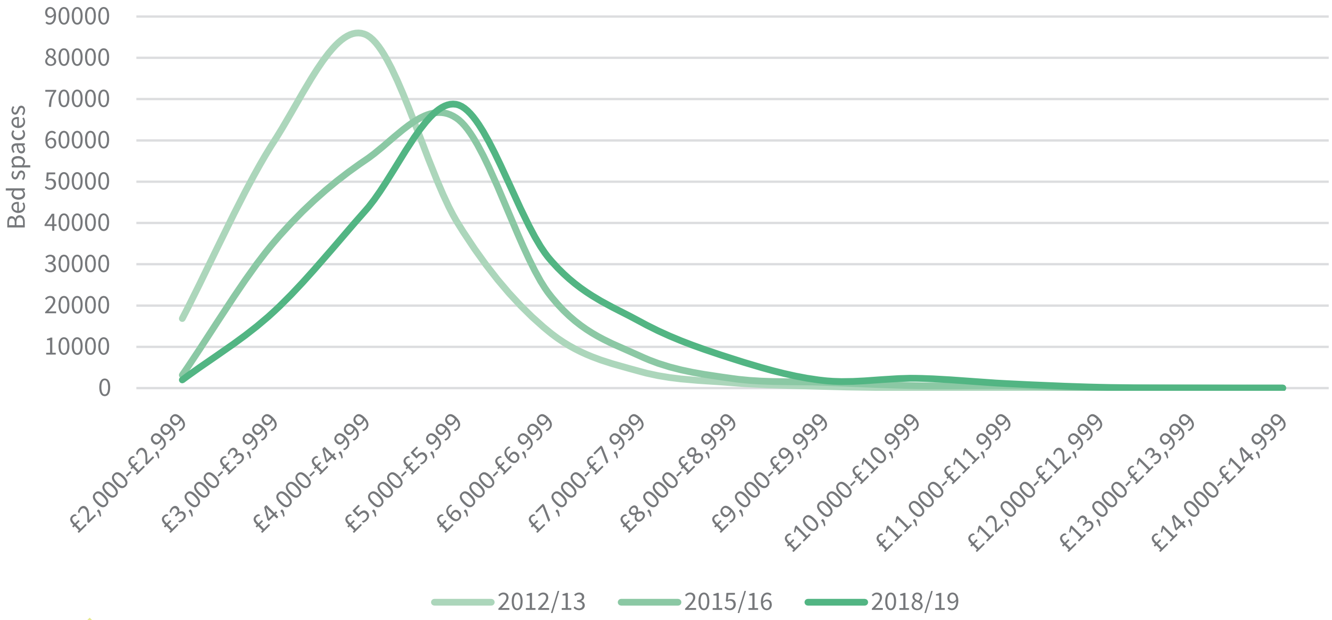


Figure 13: Rent profile curves: institutional bed space numbers by price banding over time

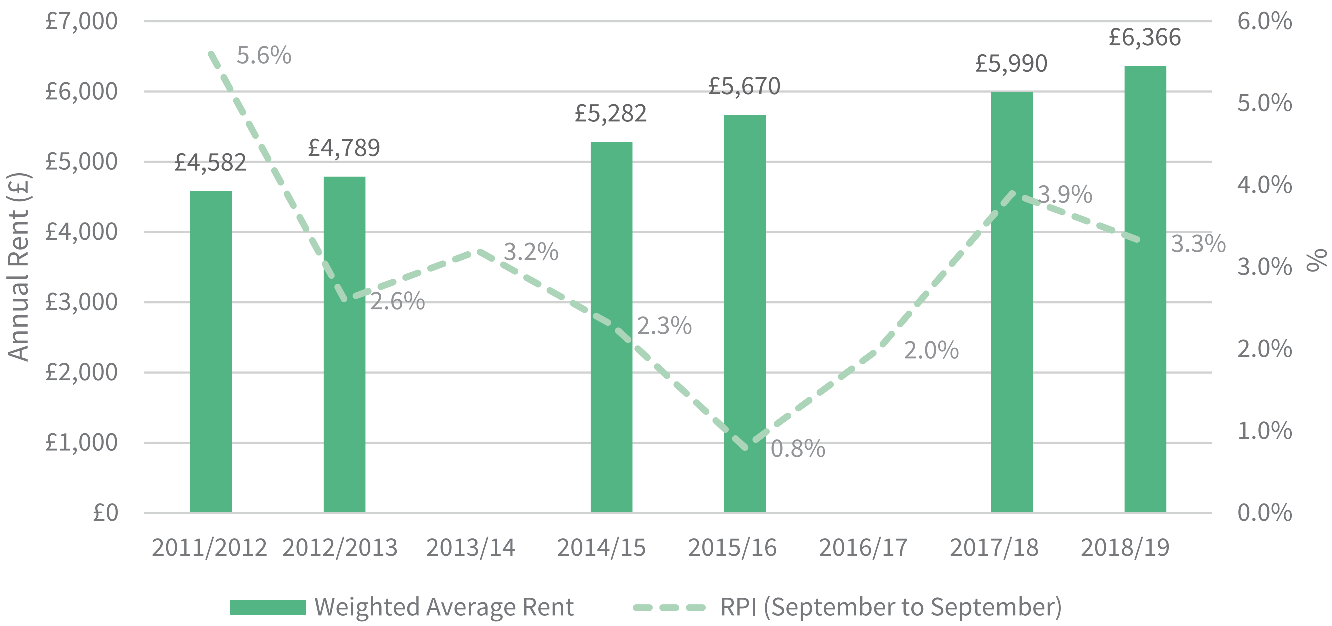


Figure 14: Annual rent vs RPI, 2011/12 – 2018/19

Annual rents by region

On a compound basis, rents have increased annually by 5.5 per cent in London and 4.7 per cent in the rest of the UK since 2011/12. The gap between London and the rest of the UK has fluctuated over the timeline, as Figure 15 illustrates, but in 2018/19 the average annual rent for the rest of the UK as a proportion of the average London rent is similar to how it was in 2011/12: 71 and 66 per cent respectively.

The dip in the overall annual cost recorded for London in 2017/18 reflects a downturn in the wider private rental market in the capital (-0.3 per cent in the year to July 2018) . The return to growth in 2018/19 bucks the continuing decline in London rental values.

As shown in Figure 16, the two rent levels which have increased the most are institutional stock in London, up to £7,147 in 2018/19 (+36 per cent since 2012/13)[v] and private provision in the rest of the UK, up to £6,462 (+35 per cent over the period). The significant rises in institutional rents in London are a result of universities shadowing private sector increases. The commercial rent rises seen in the rest of the UK have been driven in part by the substantial expansion of studio volume in the private sector outside London.

Both in and outside London, the average annual price of a studio is the highest rent point in the sector. Studios also post the top weekly rents and contract lengths. This stock type is used by developers to maximise yield on a development site and enables smaller sites to be developed on a profitable basis.

INSTITUTIONAL RENT RANGES

Here, as in previous surveys, progress is reported both on maintaining a range of rents that enables students to exercise real choice in their level of accommodation and on ensuring that the range contains some lower rent options for students unable or unwilling to pay higher rents.

Figure 17 shows that Wales and Scotland offer a high volume of low rents, compared to England. Sixty-one per cent of rents in Wales and 58 per cent in Scotland are less than £5,000 for a full contract term.

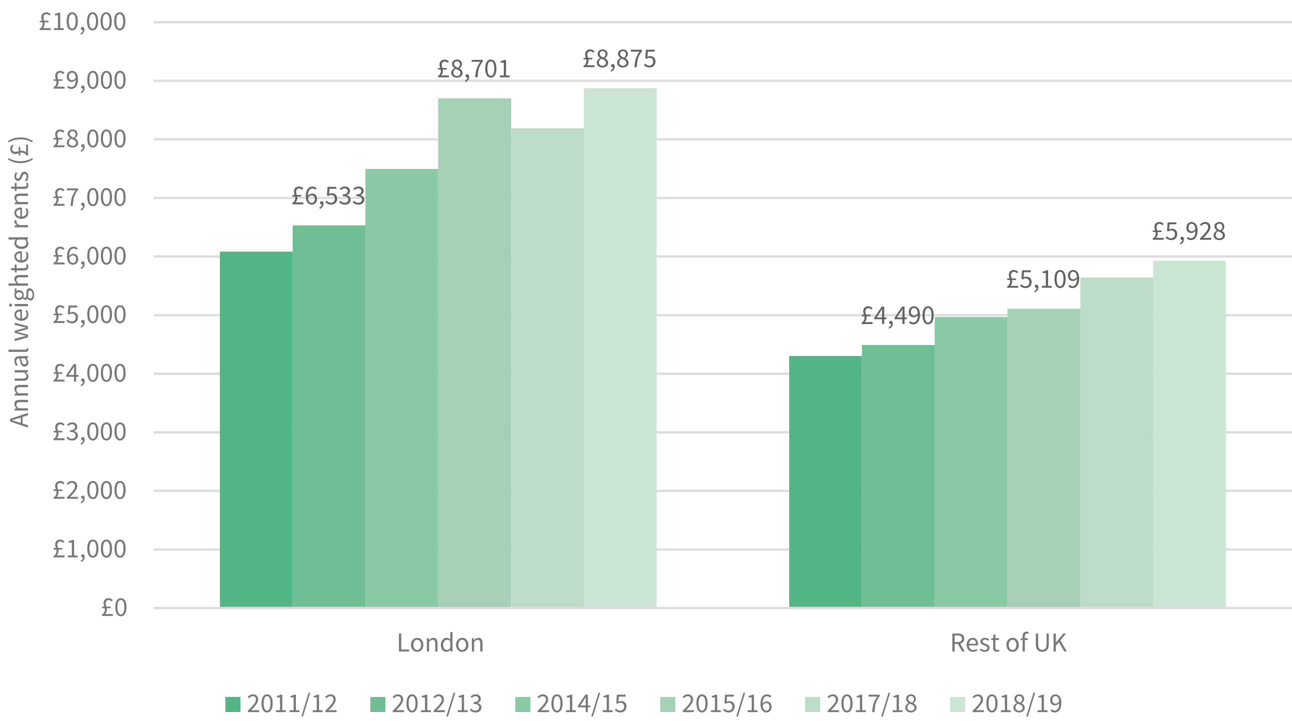
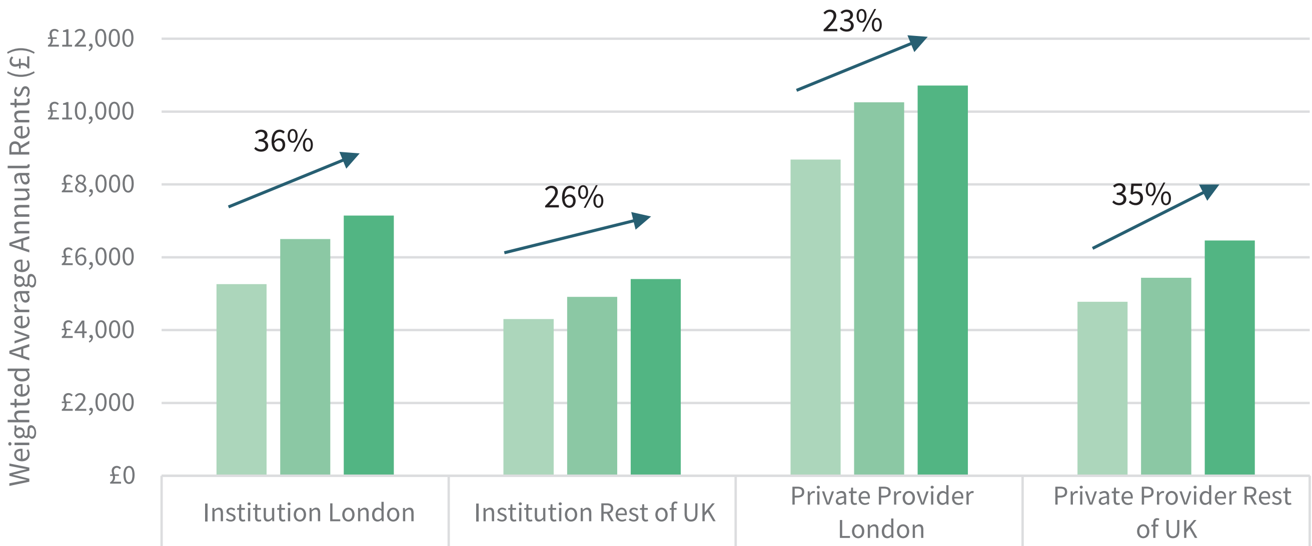


Figure 15: Overall weighted annual rents: London vs the rest of the UK, 2011/12 – 2018/19



	Institution London	Institution Rest of UK	Private Provider London	Private Provider Rest of UK
2012/13	£5,264	£4,301	£8,685	£4,778
2015/16	£6,498	£4,911	£10,257	£5,438
2018/19	£7,147	£5,403	£10,715	£6,462

2012/13 2015/16 2018/19 % change since 2012/13

Figure 16: Weighted average annual rents by provider type: London vs the rest of the UK, 2011/12 – 2018/19

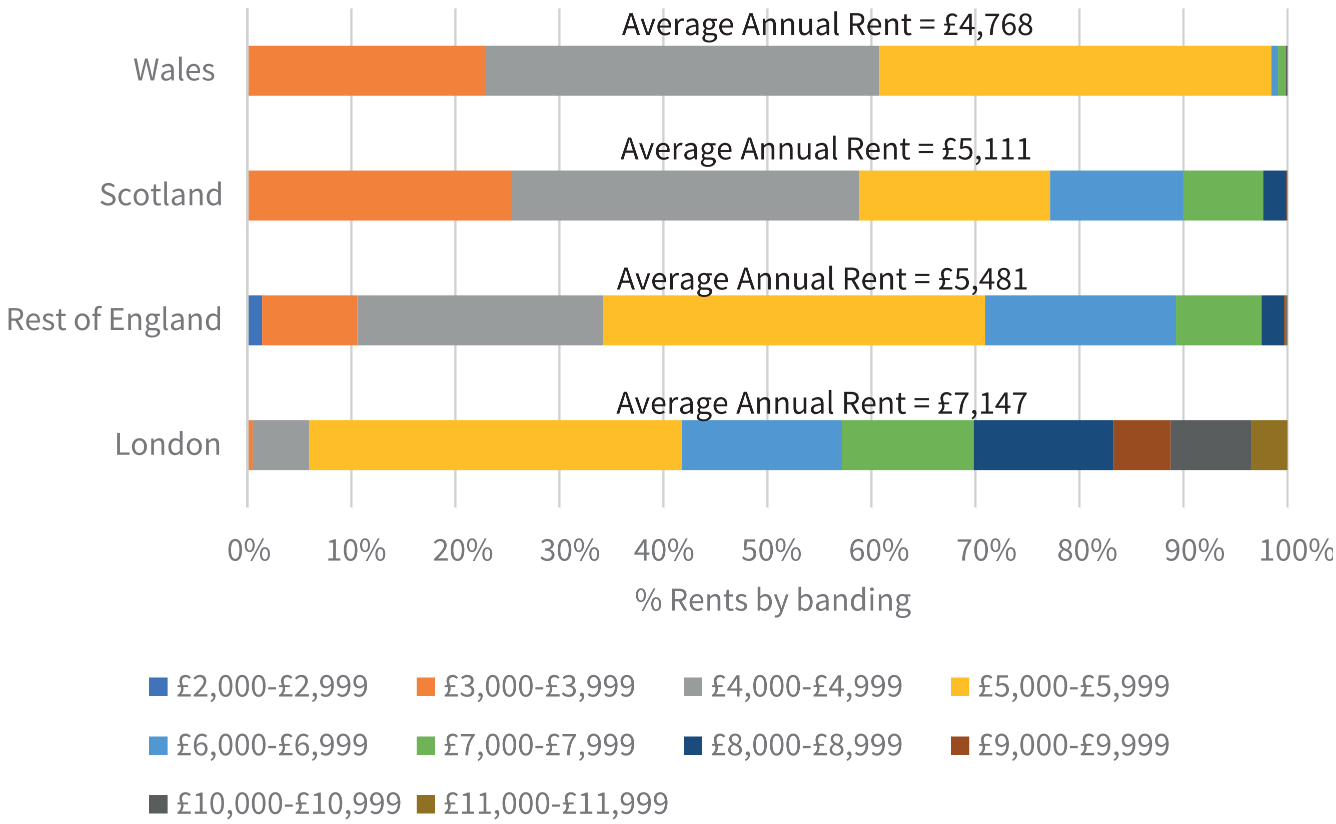


Figure 17: Annual rent bandings: Wales, Scotland, London and the rest of England, 2018/19

Figure 18 shows bed space numbers in price bandings as proportions of UK institutional stock. The average annual university rent is £5,669, having risen from £5,085 for 2015/16 (+11.5 per cent) and £4,447 for 2012/13 (+14.3 per cent in 2015/16). The proportion of bed spaces priced at or below £5,000 declined from 73 per cent in 2012/13 to 48 per cent in 2015/16 and 33 per cent currently.

Figure 19 shows 2018/19 banded price ranges for a sample of the largest institutions to take part in the current survey, ordered by weighted annual rent.

In some cases, catering is provided, leading to a higher inclusive rent, and the percentage of catered accommodation within each institution is noted. [vi]

The cheapest is at the top and the most expensive at the bottom. The two bands covering £5,000 - £6,999 dominate the price ranges for this sample. There is a clear north-south divide: London-based universities and larger institutions in predominantly southern cities have the most expensive rent structures; Welsh and Scottish education providers and those based in the north of England feature in the top half of the chart.

It is important that institutions, whether in high- or low-cost rental areas, maintain a range of rents to offer choice for students, and particularly those who can only afford lower-cost accommodation. There are some interesting examples of institutions that have made significant efforts to maintain choice within their rental range. Manchester Metropolitan University offers a good range and has managed to retain some lower-cost stock. This contrasts with the University of Manchester, which houses students in the same areas of the city, and whose rents are higher. The University of Leeds maintains a good rental range with some lower-cost provision, as does Leeds Beckett University, which has no accommodation of its own but successfully partners with a number of private sector providers in the city. The University of Kent has long been a good example of maintaining rental range and choice in a high-cost housing area and continues to do so. The University of Edinburgh, also located in a high-cost housing area, manages to maintain range and a lower cost than might be expected. Brunel University is noteworthy for its near-unitary structure and Cardiff for pricing over three quarters of its stock in the £4,000 - £4,999 band.

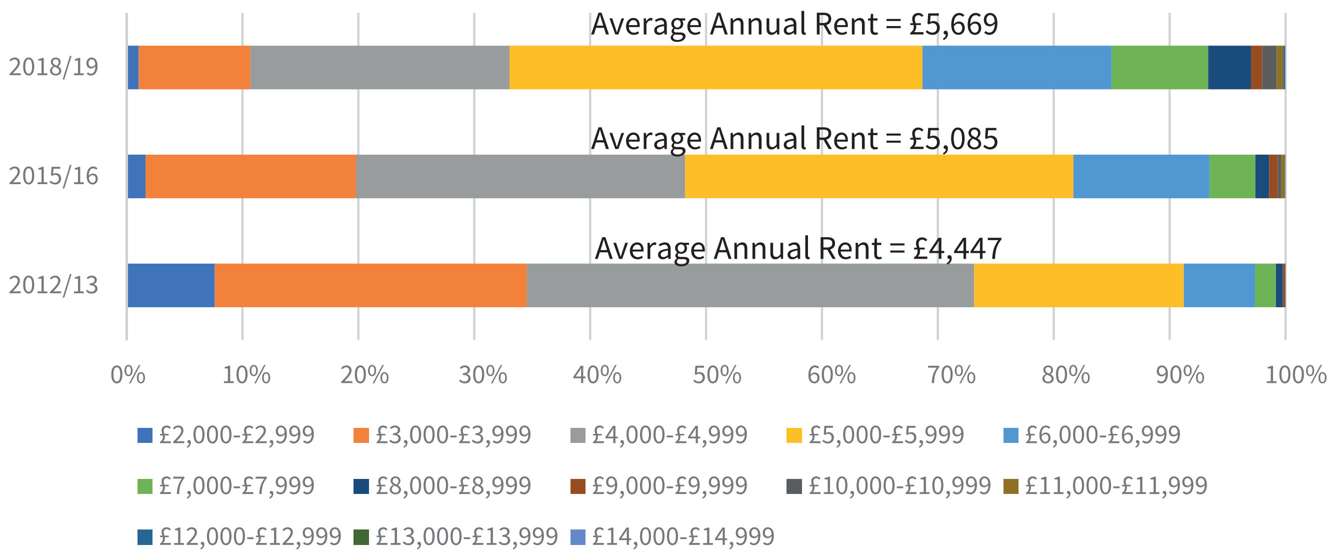


Figure 18: Proportions of UK institutional stock by annual rent banding over time

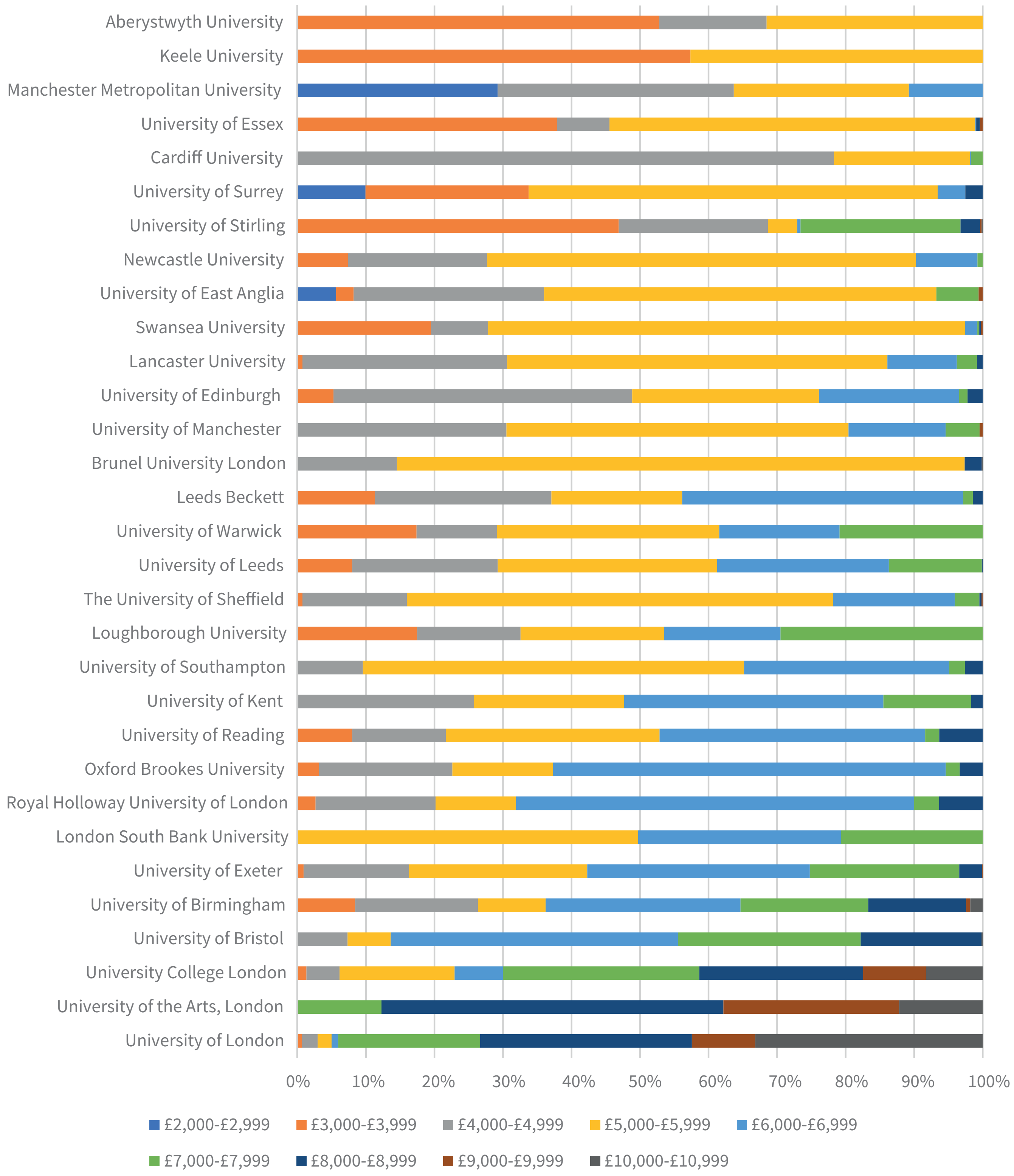


Figure 19: Annual rent bandings: Wales, Scotland, London and the rest of England, 2018/19

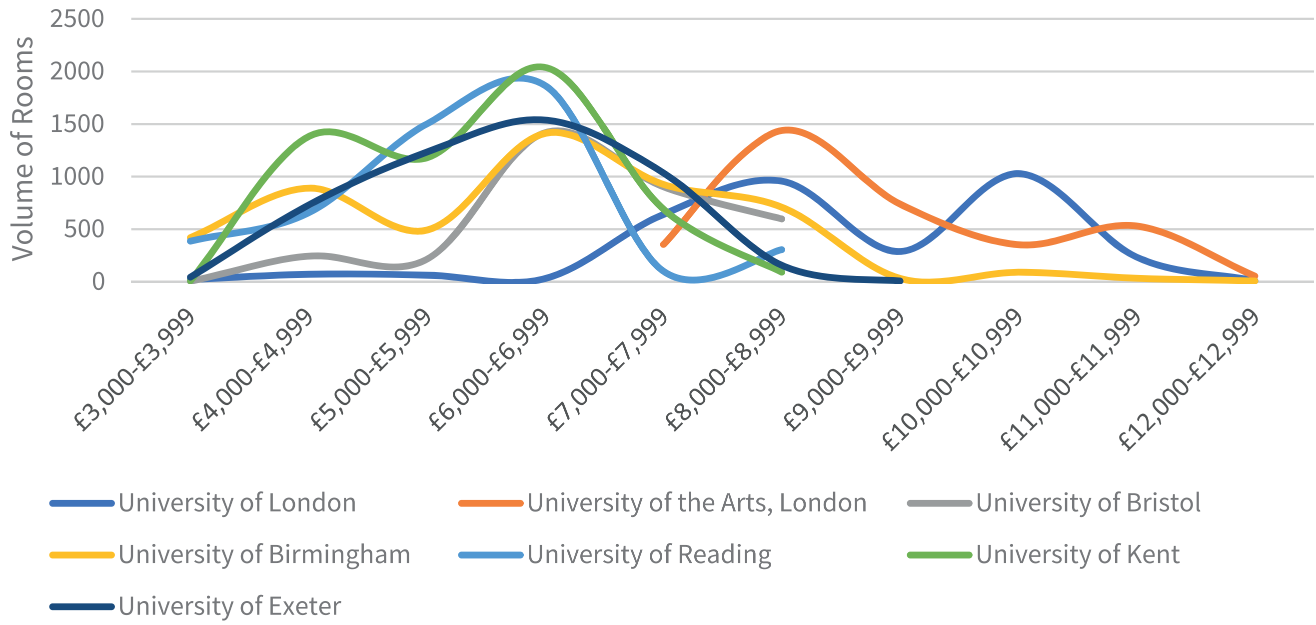


Figure 20: Annual rent profile curves: selected institutions, 2018/19

In Figure 20 the distinctiveness of the profiles for London institutions is evident, with substantial volume of accommodation available in the upper pricing sector of the chart. The Universities of Reading, Exeter and Kent are maintaining a pricing structure concentrated in the lower half of the banded range.

