ACCOMMODATION COSTS SURVEY 2021

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national union of students

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CONTENTS

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Student Group

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HILLARY GYEBI-ABABIO

Vice-President for Higher Education
National Union of Students

MARTIN BLAKEY

Chief Executive
Unipol Student Homes

NUS FOREWORD

It has been 54 years since the launch of the very first Accommodation Costs Survey. In that time, the higher education and purpose-built student accommodation sectors have changed out of all recognition. Today, the shape of the student experience continues to be transformed against a backdrop of social, economic and political upheaval.

For students as for others, the past two years have been defined by the experience of the pandemic. Lockdowns forced them to spend endless hours confined to their bedrooms. As their studies and domestic and social lives were heavily disrupted by the pandemic, students found that they were often still locked into their residential contract, even though in many cases they had no substantive reason for staying in their host city. Many students felt that they were paying out large sums of money in rent for accommodation they had no use for. Added to this, many lost jobs or job opportunities to supplement their income, as the economy was put on hold.

From its own research, the NUS knows that:

- more than two in three students were concerned about being able to manage financially
- nearly a quarter said they had been unable to pay their rent at some point in the past year
- roughly half reported that their mental health had deteriorated during the pandemic.

The timing of the current survey is felicitous, as university life returns to something like normal, at least for now. The student advisory group that helped shape the survey has been acutely aware that it had a unique opportunity to shed some light on the pandemic experience of students who had signed up for purpose-built accommodation. In preparing the fieldwork for the survey, the group made sure that:

- it was relevant
- paid due attention to the period of upheaval
- sought honest answers from accommodation providers about how, in response to lockdown, they had treated tenants and what concessions they had made.

The advisory group also seized the opportunity to explore what the pandemic can teach us about support services; flexibility on tenancies; and how universities and private providers of accommodation can work better together to give students the holistic support they need.

The survey results indicate just how interlinked the whole student experience is, and underlines the urgency of tackling the big issues:

- persistent inflation-busting rent increases
- the increasing scarcity of genuinely affordable accommodation
- narrowing choice in student housing, as many private providers continue to focus on developing more and more premium-rate studios.

The average rent nationally eats up nearly three quarters of the maximum maintenance loan, and 89 per cent in London. We need to heed the warnings implicit in these eye-watering figures. The disconnect between student income and rent levels poses an extreme and immediate threat to access and participation in post-16 education. There is an urgent need to reintroduce maintenance grant funding.

We are grateful to all those in the sector whose participation enables us to track year-on-year key developments in student housing and the deal that students are getting. While there is clearly much more to do to ensure that that deal is fair, the recommendations outlined in this report highlight that there is plenty to take forward.

EXECUTIVE SUMMARY

INTRODUCTION

This four-nations UK survey of what is known as 'purpose-built student accommodation' (PBSA for short) follows on from the last survey produced in 2018.[1] It benefits from having the biggest dataset yet, as the number and breadth of respondents have grown.

It is, in particular, pleasing to see more private providers taking part, and this increased openness could foreshadow a better coming together of public and private, and a deeper understanding that all providers of PBSA are part of the greater higher education enterprise: it is the job of all providers to support their customers as students, and not just as tenants.

Among universities, the participation level for this survey is about the same as in 2018. However, disappointingly, there have been some notable absentees. Both the University of Manchester and Manchester Metropolitan University decided not to take part this time. This may reflect caution on their part in the wake of bruising press coverage on their students' negative reaction to ill-thought-out accommodation responses to the coronavirus pandemic in both 2019 and 2020.

In the 2018 report, it was reported that:

> *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.*[2]

The 2021 survey shows that, broadly, this challenge has not been taken up. The private sector is now the main provider of PBSA, adding around 30,000 tenants a year to their stock, while educational institutions remain static at best.

There is evidence in this report that formal links between educational institutions and other providers – in the form of partnership operations to provide bed spaces – are falling in number, as many institutions look to de-couple themselves from the risk of having empty beds. This risk materialised during the pandemic, which has created longer-term uncertainty in the higher education and PBSA sectors and a heightened sensitivity to similar risks in future amid fluctuating intakes.

The passing of risk to the private sector is resulting in more direct letting to students – or short-term year-by-year allocation or referral arrangements. This trend is, in turn, leading to the development of more student accommodation that appeals to specific niche markets. While previously it was often primed by long-term partnerships with universities, innovation for the benefit of the overall student body is now in decline.

This report identifies these changes. Although it gives interpretations of what is happening in the sector, the report authors have endeavoured to set out the facts straightforwardly, so that the reader can interpret them themselves and reach different conclusions, if they wish.

Unsurprisingly, this report shows that, irrespective of who is setting them, rents continue to rise and to add to the already high cost of higher education study.

Listed in bald terms, much of the news for the student renter is not good:

- rent rises continue to outstrip inflation by a big margin
- the ownership and development of the sector gives universities less influence over rent levels and makes them less engaged generally. Some institutions have no accommodation of their own at all
- private providers are setting higher annual rents than universities, and continue to focus on en-suites as the new normal and on studios as a premium offering
- the manoeuvrability of universities in setting their own rents is often highly restricted by rent escalators already built into their long-term loan financing deals
- the main tool that private operators use to set rents is the benchmark of what their competitors are charging. This practice has the effect of loosening rent levels from the reality of inflation indices and student budgets
- there is a major shortfall in the amount of affordable accommodation in many localities
- lower-cost accommodation is disappearing fast, as old university stock falls out of commission and is not replaced
- rent levels and the actual cost of living generally are becoming ever-more detached from the financial support available to students through the state

maintenance loan system

- on its current trajectory, rent rises are on a collision course with the high numbers of less well-off people forecast to enter higher education over the next decade and a half
- the current level of bursaries and similar types of financial support provided by universities and by some private operators, although welcome, is too low to be effective in helping make PBSA affordable for many students in need
- there is not enough accommodation (and associated services) to meet the needs of disabled students.

The survey questionnaire was adjusted to capture data that might shed light on the extent and adequacy of providers' responses to the pandemic.

Analysis shows that most of the sector rose to the challenge most of the time, although direct student views are not represented in this survey. In particular, constructive responses included rent rebates, contract flexibility and the provision of additional services, but these were variable in their breadth and reach.

The sudden fall in the availability of part-time work immediately after lockdown in March 2020 revealed the extent to which students relied on wages to top up help from parents and whatever they received as part of their maintenance loan to meet their day-to-day living costs.

The experience of the pandemic has accelerated a trend evident in 2018: that all providers have a much bigger role to play in supporting the health and wellbeing of students. One of the more optimistic conclusions of this report is that, if commercial agreements between educational institutions and accommodation providers are declining, with greater will, this might make it easier to develop productive and more structured arrangements between the parties focusing on mental health and wellbeing.

PARTICIPATION AND DATA COVERAGE

Respondents to the 2021/22 survey cover 473,684 purpose-built rooms. The highest proportion to date, this is 68 per cent of the sector, up from a 60 per cent participation rate in 2018/19.[3] The balance between the volumes of accommodation submitted by university and private provider respondents has changed over time. This reflects both a fast-growing private sector and a slight contraction in institutional participants in the current survey.

The net reduction in rooms from universities has been more than offset by the significant increase in the number of beds reported by private providers. Robust as it is, the dataset does have some minor gaps: a few universities and private operators which have taken part in the past chose not to make a submission for the current cycle. This has denied the survey data points that could have added richness at a regional level.

ANNUAL RENTS

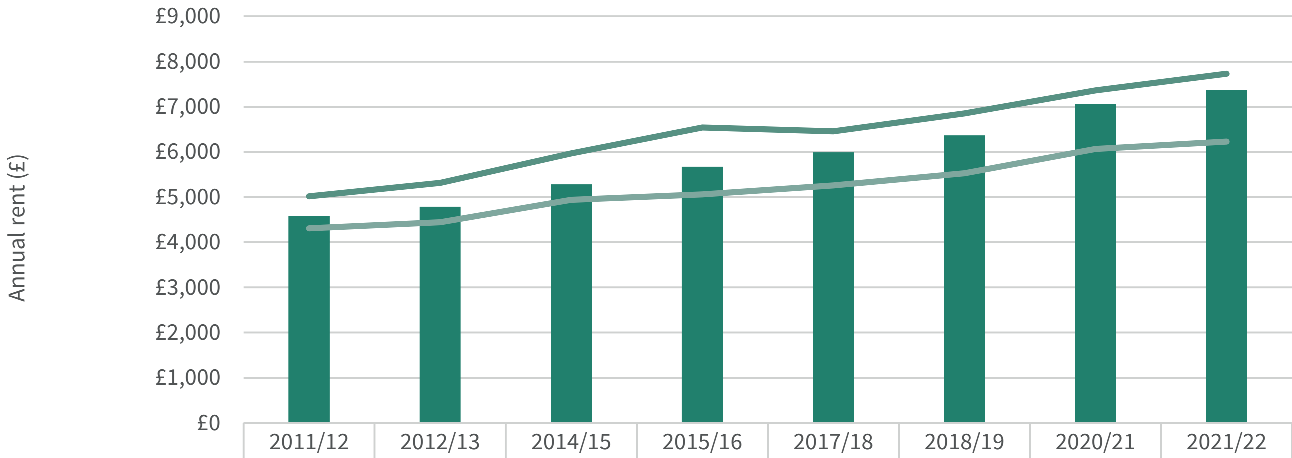
In 2021/22, average annual rent for purpose-built student accommodation in the UK is £7,374. This is an increase of £309 (+4.4 per cent) on last year. Since 2011/12, average rents have risen by 61 per cent overall. This equates to 4.9 per cent increases year on year. The UK annual average rent is 16 per cent more than in 2018/19, representing compound annual growth of five per cent a year for the three-year period between surveys.

(It should be recalled that PBSA rents are almost always inclusive of all utilities and the internet.)

Bed spaces provided by private operators are nearly a quarter (24 per cent) more expensive than institutional provision, compared to a 21 per cent difference in 2020/21. In cash terms, the mean gap between provider types is £1,505, up from £1,297 in 2018/19. The average price for a room in university-owned accommodation in 2021/22 is 44.5 per cent more than in 2011/12 (a year-on-year rate of 3.7 per cent). For privately-provided accommodation, rent has gone up by more than a half (51.4 per cent) or 4.4 per cent each year since 2011/12.

The average annual rent in London is 62 per cent higher than elsewhere. This difference is partly driven by the expense of living in the capital and partly by the shortage of affordable accommodation there.

The national average price tag for university-owned rooms is £6,227 in 2021/22, while the mean rent for the private beds incorporated into their portfolios is £7,059. The differential between private beds used by universities (£7,059) and private beds directly let (£8,002) is an important one: in shaping their



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
UK	£4,581	£4,786	£5,282	£5,670	£5,990	£6,369	£7,065	£7,374
Institution	£4,310	£4,447	£4,938	£5,063	£5,261	£5,528	£6,066	£6,227
Private provider	£5,016	£5,316	£5,967	£6,542	£6,458	£6,851	£7,363	£7,732

Weighted average annual rent for the UK: overall and by provider type

relationships with private providers, universities are selecting accommodation that fits their requirements – in broad terms, standard en-suite rooms to meet the requirements of their accommodation guarantee, normally restricted to first-year students.

WEEKLY RENTS

In the 2021/22 letting year, the overall weighted average weekly rent across all purpose-built stock types and providers is £166 a week. Student rent has, on average, gone up by nearly half (48.8 per cent) over the past 11 years. On average in 2021/22, students are paying £13 a week less for institutional accommodation than for a room in the private sector. But, of course, the weekly rate is only part of the rent calculation. What students pay each year depends also on the length of their contract.

CONTRACT LENGTHS

Contract lengths vary across stock and provider types and inside and outside London. Longer let lengths are associated with private providers. Against the drift towards longer let periods documented in recent surveys, in 2021 respondents typically reported that tenancies had shortened by one, two or three weeks, or had remained the same. This may be a short-term effect of the pandemic and the uncertainties attaching to the autumn recruitment cycle.

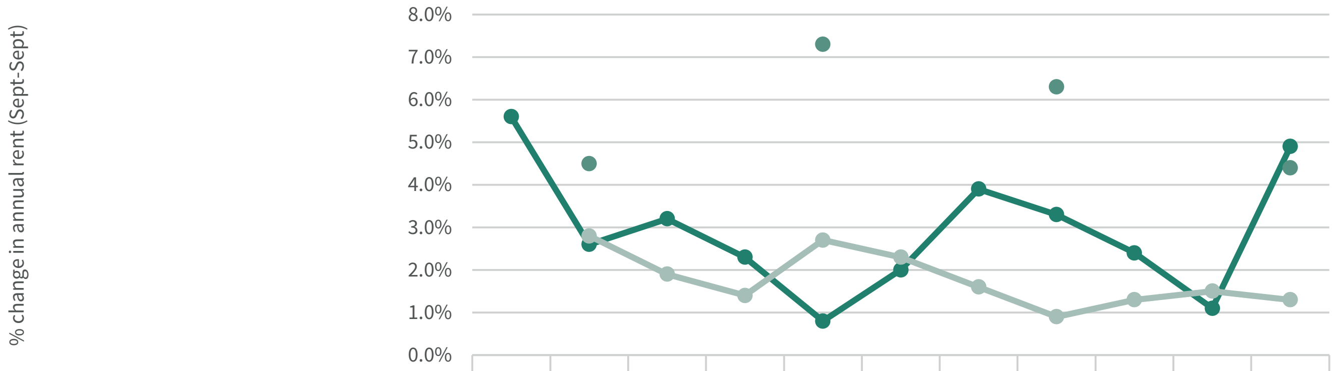
THE PANDEMIC

In 2020/21 and 2021/22, the pandemic created strong turbulence in the lettings market, occupancy levels and the provision of educational and accommodation services. Private providers were more responsive in adjusting pricing tactics to fill rooms: 29 per cent reported having significantly discounted rents and 41 per cent offered greater incentives such as cashback and vouchers. By contrast, the university sector was far less agile in dealing with altered conditions: 84 per cent said they had not made any changes to pricing tactics.

As the sector came under pressure to make rent rebates to tenants, universities were the first to give them, and refunded students more readily than private providers. Private providers were less likely to give a refund and, where they did, it affected their rent roll to a lesser extent than institutions.

Three quarters (74 per cent) of respondents in the private sector reported that they had made refunds across the board, without applying any eligibility criteria. Only 11 per cent of universities adopted this simple approach.

In 2020/21, half of university respondents said that releases from contract amounted to between one and ten per cent of their tenant base. In the private sector, the corresponding figure was similar, at 53 per cent. Over four fifths (82 per cent) of institutions granted



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
RPI (Sept to Sept)	5.6%	2.6%	3.2%	2.3%	0.8%	2.0%	3.9%	3.3%	2.4%	1.1%	4.9%
Student PBSA: change in rent on previous year		4.5%			7.3%			6.3%			4.4%
UK rented sector: change in rent on previous year		2.8%	1.9%	1.4%	2.7%	2.3%	1.6%	0.9%	1.3%	1.5%	1.3%

Overall annual rent increases vs Retail Prices Index vs private housing rental prices, 2011/12 – 2021/22

some level of contract release for reasons associated with Covid. For private providers it was 62 per cent. This response to the pandemic is a useful reminder of how the PBSA student market is very different from the normal landlord/tenant relationship to be found in other tenant groups and rented stock, where increased flexibility and refunds were comparatively rare.

Surprisingly, among institutions, a quarter of respondents (24 per cent) thought there would be less contract flexibility in future, as compared to 14 per cent who envisaged more. The bulk of respondents across the sector either felt that there would be no change or said they did not know. It is too early to tell, but the experience of 2020/21 may have set in train consumer expectations that will be reflected in the market in time.

AFFORDABILITY

Affordability is important because student accommodation affects in very real ways the educational experience, access and widening participation. But it is difficult to frame a solid working definition for the purposes of policy formulation and performance monitoring, and harder still to deliver affordable provision in volume.

Context: inflation

Rents have been outpacing inflation (Retail Prices Index) for some time. Although providers take account of a range of factors in setting rents, it is not possible to establish from the chart above any sign of direct pegging of rent increases to the rate of inflation. Although existing rooms may use inflation as a guide to rent increases, new rooms of equivalent standard are more expensive.

Context: how the Government calculates student living costs and the level of maximum grant

It is impossible to work out how the Government calculates student living costs and, from there, the level of maximum grant. Its definitive source of information on students' real finances is the Student Income and Expenditure Survey (SIES). Their understanding of the costs of education to the individual is incomplete and out of date, because it is based on an SIES carried out back in 2014. A seven-year-old survey cannot provide a reliable basis for making public policy today. For the Government to make sound funding decisions, new data is urgently needed. Work on SIES 2019 has been delayed and a better understanding of the real costs borne by students will regrettably remain out of reach for some time yet.

Rent and student loan levels

For a student in England, studying outside London and away from home, the maximum student loan in 2021/22 is £9,488, and their average annual rent is £6,707. On this basis, rent currently accounts for 72 per cent of their loan income, leaving them with £2,781. This means that for each of the 40 weeks of term-time, a student has £69.52 a week to live on – unless they have other sources of income. At the moment, the average annual rent of a room in London takes up 88 per cent of the loan amount. So, once rent is taken out, students are left with just £1,525 a year or £38 a week for term-time expenditure. The figures are more stark when compared with the average maintenance loan of £6,860 awarded in 2020/21, meaning that there is no money to live on for students in PBSA. The picture is different for students in each of the devolved administrations, because different student finance arrangements apply. This is covered in the chapter on affordability.

It is worth remembering that a significant part of the student accommodation market caters for postgraduates and international students, to whom the undergraduate home student maintenance loan does not apply.

Future demand for higher education: affordability implications

It is estimated that 358,000 extra places will be needed in England by 2035. Most of this extra demand will come from less well-off social groups, previously without aspirations of higher education. As currently configured, higher PBSA rent levels may be out of reach for this group of prospective students. Because of this, some might be deterred from entering higher education; others might choose to commute to their local place of study, although the tradition of living in the place of study remains strong.

Having an affordability strategy

Most organisations do not have an affordability strategy. Having one on the books is more common among universities. In 2021/22, there has been a ten-percentage point drop for private providers who reported they had a strategy of this kind.

Financial support made available by providers

It is clear that universities and private providers have different ideas about just how responsible they are for helping out students on a low income and likely to struggle paying their rent. Similar to the figure for 2018, 89 per cent of surveyed universities offer a hardship fund and 59 per cent a bursary. By contrast, three quarters of respondents from the private sector gave a nil return on lending financial support to tenants. The proportion of private operators offering bursaries has dropped from 17 to 10 per cent.

Special hardship arrangements were made by the Department for Education during the pandemic and help was provided via the institutions.

Maintaining a ladder of rents is increasingly difficult and the market is highly resistant to interventions to restrain rent increases resulting from pressing cost rises across the board:

- rising utility costs
- more exacting health and safety requirements following Grenfell
- higher land costs
- rising staff costs
- higher building costs
- an increasing transfer of demand risk to the private sector.

Strategically, in order to provide assistance to those who might have difficulty affording a place in student accommodation, it now appears more realistic to target the consumer rather than the property infrastructure. Operating well-publicised and well-resourced bursary schemes and other forms of targeted financial support is likely to be a more straightforward and effective way of helping to widen participation and improve retention of students. It is hoped that private providers and universities alike will embrace efforts in this direction.

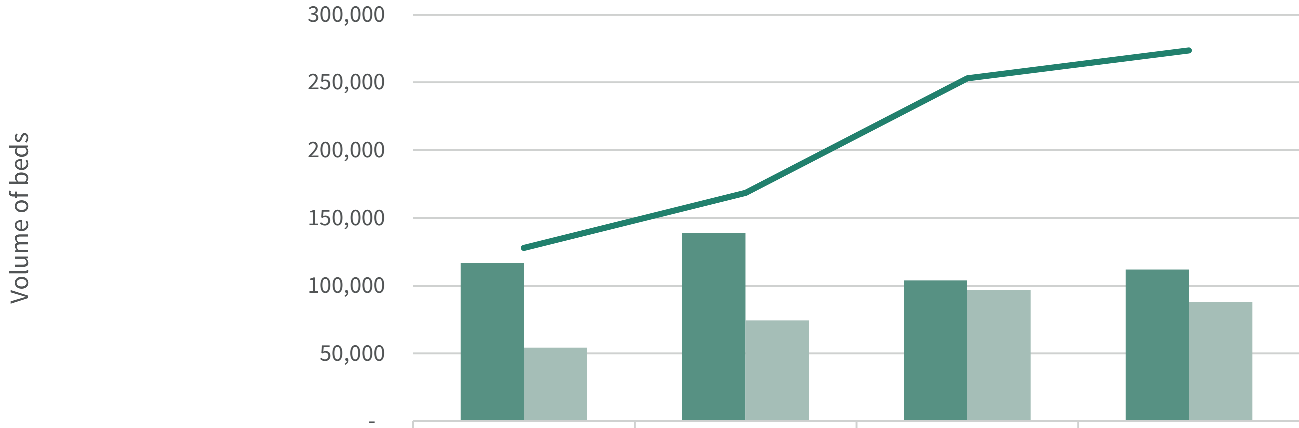
ACCOMMODATION IN THE SECTOR

The shifting balance of ownership

Within overall expansion of 29.9 per cent across the period, university provision has halved (-49.6 per cent) and privately-owned bed spaces have grown by 153.9 per cent. In 2021/22, institutions account for less than a quarter (23.6 per cent) of the sector, and private providers for more than three quarters (76.4 per cent).

Relationships between universities and private providers: how rents are affected

There has been a significant increase in the reliance of universities on private providers. This is blurring the



	2017/18	2018/19	2020/21	2021/22
University's own beds	116,922	138,958	103,833	111,967
Private beds used by universities	54,336	74,323	96,760	88,195
Private direct let	127,842	168,576	253,162	273,522

Volume of bed spaces by user type over time

lines between institutional and privately-provided beds. Universities have incorporated private sector rooms into their accommodation portfolios in a wide range of ways. Since 2018/19, there has been a dip in the number of private beds used by universities (-8.9 per cent). This seems to be the result of them not renewing nomination arrangements as they expire, a development that may have been triggered by the pandemic, coupled with fluctuating first-year intakes in a competitive market. Universities' reliance on the private sector comes at a cost, manifest in the higher average rents associated with typically newer private rooms. At the same time, these partnerships have brought higher quality and a greater level of amenity and social space.

Volume of bed spaces by room type

The volume of self-catered en-suite rooms is still growing and they now account for 59 per cent of all provision. This is a slight percentage points increase, up from 58 per cent in 2018, but in real terms represents an additional 57,504 beds. Standard self-catered accommodation volumes have held steady in 2021/22, compared to 2018/19. En-suite provision continues to be the focus for partnership arrangements.

The volume of studio accommodation reported in the survey is still rising steeply. It remains the preserve of private providers working in the direct let market. Universities tend to disregard it, because it is targeted at students outside the scope of their accommodation guarantees. Studios now represent 12 per cent of the total student stock covered in the survey. This compares to four per cent in 2012/13 and nine per cent in 2018/19. Numbers in the sector have almost quadrupled since 2012/13 (+296 per cent). In London, studios have increased by 166 per cent since 2018/19 and by 61 per cent in the rest of the UK. London also has a higher prevalence of studio flats. These amount to 19 per cent of total provision in 2021/22, compared with just 11 per cent outside the capital.

SUPPORTING STUDENTS IN THEIR ACCOMMODATION

General comment

Institutions remain well ahead in supporting specific needs and preferences of student residents. However, while 13 per cent of private providers report that they do not offer any of the specialist or alternative accommodation types set out in the questionnaire's response options, this figure is a big improvement on the 26 per cent logged for 2018. For institutions, the past three years have produced little, if any, progress in the proportions of respondents supporting specific student needs and preferences.

Supporting disabled students

As designated public authorities, universities operate under a duty to consider how their policies or decisions affect people who are protected under the Equality Act 2010. Disappointingly, since the last survey, there has been a drop of 18 percentage points in institutions offering provision that is adapted for students with an ambulatory disability; and of ten points in rooms that can be adapted. The number of private operators reporting that they have rooms adaptable for these purposes has surged by 13 percentage points over the three-year cycle. Nonetheless, private providers still trail universities.

Respondents were asked in the survey questionnaire whether a student requiring accommodation to meet their disability needs could get a room in the provider's portfolio at rent equivalent to the lowest-priced room in the same development. Thirty per cent of institutions and 19 per cent of private providers were unable to report that a student could. Taking effect in 2022, a recent change in the Government-approved Unipol/ANUK National Code for private providers is designed to rectify this problem.

University respondents were asked whether they incorporated disability, accessibility and inclusion standards into their contracts with private providers. Again, disappointingly, a full fifth reported that they did not; five per cent indicated that they did in some instances; and a further 39 per cent said they did not know.

On-site pastoral care and residential life

When asked about where responsibility for accessibility and wellbeing issues lay, a large number of participating providers did not respond. This is likely to indicate real uncertainty about who is responsible for what. From the consumer's perspective – especially in a crisis or an emergency or where they are seeking redress – this is a major problem that needs resolving. Survey findings strongly suggest that relationships between partners would benefit from more formal codification, in which both roles in specific areas of activity and communication channels are properly defined.

In 2021, 42 per cent of university respondents reported that all staff who interacted with tenants had received Mental Health First Aid training. At 24 per cent, the private sector is well behind, although the gap has narrowed since 2018. This progress reflects a new requirement for training in this area under the Unipol/ANUK National Code. The change to the Code came into effect in 2020 and will take two years to be fully implemented. More improvement is important, given declining mental health in the student population, further affected by the pandemic.

In 2021/22, the survey has explored how universities and private providers responded to on-site challenges posed by Covid-19. The results show that most were good at providing food deliveries, more cleaning, and improved signposting to existing services. However, in other areas – online social activities, quarantine accommodation and security – respondents in the private sector were significantly less likely to have enhanced their existing services. It is particularly disappointing that fewer than a quarter of private sector respondents (24 per cent) took steps to provide additional support for tenants with disabilities, as compared to 54 per cent for institutions.

Overall, the private sector is also behind in providing tenant support, community-building activities, referrals to university student services and record-keeping for student casework, but the level of activity in private providers is increasing. It is particularly important that private providers continue to raise their efforts in putting together residential life programmes that enhance residents' social opportunities and reduce instances of students becoming isolated and lonely. Universities have a role to play in helping private providers improve performance on pastoral care and community-building. This, in turn, needs to be facilitated by more active relationships between partners, supported by appropriate data sharing arrangements.

OUTLOOK

Biggest challenges and factors shaping rental strategies

Affordability is the biggest challenge providers face, according to more than half of university respondents. Although important for the private sector, oversupply was reported as their most pressing concern. For both institutions and private providers, the top two factors shaping rental strategy within their planning horizons are value for money and price diversity. But the focus on value for money is more widespread among universities. In the private sector, keeping pace with market rents plays an important part in rental strategy, more so than for institutions. Most universities agree that they have a role in offering accommodation to students, and in ensuring a range of rents and affordability. However, in many cases, with dwindling direct supply, it is hard to know whether this aspiration has any practical outcome.

On affordability, there is currently clear delineation in the missions of the organisational types. Institutions have pledged through their accommodation guarantees and overall role in the market to provide accommodation to students, irrespective of their backgrounds and incomes. By contrast, it is a choice for students to take up a room in private accommodation, which serves a wider range of students, including more returning undergraduates and international students.

What providers are thinking and doing about the challenge of affordability

Debate continues around what affordability means, on what basis policy should be formulated and how performance in providing adequate volume of affordable accommodation should be measured.

While private providers are less concerned in general about offering more affordable accommodation, they are innovating more in this area – specifically some of the larger providers. This may be linked to the objective to continue to serve the mid-market, to think about the next generation of students who are most likely to be from different international and non-traditional backgrounds. It seems that however difficult affordability is to achieve, large private providers continue to look at ways to overcome the obstacles, and this willingness is important in giving choice to students across the board.

In the fallout from the pandemic, loss of revenue and higher inflation will, at least in the short term, hamper the efforts of providers to make progress on affordability. The survey results suggest there is more pressure on institutions than private providers to make up shortfalls in revenue incurred as a result of Covid-19 disruption. This may be because institutions gave back more money to tenants, or perhaps more private providers find themselves in a position to write off their losses within a given financial year and move on.

Providers' views on the future

Views of providers about the future coalesce around these likely developments:

- market forces will make strong rent rises inevitable, driven by rising development costs and intensifying competition to provide ever higher quality accommodation, facilities and support services
- the private share of the PBSA sector will carry on growing, as the volume of private bed spaces continues to rise, underpinned by the weight of investment capital pushing to enter the market
- the affordability issue will be brought into even sharper focus as participation in higher education opens up to large numbers of both UK students from lower-income households and a growing segment of international students on a tighter budget
- providers will engage with the development of innovative solutions to deliver more affordable accommodation, something which larger private developers are already grappling with
- a new 'middle market' is emerging as more returning students opt for PBSA in preference to off-street housing. The sector will continue to adapt to give returners a residential experience distinct from the traditional offer for Year 1 undergraduates
- universities' influence over the private sector has reduced over time and will continue to diminish.

If institutions want to continue to promote affordability in their accommodation mix, they need to extend their influence rather than reduce it. They should increase their targeted intervention at those who need it most through bursary and policy, rather than by retaining older accommodation which may be affordable but may not be satisfactory for the consumer. More thoroughgoing bursary programmes and accommodation funds could be based on metrics that identify affordability based not just on household income but on the pressure families face when more than one child is away at the same time.

In the past, a focus on affordable infrastructure has been viewed as more favourable than subsidising students, as it was an investment made once, rather than an annually recurrent spend. But in the absence of property solutions that provide quality and affordability – particularly in the south of England and where markets are constrained through planning and land availability – subsidy may turn out to be the simplest way to open up affordable options for students.

£7,059 Incorporated private beds

AVERAGE RENT

£7,374

in 2021/22
16% up on 2018/19

£6,593 University owned and managed

£8,002 Direct let

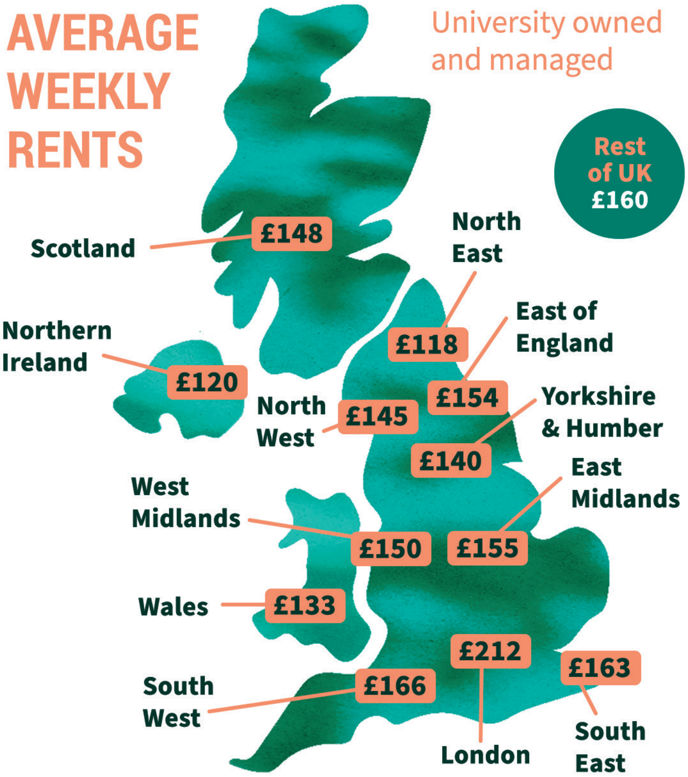
All figures are for annual average rents

AVERAGE STUDIO RENT

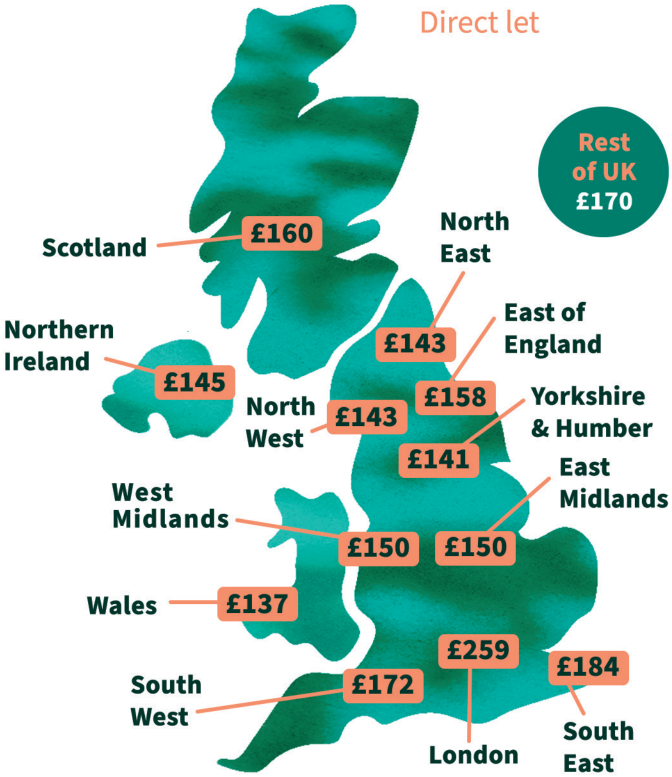
AVERAGE EN-SUITE RENT

AVERAGE WEEKLY RENTS

University owned and managed

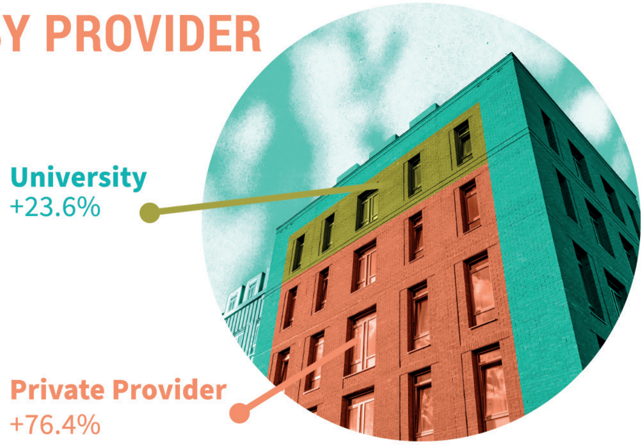


Direct let



RENT INCREASE SINCE 2011/12

TOTAL ROOMS BY PROVIDER



RECOMMENDATIONS

There are three groups of recommendations arising from this report.

INCREASING SECTOR UNITY

The roles of universities and private providers are converging. As risk is being transferred from educational institutions to the private sector and the growth in supply is coming primarily from the private sector, it should become more and more clear that both parties are increasingly dependent on each other. Universities rely on the private sector for capacity at a price point, while the private sector relies on the success of universities as a source of student tenants.

As the balance of the ownership and operation of the UK's PBSA swings more towards it, the private sector will need to take on a greater role in areas more traditionally associated with university support:

- greater social provision
- better mental health awareness
- the avoidance of student isolation
- better services for those with disabilities.

While there are excellent examples of working together around the country (for instance, in Bournemouth and Liverpool), relationships between many institutions and the private sector remain patchy. Internal research undertaken under the National Code in December 2020 showed that the pandemic had little effect on the nature of relationships between the private sector and educational institutions: where they had previously been good, they remained good; and where they had been poor, that situation persisted. Private providers housing 150,000 students said they had no relationship at all.

Universities need to reach out more to their private providers, beyond working relationships where specific supply agreements are in place. They should acknowledge that the private sector is housing their students and that there is a duty of care for student welfare, irrespective of any contractual relationship. In turn, in taking on more obligations previously associated with educational institutions, private providers need to have clear boundaries established, so that they do not move outside their areas of expertise as accommodation suppliers into more complex areas of mental health and student support, best provided by universities.

If they are housing fewer students directly, institutions should employ specialist staff who can make meaningful links between providers to:

- give information and guidance on student experience and welfare
- set out a charter and provide clarity on who is going to do what in relation to students with mental or physical health requirements
- set a framework for ResLife and co-operation in this area.

ADDRESSING AFFORDABILITY

Affordability and access are fundamental in maintaining a higher education system that encourages participation from across the full spectrum of backgrounds. While some students will be content to study from home, it would be a seriously retrograde outcome if poorer students were unable to move away from home to study in the way that other students are able to, in keeping with long-established tradition in the UK.

In 2018, the survey set out the hope that more could be done to curb the rate of growth in rents by developing a wider range of lower-cost accommodation. Now, a range of different interventions needs to be put in place in the context of:

- the rising costs of provision, utilities, sustainability, welfare support and the kind of accommodation coming into commission
- the loss of universities' older beds from portfolios because of quality issues
- their replacement with better accommodation that comes at a higher price.