WHAT STUDENTS ARE GETTING FOR THEIR MONEY

Beyond the headline rent, what is wrapped in and what is left out can significantly affect a tenant's outgoings. An overwhelming number of respondents reported that in 2018/19 all services bar access to a gym were included in the advertised rent level. As Figure 21 shows, this marks a substantial advance on 2012/13, when provision of WiFi and possessions insurance was more patchy.

	2012/13	2015/16	2018/19
Institution			
Energy	96%	95%	100%
WiFi	50%	94%	99%
Possessions insurance	80%	78%	92%
Gym/gym membership	20%	14%	
Private providers			
Energy	97%	99%	91%
WiFi	31%	94%	100%
Possessions insurance	93%	57%	92%
Gym/gym membership	17%	38%	

Figure 21: Rent inclusions by provider type over time

Exclusion of energy costs from the rent is becoming the exception. Currently, no institutions and nine per cent of private provider respondents set their rent net of energy costs. Two per cent of commercial operators charge energy separately based on usage. Eight per cent of private providers charge a supplement that can be adjusted up or down to reflect usage.

Where all-inclusive energy is part of the deal, charges are likely to be higher as a hedge against the risk of overuse. This raises the question of possible rebates to the consumer where they have used less energy than they have paid for. For the second survey running, the research has produced disappointing findings on institutional rebates: just one per cent of education providers who took part in the survey reported that they gave students some level of rebate or reduction on rent where payment turned out to exceed usage. Up three percentage points on the 2015 survey, nine per cent of private providers currently share rebates with tenants whose energy efficiency results in savings. Overall, the sector remains poor at providing incentives and rewards for using utilities carefully and sparingly.

For institutions, rents with gym access factored in have declined in 2018/19 from the previous survey and more than doubled for private providers. Gym membership is now included in 14 per cent of institutional base rents, compared to the 38 per cent reported for privately-provided accommodation. Access to a gym is used as a marketing device and is becoming a common lifestyle add-on offered by the commercial sector in particular (especially for studio accommodation). For many students, gym-inclusive rent represents a genuinely attractive package, but it should be remembered that this service comes at a material cost: among private providers, the average rent for rooms including gym membership is £7,524 in 2018/19, significantly more than the £6,794 average charged for a room without gym membership. For those students who sign up for a gym-inclusive tenancy and for whom access to these facilities is not important, the extra cost represents an inflated price without real added benefit. This is not an issue where the student has genuine choice, but is of concern where institutions are allocating Year 1 students to accommodation with gym-inclusive rent.

The firm consumer expectation that the rent includes an in-accommodation WiFi service is reflected in the high level of affirmative responses: 99 per cent of institutional and 100 per cent of private providers' rooms now include WiFi in the tenant's room. In 2018/19, 96 per cent of institutional and 99 per cent of privately provided rooms benefit from WiFi in common spaces. This near-universal coverage reflects the shift from WiFi being an added-value amenity to being a part of the necessary infrastructure of accommodation buildings.

Possessions insurance was included in the rents of 92 per cent of rooms for each provider type, up substantially from the previous survey.

UPFRONT ADDITIONAL COSTS

Providers often charge students a booking, administration or cancellation fee, or a combination of these. Figure 22 shows the proportions of universities and commercial providers setting such fees.

Institutions (62 per cent) are less likely than private providers (74 per cent) to charge additional fees or a deposit on top of rent.

Similar proportions of education and private providers ask for a refundable deposit. Universities requiring some level of deposit have continued to reduce. The proportion now stands at 54 per cent, compared to 61 per cent in 2015/16 and 63 per cent in 2012/13. However, the proportion of private providers asking for a deposit has fallen significantly in the last cycle to 55 per cent

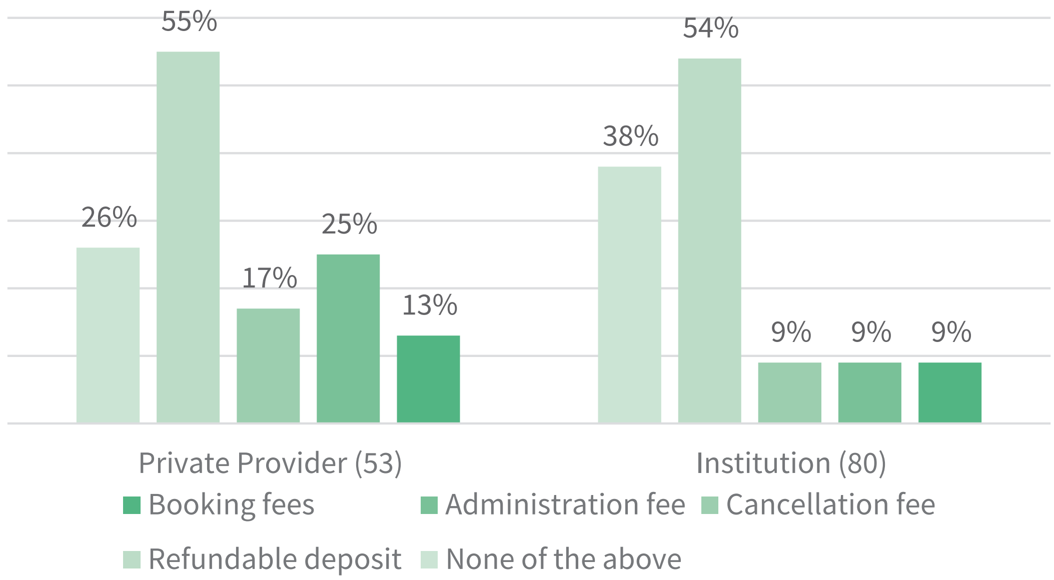


Figure 22: Fees charged on top of rent by provider type, 2018/19

to bring it in line with the institutional level for the first time. This figure compares to 81 per cent in 2015/16 and 73 per cent in 2012/13.

Booking, administration and cancellation fees are levied by a significantly higher proportion of private providers. No participating institutions or commercial operators reported that booking fees were refundable if a student did not take up a tenancy, but half said they gave these fees back to the student, where a cancellation was made by a stipulated date.

In 2018/19, overall mean booking fees stand at £129, administrative fees at £90.50 and cancellation fees at £123.

In England, booking, administration and cancellation fees are set to be banned under forthcoming legislation [vii]. It is also proposed that holding deposits are capped well below current levels charged by most providers. The Tenant Fees Bill, which provides for these measures, is likely to be placed on the statute book during 2019. Once the new regulatory arrangements are in effect, it is likely that providers will consider recouping income lost as a direct consequence by passing on higher rental costs to tenants.

Over half (55 per cent) of private providers ask for advance rent payment rather than booking fees; a further 13 per cent ask for both. Among institutions just over two in five (43 per cent) favour advance rent over fees (see Figure 23).

The proportion of private providers requiring an advance rent payment continues to decline from 81 per cent in 2012/13, to 73 per cent in 2015/16, down to 68 per cent in 2018/19. By contrast, the proportion of institutions imposing this requirement on tenants is at a new high in 2018/19, up to nearly half (49 per cent) from 31 per cent in 2015/16 and 37 per cent in 2012/13. This figure is set to rise further, as five per cent of institutions that do not already require advance rent payment are looking to do so instead of levying additional upfront fees. The future trajectory of private providers asking for advance rent is likely to be reversed, as 12 per cent of commercial respondents indicated their intention to stop making other upfront charges and start to require advance rent payments. This anticipated shift needs to be understood in the context of the forthcoming tenant fees legislation and its effective ban on add-on costs.

MONEY-RELATED TERMS AND CONDITIONS

Guarantors

There is wide variance between provider types on guarantors: 79 per cent of institutions do not require one, compared to 28 per cent of private providers. For the commercial sector, this marks a fall from 35 per cent in the last survey, and for the education sector a slight drop from 83 per cent. The continuing low numbers of institutions using guarantors as a risk mitigator for bad debt likely reflect a strong residual sense among them that they are better placed to bring to bear alternative pressures to effect debt recovery (see Figure 24).

Those providers that do insist on a rent guarantor often discriminate on the basis of the circumstances in which students find themselves.

Where providers ask for a guarantor, 80 per cent of them report that this applies to all students. The other 20 per cent only require home students to provide a guarantor.

Fines

Several institutions include provisions for “fines” in their student accommodation contracts. Under the new tenant fees legislation, a fine will be counted as an unlawful fee in England. While universities will still be able to fine their students, this must be undertaken under their disciplinary processes, and not be related to their accommodation contract with student tenants.

The Tenant Fees Bill is, at the time of writing, undergoing parliamentary scrutiny in the House of Lords, and if passed is likely to become operational in England from March 2019. It is intended to stop landlords and agents from levying any fees associated with renting accommodation. The Bill applies equally to university provision and will cause some suppliers to change the way they price their accommodation. The Bill defines a number of permitted fees. Beyond this defined set, the charging of fees will be illegal. Under the proposed legislation, any fee other than payment of rent, deposit and certain taxes and amenities will be prohibited. The use of booking fees, administration fees and cancellation fees will not be permitted and will no longer be chargeable.

The Tenant Fees Bill also stipulates that a 'holding deposit' paid to secure a property, before a tenancy is negotiated, will be capped at an amount equivalent to one week's rent. Under the new measures, once a holding deposit has been paid by the prospective tenant, the landlord must offer a tenancy agreement within 15 days of the payment, or forfeit the deposit amount. Many institutions charge "booking fees" to students to secure the offer of a room and, again, this practice will need to end for students in the 2019/20 academic year.

Does your organisation ask for an advance rent payment rather than booking fees?

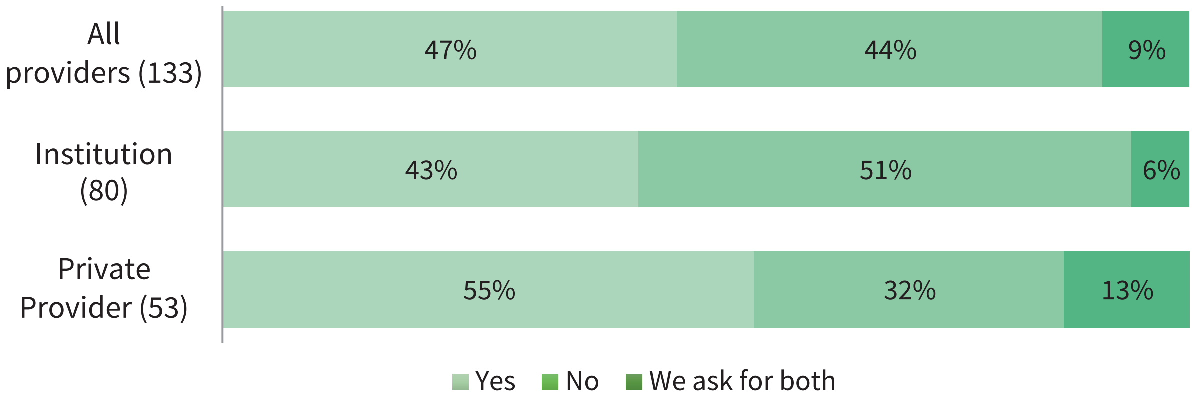


Figure 23: Advance rent payment vs booking fees

Do you require students to provide a guarantor? (Base: 133)
Which students are required to provide a guarantor?

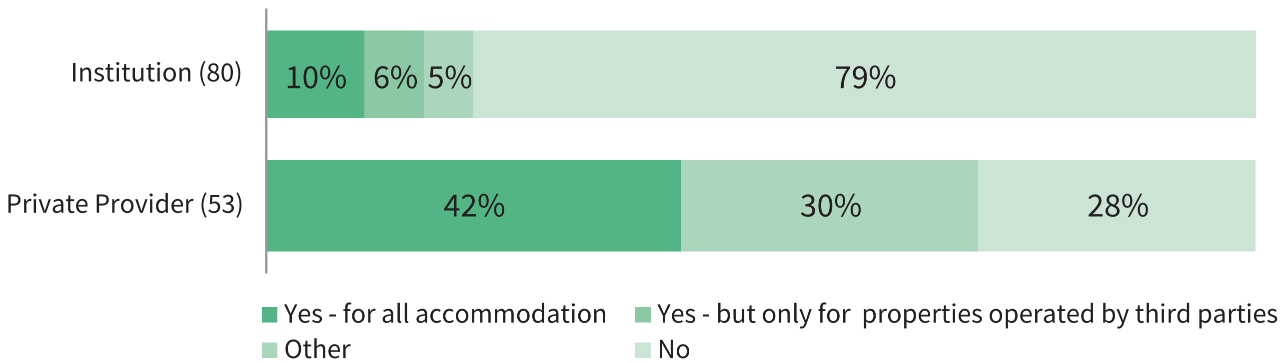


Figure 24: Requirement to provide a guarantor by provider type

DISCOUNTING

Does your organisation offer any of the following discounts?

% Yes	**Institutions (80)**	**Private providers (53)**
Shortened contracts	26%	49%
Cashback	3%	26%
Reward schemes	8%	19%
Gifts (iPad, laptop, travel cards etc)	3%	21%
Sport schemes	15%	6%
Other forms of discount	19%	40%

Figure 25: Use of discounts

Other discounts included:
- referral discounts and incentives
- scholarships and bursaries
- contract renewal discounts
- discounted fees for lets during the vacation period
- discounts for making one lump-sum payment

As might have been expected, the use of discounts as an incentive is significantly more prevalent among private providers as commercial operators. Offered by 35 per cent of respondents overall, shortened contracts are the most commonly used form of discount, reflecting providers' flexibility and preparedness to negotiate with prospective tenants.

This survey is the first time respondents have been canvassed on their use of discounts, so there is no benchmark for assessing whether they are on the rise or in decline. However, in a marketised higher education sector creating recruitment volatility and stratification, incentives are becoming a feature of local rental markets where oversupply of accommodation intensifies competition.

RENT SETTING

Mechanisms used to set rent

Asked to state the single most important point of reference in setting rents, respondents gave answers that show a clear consensus on the main mechanisms. Overall, inflationary uplift is the primary consideration for a quarter of respondents and a further 20 per cent cited benchmarking against a set of comparators/competitors as the leading factor in determining rent levels. What it costs to run the accommodation is the

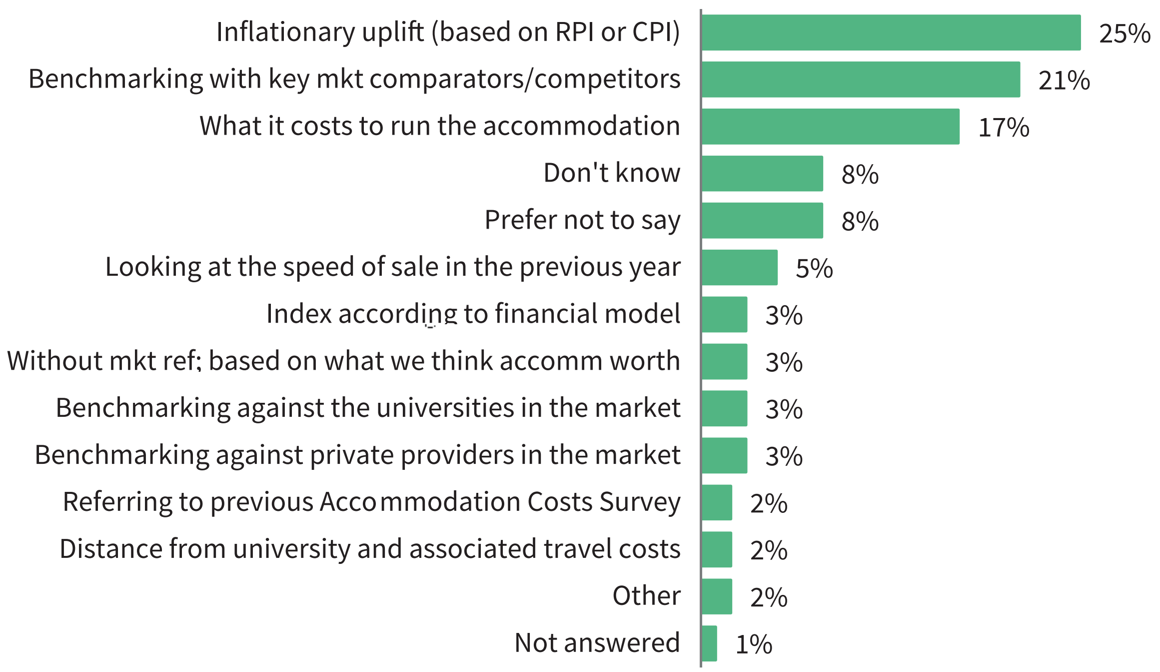


Figure 26: Most important mechanism used to set rents: all providers (Base = 133 organisations)

third most identified top answer (see Figure 26).

% Yes	Institutions (80)	Private providers (53)
Inflationary uplift (based on RPI or CPI)	35%	9%
Benchmarking with a set of key comparators/ competitors in the market	16%	28%
What it costs to run the accommodation	15%	21%

Figure 27: Top three rent setting mechanisms: variance between provider types

As Figure 27 shows there are, however, some notable differences between institutions and private providers. Universities are much more likely than commercial operators to rely on inflationary uplifts (35 compared to nine per cent). Market benchmarking and accommodation running costs are singled out as the foremost consideration by substantially fewer institutional respondents. It is surprising that the number of universities citing running costs as their main touchstone in rent setting (15 per cent) is not higher. This indicates that, rather than focusing on the underlying costs of provision, a large proportion of institutions are content to allow rent levels to be determined primarily by general economic conditions.

By contrast, private providers are considerably more likely to place inflation further down the hierarchy of rent determinants. Twenty-eight per cent of them identify market comparison as their top point of reference in fixing rents, and 21 per cent selected accommodation running costs. These results indicate far more active management of rents in the private sector.

Involving students

Overall, half (49 per cent) of respondents say they do not involve students in the rent setting process to any extent. Within this figure, there is significant variance between provider types. Three quarters (74 per cent) of private providers report that students/their representative bodies have no involvement in the rent setting process, whereas two thirds (66 per cent) of institutions involve students to some degree. Encouragingly, more than a quarter of responding institutions indicate that students are 'extremely involved' in the annual rent setting process.

The relationship between the involvement of students in rent setting and improving affordability is explored in Chapter 2.

Key decision-makers in rent setting

In institutions, decisions on rent setting are primarily made by the Accommodation Director/Manager (71 per cent) and the Director of Finance/Chief Finance Officer/Senior Bursar (59 per cent). The most influential individual in universities is the Director of Finance/CFO/ Senior Bursar, who has the ultimate say in signing off or directing rent increases (Figure 29).

For private providers, responses about the key decision-maker on rent setting are spread more or less evenly across the Chief Executive Officer, Operations Director, Director of Finance and Building Managers (Figure 30).

Approaches to rent setting within the marketing and sales cycle

Private providers were asked a further survey question about the use of in-year or dynamic pricing mechanisms. Two thirds (66 per cent) of the 53 respondents said their rents remained at the same level throughout the lettings cycle. Twenty-six per cent made manual changes to the rents during the course of the cycle, and just eight per cent reported that they used dynamic pricing through the lettings cycle.

How involved are students and student representative bodies such as the students' union in the rent setting process?

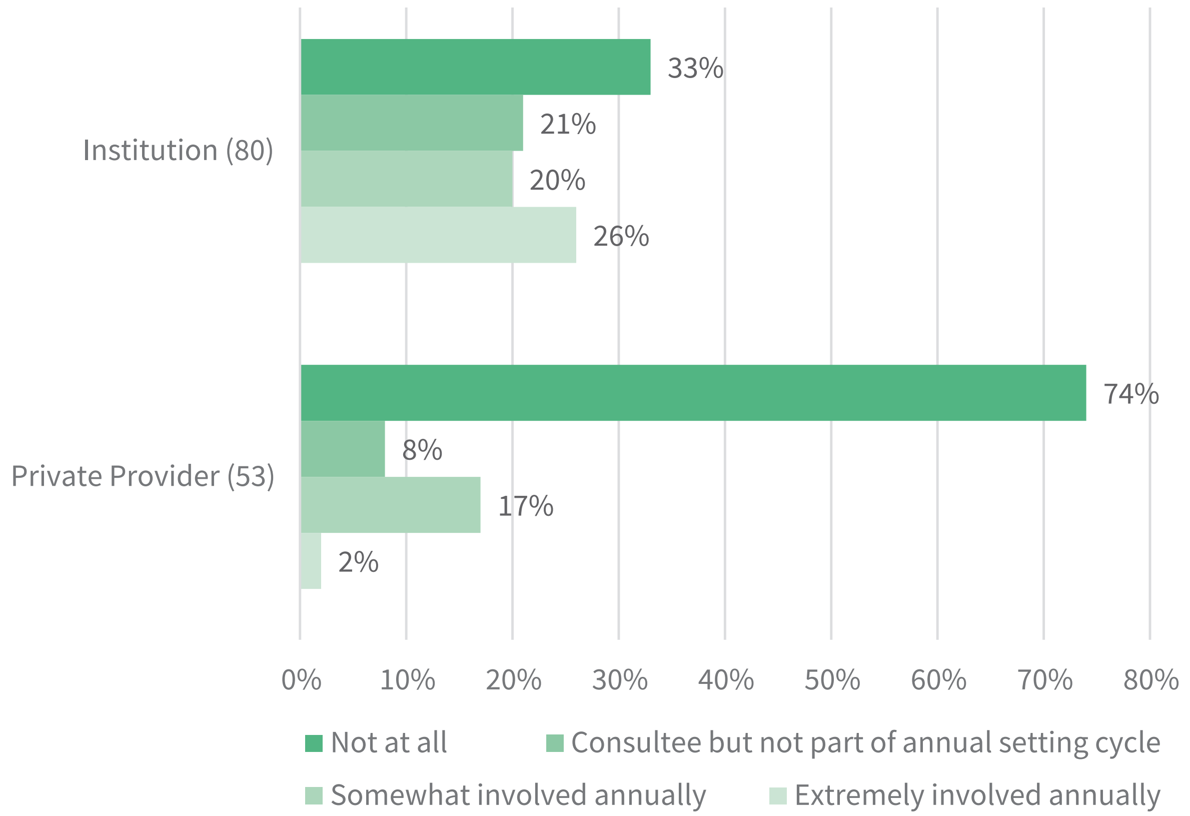


Figure 28: Extent to which providers involve students in rent setting, 2018/19 (Base = 133)

Who within your organisation are involved in the rent setting process?