It now appears to be easier and more effective to target the student with financial support rather than the property infrastructure at a lower rent. All providers should consider offering bursaries for students from means-tested backgrounds, as well as finding metrics to deal with students from 'squeezed middle' households, where multiple children are at university at the same time.

Encouraging bursaries should be used not just to make the cheapest accommodation cheaper, but as a way of enabling access to any accommodation on offer. This would increase diversity across the spectrum of choices and help prevent ghettoisation, where all poorer students end up living in a single, older, poorer quality building.

Institutions and accommodation providers should create better metrics and performance indicators to define affordability. These tools should be concerned with more than just first-year undergraduates receiving the full maintenance loan. An excessive focus on this group of students misrepresents the picture, because most students do not receive the full loan, and what is affordable for postgraduates and international students is likely to mean something different.

The ‘rent ladder’ needs to be maintained: the most important thing all providers can do when they think about affordability is to provide value for money across a range of price points. Maintaining and extending the choice of price points continues to be the most effective means of ensuring that the diverse needs of students are met.

An increasing percentage of students are living in PBSA instead of off-street converted housing. Local authorities see this as a good thing because it reduces pressure on their housing stock and helps to tackle poorer quality housing standards. This off-street housing stock also has to serve rising demand from professional share renting as well as the growing number of smaller households. Generally, off-street rents in a shared student house are some 40 per cent cheaper than a PBSA let. As more students look to PBSA to house them throughout their entire study cycle, higher rents in PBSA will reinforce the challenge of affordability. Student rents will get more expensive because more students will be living in more expensive buildings, and access to lower-cost accommodation will be increasingly restricted.

Students must be equipped financially for their studies by the provision of better information, earlier in their preparation for higher education. Work for Unipol in 2021 demonstrated a huge deficit in the understanding of student finances both by Government and by parents and students themselves as they prepare to enter the university system. The financial burden on families to help meet student living costs is not well publicised; nor is the disparity between students’ expected income, actual income and real cost.

More information must be made available on students’ accommodation choices. This should be free of marketing and promotional bias and should be up to date: many advice sites for students fail to reflect the move away from traditional catered halls, and the frequent use of the word ‘digs’ highlights how out-of-touch this advice can be. Students need to be given more information to help them with their future accommodation choices earlier in their consideration of going to university. The most expensive room does not necessarily give students the best experience. Many students choose accommodation on the basis that it is what ‘everyone else does’, rather than having the confidence to tailor their choice to their own needs and wants. Students must be helped to make informed choices and be shown the breadth of accommodation options in web-based advice and at open days.

POLICY CHANGES

PBSA is special in public policy terms and needs to be acknowledged as special. This is not a typical landlord/tenant relationship and should not be treated as such. Student housing providers are enablers of the student experience, tied to the education institutions they supply.

There are important differences between students and other tenants. Students are less concerned about security of tenure and often choose to move year on year to maintain some sense of progression across housing types. Sharing a flat or house with other students is a preferred mode of housing for many, not just a cost option. Making friends, having communal experiences and sharing ideas and lifestyles are all part of the educational experience. During the pandemic, and almost certainly post-Covid, the shift to students studying more online means that where they live is not just a place of residence but a place of work. Student accommodation must provide for good working and learning conditions, not just a roof over a student’s head.

In considering complaints or problems experienced in student housing, providers must recognise the extent of educational disruption as of vital importance. In making awards, existing complaints and redress systems (with the exception of the Office of the Independent Adjudicator) fail to reflect the importance of educational disruption or of transition from home to university. A specific student redress system for the private sector should be established that pays due regard to these factors.

There has recently been some progress in this area:

under the National Code, the private sector has agreed to give significant levels of compensation when a student suffers as a result of construction delays.[4] Compared to property-based awards, these are significant sums of money, but they are pitched to reflect the extent of educational disruption caused. Communication about likely problems has also improved. Ironically, in 2021 the major area of educational disruption has been caused by universities themselves: over-offering the promise of accommodation to their new students and having to house them (in some cases) many miles away.

Recent changes in Whitehall include a newly revamped Department for Levelling Up, Housing and Communities (DLUHC) and, in the Department for Education, the appointment of a Minister of State for Higher Education who has experience of the important role student accommodation played when campuses had to close. Together, these events mean that the time is right for greater inter-departmental co-operation around the centre-point that student accommodation is a vital part of the educational venture.

CHAPTER 1

RENT: WHAT STUDENTS ARE PAYING

ANNUAL RENTS

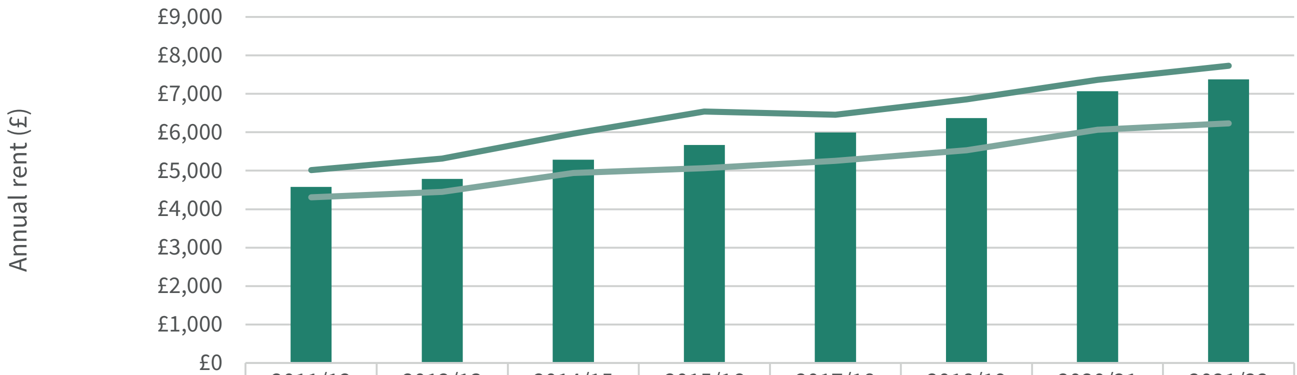
Headline findings

In 2021/22, average annual rent for purpose-built student accommodation in the UK is £7,374. This is an increase of £309 (+4.4 per cent) on last year.[5] Bed spaces provided by private operators are 24.2 per cent more expensive than institutional provision, compared to a 21.4 per cent difference in 2020/21. In cash terms, the mean gap between provider types currently stands at £1,505, up from £1,297 in 2018/19.

Over the timeline plotted in Figure 1, average rents have risen by 61 per cent overall, equating to 4.9 per cent compound annual growth. The average price for a room in university-owned accommodation in 2021/22 is 44.5 per cent more than in 2011/12 (a year-on-year rate of 3.7 per cent). For privately-provided accommodation, rent has gone up by more than a half (51.4 per cent) or 4.4 per cent per year.

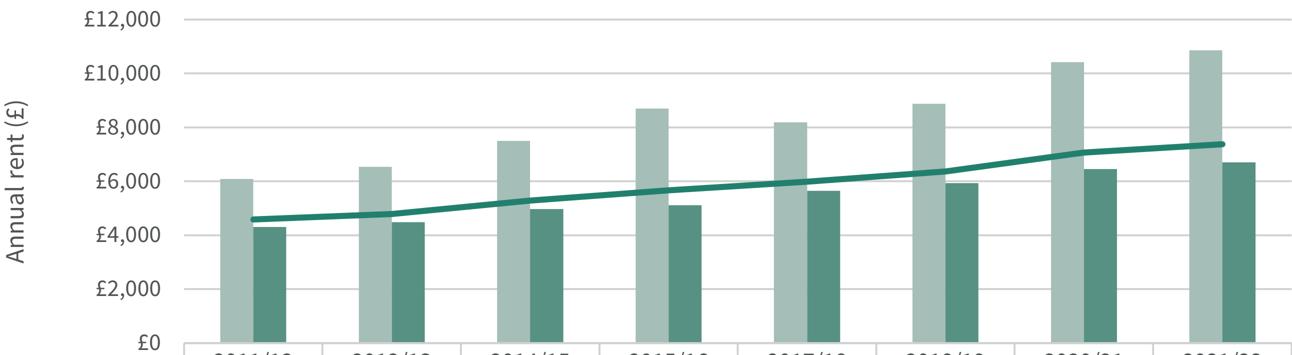
These top-level findings tell a real story about rents in the sector – they are based on data which accounts for 473,684 rooms of which 470,838 are in the UK. Out of a 679,000-bed space count for the whole UK purpose-built sector, the survey achieves coverage of 68 per cent.[6]

Figure 2 highlights the gap between rents in London and prices in the rest of the UK, and shows that the



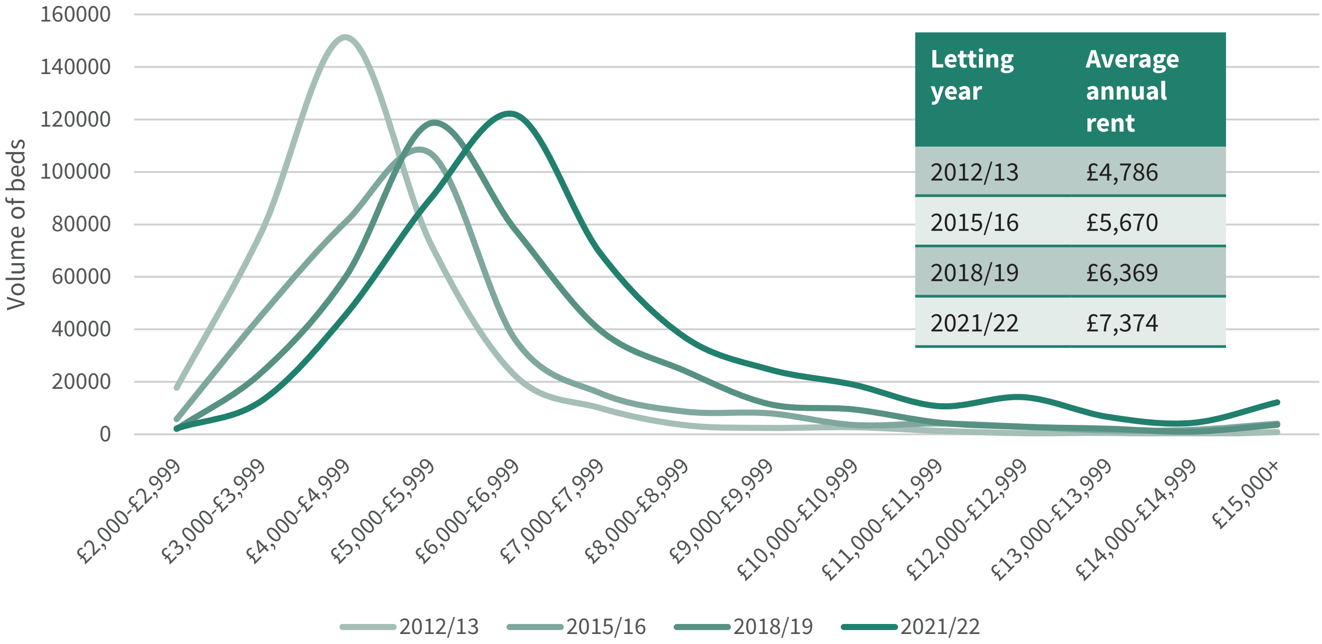
	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
UK	£4,581	£4,786	£5,282	£5,670	£5,990	£6,369	£7,065	£7,374
Institution	£4,310	£4,447	£4,938	£5,063	£5,261	£5,528	£6,066	£6,227
Private provider	£5,016	£5,316	£5,967	£6,542	£6,458	£6,851	£7,363	£7,732

Figure 1: Weighted average annual rent for the UK: overall and by provider type



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
London	£6,083	£6,533	£7,494	£8,701	£8,188	£8,875	£10,417	£10,857
Rest of UK	£4,300	£4,485	£4,967	£5,109	£5,642	£5,928	£6,455	£6,707
UK	£4,581	£4,786	£5,282	£5,670	£5,990	£6,369	£7,065	£7,374

Figure 2: Weighted average annual rent: London vs the rest of the UK



Letting year	Average annual rent
2012/13	£4,786
2015/16	£5,670
2018/19	£6,369
2021/22	£7,374

Figure 3: Annual rent profile, all UK beds over time

average annual rent in the capital is 62 per cent higher than elsewhere. (It is worth noting here that the London maintenance allowance is only 30.5 per cent higher than for the regions.) These differences are partly driven by the expense of living in London and the shortage of affordable accommodation. London also has a higher prevalence of studio flats. These amount to 19 per cent of total provision in 2021/22, compared with just 11 per cent outside the capital.

The UK annual average rent is 15.8 per cent more than in 2018/19, representing compound annual growth of five per cent per annum for the three-year period between surveys.

Figure 3 shows an upward shift in prices across total UK purpose-built stock since 2012. The softening and broadening of the main curve feature over time reflects less intensive concentration around particular price points and wider dispersal of total bed spaces, particularly towards the more expensive side of the rent spectrum, beyond the main area of cluster.

The increasing reliance of universities on private providers is blurring the lines between institutional and privately-provided beds. Universities have incorporated private sector rooms into their accommodation portfolios in a wide range of ways. (This is explored in further detail in Chapter 4.) Accordingly, in this report, there is an analytical focus on university-owned and -managed beds, offered typically through a guarantee of accommodation for Year 1 undergraduates.

The national average price tag for university-owned rooms is £6,227 in 2021/22, while the mean rent for the private beds incorporated into institutional portfolios is £7,059. The differential between private beds used by universities and private beds directly let is an important one: in shaping their relationships with private providers, universities are selecting accommodation that fits their requirements. They are choosing predominantly standard en-suite accommodation to meet the requirements of their accommodation guarantee, and avoiding studio or premium rooms. In focussing on en-suite provision they are responding to what entrants say they want.

In 2021/22, the average annual rent for direct lets is £8,002, almost £1,000 a year more expensive than the private beds used by universities. Direct lets are typically newer than most university accommodation and this is part of the driver for the higher price. These beds also include studios and longer-let accommodation associated with higher-end stock types, which are typically not aimed at first-year undergraduates, but meet a need across a more diverse range of students.

In London, the gap between the institutional offer (of owned and managed rooms) has grown substantially faster than in the rest of the UK, as shown in Figure 5. There has been a narrowing of the differential between the prices of university-owned/managed rooms and direct lets in the capital.

Outside London, rents for university-owned and -managed rooms have increased the least quickly. There has been significant divergence in price between the university offer and direct let accommodation, for which the price has risen much faster.

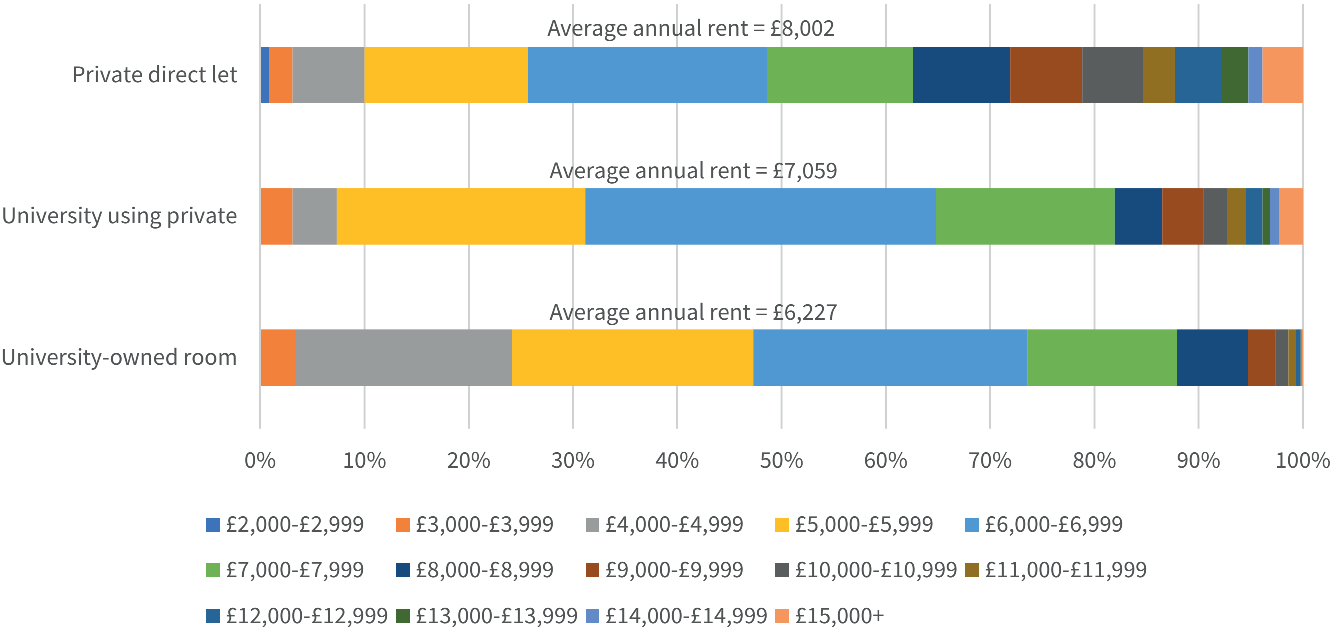
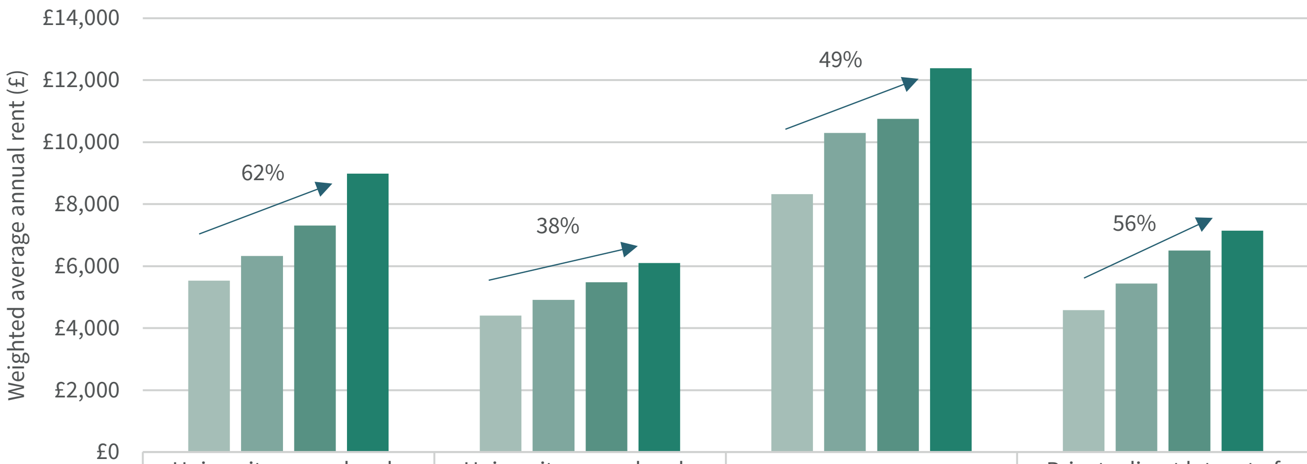


Figure 4: Rent range by usage 2021/22



	University-owned and -managed London	University-owned and -managed rest of UK	Private direct let London	Private direct let rest of UK
2012/13	£5,537	£4,409	£8,321	£4,580
2015/16	£6,331	£4,910	£10,300	£5,443
2018/19	£7,313	£5,481	£10,748	£6,500
2021/22	£8,984	£6,105	£12,382	£7,144

% change since 2012/13

Figure 5: Weighted average annual rents by user type: London vs rest of the UK: percentage change since 2012/13

The main room types[7]

Figure 6 charts percentage change in annual rents for studios and en-suite rooms in London and in the rest of the UK for each year since 2011/12. The average increases for 2021/22 broadly follow the same trajectory plotted since 2017/18, when there was a step change in London studio prices.

The average en-suite room costs £6,698 per year; £9,878 in London and £6,451 in the rest of the UK. Average growth since 2018 has been 9.8 per cent or 3.2 per cent compounded per year.

Overall, the average annual rent for a self-catered en-suite room in 2015 overall was £5,036. Since 2015/16, the total increase in rent for en-suite rooms (279,765 in 2021/22 from 98 providers) was 26.8 per cent or four per cent year on year to 2021/22.

In a subset of 39 self-catered en-suite providers who have taken part in the survey in each of the last three cycles (166,734 rooms), rents have increased by 23.9 per cent or 3.6 per cent expressed as compound annual growth between 2015/16 and 2021/22. The rents for these providers rose from £5,614 in 2015/16 to £6,953 in 2021/22, slower growth than the overall average but resulting in a relatively similar rent in 2021/22.

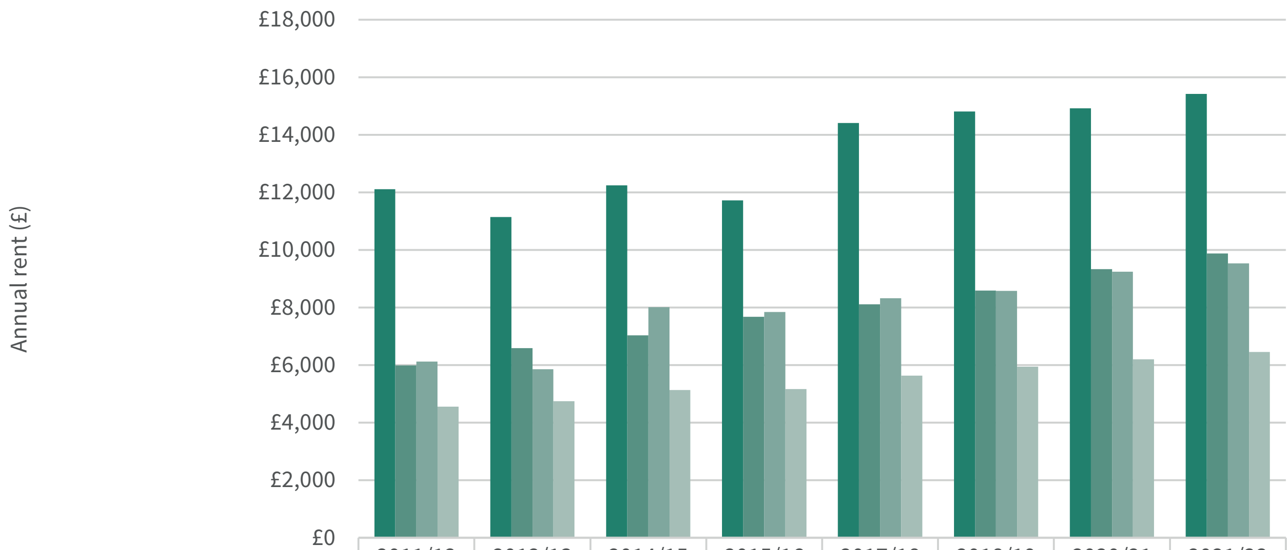
For the studios reported by operators across both of the most recent surveys, the weighted average rent is £10,725 per year in 2021/22, an increase of 12 per cent since 2018 (3.8 per cent compounded per year for three years). For the studios reported in 2021 but not 2018, the average annual rent is £11,337 per year.

Since the 2018 survey, the average price of a studio has risen to £10,943 in the UK, an increase of 15.3 per cent or 4.8 per cent year on year. In London, the average studio rent is £15,422 per year, while in the rest of the UK it is £9,534.

Overall, the average annual rent for a standard studio room in 2015 was £9,748. Since 2015/16, the total increase in rent on standard studio rooms (59,063 rooms in 2021/22 from 76 providers) was 12.3 per cent or two per cent year on year to 2021/22. In a subset of 22 studio providers who have taken part in the survey in each of these cycles, rents have increased by 23 per cent or 3.5 per cent compound annual growth between 2015/16 and 2021/22. The rents for these providers rose from £9,027 in 2015/16 to £11,102 in 2021/22, higher than the overall average.

Rent ranges

How annual rents are distributed across the price



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Studios London	£12,105	£11,137	£12,243	£11,724	£14,403	£14,806	£14,914	£15,422
En-suite self-catered London	£5,985	£6,586	£7,037	£7,677	£8,107	£8,590	£9,334	£9,878
Studios rest of UK	£6,118	£5,854	£8,011	£7,843	£8,322	£8,574	£9,240	£9,534
En-suite self-catered rest of UK	£4,560	£4,749	£5,130	£5,166	£5,637	£5,942	£6,197	£6,451

Figure 6: Average annual rents for en-suite and studio flats over time: London and the rest of the UK

spectrum is a central factor in the level of choice available to students. Offering a range of price points is a standing recommendation of the Accommodation Costs Survey. As for previous iterations, the 2021/22 survey has approached rent ranges on the basis of £1,000 cost bandings.

As well as illustrating the size of the direct let market following strong recent growth, Figure 7 describes curves that plot numbers of bed spaces according to how they are let. The curves for all usage types peak in the £6,000-£6,999 band. However, the curve for direct lets is distinguished by an interesting secondary pattern around the £13,000 rent point, which indicates increasing high-end provision.

In using private sector beds, universities are tapping into price points which are higher than their own on campus. This is unsurprising, because, as noted above, private sector beds are more likely to be newer and, as such, more appealing to students. University residential portfolios contain beds of mixed age and price points, including many older and cheaper units. Figure 7 illustrates the point: universities offer substantially more provision in the £4,000-£4,999 bracket.

Private sector beds not used by universities are more expensive, representing a mix of premium en-suite rooms and studios which command higher rents.

Again, Figure 7 shows that the pricing structure for private provision let directly is substantially focussed on accommodation costing over £8,000, in marked contrast to university beds and university-used private provision.

Figure 8 sets out 2021/22 rent ranges by UK constituent nation. In institutional accommodation, there are major differences in annual rents across the home nations. In Northern Ireland, 94 per cent of the bed spaces covered by the survey cost under £5,000 per annum in 2021/22. This is in stark contrast to 14.5 per cent in England. The corresponding figures for Scotland and Wales are 44.1 and 27.9 per cent respectively.

Whether they are in high- or low-cost rental areas, it is important that institutions maintain a range of rents to offer genuine choice for students, particularly those who can only afford less expensive accommodation. There are some interesting examples of universities that have made significant efforts to maintain choice within their rental range (Figure 9). It is easier for universities to achieve an even spread, and particularly to offer a substantial level of provision at the lower end of the spectrum, if they are based in the north of England. As part of an active and established policy, the Universities of Kent and Leeds continue to successfully maintain a ladder of rents while still meeting the needs of a growing number of students.

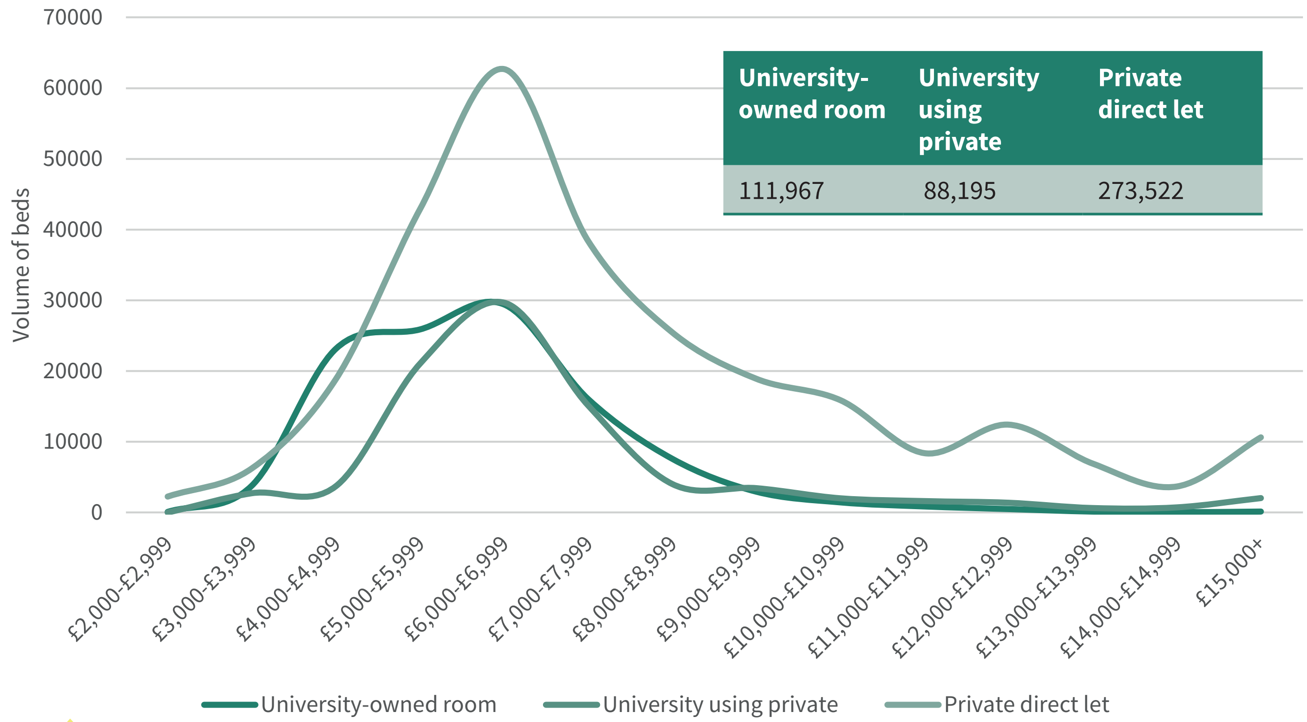
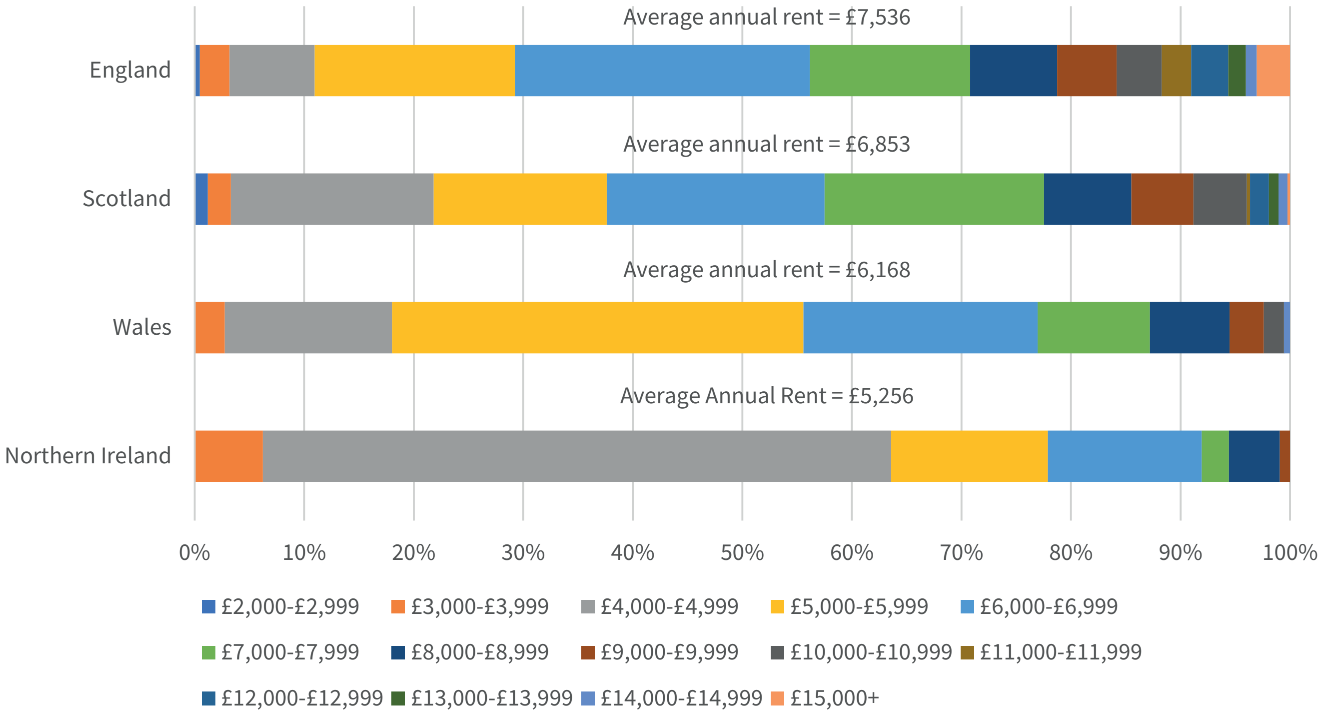


Figure 7: Volume of beds by usage and rent band 2021/22



	England	Scotland	Wales	Northern Ireland
Institution	£6,471	£5,809	£5,106	£4,565
Private provider	£7,833	£7,322	£6,694	£6,698

Figure 8: Beds by rent bands and UK constituent nation 2021/22

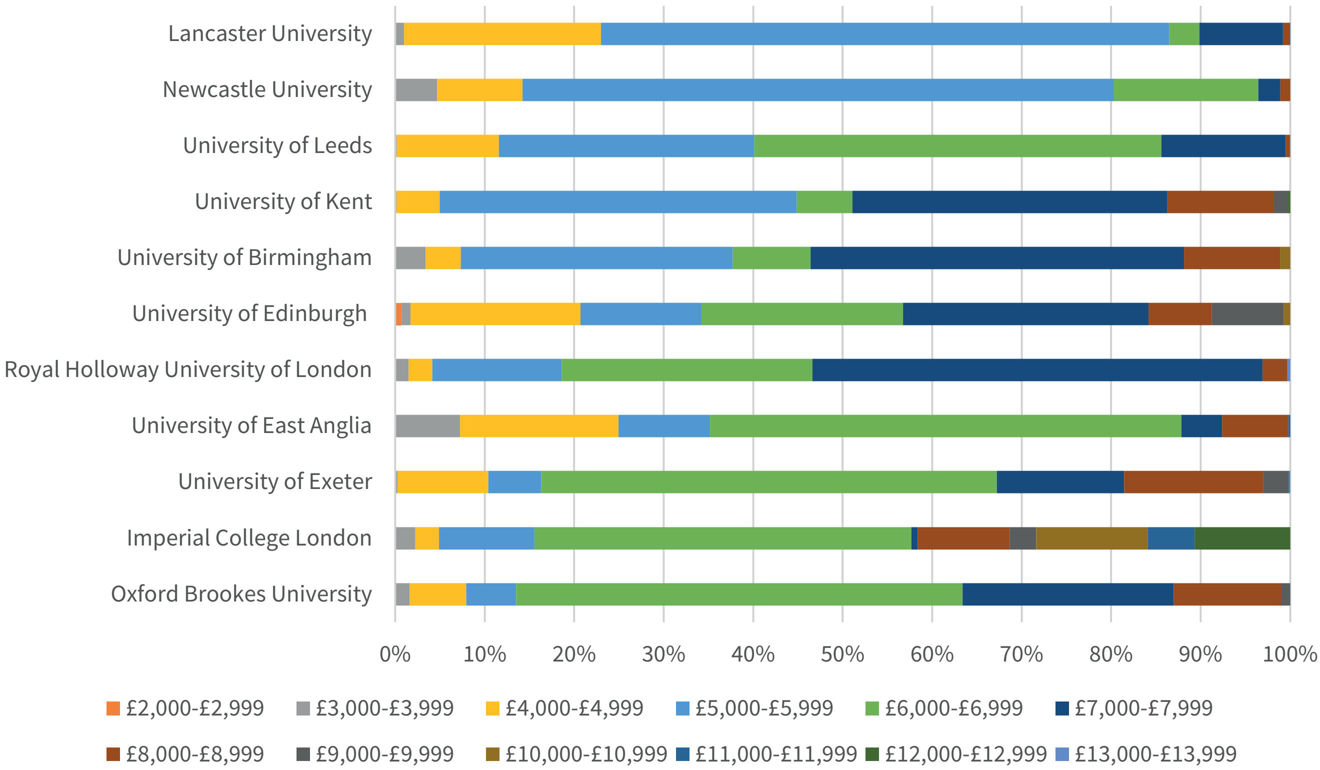


Figure 9: Institutions demonstrating a ladder of rents

PURPOSE-BUILT STUDENT ACCOMMODATION: HISTORICAL BACKGROUND

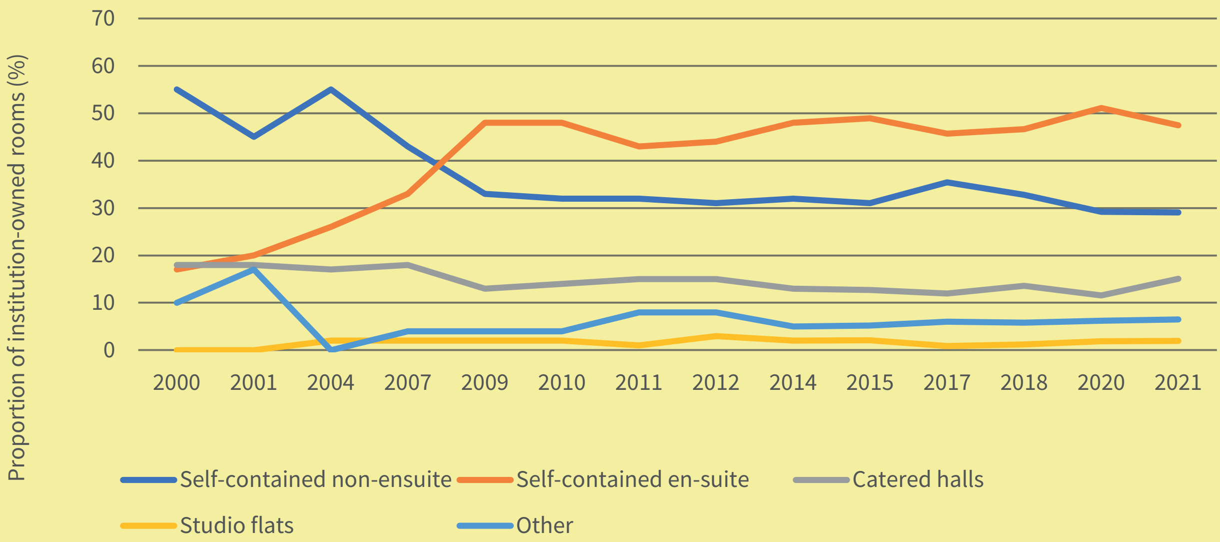
When they were established, Oxford and Cambridge Universities debated the merits of students living in or living at home. The arguments were framed in terms of social control and moral development. By the nineteenth century, in a growing sector, the balance had tipped decisively in favour of providing a live-in experience with character-enriching extra-curricular activities attached – in contrast to practice elsewhere in the world. From there, the live-in model gained further traction, as a sense of a national higher education system emerged and institutions found they needed to extend their catchments by offering residential accommodation.[8]

In the UK, the shift from an elite to a mass higher education system dates from the Education Reform Act 1988. Progressively, changes to public funding methodologies and increasing financial pressures meant that many higher education institutions had to grow in order to achieve critical mass financially to sustain their learning and teaching infrastructure. Because public funding had long since ceased to be available for student accommodation in the UK system, universities had little option initially but to fall back on housing stock in the private rented sector (often poorly converted family houses in the community) to accommodate rising student numbers. As growth increased in the 1990s, this was manifestly unsustainable. To relieve pressure on local rented housing, the higher education funding councils actively began to encourage institutions to explore public-private investment arrangements (PPIs) to supplement and upgrade their accommodation. In this way, major commercial property development and management companies moved in to fill the student housing gap.