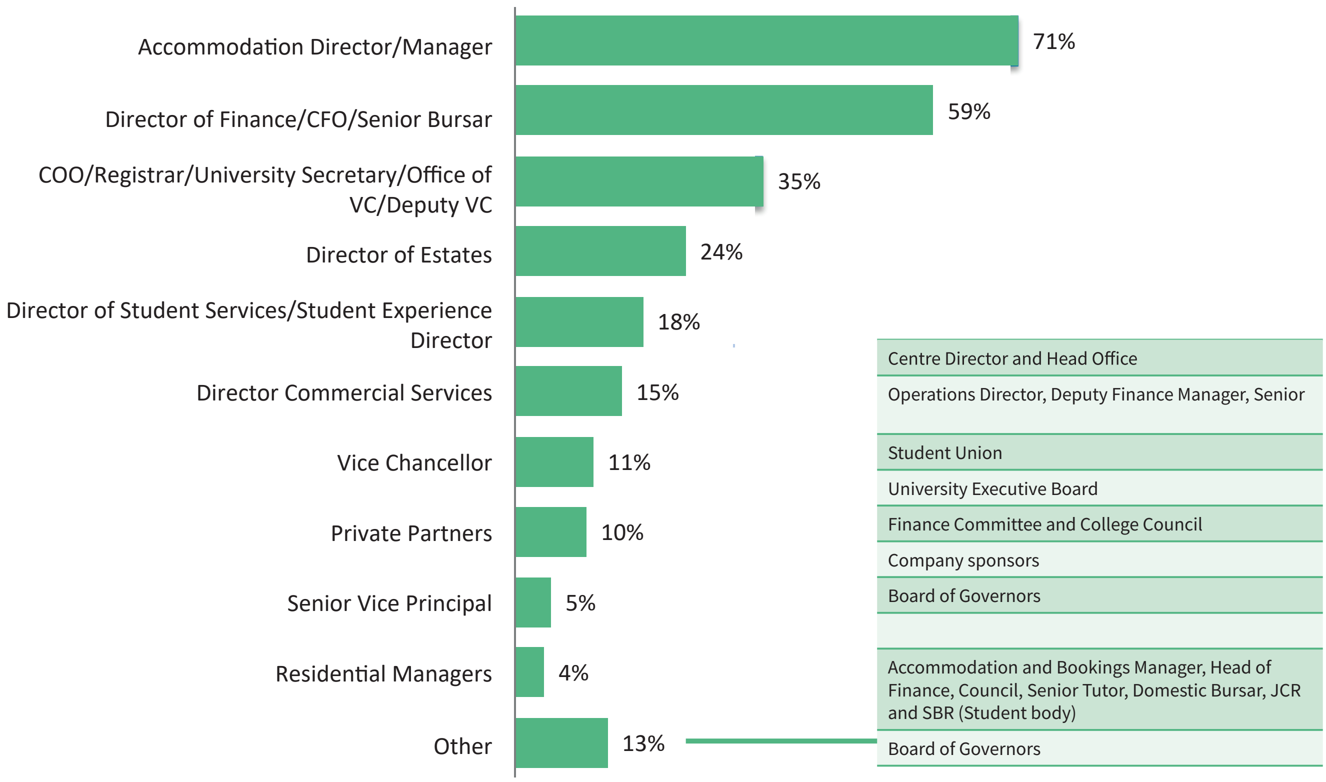


Figure 29: Key decision-makers on rent setting in institutions, 2018/19

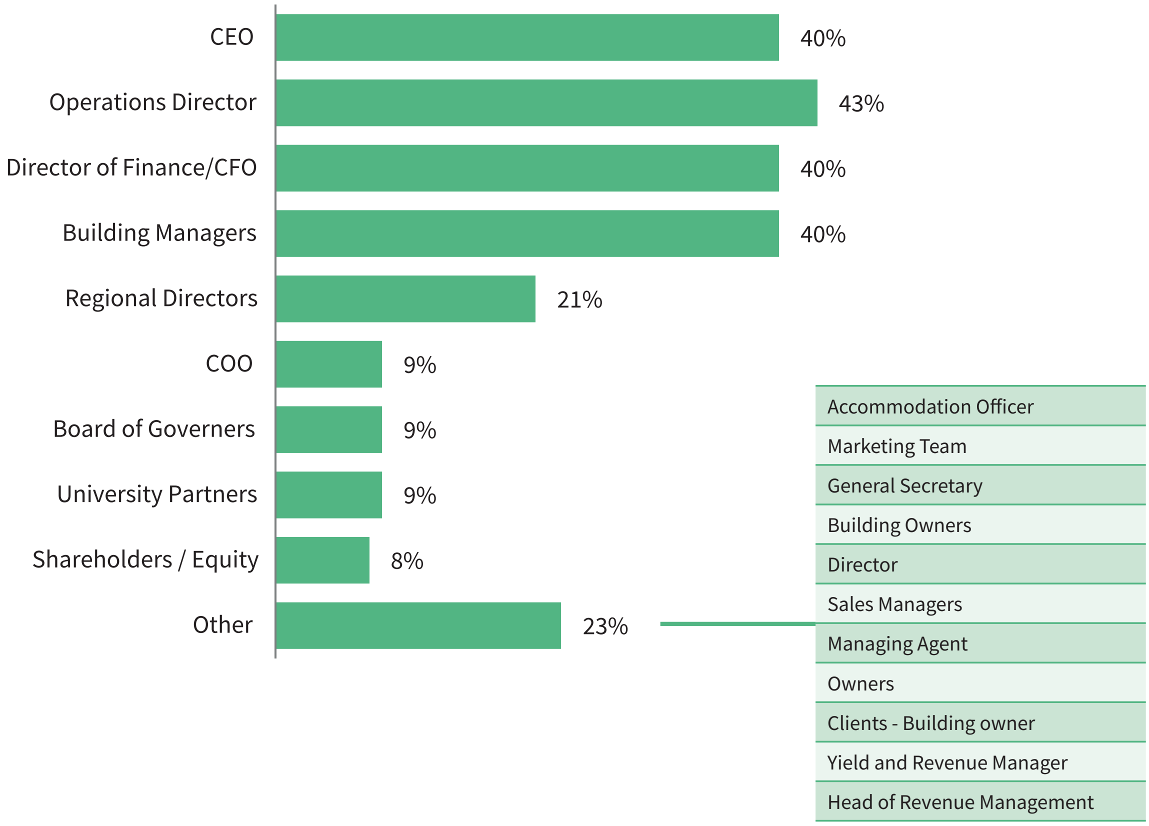


Figure 30: Key decision-makers on rent setting in private providers, 2018/19

CHAPTER 2
AFFORDABILITY

RENT AND STUDENT LOANS

Figure 31 plots the weighted average annual rent against the maximum available maintenance loans/grant package in each year [viii]. Across the timeframe shown, there has been a steady erosion of the proportion of maintenance support available once accommodation has been paid for. In 2011/12 rents accounted for 58 per cent of the maximum financial support. Considerably in excess of RPI for the period, the weighted average rent now takes up 73 per cent of available financial support in 2018/19.

Over time, the rate of increase in student finance is falling short of the rate of increases in the cost of living and students are, on average, using a higher proportion of their income on rent. This finding is important in itself, but is brought into sharper relief when the structuring of financial support packages is taken into account. Student support is means-tested above household incomes of £25,000, one effect of which is that fewer than half of students receive the full loan package. This means that students and their families are having to make increasing levels of financial contribution to the costs of accommodation and living, typically through more students doing more part-time work and/or relying on parents and families to subsidise them. Figure 32 below shows the impact of means-testing on the level of loans available in England by household income in 2018/19.

As reported in the previous Accommodation Costs Survey, while there is a common-sense case for increasing the student loan thresholds to meet rising rent costs, it is important to note that increasing maintenance may contribute to the fuelling of rent increases and serve to increase the debt burden on students further.

NUS AFFORDABILITY POLICY

It is NUS policy that an affordable rent for purpose-built accommodation is no more than 50 per cent of the maximum amount of student finance available in England (£4,350 in 2018/19), and that providers should ensure at least a quarter of their portfolio sits within this cap. Currently, for England outside London, the institutional sector falls three percentage points short of meeting this objective. However, private providers

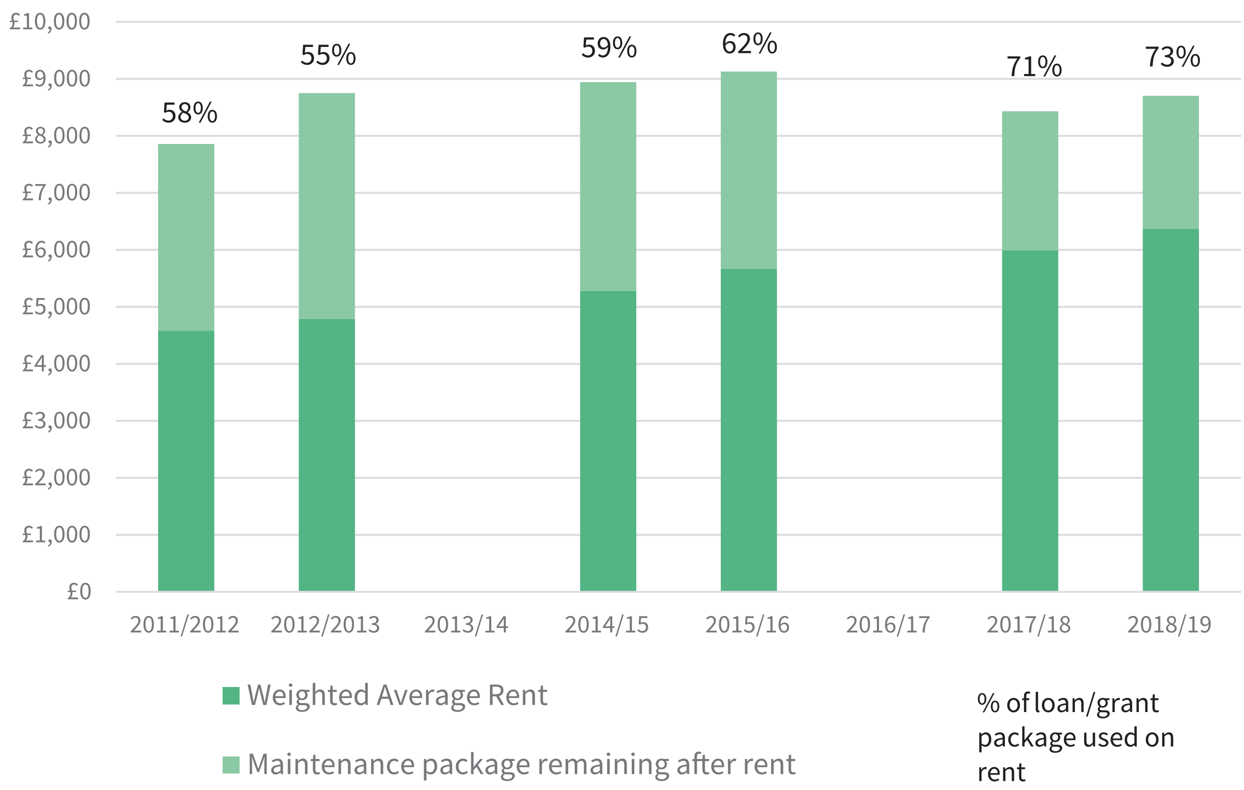


Figure 31: Figure 31: Weighted average rents as a proportion of maximum maintenance loans (and grants pre-2016/17), 2011/12 – 2018/19

Figure 32: Loan amounts by household income, 2018/19

	London	Rest of England
Policy target	35% of rooms offered at 55% of maximum student loan	25% of rooms offered at 50% of maximum student loan
Institutions: average percentage of portfolio meeting criteria	50%	22%
Private providers: average percentage of portfolio meeting criteria	7%	7%

Figure 33: Sector performance against NUS affordability targets

achieve only a seven per cent score against this measure.

A few institutions are worthy of note: Aberystwyth, Manchester Metropolitan, Cardiff and Stirling all offer at least 60 per cent of their portfolio for less than £5,000 a year. A broad range of institutions manages to meet the affordable rent criterion for 30 per cent of their stock, including Essex, Keele, Manchester, Leeds Beckett, Edinburgh and Newcastle.

Additionally, the New London Plan [ix] sets out that 35 per cent of rooms in new developments in the capital fit within a rental cap fixed at 55 per cent of the maximum student finance package. This means that a rent is considered affordable if it does not exceed £6,244.70 for an England-domiciled student, studying in London and living away from their family home in 2018/19. While universities as a whole meet this target, private providers are again languishing on seven per cent.

Of the rooms offered by institutions in London, around 56 per cent are available for less than £7,000 and 40 per cent for less than £6,000. Within these figures, some institutions (Brunel University, Royal Holloway University of London and London South Bank) offer almost all of their stock inside the affordability cap, whereas others (University of the Arts London, University College London, and University of London) offer only a small proportion, if any, within the cap. Fewer than six per cent of rooms offered by private providers in London are priced under £7,000 for a standard contract term, and only two per cent under £6,000 annually.

The weak performance of the commercial sector against NUS and London Plan affordability objectives has implications for overall affordability. As more relationships are created between institutions and private providers, the costs of new commercial accommodation offered in these deals drive prices higher, outpacing inflationary increases in the financial support package. These findings will find strong resonance with the terms of reference for the Augar Review, specifically in relation to its consideration of value for money and access issues [x].

IMPROVING AFFORDABILITY AND STUDENT INVOLVEMENT IN RENT SETTING

Only 34 per cent of institutions and 23 per cent of private providers currently have an affordability policy.

Affordability policies are an indication of universities engaging in dialogue with their students over rents. Student involvement in the rent setting process correlates highly with universities having developed affordability criteria and strategy. This is beneficial both for improving transparency in rent setting strategy and for raising affordability on institutional agendas. Given that the affordability of student accommodation is an area of intense scrutiny as part of the wider higher education tuition fees debate, more student involvement in the rent setting process may continue to raise the profile of these issues at institutions.

It is noteworthy that responding providers who indicate that they have an affordability agenda correlate with the most expensive rents. Half of the London institutional respondents report that they have an affordability policy. The inference from this relationship is that providers operating in areas where the rental market is strongest have a greater need to implement measures to artificially control rents for students from lower-income backgrounds, compared to areas where the rental market is reasonably flat and subsequently rent is more affordable generally.

Student involvement in the rent setting process is seen to be beneficial to institutions' efforts to improve affordability. Figure 35 highlights that if students are involved in rent setting, universities are far more likely to have taken steps to improve affordability. If students are not involved in rent setting, it is most likely that no such steps have been taken.

Sixty-eight per cent of institutions and 38 per cent of private providers indicate that they have taken steps to improve affordability for students over the last five years. Freezing prices is the most common approach

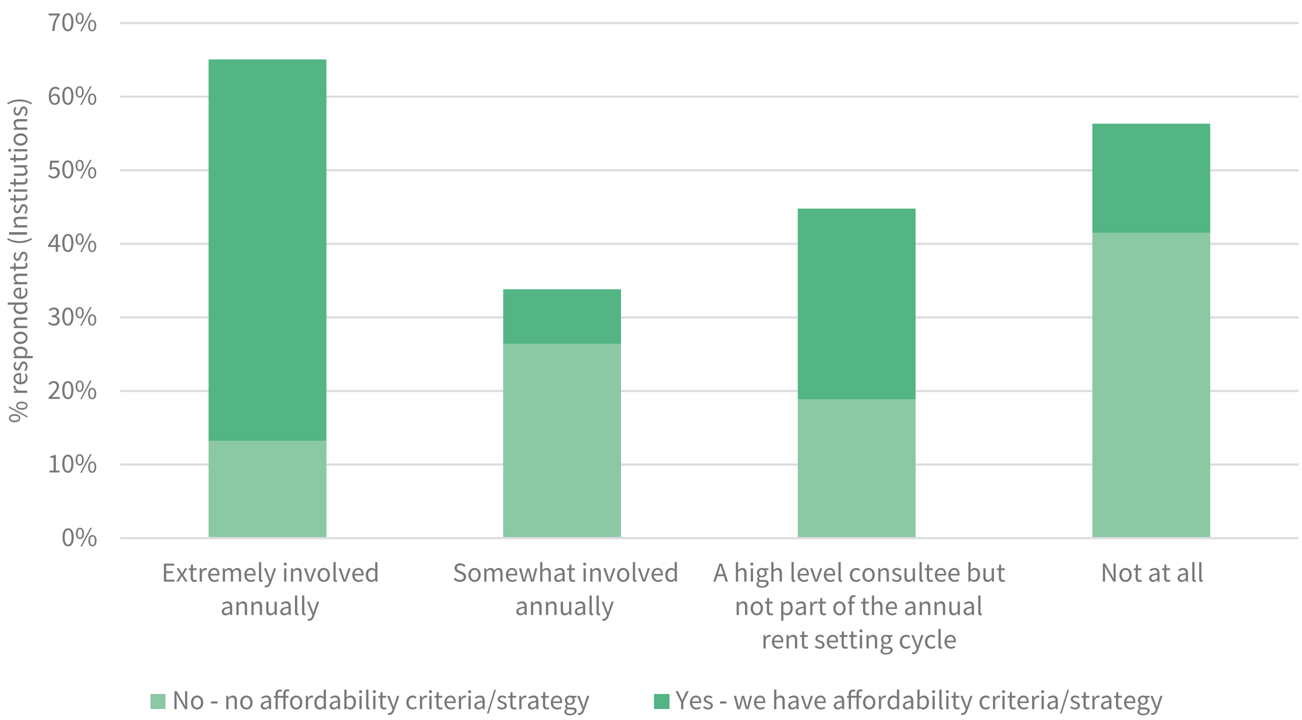


Figure 34: Institutions: affordability criteria/strategy vs involvement of students in rent setting, 2018/19

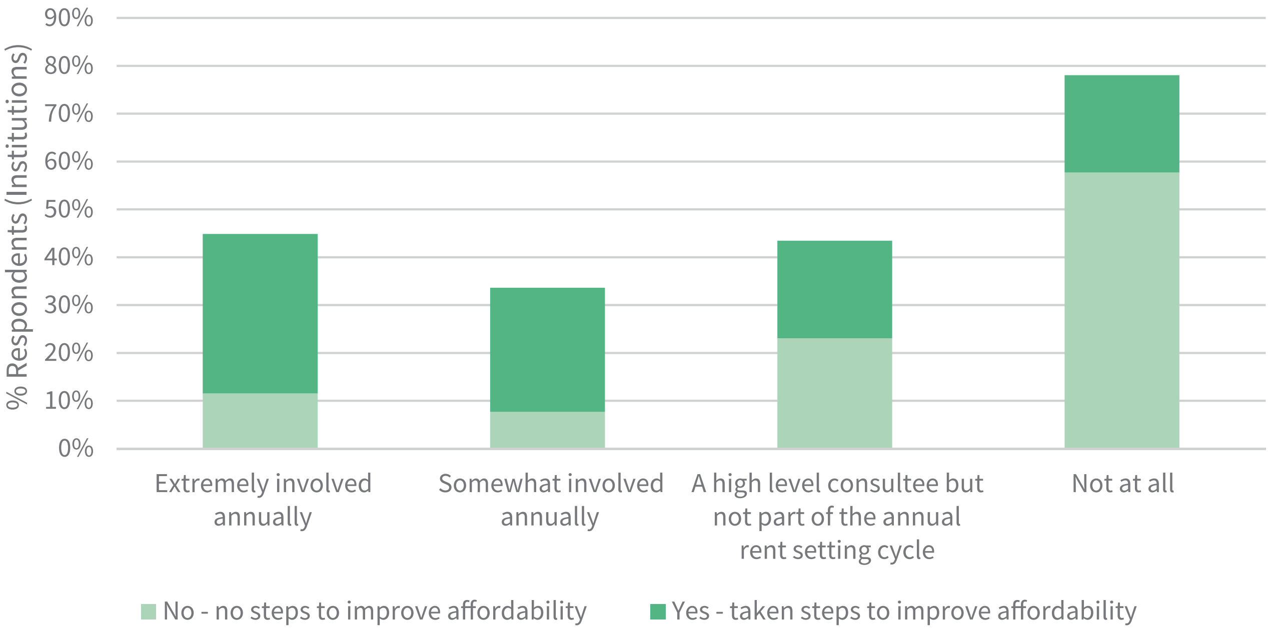


Figure 35: Institutions: steps to improve affordability vs involvement of students in rent setting

Has your organisation taken steps to improve affordability in the last five years?
Could you describe the steps your organisation has taken to improve affordability?

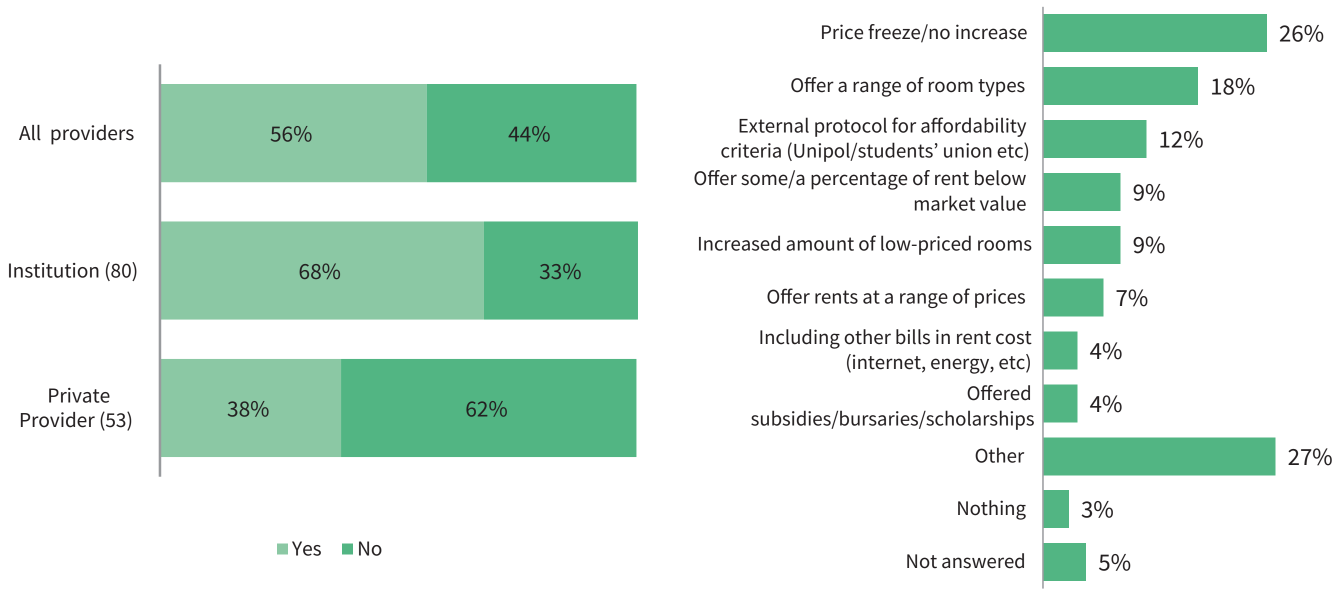


Figure 36: Steps to improve affordability

reported. However, providers have adopted a range of other options, including letting rooms over the summer to contribute to the income stream, 'early bird' discounts and bursaries for low-income students. Respondents also commented that they engaged in negotiation to vary tenancy lengths and arrive at a deal on affordability thresholds for individual students.