Private providers set about reshaping the product, but also reflected student preferences for self-catered cluster flats, free of communal washing facilities and long institutional corridors. The traditional, normally catered halls and their paternalistic and disciplinarian culture were replaced by shared cluster flats, built to a higher specification and with new services wrapped in (including internet access and gym facilities). Over time, the superior offer of en-suite facilities increasingly became standard issue, as the product range homogenised. The exception to this has been studio flats, a new type of student accommodation, rapidly expanded and energetically marketed, particularly to wealthy students. Although popular, the enhanced quality of accommodation and additional services have entailed a major hike in costs, the affordability of which has remained a concern for consumers ever since.

Over time, many institutions have deepened their reliance on private providers. Increasingly, this has often meant them yielding to the design preferences of private developers. But, where universities have sought to maintain and extend their own portfolios, they have progressively moved their product design and pricing structures towards alignment with the private sector. This has contributed significantly to choice narrowing and the availability of affordable rooms shrinking, as older stock has dropped out of the system.[9]

Percentage of university-owned bed spaces by room type over 21 years



Source: the Accommodation Costs Survey

PROVIDER TYPES AND RELATIONSHIPS BETWEEN THEM

There are three types of providers of purpose-built student accommodation:

- universities (or more precisely higher education institutions)
- private suppliers, which operate on a commercial basis
- charitable organisations.

The small number of charitable organisations is included in the private providers category for the purposes of data analysis in this survey.

At the simplest level, students may rent university-owned accommodation from a university; and they may rent privately-owned accommodation from a private provider (the latter are known, and referred to here, as direct lets). However, private provision may be let indirectly, i.e., through a university which has some sort of formal relationship with a private provider. These relationships take three broad forms:

- lease agreements, where the university is responsible for letting the accommodation, and the private partner is responsible for building and facilities management
- nomination agreements, where the university is responsible for guaranteeing occupation of the accommodation
- referral agreements, where the institution has no formal responsibility to occupy the private provider's accommodation, but markets the accommodation and passes the potential booking to the provider in return or a referral fee.[10]

WEEKLY RENTS

Headline findings

In the 2021/22 letting year, the overall weighted average rent across all purpose-built stock types and providers is £166 a week. Student rent has, on average, gone up by nearly half (48.8 per cent) over the past 11 years.

On average in 2021/22, students are paying £13 a week less for institutional accommodation than for a room in the private sector. The overall differential has been stretched by:

- high numbers of premium-rent studio units in the private sector
- university portfolios containing some older stock, often free of loan financing.

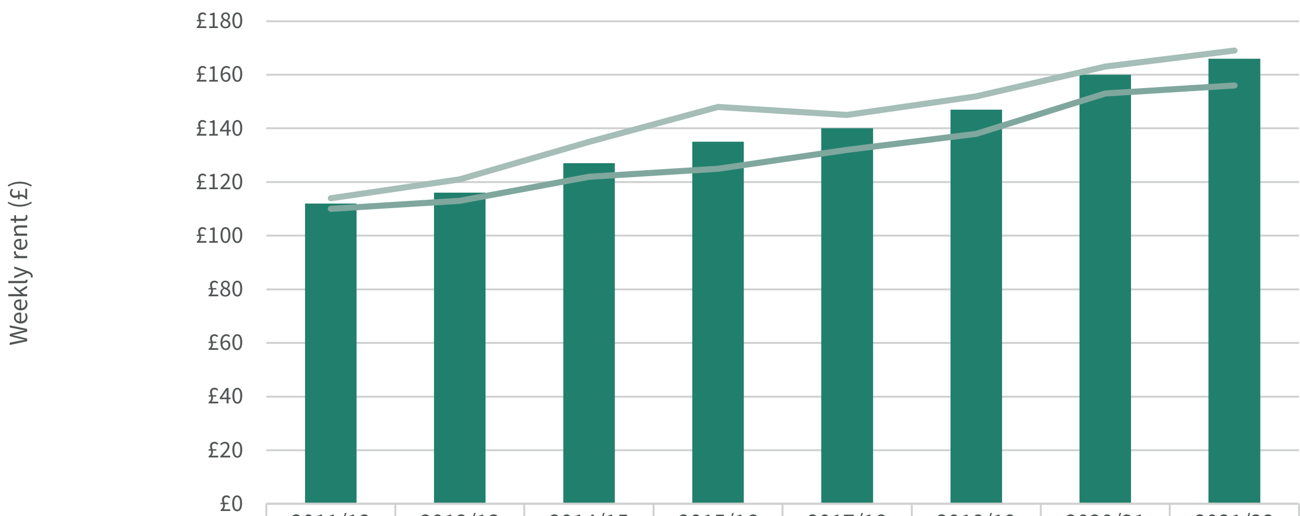
Because many universities are increasingly reliant on private operators to provide purpose-built housing (particularly for the undergraduate Year 1 cohort), the option of cheaper accommodation in these educational settings is being squeezed for first-years. In some host towns, this pressure will be felt by returning students too, as the availability of cheaper off-street private rented stock shrinks as a consequence of:

- the growth of PBSA
- taxes on secondary homes
- licensing
- local authorities making Article 4 Directions to control and limit conversions of houses in multiple occupation (HMOs) in student areas. These have effectively put a cost on growth since their introduction in 2010.

Average rental growth for the private sector is 8.3 per cent higher than the institutional mean. Within the timeline, this figure contrasts with a high point of 18.4 per cent in 2015/16 and the lowest level, found for 2011/12 (3.6 per cent).

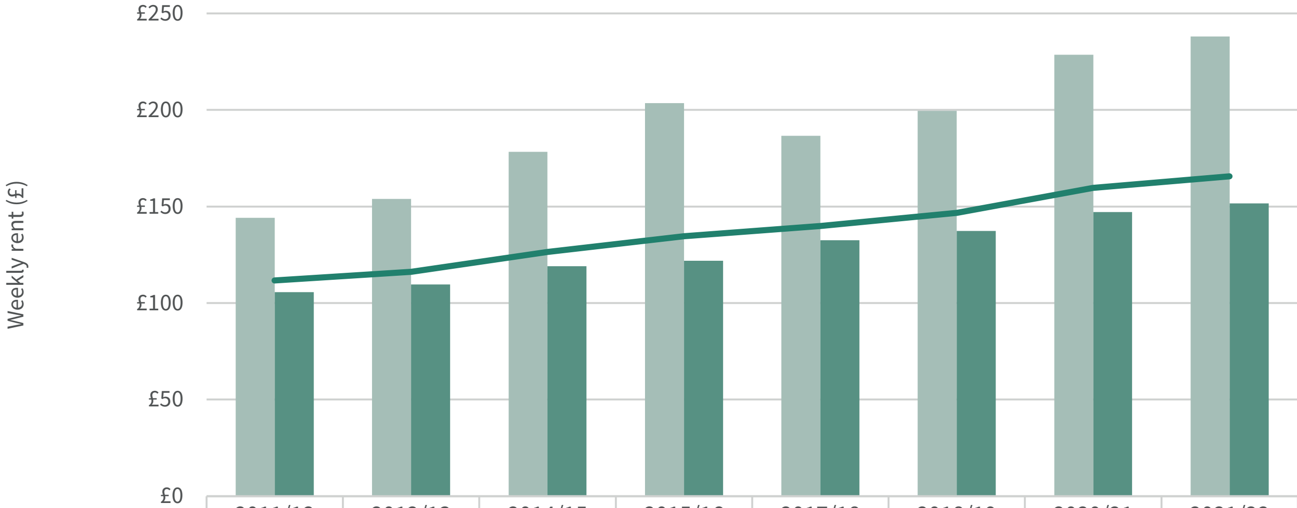
In 2021/22, the average weekly rent in London is £238 across all stock types and providers (Figure 11). This represents compound annual growth of 6.1 per cent since 2018/19. Across the period plotted here, the average London rent has risen overall by 65.3 per cent, fuelled by continuing expansion in studio provision. Meanwhile, the average for the rest of the UK is £152 – an average annual increase of 3.4 per cent since 2018/19, significantly lower than in the London market.

Proportionally, the rental gap has fluctuated moderately across the 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 2021/22 is 64 per cent.



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
UK	£112	£116	£127	£135	£140	£147	£160	£166
Institution	£110	£113	£122	£125	£132	£138	£153	£156
Private provider	£114	£121	£135	£148	£145	£152	£163	£169

Figure 10: Weighted average weekly rents: overall and by provider type, 2011/12-2021/22



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
London	£144	£154	£178	£204	£187	£200	£229	£238
Rest of UK	£106	£110	£119	£122	£132	£137	£147	£152
UK	£112	£116	£127	£135	£140	£147	£160	£166

Figure 11: Weighted average weekly rents: London and the rest of the UK, 2011/12-2021/22

The lowest and highest rents in the survey

The lowest rent in the 2021/22 survey is for a small number of standard/non-en-suite rooms at Spring Gardens in Aberdeen. These are priced at £55 and £56 per week, equating to £2,263 and £2,292 over 41 weeks. There are some similarly priced rooms in Grange Gardens in Leicester. Unsurprisingly, the highest rents are in London, where there are now more than 130 rooms costing over £30,000 a year – up to £700 a week for 51 weeks.

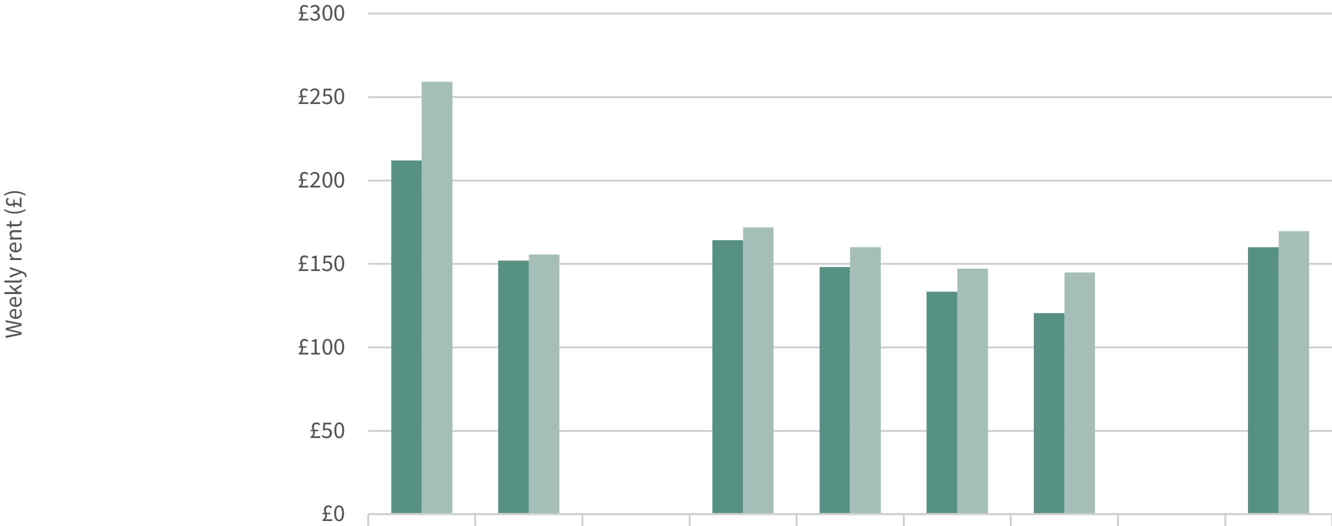
UK constituent nations and English regions

Figure 12 gives a 2021/22 snapshot of average weekly rents in the devolved administrations, as well as for London and the rest of England. UK-wide, rents for direct lets are currently £10 a week higher than in university-owned or -managed accommodation overall (£53 more in London, where there are far higher numbers of studio units). Within this figure, there is some significant variance among home nations. England outside London is the most expensive and Northern Ireland the least costly according to the weekly rate – and the cheaper the home nation, the greater the differential between direct lets and university-owned/-managed accommodation.

For both user types, students in Scotland pay a higher weekly rate than students in the north of England. Weighted average weekly rents for direct lets are not universally more expensive by region than accommodation that is university-owned or -managed. In six out of the eight English regions outside London, they are within £6 a week (Figure 13). The outliers are the North East and South East, where direct lets come in at £25 and £21 dearer respectively (although the institutional response in these regions was relatively low compared to elsewhere).

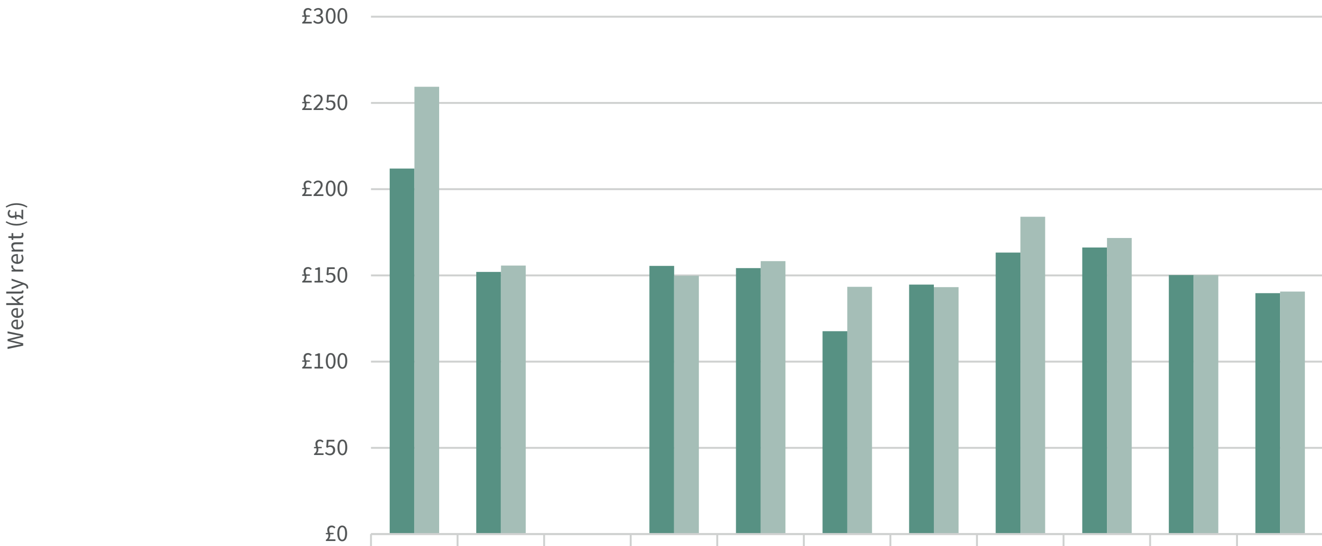
Main room types

Figure 14 shows weighted average weekly rent levels in 2021/22 by the main accommodation types. As noted earlier in this chapter, direct lets for the different room types tend to be more expensive than weekly rents for university-owned and -managed accommodation, although, importantly, in the core en-suite offer direct lets are £7 cheaper in 2021/22. The result for direct let catered accommodation is a statistical anomaly based on a small dataset, and may be disregarded.



	London	Rest of England		England	Scotland	Wales	Northern Ireland		UK
University-owned and -managed	£212	£152		£164	£148	£133	£120		£160
Direct let	£259	£156		£172	£160	£147	£145		£170

Figure 12: Weighted average weekly rents by user type and devolved administration



	London	Rest of England		East Midlands	East of England	North East	North West	South East	South West	West Midlands	Yorkshire and the Humber
University-owned and -managed	£212	£152		£155	£154	£118	£145	£163	£166	£150	£140
Direct let	£259	£156		£150	£158	£143	£143	£184	£172	£150	£141

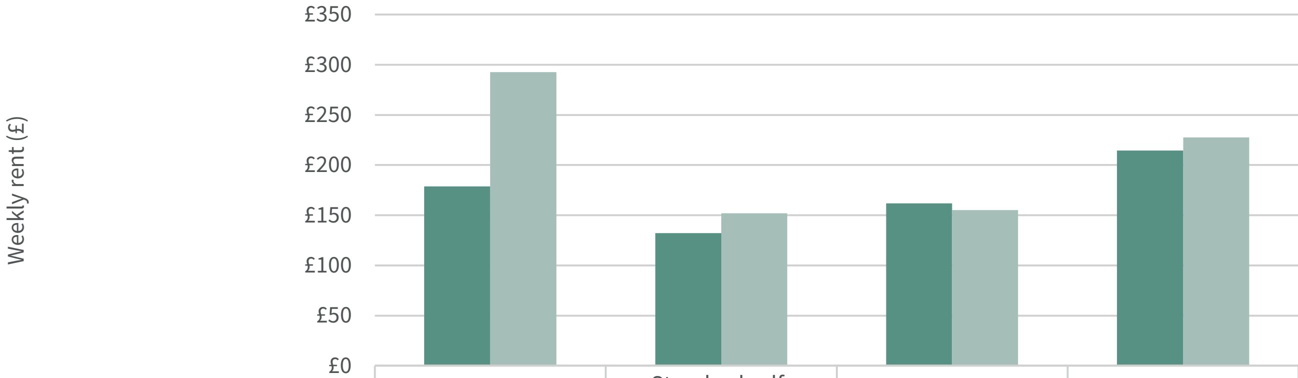
Figure 13: Weighted average weekly rents by user type and English region 2021/22

Figure 15 illustrates rent rise rates since 2012/13 for the three most common room types: self-catered en-suite, self-catered standard and studio flats. Sample sizes by volume of rooms have also been included, as the extent to which they are representative of the full sector varies. Analysis of catered accommodation has been omitted because the sample is too small and therefore unreliable.

Proportionally, weekly rents for en-suite accommodation have risen broadly in line across both provider types and inside and outside London since 2012/13 (Figure 15a). This is the most prevalent room type and the one which will have the most commonality of use between institutions and private providers. However, for standard self-catered (Figure 15b) and for studio flats (Figure 15c), there is wide variance in rates of increase across the period.

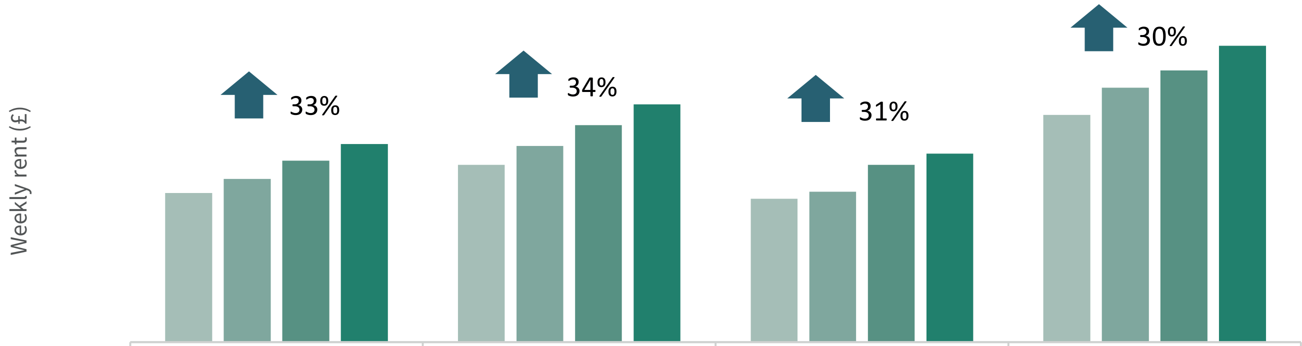
At 9,744 rooms, the volume of standard self-catered rooms, the most affordable stock type, is low in London, just 15 per cent of the national total (Figure 15b). Undersupply of rooms at this affordable price point has contributed to the acceleration of rent rises in the capital, particularly over the most recent survey cycle.

It is perhaps surprising that, since 2012/13, rents for privately-provided studio flats, both inside and outside London, have risen less rapidly than their institutional counterparts (Figure 15c). Let lengths in studio accommodation have also fallen since 2018/19. This slowdown in growth may indicate that market levels of rent have been reached. Covid-19 may also have had an impact as these rooms are typically occupied by international students whose numbers were affected during the pandemic.



	Standard catered	Standard self-catered	En-suite	Studio
University-owned and -managed	£179	£132	£162	£214
Direct let	£293	£152	£155	£228

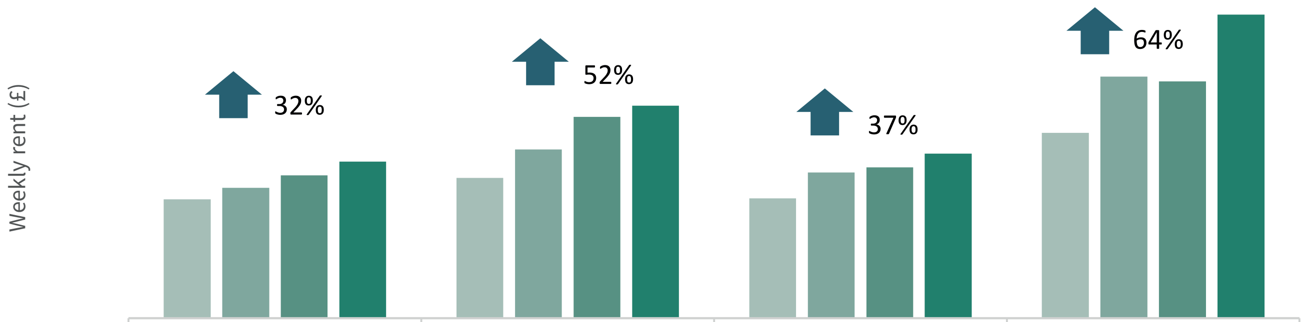
Figure 14: Weighted average weekly rents by user and room type 2021/22



	Institution en-suite rest of UK	Institution en-suite London	Private en-suite rest of UK	Private en-suite London
2012/13	£115	£137	£111	£176
2015/16	£126	£152	£116	£197
2018/19	£140	£168	£137	£210
2021/22	£153	£184	£146	£229

	Bed numbers 2021/22	
Self-catering en-suite	**Institutions**	**Private providers**
London	10,831	31,314
Rest of UK	42,258	194,998

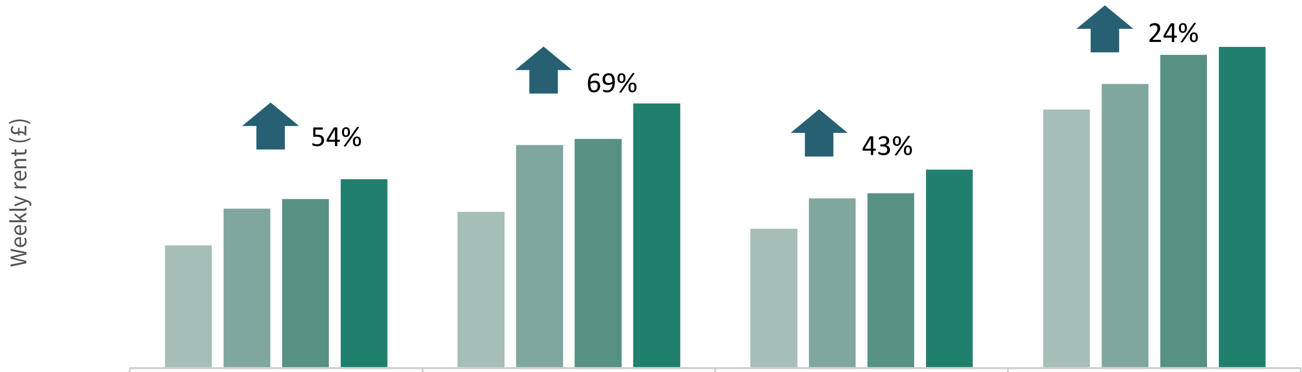
Figure 15a: Weekly en-suite rents: percentage increases over time



	Institution standard s/c rest of UK	Institution standard s/c London	Private standard s/c rest of UK	Private standard s/c London
2012/13	£92	£109	£93	£144
2015/16	£101	£131	£113	£188
2018/19	£111	£156	£117	£184
2021/22	£122	£165	£128	£236

	Bed numbers 2021/22	
Standard (self-catered)	**Institutions**	**Private providers**
London	4,640	5,104
Rest of UK	27,935	26,295

Figure 15b: Weekly standard self-catered rents: percentage increases over time



	Institution studio rest of UK	Institution studio London	Private studio rest of UK	Private studio London
2012/13	£122	£155	£139	£257
2015/16	£159	£222	£169	£283
2018/19	£168	£228	£174	£312
2021/22	£188	£263	£198	£320

	Bed numbers 2021/22	
Studio (single)	**Institutions**	**Private providers**
London	424	13,693
Rest of UK	1,459	43,415

Figure 15c: Weekly en-suite rents: percentage increases over time

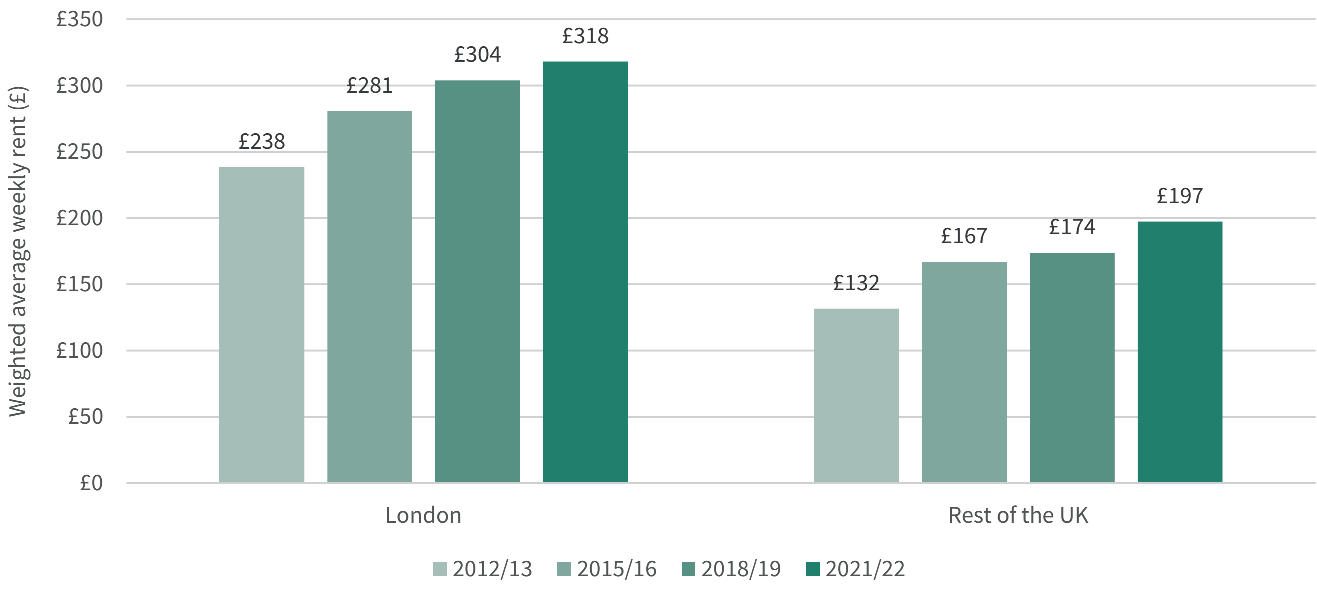


Figure 16: Weekly studio rents in London and the rest of the UK, 2012/13-2021/22

One of the main themes of the 2018 report, the rise of studios remains a defining feature of the changing landscape for purpose-built student accommodation. Chapter 4 contains analysis of further growth in the volume of studio provision. Aggregating provider types, Figure 16 charts studio rent rises in cash terms over this period. In London, the weekly average rent for studio accommodation has increased by 4.6 per cent since 2018/19 and by 33.6 per cent since 2012/13. By contrast, a studio tenant outside London can expect to pay 13.2 per cent more now than they would have three years ago, and 49.2 per cent more than in the 2012/13 letting year. Although the rate of growth in rents in the rest of the UK is therefore higher, in cash terms it remains very considerably cheaper to live in a studio away from the capital – currently £121 a week less.

CONTRACT LENGTHS

Caution needs to be exercised in reading rents calculated for the letting year. It is not safe to assume that a longer letting year is merely a way for providers to increase rental yield while hiding behind headline weekly rates. Typically, undergraduates may favour a shorter letting year, because there is minimal teaching over the summer period. But postgraduates and international students 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.

As was the case for the previous report, there is significant variance in contract length across room and provider types and inside and outside London (Figure 17). Longer let lengths are associated with private providers. For both institutions and private providers, contracts grew longer for nearly all room types between 2012/13 and 2018/19. However, for the current year, respondents overall reported tenancies shortening by one, two or three weeks, or remaining the same. This may have been a short-term effect of the pandemic and the attendant uncertainties attaching to the autumn recruitment cycle. The one exception to this is a three-week hike in the average let for private standard self-catered accommodation outside London – which may be a statistical anomaly arising from the small sample size.

In 2021/22, studio lets are still longer than for other stock types: the studio resident base is dominated by international and postgraduate students, who are more likely to want to live in the accommodation for an extended period. Figure 17c shows that, overall, let lengths for studios decreased in 2021/22.