The survey responses included some examples of good practice in the institutional sector:

- *We always aim to ensure there is a range of accommodation to suit different budgets. For the accommodation at the lower cost end we often aim to maintain costs rather than increase them. We regularly check that we have sufficient accommodation within the lower cost options to meet demand. We also benchmark our lowest cost accommodation against our regional competitors and aim to ensure this is comparable with (and often cheaper than) any others.*
- *Students who receive the maximum loan from funding bodies qualify for £1,000 from the Accommodation Enhancement fund paid towards their rent.*

Some institutions point to their dialogue with their students' union in determining affordable price points:

- *a certain number/percentage of bed stock to be based as 'reasonable' as previously agreed principles with the student union*
- *regular consultation happened with the SU in the lead up to formulating our rents for 2018/19. SU priorities include having some more 'affordable' rooms in our offering, this is defined as rooms priced at less than 50% of the maximum student loan. In setting the rents for 2018/19 we have done what is possible to meet this request.*

Others highlight their adherence to the NUS affordability guidelines:

- *the University will continue to develop the accommodation portfolio to match the needs of students whilst maintaining a range of rents to provide affordability and choice. In alignment with its declared strategic aim of maintaining range and some lower cost accommodation, the University has kept over 25 per cent of its accommodation within the bottom quartile of our rent structure.*
- *The maximum annual rent on over 25% of our accommodation costs no more than 50% of the maximum available student loan*
- *That at least 25% of our accommodation is offered at under 50% of the London living allowance*

It is clear that there is good practice in addressing affordability issues in many cases, and this is to be applauded. However, it is also clear that in the most expensive markets, costs have not been slowed down and institutions have not been able to stem rising rent levels, particularly in London.

FINANCIAL SUPPORT OFFERED TO TENANTS

Institutions lead the way in helping students who require particular financial support to deal with the pressures of paying rent. Eighty-six per cent of surveyed universities offer a hardship fund and 59 per cent a bursary. Further financial support may be available through other institutional channels such as scholarships.

Private providers are much less likely to have responded to this question (47 per cent did not answer) and support is most often in the form of accommodation set aside for eligible tenants; bursaries; and loans. That these support mechanisms are far less prevalent is attributable to the different operating models and financial drivers that private providers use, as compared to institutions.

The survey outcomes on financial support are similar to those for 2015/16.

When students fall behind on their rent payments, 83 per cent of respondents agree that creating payment plans is their preferred approach. For 11 per cent of respondents, there is no fixed policy in place, while for some institutions unresolved outstanding rent can carry a significant penalty: 16 per cent permit their students to graduate but forbid them from attending their awards ceremony, and an additional six per cent do not let them graduate at all. This contravenes the 2014 ruling of the Office for Fair Trading that policies preventing students in debt from graduating are likely to be in breach of consumer protection laws.

When students fall into serious rent arrears, provider responses vary. For institutions, these often include debt collection or referral to a collection agency; possible eviction or notice to quit; legal action and holding a

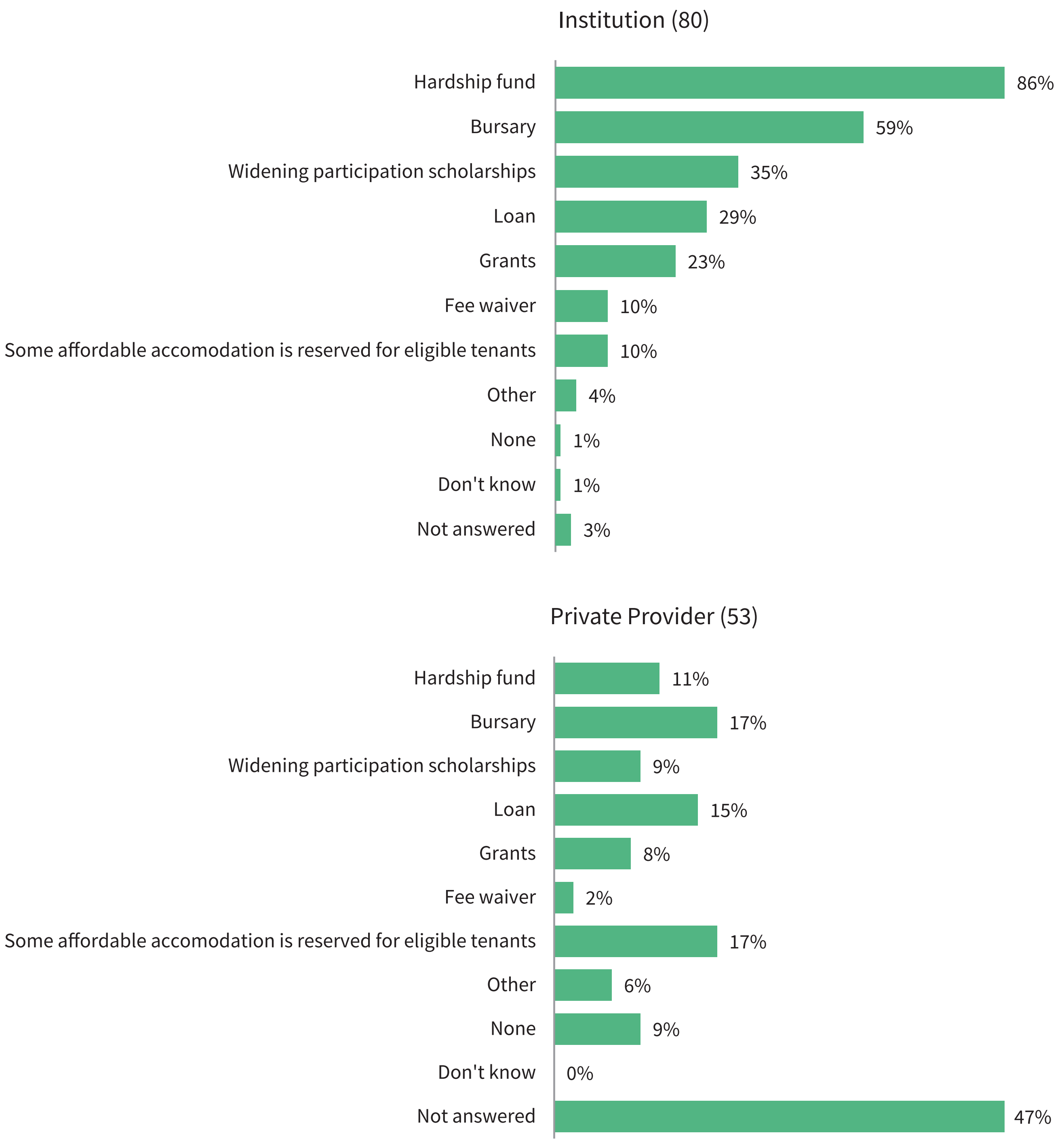


Figure 37: Financial support offered to tenants by provider type

deposit; plus more institution-specific consequences such as the cancellation of bus passes. The approaches of private providers are broadly similar, although with stronger recourse to rent guarantors.

Three fifths (59 per cent) of institutions and 17 per cent of private providers report that they offer bursaries. While helpful, the use of bursaries is a short-term solution to a long-standing issue of affordability. Although bursaries open up opportunities for students from lower-income backgrounds to live in purpose-built accommodation – and in many cases the recipients of these financial packages rely on this funding to attend university in the first place– over time they perpetuate an overinflated rent structure which presents a barrier to some would-be students. A better solution in the longer term would be to create a rent structure that includes an appropriate proportion of rooms offered at an affordable rate, allocated to students from the lowest-income backgrounds.

CHAPTER 3
STOCK

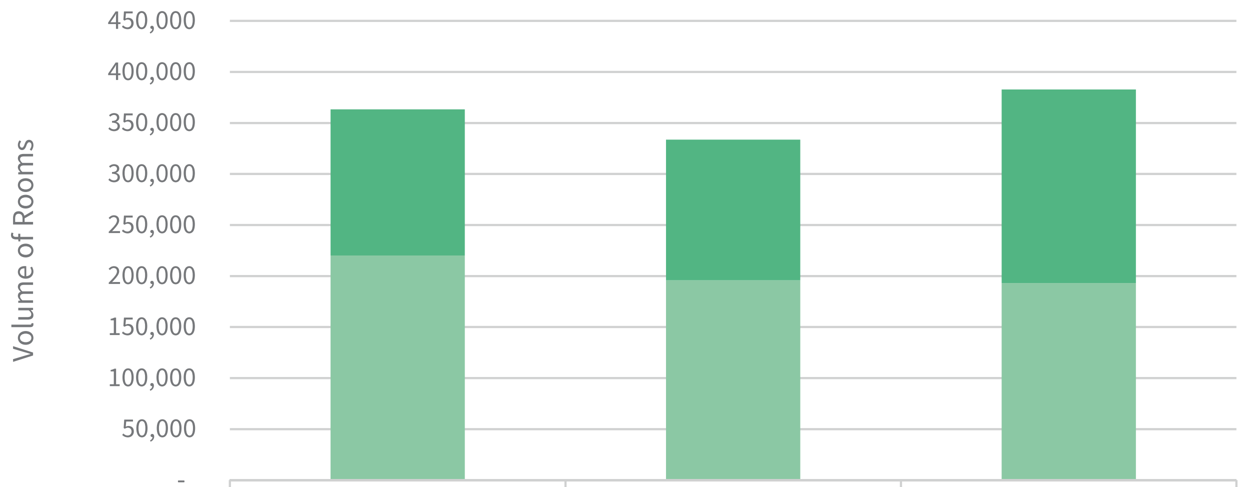
VOLUME AND STOCK TYPE PROFILE

Stock ownership: institutions and private providers

Despite the fluctuations in survey response across the 2012/13 – 2018/19 period, it is clear that private providers account for an increasing share of rooms in purpose-built stock over time. In 2018/19, the proportion of bed spaces provided by the commercial sector has reached half of total stock (50 per cent), rising from 39 per cent in 2012/13.

This growth in the private sector has had a number of drivers:

- the shift of higher education from an elite to a mass enterprise, resulting in a step change in residential demand that universities were unable to meet
- institutions mitigating risk by opting increasingly to enter into partnerships with the commercial sector, rather than expanding their own stock
- purpose-built student accommodation becoming a sector favoured by property investors to achieve high returns.



	2012/13	2015/16	2018/19
Private Provider Total	143,255	137,819	189,691
Institution Total	220,111	195,755	193,146

Institution Total   Private Provider Total

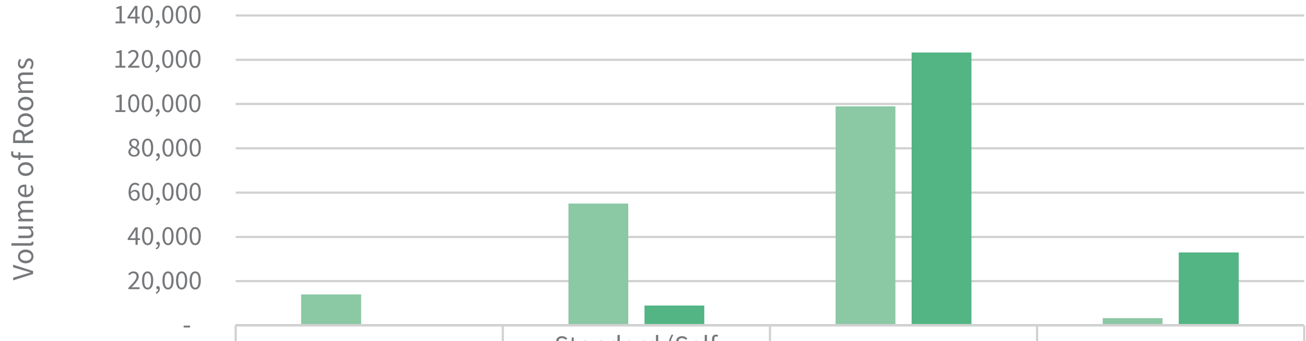
Figure 38: Stock volume by provider types over time

Stock ownership by room type

Figure 39 focuses on the main stock types by ownership in 2018/19, alongside weighted average weekly rents. It shows that standard accommodation types are predominantly owned by institutions, and studios mainly by the private sector. En-suite stock is more evenly owned by each provider type. The chart highlights both the inherent differences between the configuration of university and commercial portfolios and why private accommodation is more expensive.

Changes in stock type over time

Figure 40 shows the provision of institutional bed spaces as a proportion of total university stock by the main room types over a longer time span. It illustrates the decline of the standard room type. Although this has flattened out in recent years, it has resumed its downward course between 2017/18 an 2018/19. The trend for standard rooms is mirrored by the rise of en-suite provision as a proportion of total stock.



	Standard (Catered)	Standard (Self-catered)	En-suite	Studio
Institution	14,037	55,038	98,966	3,267
Private Provider		9,025	123,295	32,981

Institution Private Provider

Figure 39: Volume of rooms by provider and room type and by weighted average rent, 2018/19

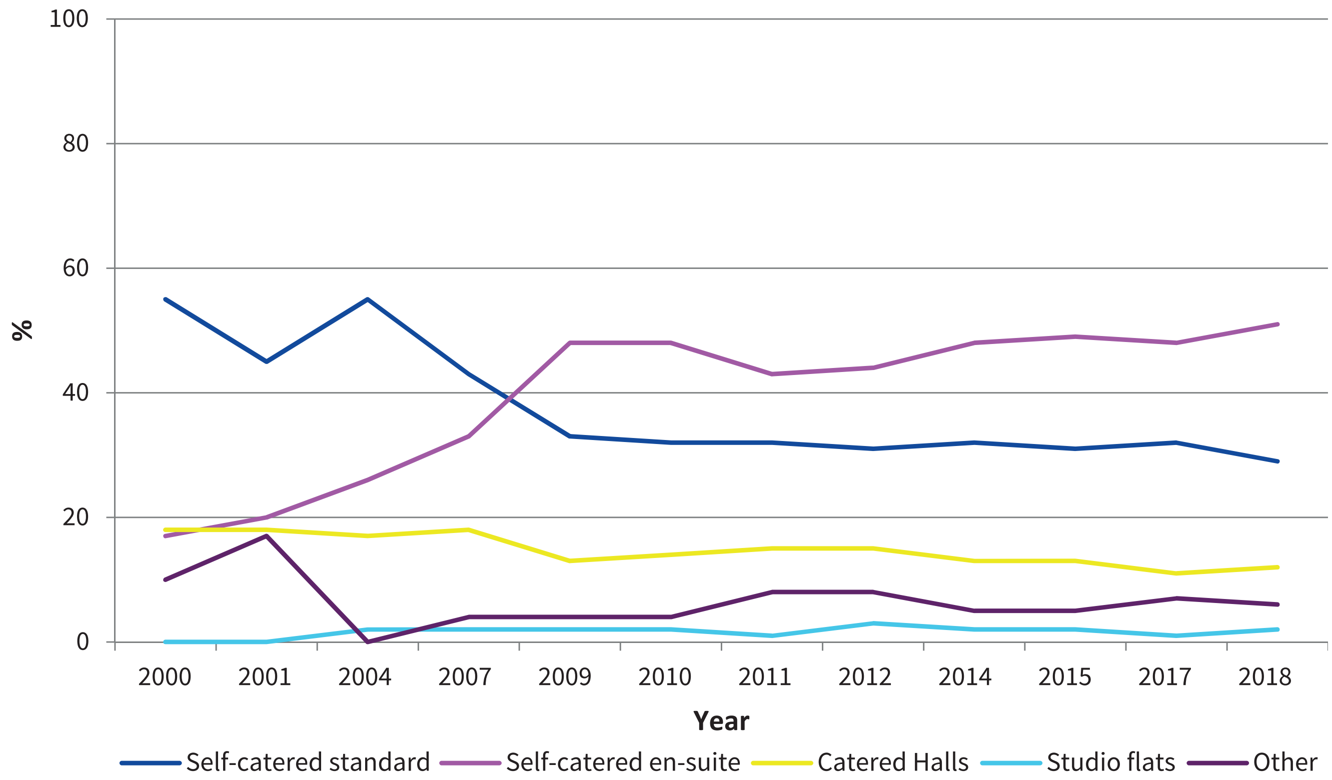


Figure 40: Institutions: room types as a percentage of stock, 2000/01 – 2018/19

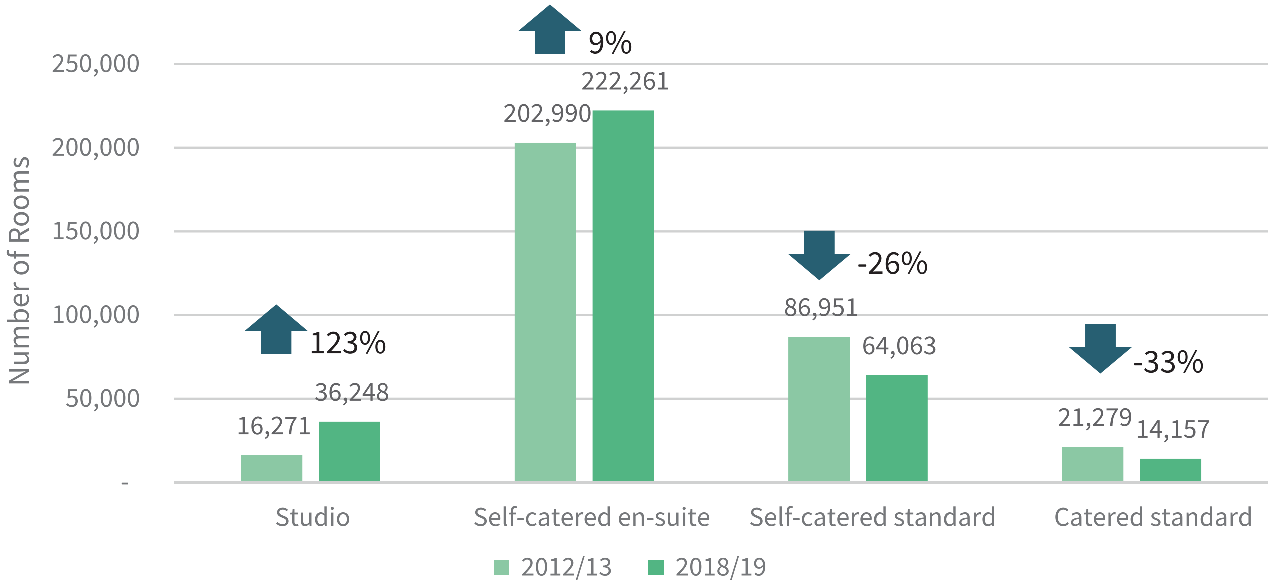


Figure 41: Institutions: room types as a percentage of stock, 2000/01 – 2018/19

These trends are also reflected in Figure 41 above. Since 2012/13 the balance between the three primary stock types (standard self-catered, en-suite self-catered and studio flats) has changed considerably.

Self-catered en-suite accommodation accounts for the lion's share of stock, amounting to 58 per cent of total rooms in the survey, up two percentage points since 2012/13. This represents growth of nine per cent or 19,300 rooms. It is true that many prospective students signal a preference for an en-suite room when they apply for accommodation. Relative to standard stock, en-suite rooms are generally new and attractive, and this is a common factor in applicants favouring them. Additionally, prospective students – and their parents – are often guided by a concern that being allocated to standard accommodation would mean having to share facilities with people they have not yet met. It is, however, a widely observed pattern in the sector that, once a student has settled in with friends, these concerns either cease or diminish.

As a proportion of total stock, self-catered standard rooms with shared facilities have declined from 24 to 17 per cent between 2012/13 and 2018/19. Numbers of standard rooms offered with catering packages have fallen from six to four per cent of purpose-built accommodation. Overall, the provision of standard rooms with shared facilities has reduced by 30,000 rooms (28 per cent). This is as a result of universities taking many of them out of use to make way for higher-quality replacement accommodation.

The decline in standard stock is a cause for concern for the sector. Although not significant in itself as a form of provision, standard stock is highly important in that it is commonly the least expensive type of accommodation available. It therefore meets a defined need among students for whom affordability is a primary consideration. Within the rental spectrum, standard self-catered rooms are cheapest, averaging £4,521 annually at universities outside London in 2018/19. This compares to £5,730 for university en-suite self-catered accommodation. This cost gap is typically a function of standard rooms being older and unrefurbished, and also frequently owes something to their relative distance from campus. They are sometimes (though decreasingly) let on shorter tenancy lengths because of their age and, in some cases, because they are offered as a term-time-only catered package.

Before it is completely replaced, universities (and ideally the private sector) should give proper consideration to the small but important role their current standard stock plays in providing affordable accommodation, and find ways to replace and repurpose it with other low-cost but attractive options.

THE RISE AND RISE OF STUDIO ACCOMMODATION

Studio flats represent the most common form of development, having increased by 123 per cent over the 2012/13 – 2018/19 timeline. As a room type, studios have more than doubled their profile as a proportion of UK stock since 2012/13, up from four to nine per cent in both 2015/16 and 2018/19.

In 2012/13, a third of all studios were in London, now only 15 per cent are in the capital. The number of studios outside London has increased since that time by 181 per cent from 10,891 to 30,640.

Studio development has always been overwhelmingly concentrated in the private sector, now more than ever. In 2018/19, the commercial sector accounts for 84 per cent of studio provision in London and 92 per cent elsewhere.

Currently, studios make up over 19 per cent of privately-provided stock nationally, up from 11 per cent in 2015/16. In stark contrast, studios account for two per cent of institutional rooms in the UK.

Studios are expensive: in London, the annual rent level varies significantly across provider types and there is a £4,442 difference between institutional and privately-provided studios. This gap results from both cheaper weekly rents and shorter tenancies set by universities.

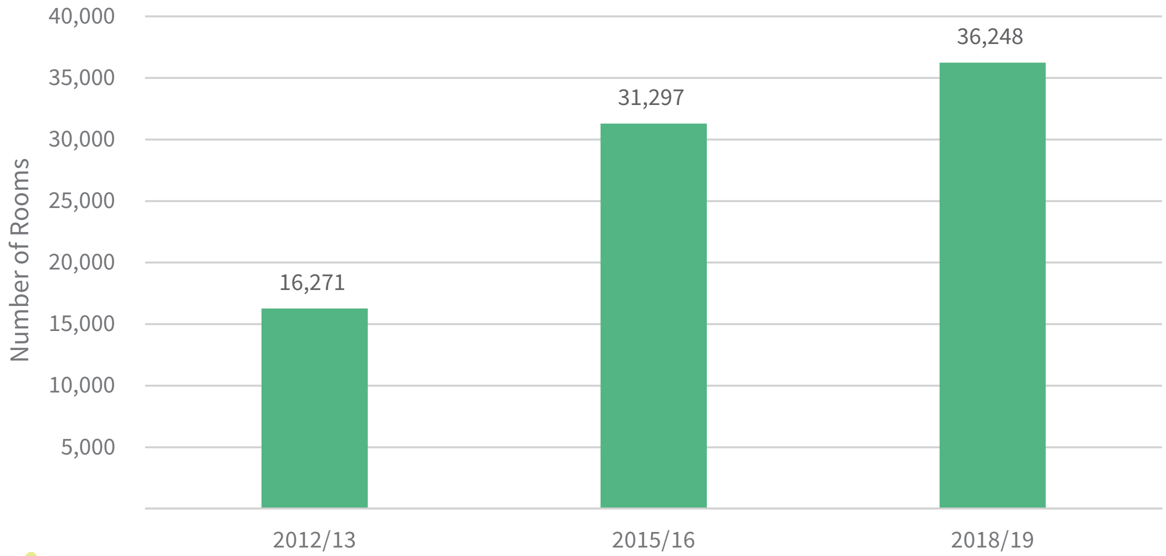


Figure 42: Volume of studios over time

Figure 43: Studios: average rent: London vs the rest of the UK, 2018/19

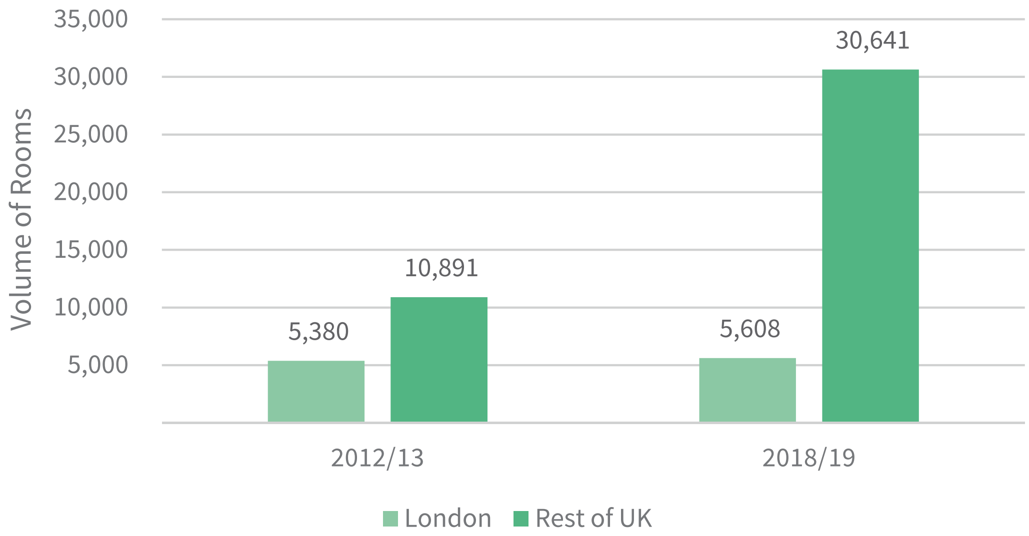


Figure 44: Volume of studio flats: London vs the rest of the UK, 2018/19

Outside London, there is also a pattern of universities offering cheaper weekly rents and slightly shorter let lengths, although the differences are less pronounced.

The growth of expensive studios, concentrated within the private sector, is a major finding of the current survey.

Studio expansion is driven by strong developer and investor appetite, even though little additional demand for studios is in evidence either outside or within London. Developers buying increasingly expensive land have concluded that studios yield higher rental returns than cluster flats and they are accordingly intent on developing them, regardless of market need. The earlier studios were targeted at better-off international postgraduate students, but over the last few years studio development has been taking place in areas where the local international postgraduate market is, at best, limited. Nottingham and Newcastle have seen rapid studio development despite having only moderate postgraduate and international demand.

According to HESA, the numbers of postgraduates and non-UK students, who are natural pools of demand for studios, rose by just 2.5 per cent and four per cent respectively between 2012/13 and 2016/17 (latest figures available). Furthermore, mature students have more than halved over the past decade.

Some students – particularly, as noted, from the postgraduate, mature and international segments – prefer studios in virtue of the more independent lifestyle they offer. Often studios are associated with high levels of amenity and facilities. A few may offer a sense of belonging within generally smaller communities.

In recognition of the headwinds of increasing supply and competition in this sub-market, the largest developers/managers of purpose-built student accommodation (Unite, iQ and Liberty Living) have reduced their studio development over the last five years and are only developing a few studios within complexes that are predominantly en-suite cluster flats. Studios are mainly developed by smaller investors and development companies, and most are then passed on to management organisations. Of these, CRM and Fresh Student Living manage over half the studios in the country.

A number of major conferences on student accommodation provide significant focal points in the calendar for exploring investment opportunities. The largest of these are run by Property Week and LD Events. Increasingly, the messages from the platform at these events are that there are enough studios and that affordable cluster flats are what is needed in the sector. However, the out-of-session networking at these conferences still points to a persistent appetite among investors for studio development.

Developers' business plans are frequently predicated on very high rents across a 51-week letting period. From data kindly made available by one of the largest studio managers in Europe, it is possible, on the basis of two case studies (London and Newcastle), to assess how the developers' business model for studios is holding up.

In 2017/18, international (non-UK) students accounted for 74 per cent of studio occupancy in London. By contrast, as an example of a significant host city in the rest of the UK, Newcastle had studio provision in which the occupancy share for overseas students was one third (33 per cent). By level of study rather than domicile, postgraduate studio occupancy was at 48 per cent in London, contrasting with 22 per cent in Newcastle. First-year undergraduates made up only ten per cent of the studio tenant base in London, and returning students 28 per cent. Meanwhile, in Newcastle 13 per cent were Year 1 students and 29 per cent returning undergraduates. More significantly, in Newcastle 31 per cent of tenancies were short lets, not necessarily made to students. Outside London, there is clear evidence that studios are being occupied by undergraduates and others who are not part of the intended core market.

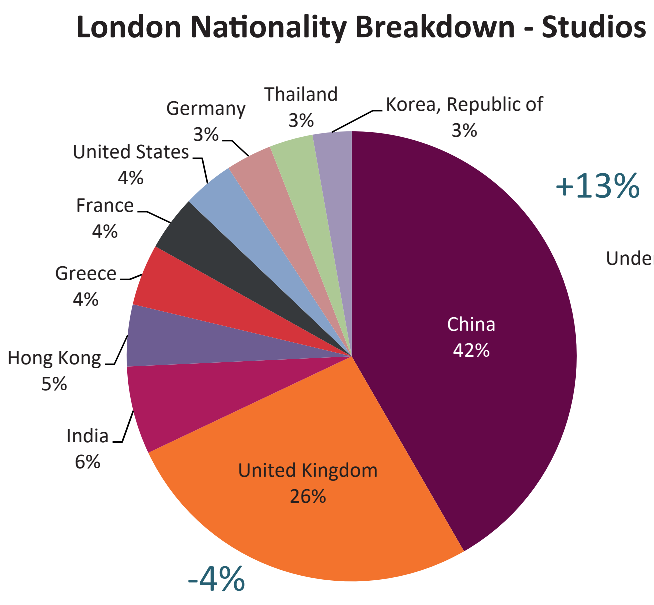
These differences have important implications for developers' rental income. In London, from data supplied by the same major commercial manager for 2017/18 (Figure 46), marketed average rents were £274.03 a week for an average let of 43.2 weeks. (There is a substantial short-let market in London, which fills up much of the summer period for those who do not wish to rent across the year.) Studios in the capital were let at £268.43 a week, just two per cent lower than their marketed level.

By contrast, studios in Newcastle were marketed at £191.19 over a 43.1-week period, with very little summer let capacity. The actual rents obtained were £148.65, some 22 per cent lower than the marketed level. Outside London, there is likely to be a major disconnect between a business model based on high rents across 51 weeks and the reality of what can be achieved in the market. The Newcastle case study suggests that rent levels and letting lengths are suiting in with rents for more general "luxury rooms", let to home undergraduates elsewhere in the sector.

The high numbers of studio rooms and their availability later in the letting cycle (as a consequence of their high cost) give universities cause for concern: many institutions do not favour studios as an appropriate stock type for undergraduates (particularly first years), as the insular design can lead to students becoming isolated and at heightened risk of poor mental health and wellbeing.

Investor fixation with studio development and a strong pipeline flow for this stock type persist, notwithstanding powerful contrary indicators in the market: significant financial underperformance, firm advice at investor conferences and signals from educational institutions that they do not want this kind of development. It is clear that further studio development is not needed and is indeed undesirable. Studios occupy key building sites that could be used to house many more students. They are expensive – often very expensive – and militate against any affordability agenda. If studios are not let, they are often too small to be redirected for alternative use.

Resolution of matters may require the intervention of planners to call time on over-investment in the studio market. Such intervention would entail planners insisting on applicants adequately demonstrating an alternative use as a condition of being granted planning permission for more studios. Studios should have to meet larger minimum size standards that would allow unused units to be repurposed for the fast-developing co-living movement, single key worker housing or build-to-rent.



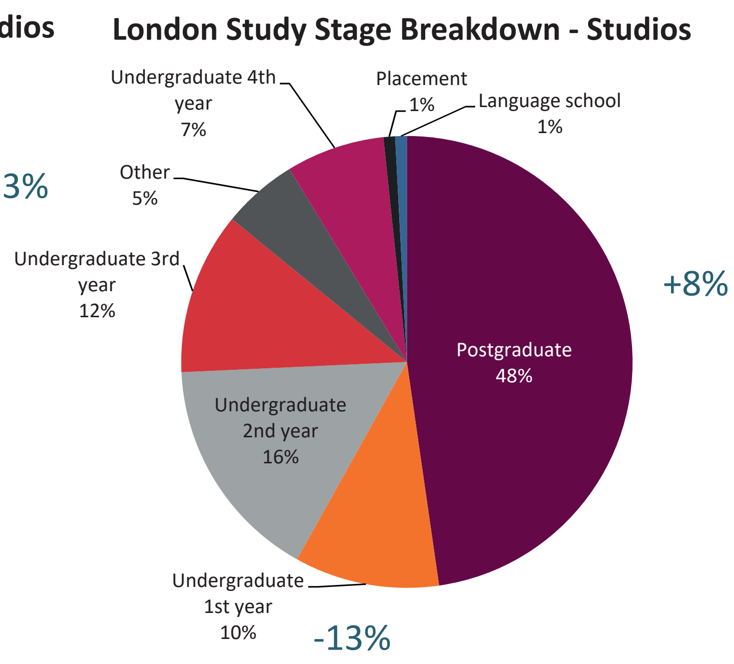
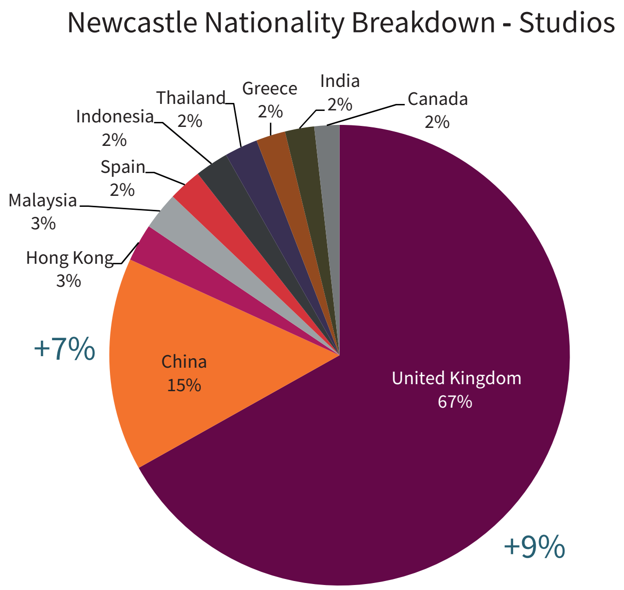


Figure 45a: Studios in London: major private provider's booking profile by domicile and level of study, 2017/18



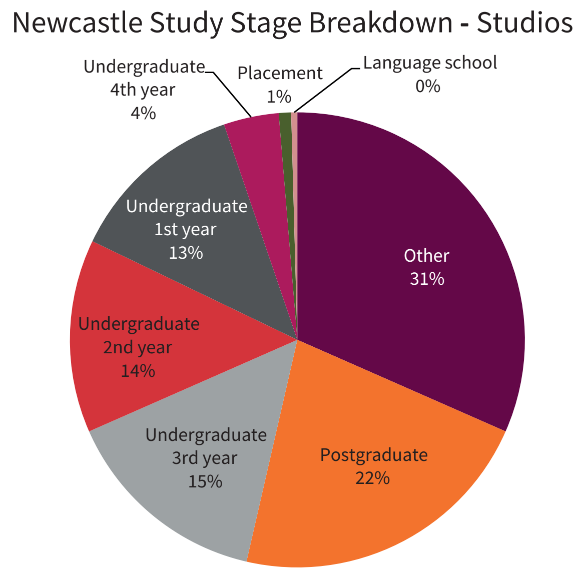
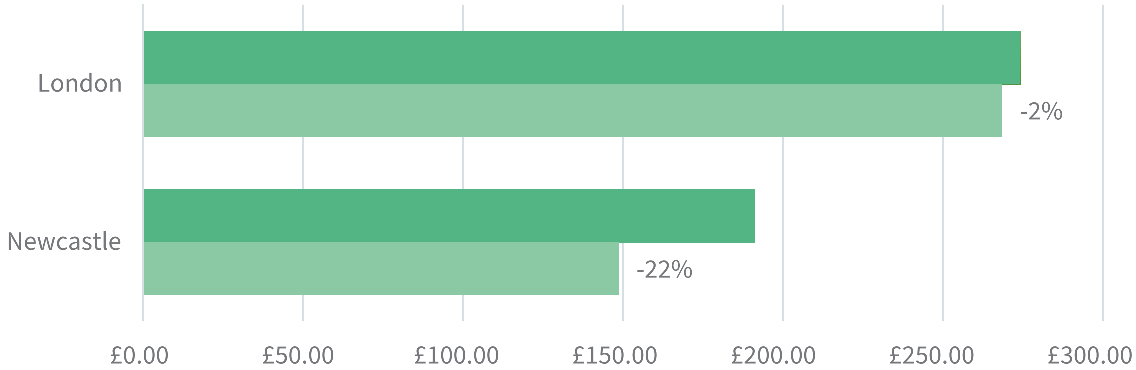


Figure 45b: Studios in Newcastle: major private provider's booking profile by domicile and level of study, 2017/18



	Newcastle	London
Marketed average rate	£191.19	£274.03
Final average rate	£148.65	£268.43

Marketed average rate   Final average rate

Figure 46: Studios in London and Newcastle: major private provider's assessment of marketed vs final weekly rents, 2017/18

CHAPTER 4

WELFARE

EQUALITY: HOW PROVIDERS SERVE DIFFERENT STUDENT CONSTITUENCIES

Accommodation supporting specific needs/ preferences

Overall, private providers perform comparatively poorly in meeting the requirements of students with particular needs: over a quarter (26 per cent) report that they do not offer any of the specialist or alternative accommodation types set out in the questionnaire's response options, including adapted or adaptable rooms, single-sex halls, accommodation for families, alcohol-free halls, quiet blocks and safeguarding accommodation. This contrasts with a zero return for institutions on this question. It is only in short-term lets that private outperform institutional providers. Factors here are likely to include, for the private sector, the commercial imperative to achieve optimal product flexibility required to maximise lets and rental income; and, for institutions, a sense that, as education providers, they are duty-bound to meet the demands and expectations that minority student groups present.

Student families

The proportion of institutional respondents reporting that they provide accommodation for student families is 38 per cent, up significantly on the 2015/16 finding (27 per cent), which was itself, however, a marked drop on the 2012/13 figure (34 per cent).

Although student family provision offered by institutions appears to have been restored to an upward trajectory, it is almost certainly well short of the level of actual and potential demand. This is not surprising given the high development and operational costs attaching to this form of accommodation. However, it is surprising in the context that the student family constituency is overwhelmingly made up of international postgraduate students and in an environment in which the home undergraduate market is in decline, achieving growth in postgraduate and international numbers is of heightened strategic importance for many institutions. Against this background, the supply and demand imbalance is therefore likely to increase without investment in this provision type.

It is worth noting that charitable organisations are heavily represented in the affirmative figures returned

Do you offer any of the following types of accommodation?

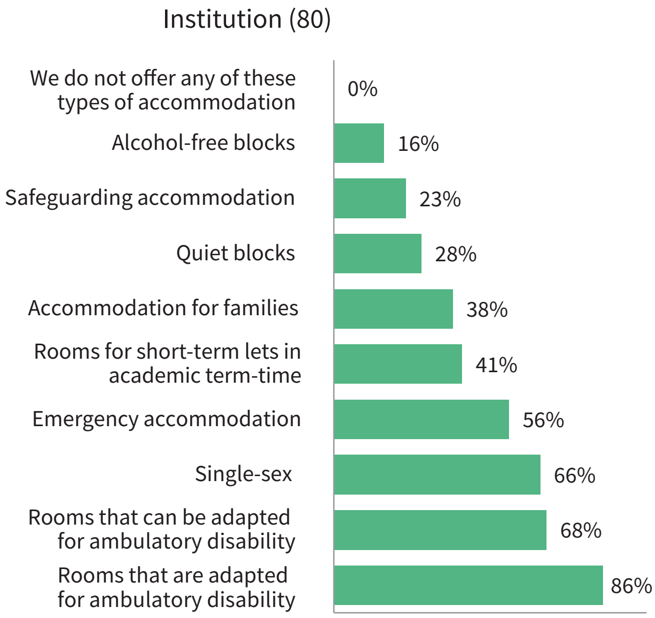


Figure 47: Accommodation supporting specific needs/preferences by provider type

for "private providers".

Accommodation designated as alcohol-free/ quiet/single-sex

Significantly more institutions offer alcohol-free, quiet and single-sex accommodation than do private providers. This is perhaps surprising, given that international students, on whom the private sector is so reliant, are substantially more likely to be interested in these forms of accommodation.

Students with an ambulatory disability

Institutions scored significantly better than private providers on the question about rooms that could be adapted for ambulatory disability. As against 30 per cent for private providers, two thirds (68 per cent) of universities reported that they had stock which could be adapted for these purposes. These figures represent a significant drop on the survey outcomes for a similar question in 2015. Asked in the previous survey whether they had any rooms that could be adapted for accessibility, 89 per cent of institutions and 88 per cent of private providers answered yes. It is possible that this variance is attributable to the specific reference to ambulatory disability in the current survey questionnaire. It is of concern that a significant proportion of stock across both provider types remains incapable of adaptation for ambulatory disability. It is likely that this difficulty arises, at least in part, from older stock that has significant structural limitations on its reconfiguration.

Institutions also outperform private providers on rooms that are actually adapted for ambulatory disability: 86 per cent, compared to 38 per cent. The figure for the private sector is particularly disappointing. Again, drawing comparisons with previous surveys is of limited value because of differences in the wording of the relevant questions. For the record, in 2015, 92 per cent of university respondents reported that they had stock adapted for students with an ambulatory disability; 62 per cent of private providers gave an affirmative answer. The current figures therefore indicate a fall in this type of provision, substantially so in the private sector. As noted in the previous survey, institutions, as public bodies, should consider carefully how they can fulfil their enabling responsibilities under equality legislation and ensure that some adaptable accommodation is available.

Figure 48 shows that 39 per cent of institutions provide more than ten rooms adapted for ambulatory disability and 42 per cent offer between one and ten. The mean figure for responses received is 20. The appropriateness of the level depends, of course, on the provider's student population profile and it is not known whether there is unmet actual demand or hidden demand from disabled students deterred from applying by a deficit of appropriate accommodation.

How many rooms are adapted for ambulatory disability?

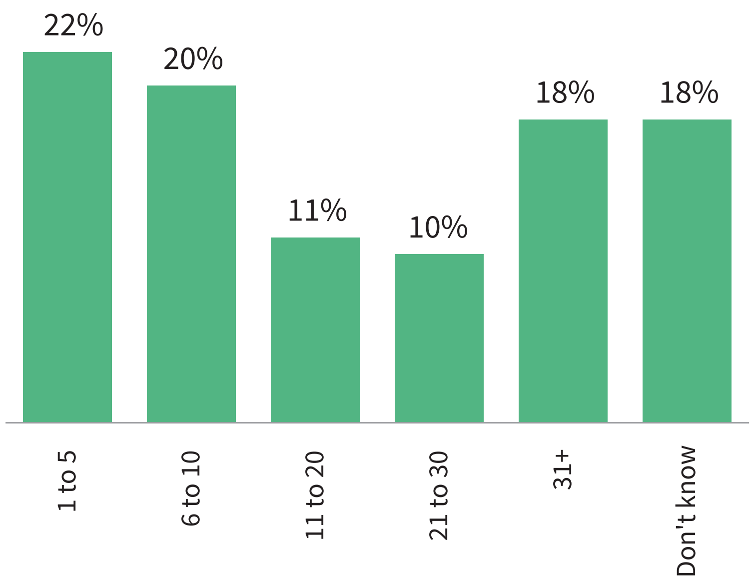


Figure 48: Institutions: number of rooms adapted for ambulatory disability, where provided

International students

The large figures posted for both provider types in the 25-50 and 55-95 per cent bands are disproportionately high as set against the non-UK profile of the full-time student population nationally (19 per cent for 2016/17[xi]). This reflects the heightened importance that non-UK students attach to living in purpose-built accommodation with the added benefits that it provides, not least enhanced security, greater social opportunities, pastoral support, proximity to study and university services, and choosing an option that they perceive as more of a known quantity [xii]. A number of institutions offer an accommodation guarantee to international students for the full study lifecycle, but the figures suggest that for non-UK students nationally the commercial purpose-built option is a strong option beyond Year 1.

What proportion of your portfolio is let to international (ie non-UK) students? (Base 133)

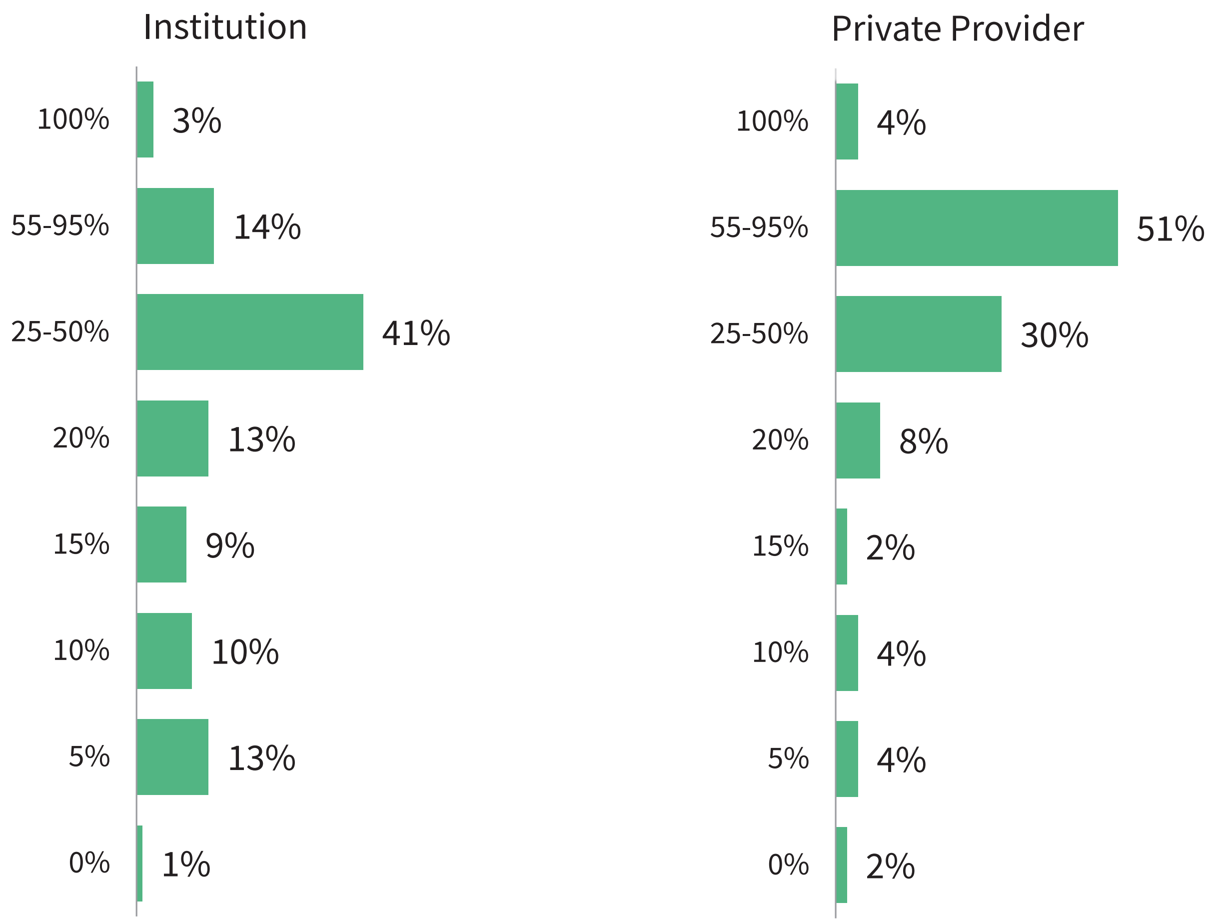


Figure 49: International students: profiles by provider type

Returning students

The letting patterns across provider types are distinctive: returning students are a core customer segment for the commercial business model, in which purpose-built student accommodation has in recent years stolen substantial market share from the traditional off-street destination for returning students. By contrast, the institutional model remains overwhelmingly driven by the nearly universal guarantee to place new undergraduate students in university (owned, managed or nominated) accommodation. In universities, returning student lets often serve a secondary function to make good any anticipated gap between student intake targets and full occupancy. For institutions struggling to recruit in a marketised higher education sector, reliance on returning students to maximise occupancy is likely to increase. Conversely, universities succeeding in expanding student numbers are likely to suppress available rooms for returners, sometimes below the level of demand. The balance of new and returning students can significantly alter the culture and social cohesion of a development.

What is the proportion of your accommodation which was let to returning students in 2017?