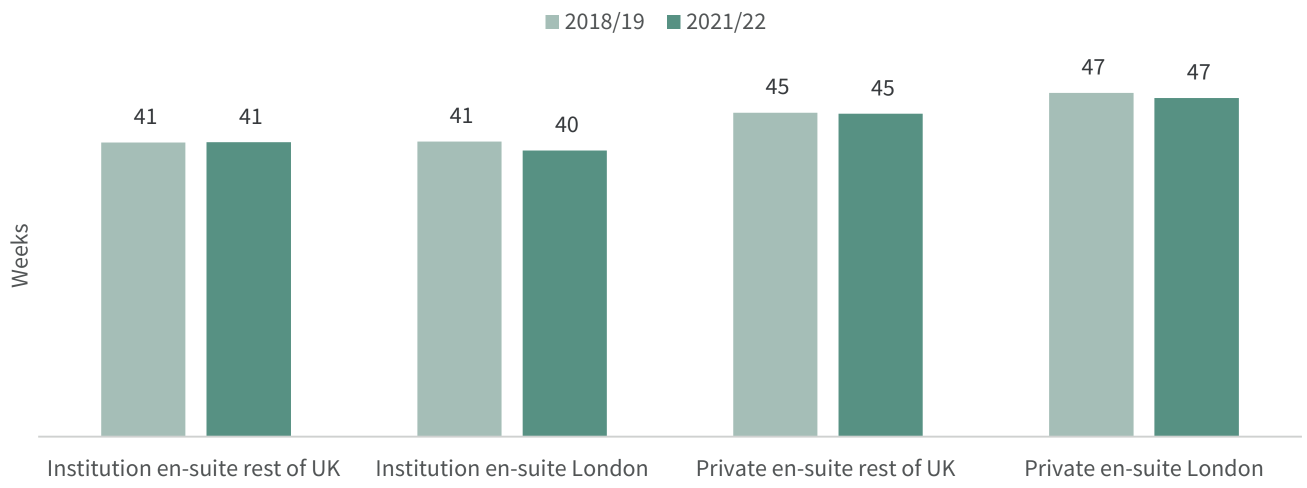


Figure 17a: En-suite let lengths

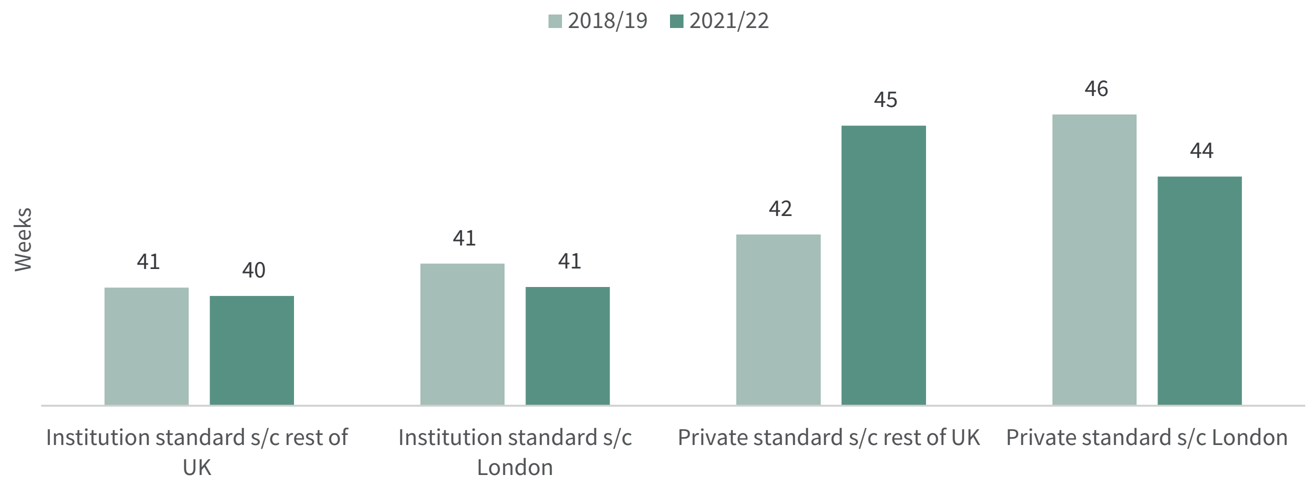


Figure 17b: Standard self-catered let lengths

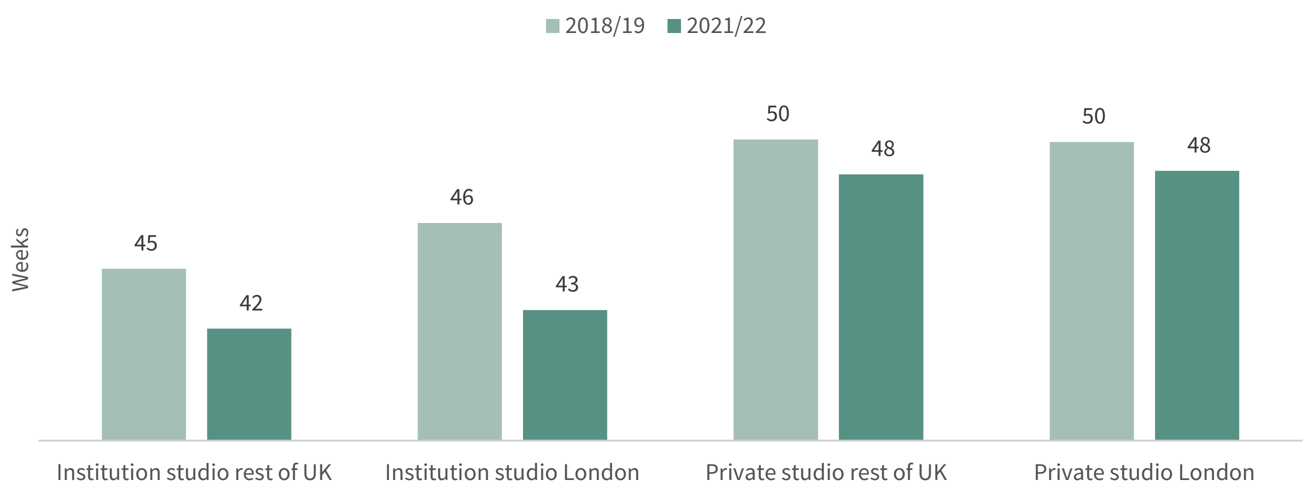
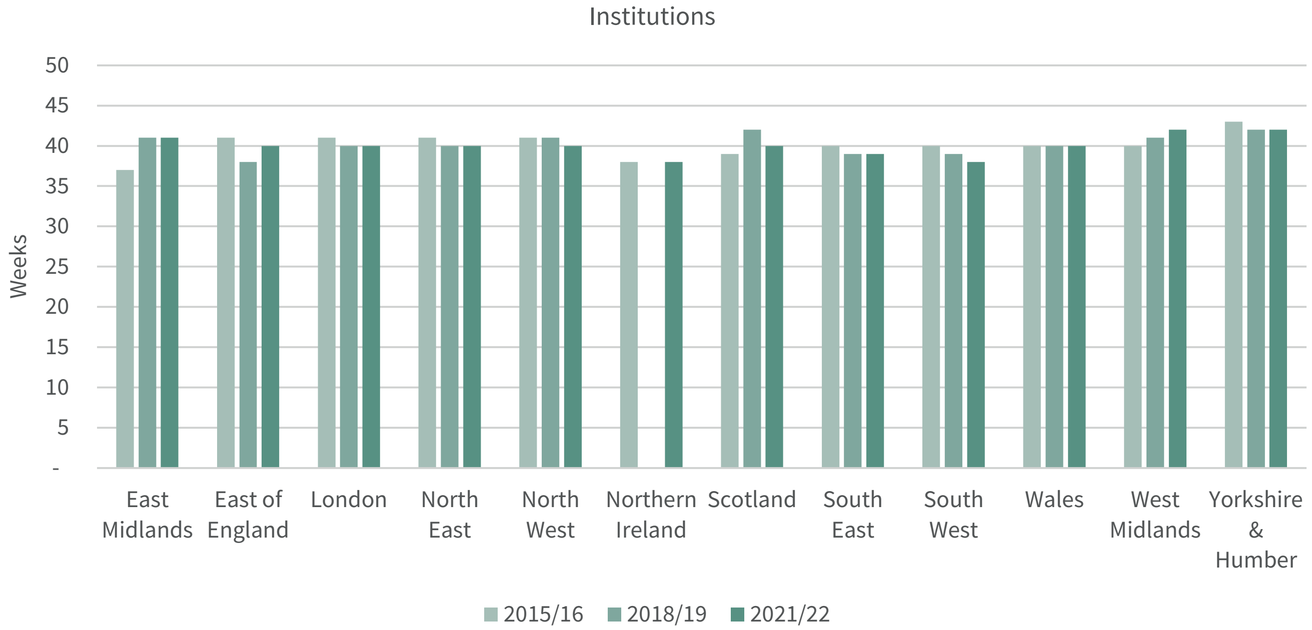


Figure 17c: Studio let lengths

Reviewed by region and devolved administration overall, it is instructive that, for institutions, there has been a net reduction in let length in seven of the 12 areas, compared to growth in eight areas among private respondents since 2015/16 (Figure 18).



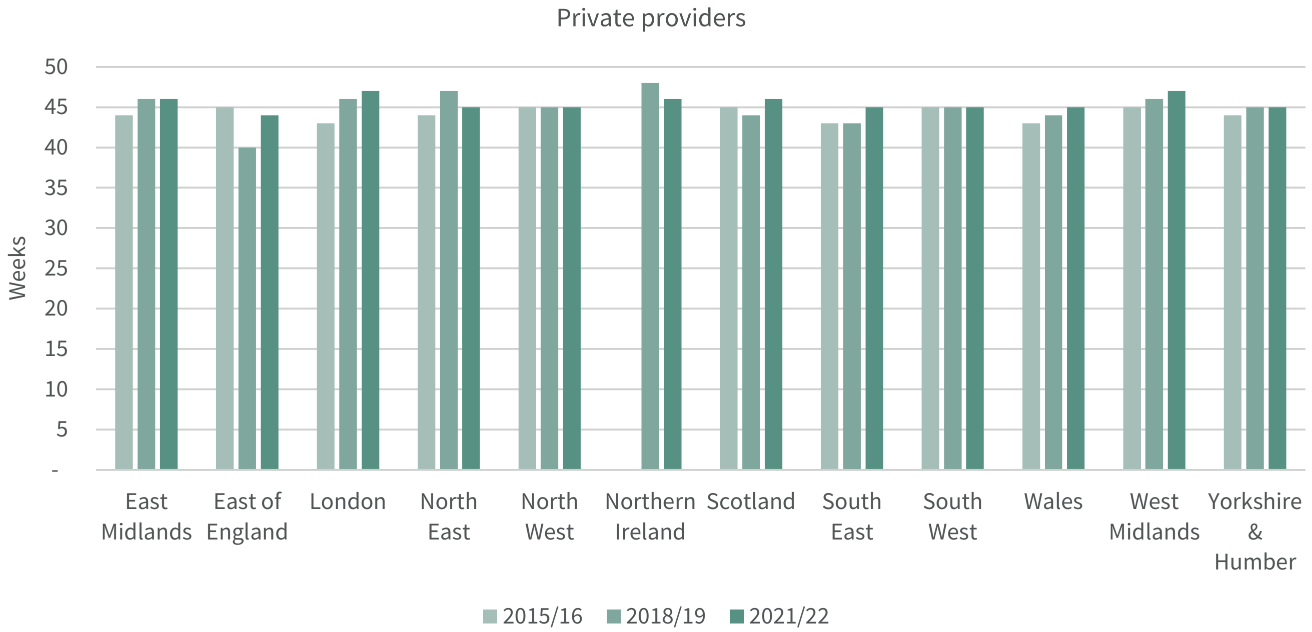
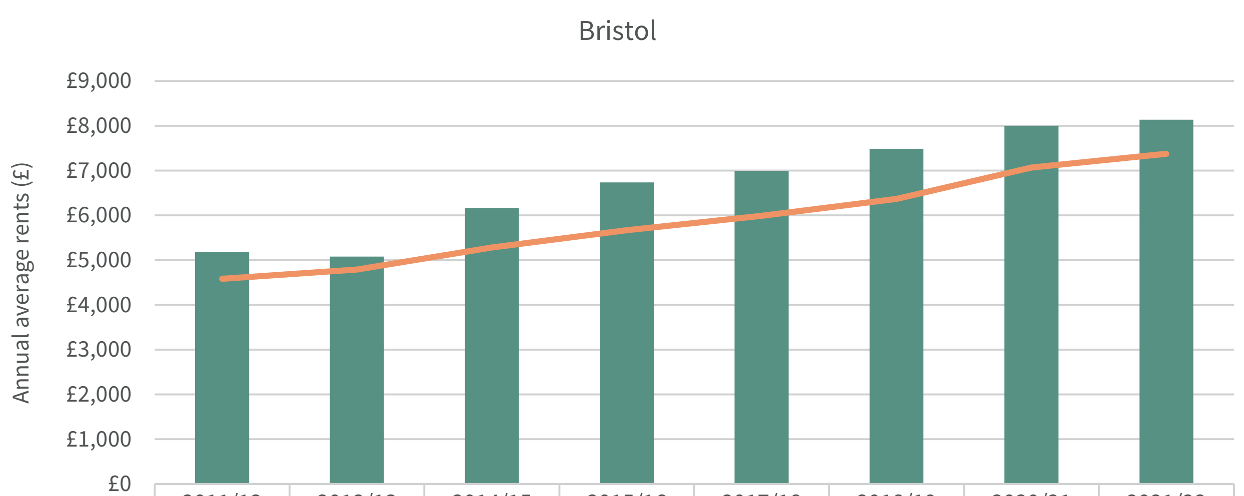


Figure 18: Let lengths by region and devolved administration over time

Case study 1: Bristol

Main universities	Complete University Guide 2021 (change since 2020)	UCAS acceptances 2020 (2019)	HESA full-time students		
			2019/20	2017/18	% change 2017-19
University of Bristol	17 (down 3)	7,070 (6,815)	25,645	24,850	3.2%
University of the West of England	55 (up 9)	7,210 (7,185)	24,340	28,790	-15.5%

Bristol is one of the fastest growing student populations in the UK. This is primarily because of the success of the University of Bristol. As a result of persistent shortages in student accommodation, average rents now stand at £8,133, having grown 56.9 per cent since 2011, or by 4.6 per cent compounded annually between 2011 and 2021. Rents in Bristol are ten per cent more expensive than the UK average of £7,374 a year. The shortage of accommodation, competition for sites, expense of land and ever-stricter planning policies are steadily pushing up prices. The situation is unlikely to change as the University of Bristol continues to grow with little reference to the availability of suitable student accommodation.

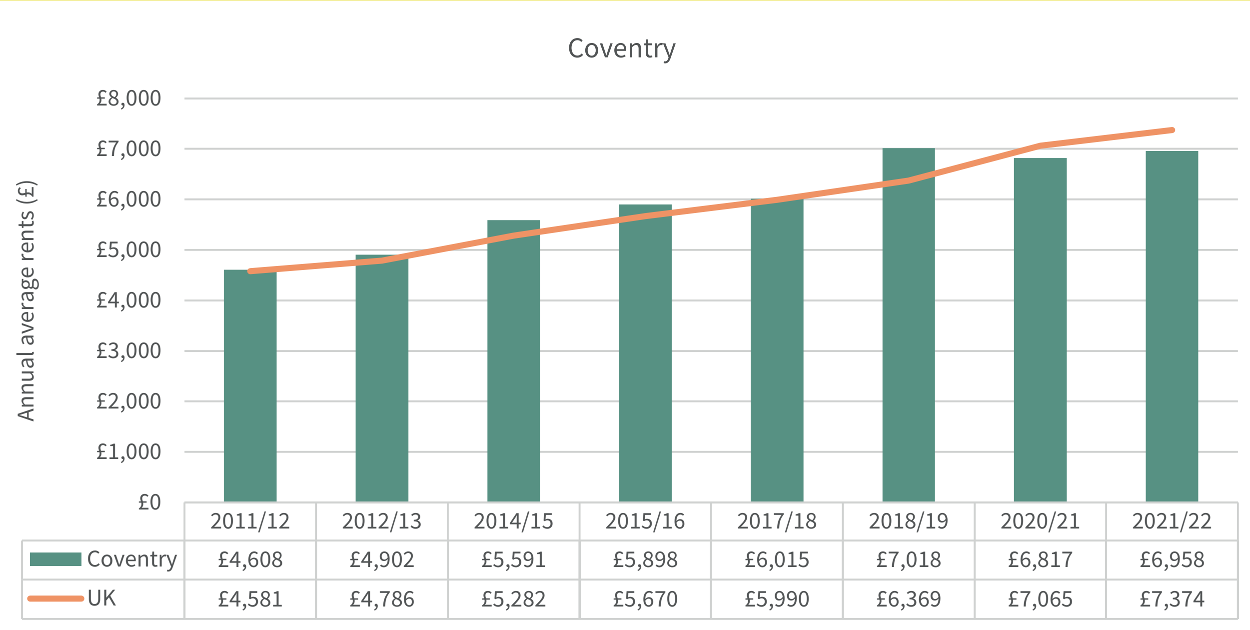


	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Bristol	£5,184	£5,076	£6,162	£6,737	£6,989	£7,487	£7,996	£8,133
UK	£4,581	£4,786	£5,282	£5,670	£5,990	£6,369	£7,065	£7,374

Case study 2: Coventry

Main universities	Complete University Guide 2021 (change since 2020)	UCAS acceptances 2020 (2019)	HESA full-time students		
			2019/20	2017/18	% change 2017-19
Coventry University	52 (up 2)	7,775 (10,220)	38,430	34,125	12.6%

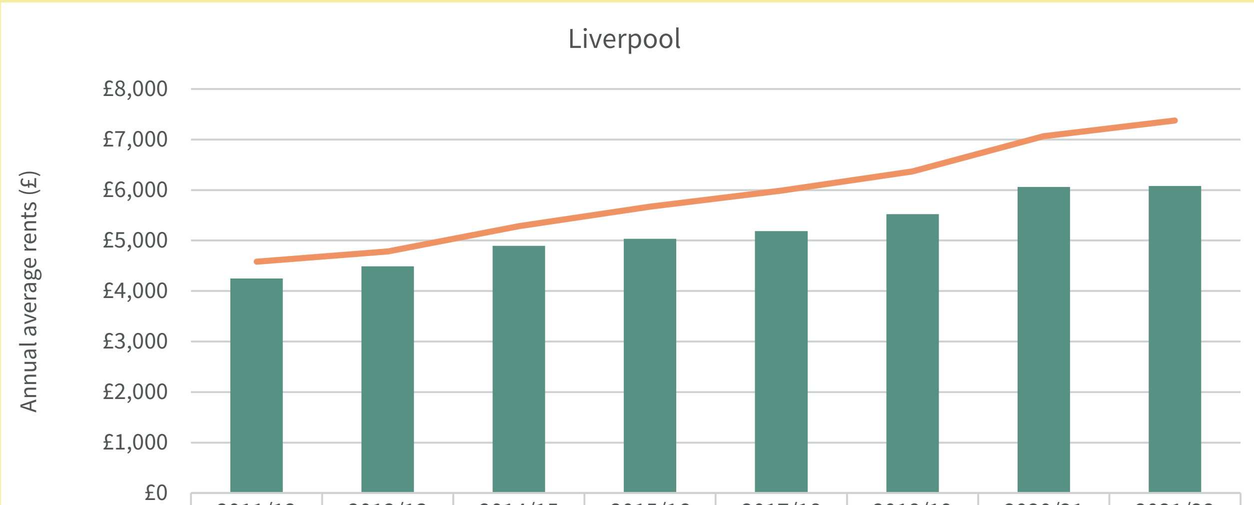
Coventry is a city that has benefitted both from a large influx of new accommodation in recent years in response to the University of Coventry's rise through the rankings, and from good availability of relatively affordable sites. The rise in volume of accommodation may have had some bearing on the spike in rents in 2018, which saw rents in the city hit a high point of ten per cent above the UK average. The spike coincided with the University achieving its peak competitive academic success. Since then, because of a large amount of stock emerging, as well as a fall in recruitment, the mean rent has dropped to 94 per cent of the UK average of £7,374, reflecting significant oversupply.



Case study 3: Liverpool

Main universities	Complete University Guide 2021 (change since 2020)	UCAS acceptances 2020 (2019)	HESA full-time students		
			2019/20	2017/18	% change 2017-19
University of Liverpool	30 (up 3)	6,385 (5,770)	29,600	28,795	2.8%
Liverpool John Moores University (LJMU)	73 (down 7)	7,455 (6,990)	25,050	23,230	7.8%

Liverpool is a large market with several institutions. These include the two above, which are both growing. The market is very well supplied with accommodation, having benefitted from a number of favourable conditions. These include a planning regime that has welcomed and understood students as agents of regeneration; and the availability of large parcels of affordable land. This has produced a culture of both first-year and returning undergraduates living in purpose-built accommodation at affordable rents in a UK context. Since 2011, rent increases have been steady at 3.6 per cent a year on average, but below the UK market average increases of 4.9 per cent a year.

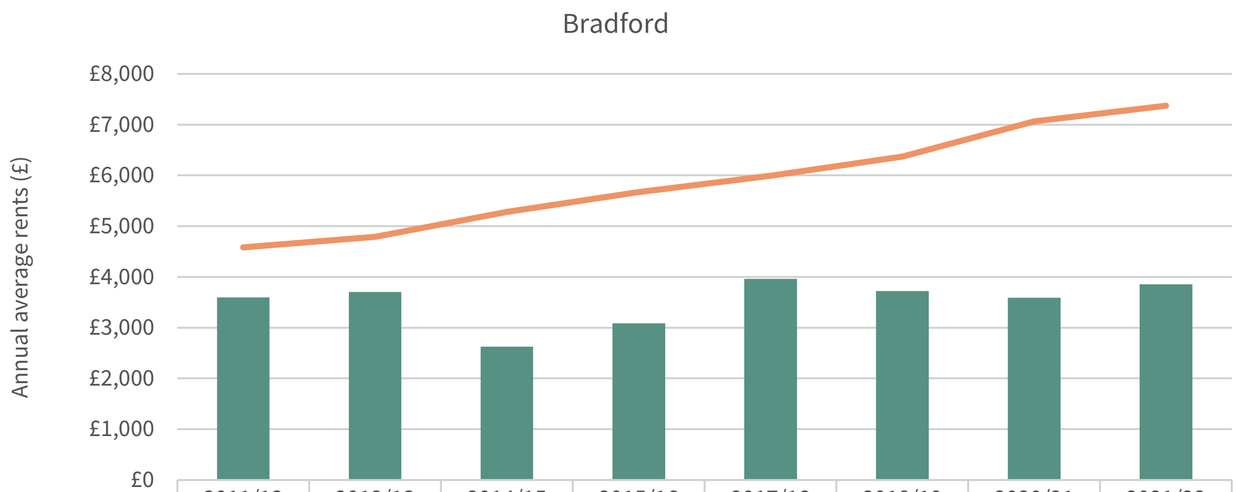


	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Liverpool	£4,249	£4,489	£4,892	£5,031	£5,183	£5,524	£6,059	£6,080
UK	£4,581	£4,786	£5,282	£5,670	£5,990	£6,369	£7,065	£7,374

Case study 4: Bradford

Main universities	Complete University Guide 2021 (change since 2020)	UCAS acceptances 2020 (2019)	HESA full-time students		
			2019/20	2017/18	% change 2017-19
University of Bradford	85 (down 16)	2,775 (2,585)	9,770	10,115	-3.4%

Bradford is one of the smaller markets in the survey, registering 1,543 beds in 2021. The dataset over time has consisted mainly of private beds. (The University of Bradford has not taken part in the survey since 2011.) Annual average rent in Bradford is £3,853 a year, just 52 per cent of the annual average UK rent of £7,374. Rents in the city have fluctuated over time, but remain significantly below the UK averages. They have risen by just 7.2 per cent since 2011. Bradford remains one of the most affordable cities in which to rent a student room in the UK.