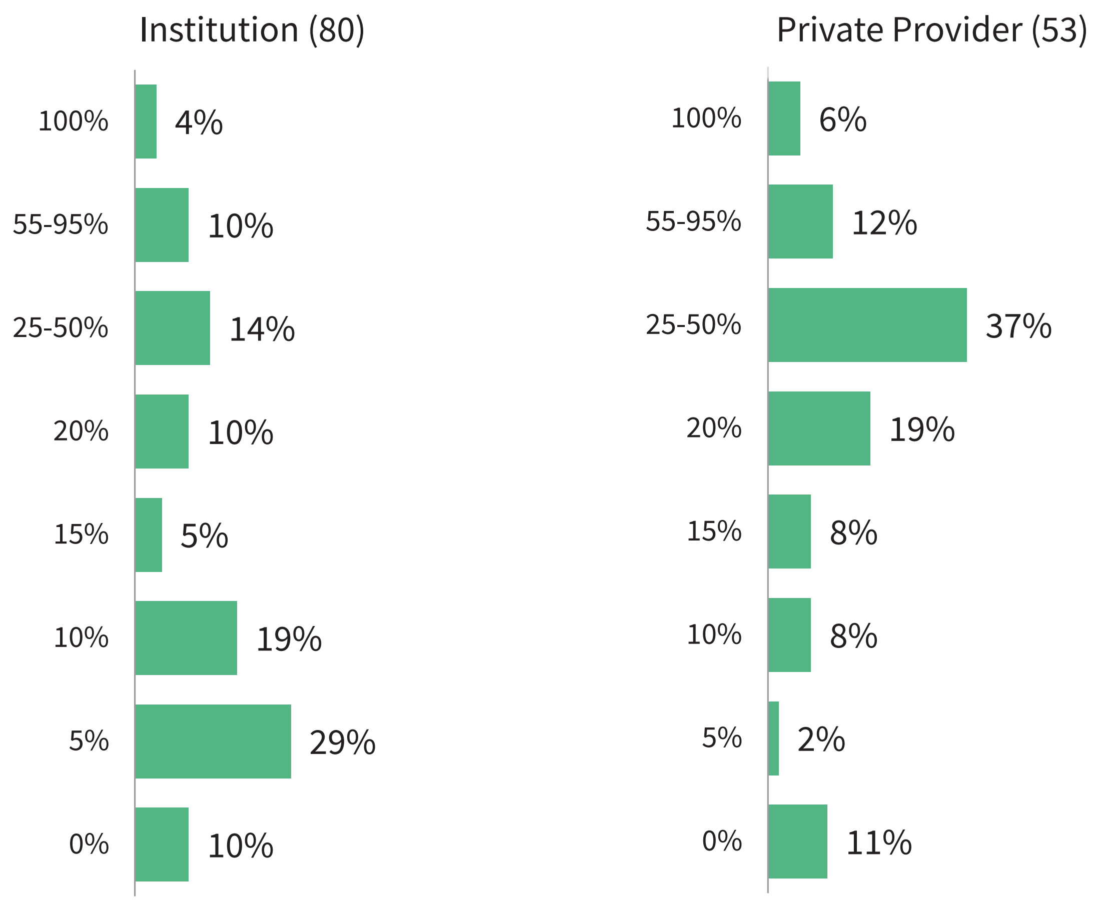


Figure 50: Returning students: letting profiles by provider type 2017

WELLBEING AND MENTAL HEALTH

Overall, three quarters (74 per cent) of survey respondents report that they have seen an increase in the number of mental health-related issues among students they have housed in the last five years (88 and 55 per cent of institutions and private providers respectively). This reflects a consensus in the higher education sector, widely covered in the media, that student mental health has become a matter in need of urgent address. It is also borne out by research which shows that in the general student population over the last decade there has been a fivefold increase in the proportion of students who disclose a mental health condition to their institution [xiii].

Figure 51 shows that the vast majority of providers acknowledge that their systems for supporting and addressing student mental health issues in a residential environment require further adjustment. As has been noted elsewhere, the expansion of studio provision has served to increase the number of tenants vulnerable to social isolation, and to compound student wellbeing and mental health issues.

Many providers are actively enhancing their proactive and responsive work to tackle student mental health. Among these, institutions are leading the way in increasing mental health first aid training, student service referrals and support from dedicated staff. However, it is evident that private providers overall are some way behind. While there is strong anecdotal evidence of some excellent and innovative practice among large commercial operators, it appears that the deficit is to be found in the category of smaller private providers, who need to give full recognition to the building crisis in student mental health and respond accordingly. Such responses include overcoming barriers to information sharing with universities through appropriate data sharing agreements in order to achieve an effective multi-agency approach.

SOCIAL ACTIVITIES

Since the previous survey, there has been a general uplift in the numbers of providers organising introductory and in-tenancy social activities and services. As in 2015/16, institutional providers are outperforming the commercial sector (Figure 52).

A significant increase in the number of private providers organising welcome events since the last survey (from 69 to 83 per cent) has effectively levelled up provision of this service across the provider types. Social media is another popular and generally low-cost option to engage with tenants. It is now used by more than 80 per cent of providers, an incremental increase from 2015/16.

Social programmes for residents are increasing in popularity. In 2018/19 they are provided by 55 per cent of private providers (up from 46 per cent in 2015/16) and 63 per cent of institutions (an increase of 12 percentage points on the previous survey). The cost of these is included in the rent for all private providers and for 86 per cent of institutions.

WELFARE SUPPORT: INSTITUTIONS VS PRIVATE PROVIDERS

Who provides student accommodation is important in welfare terms. Guaranteed somewhere to live by many universities, first-year students have an expectation, along with their parents, that institutionally-provided accommodation will offer higher levels of pastoral support. Universities offer accommodation which is often diverse, which caters for a range of student needs and which must comply with a range of statutory equality duties placed on the higher education sector and public bodies. It is a moot point whether the type of provider delivering student accommodation impacts on meeting these expectations: many private providers would argue that they provide a supportive, well-designed, legally-compliant and sociable product that compares favourably with the local institutional offer. However, against the indices used for this research, the data output indicates significantly and consistently weaker performance in the private sector overall.

Against this background, if universities are to rely more and more on private provision, they should carefully consider whether student needs and expectations for pastoral care are being properly met in a commercial setting. They should also consider whether further institutional support and closer partnership working with private providers are necessary. Student accommodation, particularly for new-to-institution students, is an integral part of the student experience and welfare offer. It is therefore important that universities either continue to provide their own accommodation to house the majority of these students

How is your organisation responding to mental health and wellbeing issues affecting students? (Base: 99)
Which of these options best describes who has training in mental health first aid within your organisation? (Base: 82)

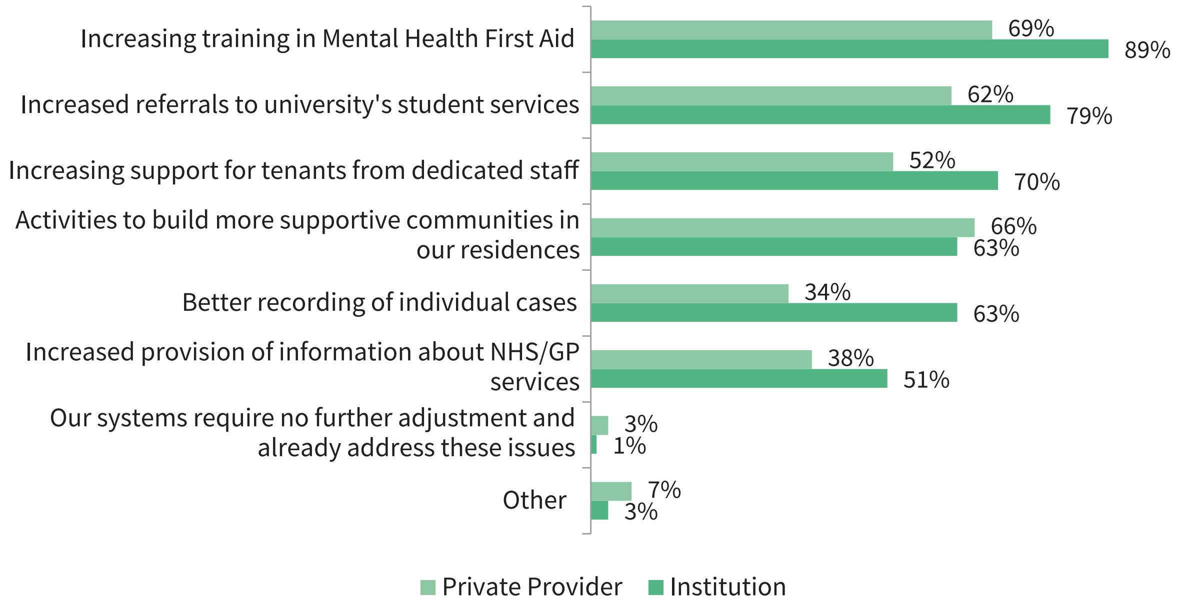


Figure 51: Responses to student mental health and wellbeing issues by provider type

Which of the following activities form part of your relationship with tenants? (Base: 133)
Is your social programme/reslife activity charged for? (Base: 79)

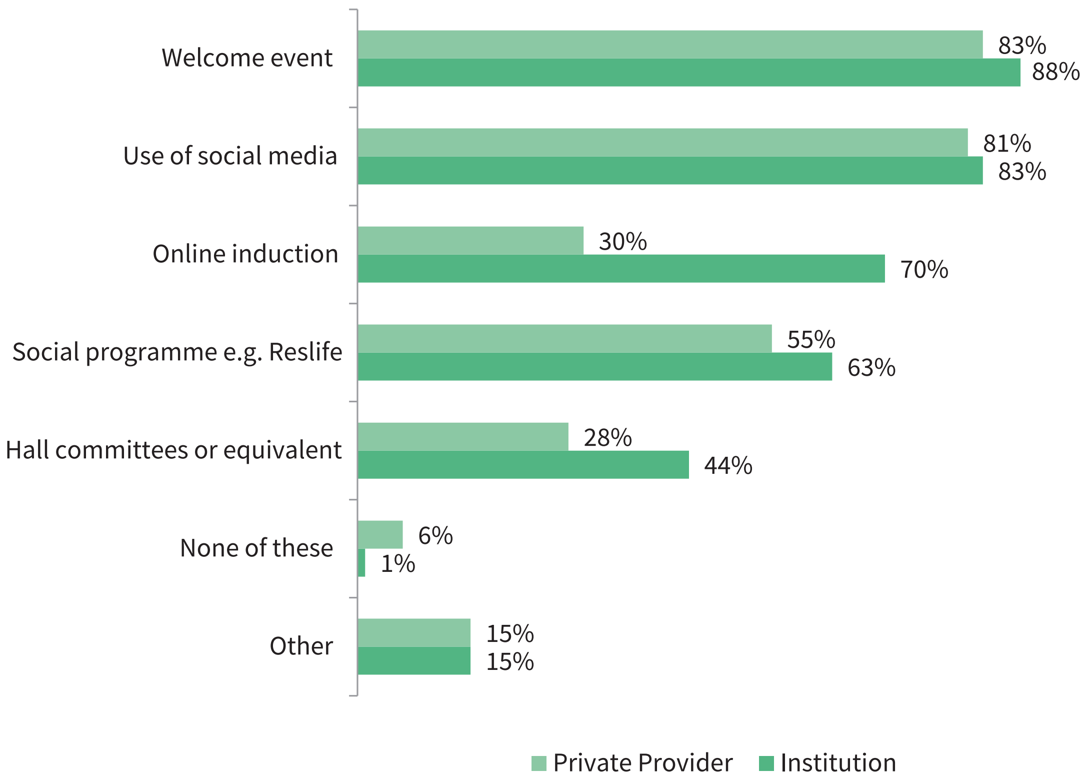


Figure 52: Social activities and services by provider type

or use robust forms of partnership and best practice to help guarantee equality of support and experience in privately-provided rooms. To ensure that the student experience available in partnered provision is fully in line with their own, institutions need to take a strategic approach to procuring long-term and well-specified relationships with the private sector and to invest in networking accommodation into institutional support structures [xiv].

TENANT SATISFACTION

All private providers conduct student satisfaction surveys (Figure 53). The figure for institutions has gone up from 84 to 94 per cent since the last survey, but still falls short of the universally good practice in the private sector. However, it is worth noting in this connection that for some institutions students' unions conduct annual satisfaction surveys and get higher response rates. Private providers continue to run surveys more frequently than universities.

Where satisfaction is surveyed, only a third (36 per cent) of both institutions and private providers make a summary of the findings public. This figure is up from a quarter in 2015, but there remains a major transparency deficit on tenant feedback, which is important for informing consumer choice and driving accountability and improvements across the sector.

How regularly do you run satisfaction surveys among students which include questions on their accommodation? (Base: 133)
Do you provide a publicly available summary of the outcome of the satisfaction survey? (Base, where carries out a survey at least once a year: 128)

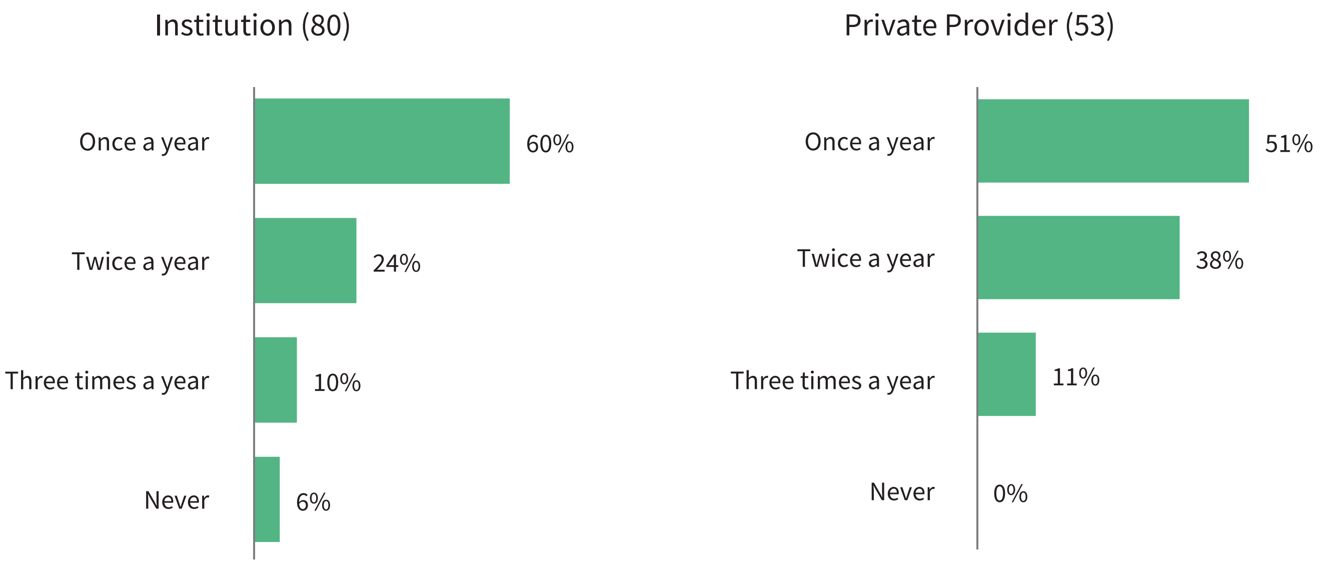


Figure 53: Frequency of tenant satisfaction surveys by provider type

ACCREDITATION: HMOS AND PURPOSE-BUILT STUDENT ACCOMMODATION

Two fifths (39 per cent) of universities are involved in HMO accreditation and a tenth run a scheme themselves. Over 30 per cent report that, although there is a local scheme, they have no involvement in it (Figure 54).

Does the university take an active role in an accreditation scheme for HMOs in your market? (Base, where an institution: 80)

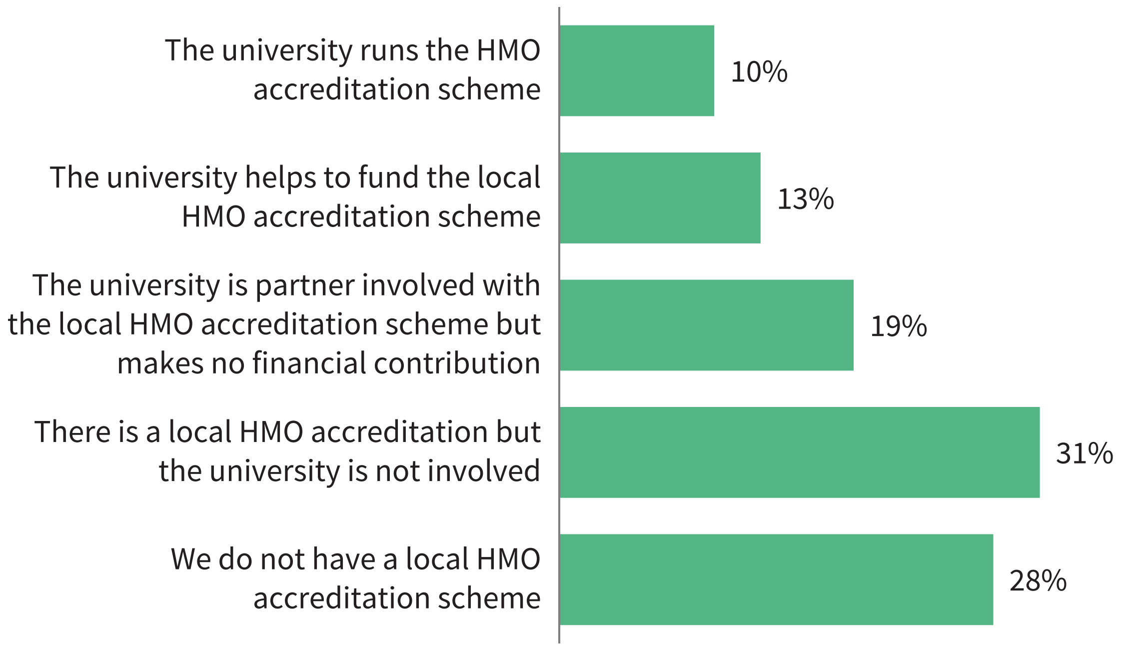


Figure 54: Institutional involvement in HMO accreditation schemes

ACCREDITATION AND THE REGULATORY TREATMENT OF PURPOSE-BUILT STUDENT ACCOMMODATION

Most private providers and institutions in England have opted to join one of the three government-approved accreditation codes for the sector. All the codes have a self-assessment stage, followed by inspections and verification procedures. Together, the codes cover over 600,000 bed spaces. This willingness to be accountable under a detailed and robust voluntary regulatory system is recognised by the NUS.

In December 2017, the Westminster government issued its response to a consultation held in October 2016, in which it specifically raised the regulatory treatment of purpose-built student accommodation. It seems appropriate to relate in this report the views expressed as part of that consultation.

The consultation was important because, for the first time since the Housing Act 2004 had been promulgated, it looked as though the government had recognised *purpose-built student accommodation* (PBSA) as a defined category of housing with specialist regulatory requirements.

In the event, the government response to the consultation failed to properly recognise PBSA and its special characteristics, even though the sector continues to grow quickly and to release pressure on hard-pressed and lower-quality off-street housing stock. By moving more PBSA towards licensing and by introducing the new categories of "converted building" and "purpose-built", the government has created an uneven regulatory regime, which, on early indications, is causing confusion in local authorities about how to administer the new system.

A large majority of consultees (83 per cent) reflected the view that current local authority regulatory intervention was minimal in PBSA: buildings were thought to have good management structures in place and suppliers were providing an effective procedure for addressing student complaints.

Consultees were asked whether the approved codes ensured acceptable management practices and standards. Seventy-one per cent of respondents thought that they did and broadly endorsed the codes. The government asked whether the Secretary of State should approve a code of practice already in place. That 80 per cent agreed represents a considerable endorsement of the current codes.

Three fifths of consultees thought respondents should be entitled to discount on any standard licensing fee. The government did not analyse this response further, but local authorities will have numbered heavily in the respondents against discounts.

The government rejected any discounting arrangements, arguing that, following the tragic fire at Grenfell Tower, local authorities would wish to be more proactive in ensuring licensing conditions in PBSA. The argument for applying discounts was not about discouraging local authority intervention. Intervention did increase after Grenfell, particularly on high-rise buildings, but this was carried out in England largely under Part I of the Housing Act 2004 and not under licensing. In most cases, licensing does not cover the general communal areas of complexes, such as the entrance lobbies, lifts, stairwells and access corridors. In high-risk buildings, the Hackitt Report later stressed that fire prevention and risk assessment should take place on a "whole-building" basis, rather than by licensing individual flats within a building.

The argument that discounts should apply was based on the fact that these are modern buildings which the vast majority of consultees felt were run well and were tenant-responsive in spite of only minimal activity from local authorities. The buildings in the approved codes are far removed from the "beds in sheds" run by "rogue landlords".

Disappointingly, the government missed a significant opportunity to recognise the work and commitment of those who had joined the approved codes. It also failed to reflect the current regulatory framework which applies to higher-risk HMOs used for student accommodation. Many PBSA suppliers felt that the responses to the consultation showed a system that was working and that the government then dismissed those views in determining its response. In taking this view, the government also rejected the representations and views of the NUS and ASRA, the leading representative organisation for student accommodation professionals in the UK and Ireland.

It is also curious that PBSA controlled and managed by educational institutions (which are exempt from HMO licensing in England) should be deemed safer and worthy of no intervention at all from local authorities, compared to those responsible private sector providers who comply with the approved codes. It would be difficult for a student to see that two tower blocks of similar design and construction – one owned by a private sector approved code landlord and the other owned by a university – should fall under two separate regulatory systems and be dealt with in different ways.

In a response to a Parliamentary Question on 26 March 2018, the government said "Educational establishments have a duty of care defined by statutory obligations, for example through the Health and Safety at Work Act 1974, that they must fulfil, both in the provision of education and accommodation to their students. They are also subject to regulation by an independent regulator, the Office for Students. However, private companies are not subject to the same levels of regulation and therefore should not be exempted from House in Multiple Occupation licensing." This was, at best, a spurious answer. The Health and Safety at Work Act applies equally to all employers, including the private sector. The Office for Students outlines the full set of conditions which providers must meet to be registered with the OfS in its Regulatory Framework[xv] and student accommodation is not within it.

This is not an argument for not regulating student accommodation, but it is an argument for recognising the specialist regulatory requirements of the PBSA sector and for ensuring that regulation is effective and covers the whole student experience in a reassuring and transparent way. The quest to establish a specialist system of regulation, fit for purpose for this relatively new category of buildings, will continue and the codes of practice should have a significant role to play in that.

CHAPTER 5
OUTLOOK

For the first time, the Accommodation Costs Survey has sought views from its respondents about the future in order to explore some of the key issues facing student accommodation providers and how organisations believe they will be addressed.

GROWTH OUTLOOK: VIEWS IN THE SECTOR

When asked about the size of the portfolios that they might own/manage in future, institutions and private providers had different outlooks (Figure 55). Private providers were most likely to say their portfolios would grow (either modestly or significantly). Three quarters (74 per cent) of private providers anticipate growth in their portfolio, including 36 per cent who expect significant growth.

Although the proportion of institutions projecting portfolio growth is lower in comparison, more institutions expect growth (53 per cent) than stability (38 per cent) or shrinkage (11 per cent). In general, institutions expect that they will still be responsible for their own portfolios: 88 per cent of them see their future as an accommodation provider mainly housing students in their own stock.

Eighty-three per cent of institutions would extend the offer of housing to non-Year 1 students/non-guaranteed students to maintain full occupancy, if demand from guaranteed students diminished.

FUTURE RENT LEVELS: VIEWS IN THE SECTOR

All providers were asked their views on the outlook for rent changes, as a proxy for confidence levels in the market generally (Figure 56). Eighty-five per cent expect rents to rise in the next five years, including 21 per cent who anticipate that the strong rent increases posted in recent years will continue.

Over 64 per cent of providers believe that rents are likely to continue to rise, but more slowly than they have done to date. A slightly more optimistic stance is evident in the outlooks of some universities, who believe that rents will grow as strongly as they have done in the past (24 per cent of institutions as against 17 per cent of private providers). Some private providers are more cautious again: 15 per cent of them expect rents to remain static, compared with nine per cent of institutions. Only a small number of respondents of either type feel that rents will have to reduce over time.

What do you think will happen to the size of your portfolio in the future? (Base: 133)

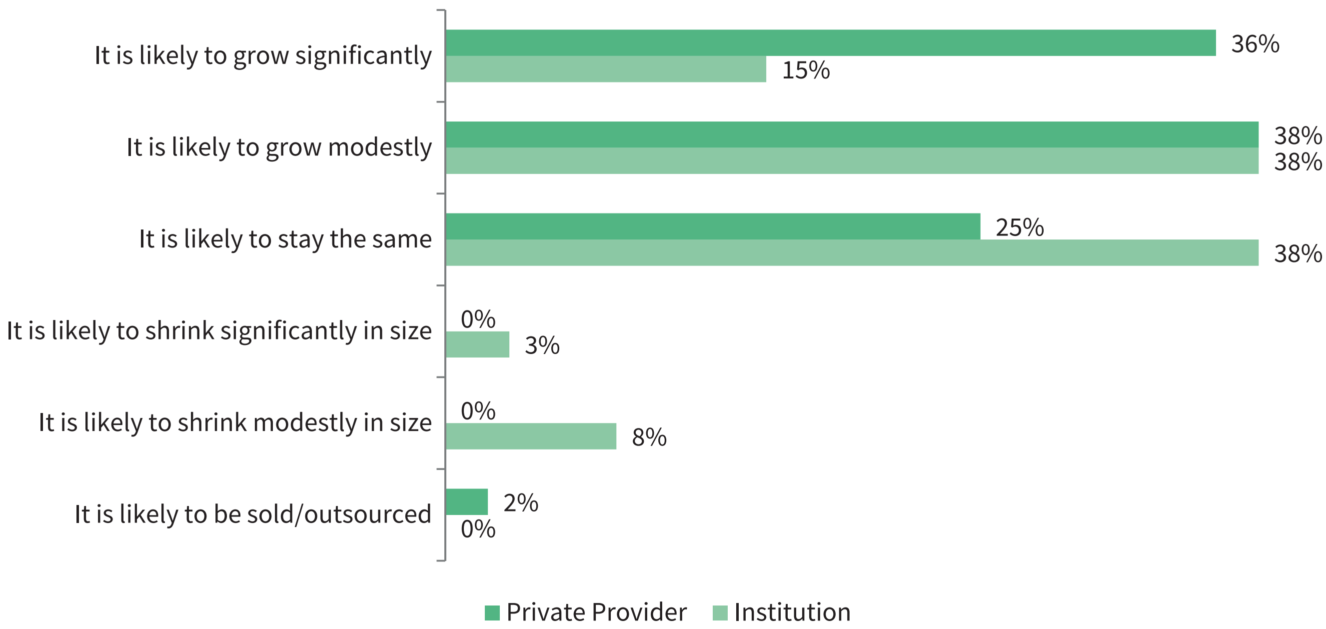


Figure 55: Institutional views on future portfolio size, ownership and allocation policies

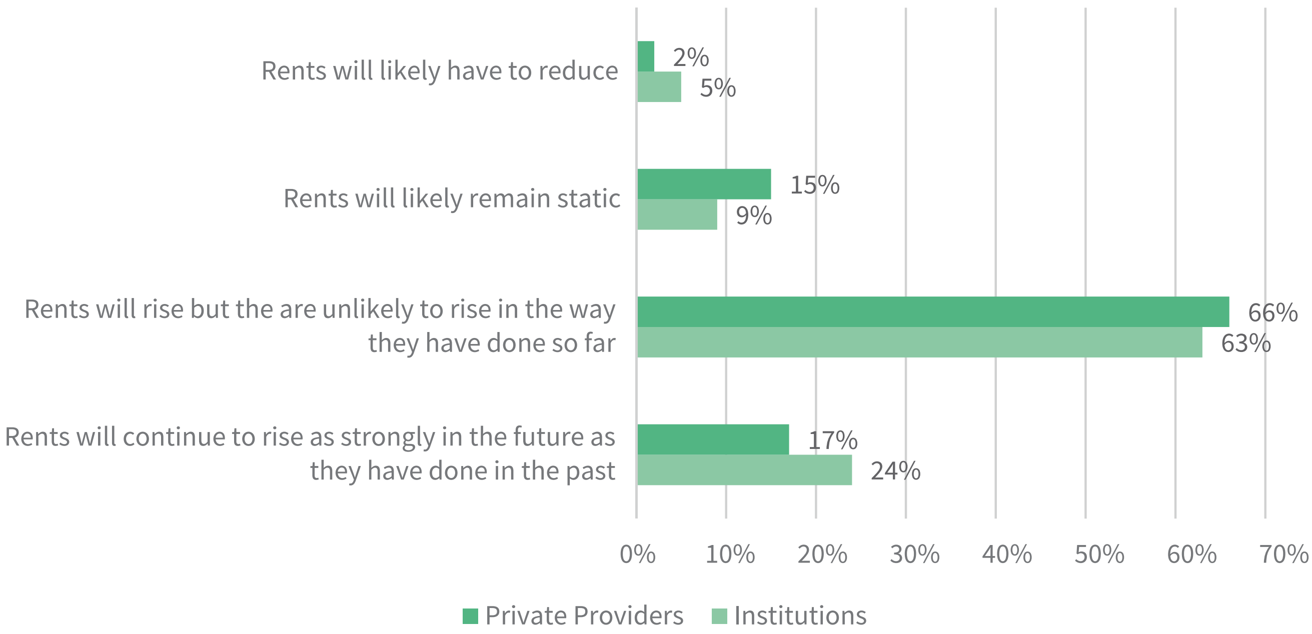


Figure 56: Expectations on future rent levels (Base: 133)

Which of these things will be most central to your rent strategy in the future? (Base: 133)

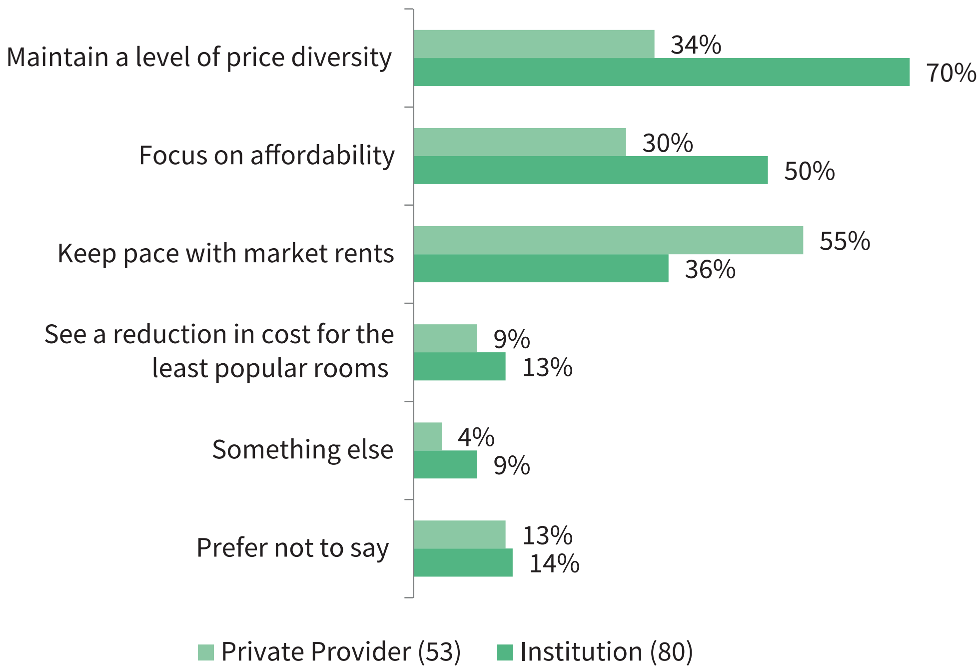


Figure 57: Rent strategies: future focuses by provider type

RENT STRATEGY FOR THE FUTURE: SECTOR FOCUSES

Institutions continue to focus the direction of their rent strategies towards choice and a range of price points. Seventy per cent of them report that maintaining a level of price diversity will be central to their rent strategy in the future and 50 per cent suggest a focus on affordability (Figure 57).

Private providers share these views on rent strategies, but they are secondary to ensuring that rents keep pace with the market. This is a key finding, signifying the importance of rental growth to private providers' strategies.

THE FUTURE ROLE OF INSTITUTIONS AS ACCOMMODATION PROVIDERS

The survey asked a range of questions of institutions about the nature of their stock now and in the future. Universities were almost unanimous in rating their provision of student accommodation (owned or managed) as a core activity. Importantly, over 80 per cent felt that they had a role in ensuring a range of rents and affordability in their market.

Highlighting some of the strategic tension in the sector, 59 per cent of institutions reported that their highest-priced accommodation sold out most quickly (Figure 58). The reality that a proportion of students are attracted to the most expensive stock and the need for affordable provision present themselves as being in conflict and may be interpreted by institutions as mixed messages: they point towards maintaining a balanced rent range on the one hand and, on the other, seeking ever higher quality, focussed on en-suite stock types. The survey results indicate that, overall, institutions understand the importance of affordability as well as meeting students' needs and preferences.

Fewer London institutions (53 per cent) reported that their most expensive accommodation was taken first, compared to institutions in the rest of the UK (60 per cent). More respondents at universities in London (40 per cent) said they sought to influence private sector pricing in the purpose-built student market, compared to education providers outside the capital (31 per cent). This may relate to the more expensive rental market in London and indicates a greater affordability issue there.

There is a significant correlation between respondents' perceptions on whether they require more affordable accommodation; whether they have a role in ensuring a range of rents and affordability in their market(s); and whether they are innovating in the area of affordability (Figures 58 and 59). Institutions where students are extremely involved in rent setting are most likely to be innovating in affordability.

FUTURE CHALLENGES

Respondents were asked what they thought the greatest challenges would be in future, and the responses to this question are telling for the market as a whole (Figure 60). The greatest challenge is affordability, which is a key finding of this survey. Providers are expending considerable strategic effort in maintaining an appropriate range of price points, putting together affordability strategies and innovating in stock types. Against this background, it is perhaps surprising that, from the research output, providers seem to be indicating there is no guarantee these efforts will be successful. RPI and market comparators continue to be the central points of reference for rent setting strategies, and university accommodation services still have to deliver a recurrent surplus to contribute to the corporate bottom line on income generation. Balancing the various priorities will continue to be a challenge.

Alongside affordability, the survey results highlight oversupply as a key challenge. This may take the form of oversupply of stock in general or at particular price points within markets. It is likely to concern private providers more, because of the heightened level of competition they will face from each other. Oversupply in economic terms may depress price expectations, which may explain why private providers are slightly more pessimistic about rent increases in the future.

CONCLUDING COMMENTS

The research output from this survey reveals powerful tensions in decision-making, arguably more pronounced within the institutional sector.

In an environment where more students study away from home than ever and costs continue to rise above inflation, there are strongly voiced concerns about the

Please select the response which most closely represents your opinions on the following grid: (Base, where an Institution: 80)

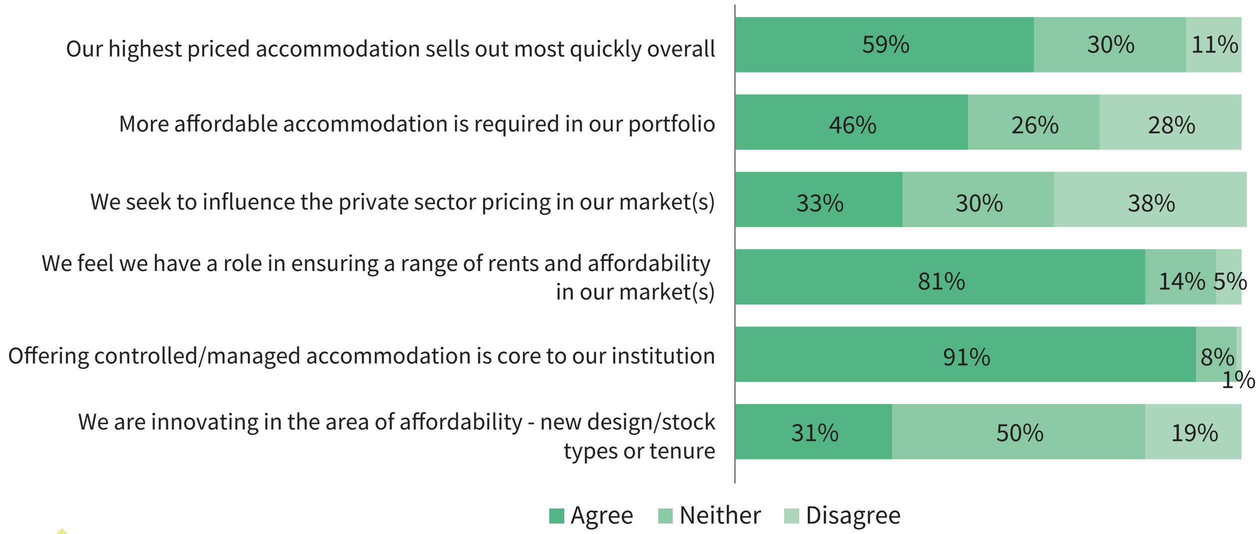


Figure 58: Institutional views on their role as an accommodation provider

Please select the response which most closely represents your opinions on the following grid: (Base, where an institution: 80)

% Agree (Institutions only)	**None**	**Consultee but not part of annual setting cycle**	**Somewhat involved annually**	**Extremely involved annually**
We are innovating in the area of affordability – new design/stock types or tenure	15%	29%	31%	52%
Sample base size	26	17	16	21

Figure 59: Interaction between views on student input in rent setting and wider views on affordability

What do you think is currently the biggest challenge in the current provision of student accommodation? (Base: 133)

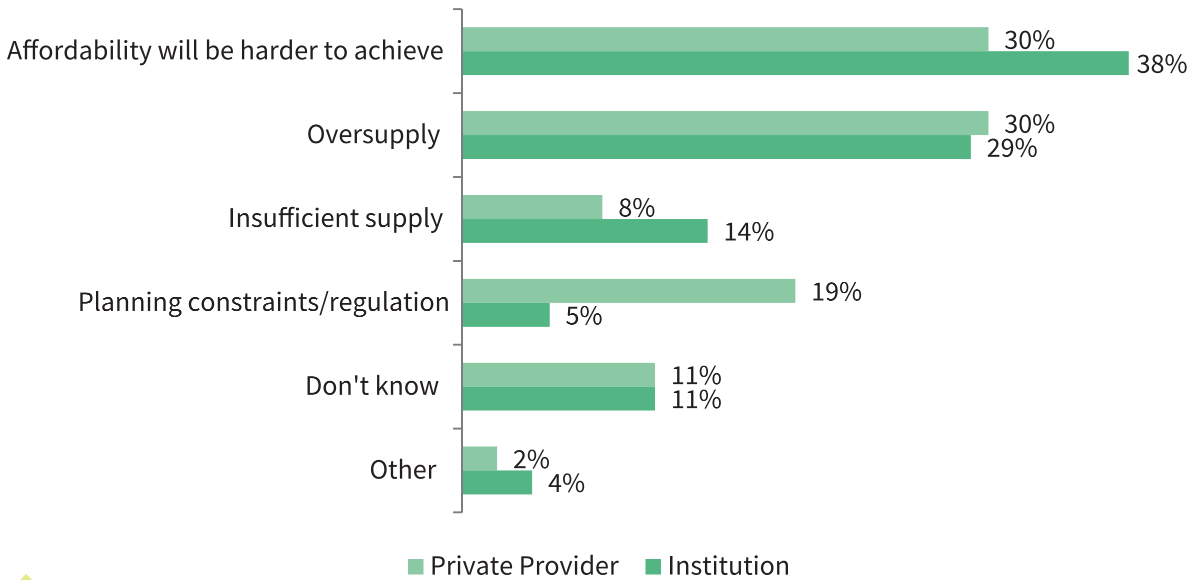


Figure 60: The biggest challenge in providing student accommodation: views by provider type

importance of extending affordable accommodation. These concerns align with institutional sign-up to the government's widening participation and access agendas. There is growing recognition that accommodation costs are one of the most important factors affecting students as part of the wider cost of going into higher education.

In a marketised environment for the higher education sector, it is increasingly important that accommodation is attractive to students in order to maximise take-up. It is equally important that rental income generates a financial surplus, which enables both investment in accommodation and a contribution to the corporate bottom line. Universities use their portfolios as tools for the recruitment of new students, and their accommodation offer is a positive agent in creating community, improving retention and achieving successful institutional outcomes. The need to invest and to utilise income in this way is unlikely to relent, and may actually be compounded in future if the pending Augar Review recommends altering the balance of tuition fees and affordability more widely. Student accommodation is an income stream unfettered by policy and regulation, which institutions face in the areas of teaching and research.

Having willingly relinquished their role as sole providers of purpose-built student accommodation over the last two decades, institutions find themselves competing to some extent with the private sector, directly for student tenants and also in terms of the quality of the product. Private providers have shaped the market according to a model of higher-specification, higher-cost and predominantly en-suite provision (plus the rise of the studio flat phenomenon). This is a lead which institutions have followed. In competing with the private sector on accommodation products, universities have generally sought to replicate the private sector offer. However, it is worth reiterating both the gap between the two provider types on weekly rents and in particular on let lengths, and also the poor performance of the private sector against NUS and London Plan affordability targets, as compared to the university sector. Within this landscape, the volume of affordable accommodation has been eroded as a proportion of stock nationally.

These currents are reflected in the mixed messages that emerge from this survey about the dual importance that providers – specifically institutional providers – attach to the importance of affordability and fair access versus the market imperative of maximising student recruitment and occupancy.

In the context of the seemingly inexorable rise of rents ahead of inflation, affordability has been much discussed in this survey. However, there is scant evidence that new student developments are being developed in line with a mid-cost point, and the fastest area of growth continues to be in high-cost studios. Market forces, specifically crowding of investment at the high end and increasing demand in the mid-range, may change strategies in future. However, this type of thinking requires a sophisticated market view.

There has been much talk in the sector of developing cheaper accommodation consisting of smaller rooms with larger clusters of students sharing round communal lounges/kitchens. To date, however, progress in translating these ideas into end products has been slow. Mid-priced cluster flats must be the way forward for the sector, if it is a) to meet the growing demand from first-year students and parents who are not willing to stack more debt on top of their academic fees, and b) to facilitate returning undergraduate demand in light of increasingly constrained housing markets. The shape of new provision should be defined by new stock types that promote wellbeing by design; that are more social, supported by investment in residential life; and are configured with more social space that can be used for informal study as well as socialising.

There are examples of innovation, specifically in the university sector. Developed at Lancaster and Leeds Beckett Universities in conjunction with UPP, the townhouse model in which 10-12 students share a kitchen and lounge has been a success, but is still a small part of the stock. The University of Edinburgh has a good track record of setting reasonable rent levels, while developing highly imaginative and well-designed new accommodation. Although not suitable for everyone, their shared kitchen for 500 at their Holyrood postgraduate development has also been a success. There remains a need for more development on the townhouse model, and for larger units accommodating larger numbers of students, served by larger catered areas and, importantly, larger social spaces. These types of design should be on the agenda of architects as they look to future developments. No one has yet developed a "pod" room around a cluster of shared amenities.

The private sector's success in lifting student housing expectations and standards over the last 15 years is acknowledged (although this has entailed higher rents).

However, the private sector does not have a strong track record of innovation or innovative design other than at the top of the market, where it can extend its amenity range and where revenue can account for new architectural inputs. In maintaining this focus, the private sector and the sector more generally have neglected the mid-market. Generally, design of larger student accommodation has been, at best, slow to develop and student accommodation schemes regularly feature in the shortlist for the uncoveted Carbuncle Cup Award [xvi].

Innovation can be led by the educational institutions themselves: they are well placed to do this and should use the influence they have positively across the sector.

- universities are most able to signal a change to the market about prices and innovations in stock types
- universities understand the importance of the student experience in attracting and retaining students and how stock design can support this
- in London, universities are arguably the only organisations that can facilitate new development, given that the planning environment, framed by the Community Infrastructure Levy and the London Plan, is strongly disposed towards supporting universities and preventing private operators acting alone
- larger builds are more likely to come from larger players, which are mainly (though not exclusively) universities. Such new projects should be able to affect the construction costs and obtain economies of scale that support the achievement of a level of affordability
- institutions have unparalleled influence in their regional accommodation pricing structures, where many providers set their rents in line with similar or neighbouring stock. They shoulder a burden of responsibility, not just morally but also as part of their funding arrangements, to ensure access to education for lower-income students.

There is no doubt that the affordability of some student accommodation will become more important over the next few years. The chief executive of the newly-formed Office for Students recently stated: “We are now considering our approach to promoting value for money at a sector level, and in this context will consider [your] views on affordability of student accommodation.” [xvii]

DATA TABLES

Table 1: Average annual rent by category of accommodation

Provider Type	London	Accommodation Category type 2017	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
Institution	**London**	Flats	£5,467	£5,765	£16,344	£16,355	£8,097	£8,067
		Full board double or twin rooms	£4,078	£3,808	£8,152	£7,951	£6,383	£6,793
		Full board en-suite	£7,063	£6,603				£10,640
		Full board standard	£5,732	£6,410	£8,963	£9,400	£8,046	£7,990
		Houses	£3,952	£4,295				£9,195
		Part board double or twin rooms	£3,668	£3,999	£4,911	£5,354		£4,870
		Part-board en-suite	£5,710	£6,557	£7,614	£7,199		£8,924
		Part-board standard	£5,032	£4,786	£6,789	£7,233		£7,251
		Self catering en-suite	£5,399	£5,527	£6,445	£6,441	£6,153	£6,936
		Self-catering standard	£4,591	£4,307	£5,802	£5,652	£5,730	£6,520
		Self-catering twin	£4,477	£4,089	£5,353	£5,446	£5,175	£5,578
		Studio flat double	£8,550	£5,625	£9,573	£10,285	£8,068	£10,841
		Studio flat standard	£7,745	£6,939	£10,440	£9,521	£10,698	£10,801
	London Total		**£5,215**	**£5,264**	**£6,507**	**£6,498**	**£6,192**	**£7,147**
	Rest of UK	Flats	£3,574	£3,537	£4,173	£4,252	£4,511	£5,016
		Full board double or twin rooms	£3,960	£4,325	£4,320	£4,637	£4,239	£4,298
		Full board double or twin rooms with adjoining bathroom	£4,972	£5,065	£5,776	£5,940	£4,061	£4,185
		Full board en-suite	£5,813	£6,024	£6,040	£6,182	£7,095	£7,205
		Full board standard	£4,577	£4,967	£5,299	£5,486	£5,196	£5,500
		Houses	£3,458	£3,639	£4,739	£4,869	£4,691	£4,864
		Part-board double or twin rooms	£4,307	£3,695			£5,270	£5,497
		Part-board en-suite	£4,724	£5,086	£6,344	£6,834	£6,294	£6,608
		Part-board standard	£4,131	£4,342	£4,652	£4,623	£5,666	£5,893
		Self-catering en-suite	£4,465	£4,660	£5,059	£5,216	£5,497	£5,717
		Self-Catering Other	£3,750	£3,881				
		Self-catering standard	£3,475	£3,611	£3,922	£4,065	£4,376	£4,521
		Self-catering twin	£3,209	£3,153			£3,115	£2,997
		Self-catering twin or double			£3,186	£3,449	£3,932	£4,781

Provider Type	London	Accommodation Category type 2017	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
		Self-catering twin with adjoining bathroom	£2,103	£1,765	£3,348	£3,383	£5,814	£5,988
		Studio flat double	£6,116	£6,029	£6,835	£7,332	£8,373	£8,510
		Studio flat standard	£6,101	£5,176	£6,939	£7,093	£7,279	£7,490
	Rest of UK Total		**£4,117**	**£4,301**	**£4,735**	**£4,911**	**£5,164**	**£5,403**
Institution Total			**£4,314**	**£4,447**	**£4,957**	**£5,085**	**£5,294**	**£5,669**
Private Providers	**London**	Flats	£9,683	£10,503	£3,259	£11,537	£7,784	£9,216
		Part-board standard	£7,280	£7,696			£10,144	£10,400
		Self-catering en-suite	£7,251	£8,167	£8,361	£9,131	£9,695	£9,970
		Self-catering standard	£6,897	£6,258	£6,850	£7,562	£7,605	£8,581
		Studio flat double	£10,413	£9,708	£10,143	£12,675	£17,732	£18,356
		Studio flat standard	£13,534	£12,092	£12,551	£11,802	£14,654	£15,245
	London Total		**£8,195**	**£8,685**	**£9,526**	**£10,257**	**£10,097**	**£10,715**
	Rest of UK	Flats	£4,155	£4,275	£4,021	£4,878	£5,741	£5,766
		Full board en-suite		£6,360			£6,287	£6,287
		Full board standard	£4,074	£4,934				
		Houses	£4,429	£3,849	£3,563	£3,585	£4,803	£4,910
		Self-catering ensuite	£4,653	£4,836	£5,215	£5,111	£5,751	£6,120
		Self-catering standard	£4,123	£4,014	£4,785	£5,074	£4,695	£4,925
		Self-catering twin	£5,280	£5,554	£8,630	£6,507	£9,448	£9,514
		Studio flat double	£5,217	£5,909	£8,478	£7,543	£6,764	£7,388
		Studio flat standard	£6,123	£6,394	£8,359	£8,008	£8,386	£8,649
	Rest of UK Total		**£4,585**	**£4,778**	**£5,434**	**£5,438**	**£6,187**	**£6,462**
	Grand Total		**£5,017**	**£5,321**	**£5,939**	**£6,516**	**£6,765**	**£7,093**

Institutions	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
Flats	89	88	111	114	122	130
Full board double or twin rooms	138	144	178	184	138	149
Full board en-suite	169	173	176	178	182	199
Full board standard	134	141	146	150	148	154
Houses	84	86	110	114	114	123
Part board double or twin rooms	102	104	134	139	157	154
Part-board en-suite	133	145	169	175	176	188
Part-board standard	122	124	142	141	146	159
Self catering en-suite	115	120	127	130	139	145
Self-catering standard	93	94	102	104	112	117
Self-catering twin or double	101	99	103	103	129	131
Studio	150	128	171	172	175	197
Private Providers						
Flats	101	104	95	151	131	136
Catered double or twin rooms	181	158			173	173
Catered standard	169	138		194	190	193
Catered en-suite		159			155	155
Houses	106	87	76	78	112	114
Self-catering en-suite	112	119	123	127	144	148
Self-catering standard	104	102	121	131	120	126
Self-catering twin or double	119	126	168	195	158	174
Studio	177	187	218	227	185	193
Grand Total	**2,502**	**2,623**	**2,469**	**2,807**	**3,104**	**3,258**

Table 2: Average weekly rent by region

Institutions	UK region	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
	East Midlands	£121	£122	£133	£136	£134	£136
	East of England	£108	£108	£118	£123	£131	£136
	London	£131	£134	£156	£156	£156	£175
	North East	£108	£109	£98	£101	£111	£128
	North West	£96	£102	£113	£116	£114	£122
	Northern Ireland	£82	£86	£102	£107		
	Scotland	£108	£113	£107	£113	£123	£123
	South East	£107	£112	£127	£131	£141	£146
	South West	£119	£123	£135	£139	£141	£147
	Wales	£88	£91	£99	£104	£113	£120
	West Midlands	£103	£108	£114	£118	£129	£134
	Yorkshire and the Humber	£104	£107	£116	£119	£124	£133
	Grand Total	**£110**	**£113**	**£123**	**£126**	**£132**	**£140**
Private providers include nominations for early years	East Midlands	£103	£109	£106	£110	£125	£130
	East of England	£107	£118	£139	£138	£143	£157
	London	£176	£188	£224	£237	£216	£225
	North East	£100	£105	£116	£121	£144	£141
	North West	£107	£111	£115	£113	£131	£130
	Northern Ireland					£144	£148
	Scotland	£118	£117	£133	£137	£146	£145
	South East	£122	£130	£166	£122	£161	£164
	South West	£115	£116	£130	£144	£145	£152
	Wales	£95	£98	£114	£121	£151	£150
	West Midlands	£108	£110	£117	£123	£139	£146
	Yorkshire and the Humber	£97	£101	£104	£107	£120	£125
	Grand Total	**£114**	**£121**	**£134**	**£147**	**£149**	**£153**

Table 3: Number of bed spaces by category of accommodation

Institution	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
Flats	10,856	8,805	4,941	4,958	6,371	5,229
Full board double or twin rooms	2,693	2,742	1,342	1,296	253	321
Full board en-suite	6,862	6,220	6,206	6,283	4,816	5,876
Full board standard	17,410	15,906	10,456	10,387	4,931	8,394
Houses	4,773	5,745	3,056	3,730	3,323	4,058
Part-board double or twin rooms	562	1,162	454	182	198	500
Part-board en-suite	2,671	3,209	2,638	2,967	2,777	3,147
Part-board standard	4,493	4,399	4,699	3,623	4,628	5,642
Self-catering en-suite	97,685	97,007	92,429	95,251	76,223	98,966
Self-Catering Other	214	223	-	-	-	-
Self-catering standard	72,823	68,915	62,138	60,520	49,895	55,038
Self-catering twin or double	2,161	2,239	1,708	1,503	2,120	2,581
Studio flat double	503	956	1,232	1,160	530	715
Studio flat standard	7,946	9,542	10,517	24,232	25,578	32,771
Private Providers						
Flats	6,792	7,059	789	2,696	13,413	21,974
Catered en-suite	-	130	-	-	764	764
Catered standard	203	946	-	-	80	80
Houses	434	621	1,704	1,704	475	475
Self-catering ensuite	93,956	105,983	72,258	85,852	92,892	123,092
Self-catering standard	29,103	18,036	8,953	16,846	7,915	9,025
Self-catering twin	452	452	99	92	71	71
Studio flat double	477	397	1,716	2,951	160	206
Studio flat standard	7,946	9,542	10,517	24,232	25,578	32,771

Table 4: Number of bed spaces by region

UK Region	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
East Midlands	43077	45022	22750	24182	25627	32790
East of England	18885	17852	20929	23460	10541	17886
London	57320	53651	36710	52898	40919	57839
North East	20692	20746	11097	11346	11058	13930
North West	38069	39509	36142	45152	30673	45792
Northern Ireland	4331	4588	2243	2247	413	1360
Republic of Ireland						203
Scotland	23869	21460	14166	19068	22168	26658
South East	33324	39295	39635	35431	37610	46138
South West	31640	32441	28622	33847	35088	42003
Wales	16038	15909	21571	23232	18555	18359
West Midlands	30126	30829	24006	26886	30324	31986
Yorkshire and the Humber	44457	42064	33720	35825	36323	47893
Grand Total	**361828**	**363366**	**291591**	**333574**	**299299**	**382837**

Table 5: Average length of contract by category of accommodation

Institutions	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
Flats	41	41	40	39	40	41
Full board double or twin rooms	32	32	32	32	34	36
Full board en-suite	35	35	35	35	39	39
Full board standard	36	36	37	37	38	39
Houses	41	42	43	43	41	42
Part board double or twin rooms	38	37	36	38	34	34
Part-board en-suite	37	38	39	39	36	37
Part-board standard	36	36	39	40	39	38
Self catering en-suite	40	40	41	41	40	41
Self-catering standard	39	39	40	40	40	41
Self-catering twin or double	34	33	39	40	40	40
Studio	43	42	44	44	45	44
Private Providers						
Flats	43	43	44	46	46	46
Catered double or twin rooms	48	45			40	40
Catered standard	33	38		51	45	46
Catered en-suite		40			41	41
Houses	42	44	47	47	44	44
Self-catering en-suite	44	44	44	44	44	45
Self-catering standard	43	43	43	44	42	43
Self-catering twin or double	44	44	43	47	45	45
Studio	47	46	46	44	49	50
Grand Total	**796**	**839**	**733**	**793**	**863**	**869**

Table 6: Average length of contract by category of accommodation

Institutions	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19
East Midlands	38	39	37	37	41	41
East of England	34	34	41	41	37	38
London	40	39	42	41	40	41
North East	39	40	40	41	40	40
North West	41	41	41	41	41	41
Northern Ireland	38	38	38	38		
Scotland	39	39	39	39	43	41
South East	39	40	40	40	40	40
South West	40	40	40	40	40	40
Wales	40	40	40	40	40	40
West Midlands	40	39	40	40	41	41
Yorkshire and the Humber	41	41	43	43	42	42
Grand Total	**39**	**39**	**40**	**40**	**40**	**40**
Private Providers						
East Midlands	44	44	44	44	46	46
East of England	47	47	44	45	43	42
London	46	46	43	43	46	47
North East	44	44	44	44	46	47
North West	43	43	45	45	45	46
Northern Ireland					46	48
Scotland	42	44	45	45	44	45
South East	43	42	45	42	44	44
South West	43	42	45	45	44	45
Wales	41	41	43	43	47	48
West Midlands	44	44	44	45	45	46
Yorkshire and the Humber	44	44	45	45	45	46
Grand Total	**44**	**44**	**44**	**44**	**45**	**46**

ABOUT THE SURVEY

SURVEY CONTEXT

The Accommodation Costs Survey has been undertaken by the National Union of Students in collaboration with Unipol Student Homes. BMG Research carried out the primary research.

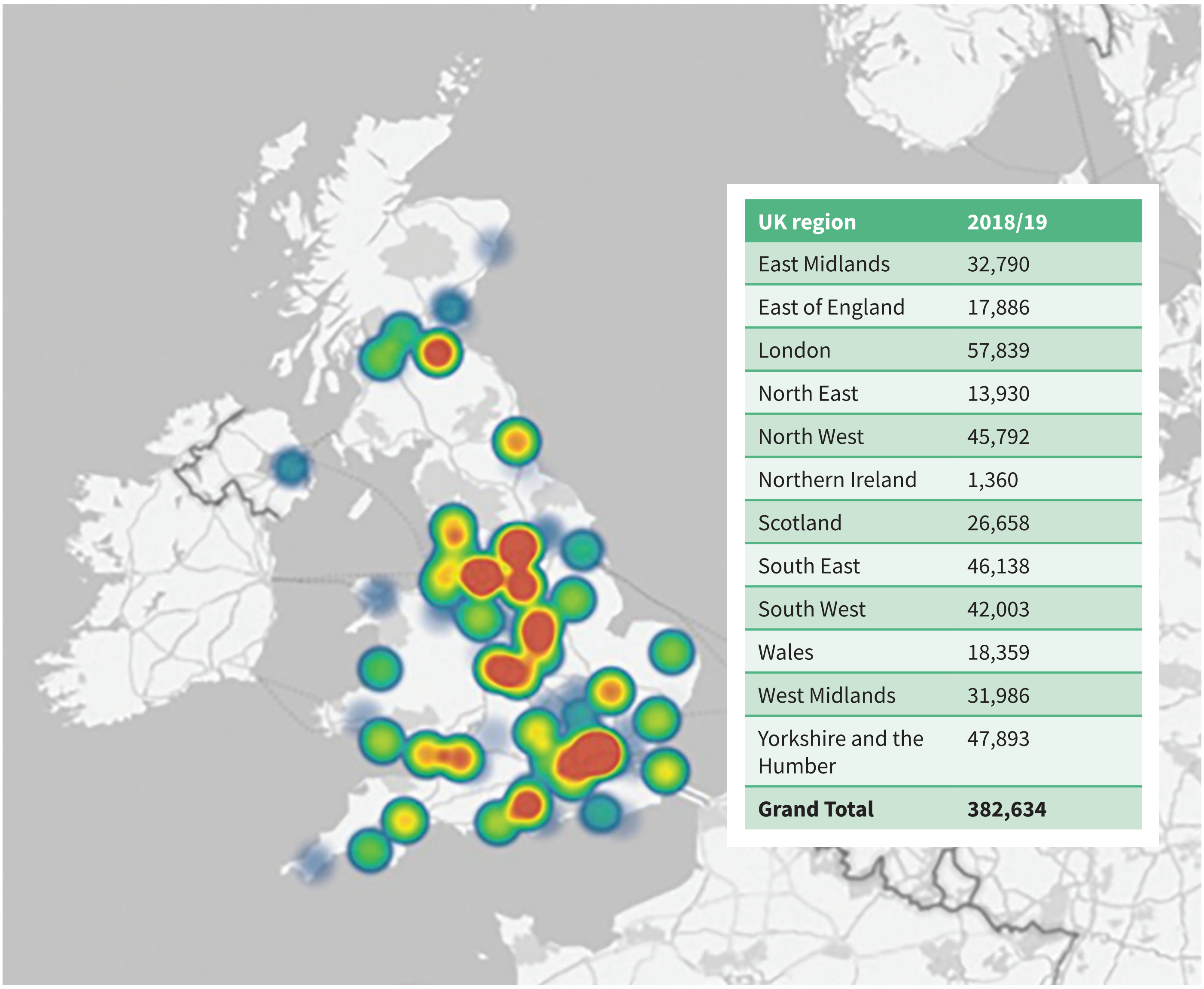
The research was conducted into purpose-built accommodation across the UK and the Republic of Ireland to understand:

- the profile of the sector
- the cost of accommodation to students
- contract lengths
- additional costs
- regional variation in cost
- reasons for cost variance
- types of accommodation provided
- year-on-year trends
- provider support for tenant welfare
- rent setting processes
- the range and balance of institutional portfolios
- the affordability of accommodation
- the outlook for the sector

An online survey was sent to both institutional and private providers to capture data on the range of purpose-built provision and associated services, policies, processes and uses, and on the detail of their rent structures for 2017/18 and 2018/19. Together with its sector contacts, Unipol promoted the survey and secured 100 returns from institutions and 64 from private and charitable providers.

This sample represents 382,837 rooms in 2018/19, compared to 333,574 in 2015/16 and 363,366 in 2012/13. The sample amounts to approximately 64 per cent of the total sector. For the first time the coverage by provider type is split 50:50 in 2018/19.

MAP OF DATA COVERAGE 2018



UK region	2018/19
East Midlands	32,790
East of England	17,886
London	57,839
North East	13,930
North West	45,792
Northern Ireland	1,360
Scotland	26,658
South East	46,138
South West	42,003
Wales	18,359
West Midlands	31,986
Yorkshire and the Humber	47,893
Grand Total	**382,634**

ROOMS BY REGION

UK region	2018/19		2015/16		2012/2013	
London	57,839	15%	52,898	16%	53,651	15%
Yorkshire and the Humber	47,893	13%	35,825	11%	42,064	12%
South East	46,138	12%	35,431	11%	39,295	11%
North West	45,792	12%	45,152	14%	39,509	11%
South West	42,003	11%	33,847	10%	32,441	9%
East Midlands	32,790	9%	24,182	7%	45,022	12%
West Midlands	31,986	8%	26,886	8%	30,829	8%
Scotland	26,658	7%	19,068	6%	21,460	6%
Wales	18,359	5%	23,232	7%	15,909	4%
East of England	17,886	5%	23,460	7%	17,852	5%
North East	13,930	4%	11,346	3%	20,746	6%
Northern Ireland	1,360	0%	2,247	1%	4,588	1%
Grand Total	**382,634**	**100%**	**333,574**	**100%**	**363,366**	**100%**

It should be noted that coverage of Northern Ireland and the North East region is low.

Northern Ireland data has been included at the aggregate level only. The data set was not large enough in each year for it to be included in analysis by region. For 2017/18 and 2018/19 the data set does not include any institutional rooms, as no universities submitted a survey response.

The North East has been included in the analysis. Although the research team is aware that two universities did not supply data, this does not seem to have affected the data pattern, as the rooms covered in submissions from the North East region are within normal rent parameters.

Returns for the Republic of Ireland were too low for meaningful analysis (203 rooms) and have therefore been omitted from the report.

CATEGORY DEFINITIONS

Type of provider

The survey distinguishes institutional and private providers' accommodation.

Institutional accommodation is accommodation that is covered by the ANUK Code for Larger Developments for Student Accommodation Managed by Educational Establishments or the UUK Code of Practice for University-managed Student Accommodation, or accommodation owned and managed by the institution.

Private provider accommodation is accommodation owned and managed by non-educational providers, and likely to be signed up to the ANUK Code for Larger Accommodation (non-educational).

Accommodation categories

Providers are likely to categorise their accommodation in different ways. To help overcome this, the following definitions of the 16 categories have been used:

Self-catered standard
Blocks of accommodation containing 15 or more students in which students occupy a single study bedroom. Washing and toilet facilities are not provided within the room. Students share kitchen facilities in which they are expected to provide themselves with all meals.

Self-catered en-suite
Similar to the other self-catered categories, except washing and toilet facilities are for the exclusive use of the occupant/s of the study bedroom. The occupant/s will be expected to provide all meals using a shared kitchen facility.

Self-catered twin
Blocks of accommodation containing 15 or more students in which students occupy a twin study bedroom. Washing and toilet facilities are not provided within the room. Students share kitchen facilities in which they are expected to provide themselves with all meals.

Self-catered twin with adjoining bathroom
Similar to the other self-catering categories, except

washing and toilet facilities are for the exclusive use of the occupant/s of the twin study bedroom. The occupant/s will be expected to provide all meals using a shared kitchen facility.

Studio flat standard
A one-bed self-contained apartment or flat.

Studio flat double
A two-bed self-contained apartment or flat.

Full board standard
One person occupies a study bedroom. At least two meals a day, for between five and seven days a week, are provided. Some may have access to a shared kitchen for the preparation of snacks.

Full board en-suite
Full board accommodation that includes either/or private shower/bathroom/WC.

Full board double or twin rooms
Two people occupy a study bedroom. At least two meals a day, for between five and seven days a week, are provided. Some may have access to a shared kitchen for the preparation of snacks.

Full board double or twin rooms with adjoining bathroom
Same definition as above but also includes either/or private shower/bathroom/WC.

Part-board standard
One person occupies a study bedroom. At least one meal a day, for between five and seven days a week, is provided. Some may have access to a shared kitchen for the preparation of snacks.

Part-board en-suite
Same definition as above, but also includes either/or a private bathroom/shower/WC.

Part-board double or twin rooms
Two people occupy a study bedroom. At least one meal a day, for between five and seven days a week, is provided. Some may have access to a shared kitchen for the preparation of snacks.

Part-board double or twin rooms en-suite
Same definition as part-board double or twin rooms, but also includes either/or a private bathroom/shower/WC.

Houses
A group of students, not exceeding 15, who occupy a house that belongs to the institution. The group have exclusive use of the property and provide their own meals using a shared kitchen.

Flats
A group of students, not exceeding 15, who occupy a self-contained unit in which all facilities, including a communal living space, are shared. It differs from a house in that there is at least one other self-contained unit within the same block or complex.

CALCULATIONS USED

Weighted average rents

For the 2018/19 survey, average rents have been weighted to reflect bed space volume for each rental value submitted by respondents. The source data for the 2015/16 and 2012/13 surveys has been adjusted to allow like-for-like comparisons.

If first rent point = A and second rent point = C, and if volume of bed spaces at rent point A = B and volume of bed spaces at rent point C = D, then weighted average rent = [(A x B) + (C x D)] / (B + D)

Percentage increase

(Latest rent – previous rent) / previous rent = actual increase / decrease
Average rent 2017/18 = A
Average rent 2018/19 = C
C – A = E (E/A) x 100 = actual increase/decrease

Annual rents

For each variable, the average weekly rent was multiplied with the contract length to calculate its individual annual rent.

ABBREVIATIONS USED

ANUK – Accreditation Network UK
ASRA – Association for Student Residential Accommodation
CFO – chief finance officer
COO – chief operating officer
CUBO – College and University Business Officers
ECU – Equality Challenge Unit, now part of AdvanceHE
HESA – Higher Education Statistics Agency
HMO – house in multiple occupation
NUS – National Union of Students
OfS – the Office for Students
PBSA – purpose-built student accommodation
RPI – Retail Prices Index
UUK – Universities UK

SCHEDULE OF RESPONDENTS

Institutions	Private and charitable providers
Aberystwyth University	A2Dominion
Anglia Ruskin University	Alpha Student Management
Bishop Grosseteste University	Beyond the Box Student
Blackpool and Fylde College	BPS Developments
Bournemouth University	Campus Living Villages
Brunel University London	Cass and Claredale
Cardiff University	CODE Student Accommodation
Canterbury Christ Church University	Collegiate AC
City University	Congregational Federation
Clare College, Cambridge	CRM Students
Corpus Christi College, Oxford	Crosstrend House
Downing College, Cambridge	Dawliffe Hall Educational Foundation
Edge Hill University	Downing Students
Foundation For International Education	Drinkwater House Student Accommodation
Gonville and Caius College, Cambridge	Empiric Student Property
Goldsmiths, University of London	Find Digs
Guildhall School of Music and Drama	Fresh Student Living
Hughes Hall, Cambridge	G Murphy Property
Goodenough College	Girton College, Cambridge
St Mary's University Twickenham	Glenfein Student Lets
Harper Adams University	GSA
Jesus College, Cambridge	Homes for Students
Keele University	Host Students
Queen Mary, University of London	IconInc
Kingston University	International Lutheran Student Centre
Lancaster University	iQ Student Accommodation
Leeds Beckett University	Kaplan
Leeds Trinity University	Kexgill
Liverpool John Moores University	Lee Abbey London
London School of Economics and Political Science	Lewes Study Lodge
London South Bank University	Mansion
Loughborough College	Mara Inc, London
Loughborough University	Mears Group
Manchester Metropolitan University	Mill House Developments
Middlesex University	Niche Homes Ltd
Murray Edwards College, Cambridge	Omnia Estates
Napier University	Optivo
Newcastle University	Osborne
Newnham College, Cambridge	Property Management (NE)
Nottingham Trent University	Purple Frog Property
Oxford Brookes University	Quantum Hotel Group
Peterhouse College, Cambridge	Realstar Group
Queens' College, Cambridge	S Harrison Group Ltd
Robinson College, Cambridge	Safestay
Royal Agricultural University	Sanctuary Students
Royal Holloway, University of London	Sodexo Student
Scholarship and Christianity in Oxford	Stanton Group
Sheffield Hallam University	Student Facility Management
Southampton Solent University	Student Roost
St Catharine's College, Cambridge	The Congregational Federation
St Edmund's College, Cambridge	The Neighbourhood

Institutions	Private and charitable providers
St John's College, Cambridge	The Stay Club
Sidney Sussex College, Cambridge	The Student Housing Company
Staffordshire University	TJ Thomas Estates Group
The University of Buckingham	UniLife
The University of Sheffield	Unipol Student Homes
University of Central Lancashire	Unite Students
The University of St Mark and St John	Unity Lettings
University College Birmingham	Universal Student Living
University College London	Urbanest
Swansea University	Vafai Trust
University of Birmingham	West One Student Accommodation
University of Bath	YPP Lettings
University of Bedfordshire	Zone Management
University of Bolton	
University of Brighton	
University of Bristol	
University of Chichester	
University of Derby	
University of East Anglia	
University of Edinburgh	
University of Essex	
University of Exeter	
University of Gloucestershire	
University of Greenwich	
University of Hull	
University of Kent	
University of Leeds	
University of Lincoln	
University of London	
University of Manchester	
University of Northampton	
University of Nottingham	
University of Plymouth	
University of Reading	
University of Roehampton	
University of Sheffield	
University of Southampton	
University of Stirling	
University of Sunderland	
University of Surrey	
University of the Arts London	
University of the West of Scotland	
University of Wales Trinity Saint David	
University of Warwick	
University of Winchester	
West Dean College of Arts and Conservation	
Wolfson College, Cambridge	
Wrexham Glyndwr University	
York St John University	

ENDNOTES

i This section deals with the core stock types of en-suite, standard (catered and self-catered) and studio provision. Survey data for other room types, which account for a small proportion of total UK stock and for which the data set is less comprehensive across the three most recent iterations, are included in the tables towards the end of this report.

ii 2012/13 is preferred over 2015/16 as the main comparative benchmark in this section, because of the higher quality of the earlier data set.

iii It should be noted that the survey response rate for the North East region is low.

iv Annual rent here and throughout refers to the full contract term, even though this is often short of a year in duration.

v Housing in London 2018, Greater London Authority, 2018

vi Where catering is provided, it is reflected in higher rents. The proportion of each listed institution's provision that is catered is listed below. Worthy of note are the University of London, Bristol and Loughborough, which offer a high level of catered accommodation.

% Catered	Institution	% Catered	Institution
57%	University of London	0%	Leeds Beckett
0%	University of the Arts, London	0%	Brunel University London
19%	University College London	25%	University of Manchester
45%	University of Bristol	32%	University of Edinburgh
31%	University of Birmingham	3%	Lancaster University
0%	London South Bank University	5%	Swansea University
29%	Royal Holloway University of London	0%	University of East Anglia
4%	Oxford Brookes University	19%	Newcastle University
18%	University of Reading	0%	University of Stirling
12%	University of Kent	0%	University of Surrey
10%	University of Southampton	6%	Cardiff University
43%	Loughborough University	0%	University of Essex
7%	The University of Sheffield	0%	Manchester Metropolitan University
12%	University of Leeds	0%	Keele University
0%	University of Warwick	2%	Aberystwyth University

vii A ban on such fees has been in place in Scotland since 2012. Similar legislation is being introduced in Wales under the Renting Homes (Fees etc) Bill. The Department of Communities and Local Government also intends to introduce similar legislation in Northern Ireland.

viii In 2016 maintenance grants were abolished in favour of a larger loan package.

ix The New London Plan – https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/download-draft-london-plan-0

x Due to report in 2019, the government-commissioned Augar Review is considering, among other things, issues relating to the affordability and accessibility of higher education, and the interplay between value for money and access. See – https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/682348/Post_18_review_-_ToR.pdf

xi Figure derived from published HESA student number statistics for 2016/17 – the most recent available at the time of writing

xii See for instance Managing accommodation for international students: a handbook for practitioners, UKCISA/Unipol, 2010

xiii Not by degrees: improving student mental health in the UK's universities, Institute for Public Policy Research, 2017

xiv See, for example, guidance on compliance and best practice provided by the Equality Challenge Unit, now a part of AdvanceHE: https://www.ecu.ac.uk/guidance-resources/inclusive-environment/accessible-campus/accommodation-services/

xv The Regulatory Framework for higher education in England, Office for Students, 2018: https://www.officeforstudents.org.uk/advice-and-guidance/regulation/the-regulatory-framework-for-higher-education-in-england/

xvi The Carbuncle Cup is an annual architectural prize awarded by the magazine Building Design. The "winner" is "the ugliest building in the UK completed within the previous 12 months. A shortlist is compiled from nominations voted on by the public. The winner is decided by a panel of critics.

xvii Letter from Nicola Dandridge to Hilary Benn MP, 18 October 2018

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