	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Bradford	£3,595	£3,703	£2,627	£3,087	£3,958	£3,725	£3,589	£3,853
UK	£4,581	£4,786	£5,282	£5,670	£5,990	£6,369	£7,065	£7,374

CHAPTER 2

RENT: DECISION-MAKING

INTRODUCTION

Setting rents can be complicated. Behind the business of determining a set of price points, there is a broad range of decisions to be made:

- what factors to take into account in setting rents
- who to involve in the process
- how to account for utilities, and how to weather any pricing fluctuations
- how to incorporate other services and amenities
- whether to charge a deposit
- how much rent to charge upfront
- whether to use guarantors
- how to account for historic bad debt
- how to recover rent arrears.

Since March 2020, managing Covid-related issues has added a further dimension to rent calculations:

- adjusting pricing to fill rooms left empty as a result of the pandemic
- whether to make refunds, in what circumstances, and at what level
- whether to grant Covid-related requests for contract cancellation, and in what circumstances
- how flexible to be on contracts in the wake of lockdowns
- how the decisions taken in 2019/20 and 2020/21 might affect future behaviour.

HOW RENTS ARE SET

Mechanisms for setting rents

Asked to identify the main mechanisms they used in setting rents, half of respondents overall included inflationary uplift in their selections (Figure 19). Comparator/competitor benchmarking (42 per cent) and benchmarking against private providers (37 per cent) were the next most cited determinants. Perhaps surprisingly, only a third (34 per cent) selected accommodation running costs as a main consideration.[11] Among institutions, rent setting is more commonly driven by inflationary uplifts; among private providers, it is competitor benchmarking.

As part of the rent setting section in the survey questionnaire, private providers were asked about variation to rent within letting years. In 2018/19 two

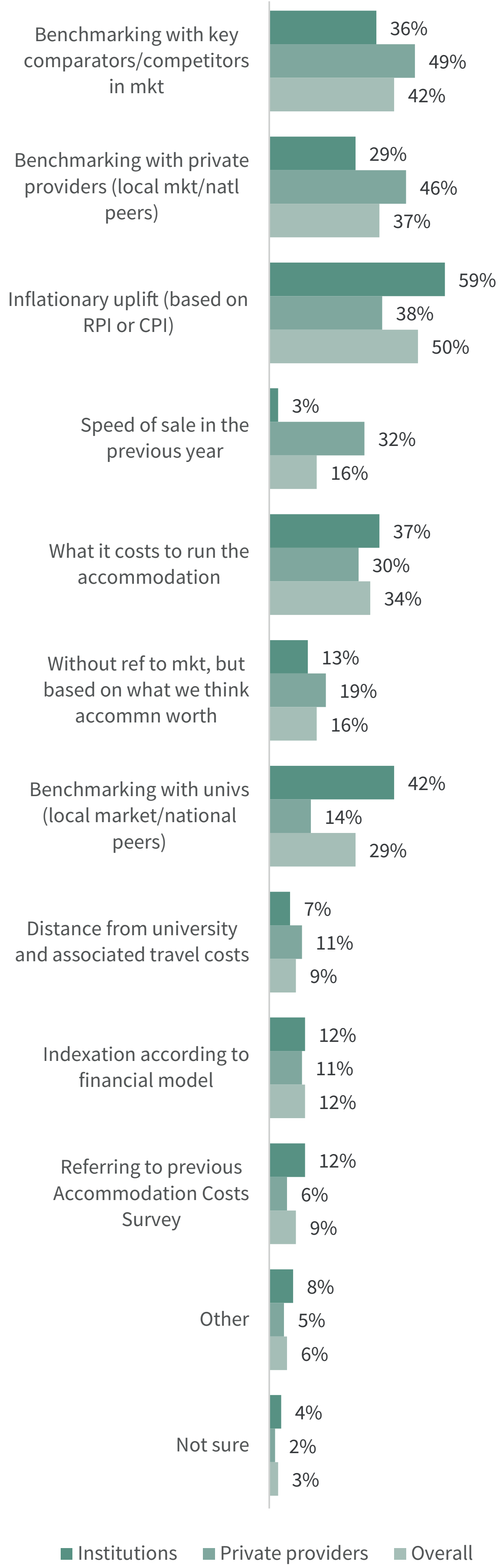


Figure 19: Main determinants providers use to set rent, 2021/22

thirds of respondents reported that rents remained the same once they had been fixed at the start of the letting cycle. For the current survey this figure has dropped by 22 percentage points, as a significant number of providers moved to manual in-year adjustments. Despite predictions to the contrary, levels of automated dynamic pricing among respondents remain low.

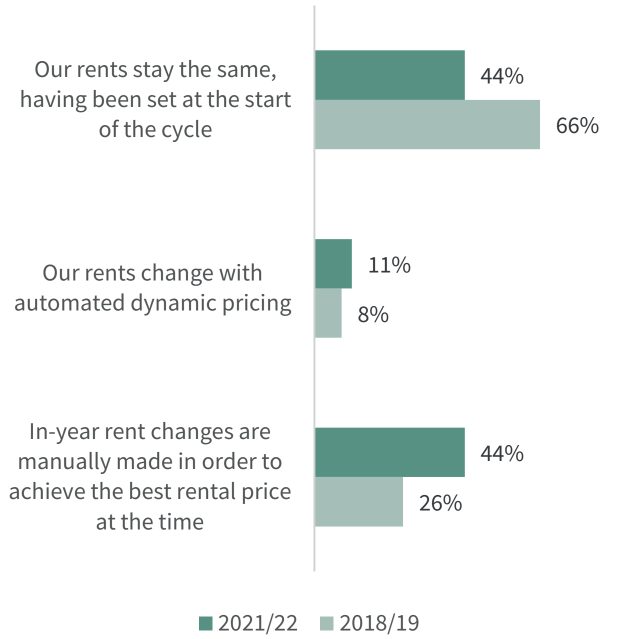


Figure 20: Private providers: rent variations within letting cycles

The student voice in rent setting

In 2021/22 the survey questionnaire was designed to elicit information from institutions on how they involved students in the rent setting process. This contrasts with earlier cycles, when questions were just about the extent to which students were involved. Over a quarter (28 per cent) of universities reported that they worked collaboratively with their students' union to determine rents in 2021/22. This outcome bears correlation with the finding in 2018 that 26 per cent of unions were 'extremely involved' in the process. Three years ago, a third (33 per cent) of institutional respondents said that their union was not involved at all. This figure has dropped to 26 per cent this time round, which may suggest that a greater proportion of institutions are now involving their students' unions. This reduction may have been caused by the inclusion of a 'post-rent setting consultation' which many may regard as a grudging 'consultation' – seeking students' views after decisions have been made. Overall, it may be inferred that, at best, marginal progress has been made in this area since the last cycle.

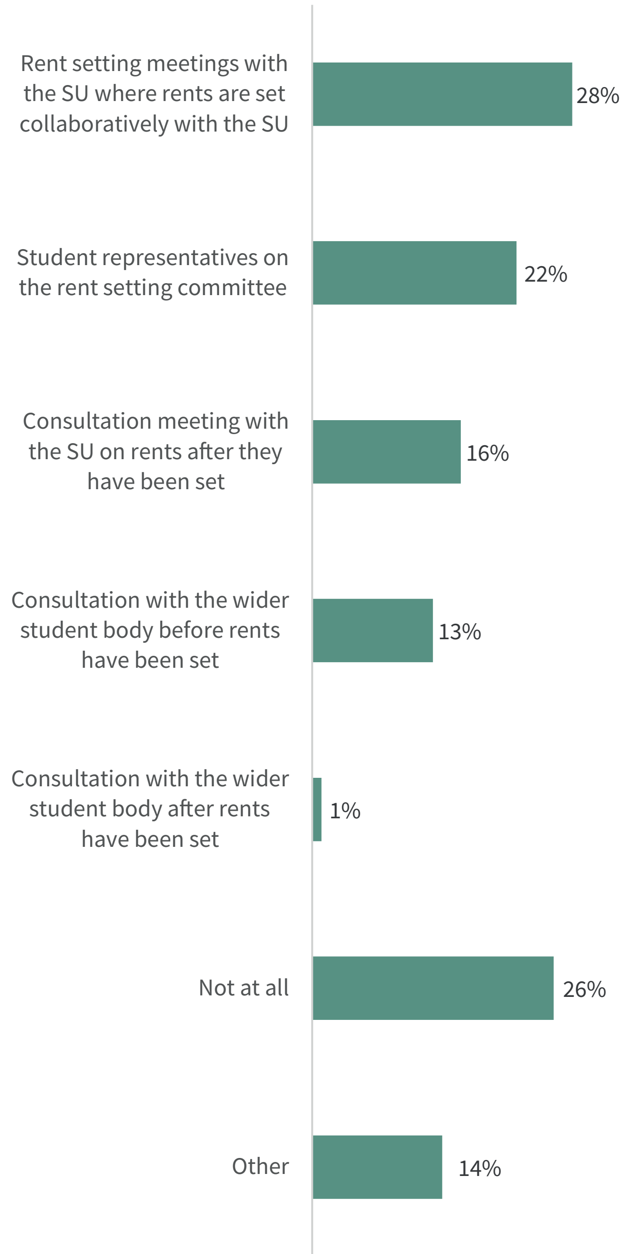


Figure 21: Institutions: how they involve students and their representative bodies in rent setting

HOW RENT IS LEVIED

Upfront additional fees

Private providers (70 per cent) are more likely than institutions (42 per cent) to charge additional fees or a deposit on top of rent in 2021 (Figure 22). Refundable deposits remain the most common additional charge across both provider types, but the number of university respondents who continue to charge them has fallen away sharply over the most recent cycle, down 20 percentage points on 2018/19 (and 29 on 2012/13).

The loss of appetite for deposits among universities is a leading factor in the finding that 58 per cent of them now make no additional charges. This figure is also strongly influenced by the passage of the Tenant Fees Act, which outlawed booking, administration and cancellation fees for new tenancies from June 2019. In view of this legislative requirement, it is surprising that significant (albeit lower) numbers of respondents continue to levy such charges.

In 2018/19, overall mean booking fees stood at £129, administrative fees at £90.50 and cancellation fees at £123. While the average level of booking fees is unchanged in 2021/22, the figure for administrative fees has dropped to £62, and for cancellation it has risen to £180.

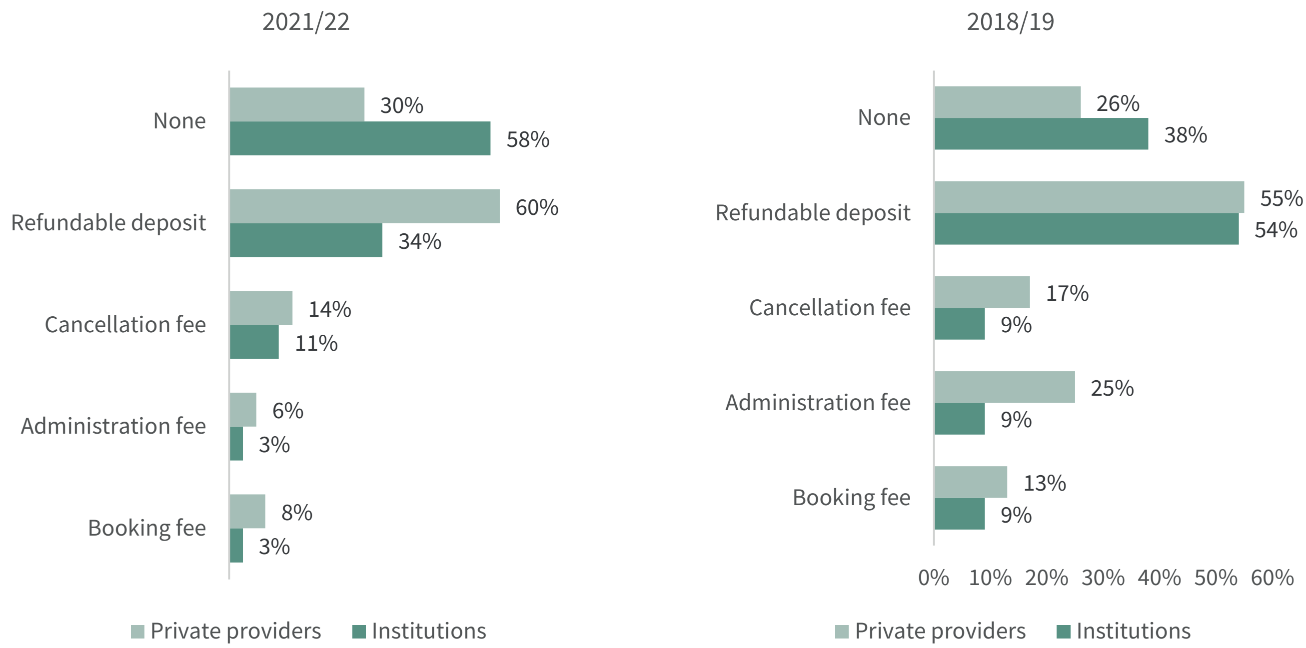
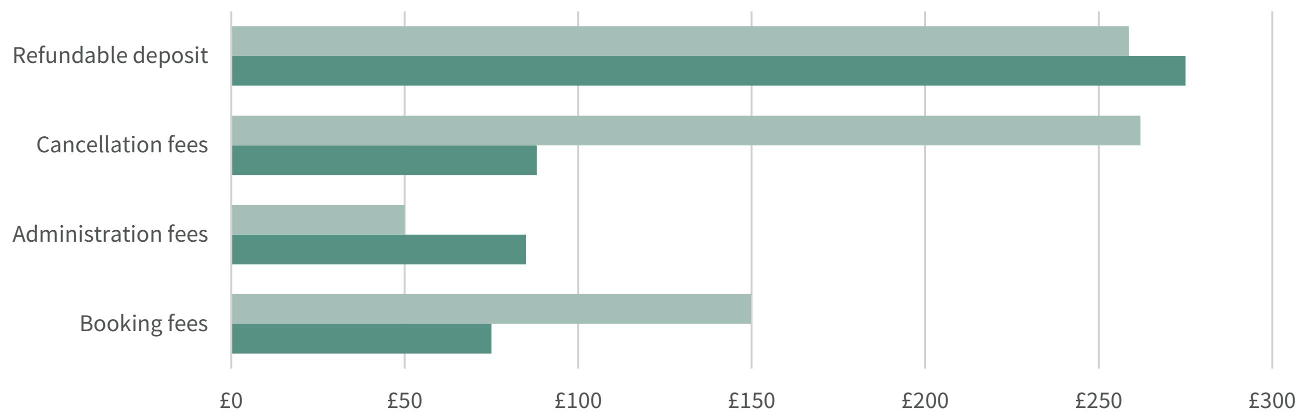


Figure 22: Fees charged on top of rent by provider type 2021/22 compared to 2018/19



	Booking fees	Administration fees	Cancellation fees	Refundable deposit
Private providers	£150	£50	£262	£259
Institutions	£75	£85	£88	£275

Figure 23: Mean monetary values attached to add-on fees

One aim of the Tenant Fees Act was to provide clarity to tenants by charging for all services within the rent, and this appears to have taken place.

As to the mean cash values attaching to add-on charges, private providers are setting their fees for cancellation and booking fees (when charged) much higher than universities (Figure 23).

Advance rent

Figure 24 shows the proportions of respondents who levy advance rent payments and at what points in the cycle. Figure 25 gives an insight into the bed space numbers – or students – affected by the decisions of providers. The proportion of private providers requiring an advance rent payment stands at 73 per cent in 2021, an increase of five percentage points since the last survey. This follows a period in which the proportion declined cycle on cycle from a high of 81 per cent in 2013/14. The revival of advance rent as a means of signalling the start of the tenant/landlord relationship was foreshadowed in the 2018 survey, when 12 per cent of private sector respondents indicated their intention, in the context of the then Tenant Fees Bill, to stop making upfront charges and to require advance payments in future. Given this finding for private providers, it is surprising that half of institutions do not take advanced rent and that in 2021/22 the spread of the practice among universities has stalled, following growth over the past three surveys.

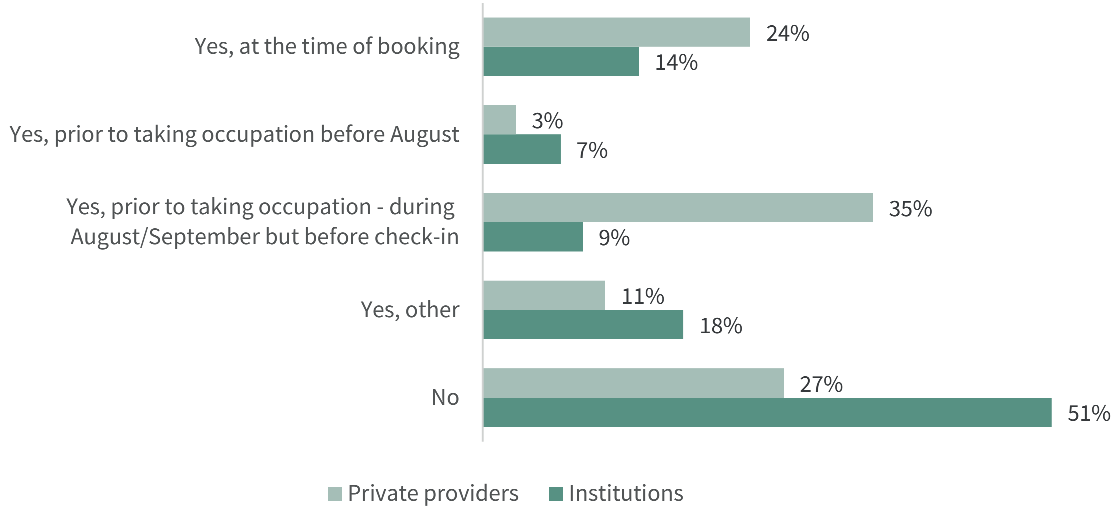


Figure 24: Advance rent payment
Does your organisation ask for an advance rent payment?

	Private 6,001+ beds		Private up to 6,000 beds		Institutions 3,001+ beds		Institutions up to 3,000 beds	
Yes, at the time of booking	6	40%	9	19%	6	21%	5	10%
Yes, prior to taking occupation - before August	0	0%	2	4%	0	0%	5	10%
Yes, prior to taking occupation - during August/September but before check-in	3	20%	19	40%	3	11%	4	8%
Yes, other (please specify)	1	7%	6	13%	5	18%	9	19%
No	5	33%	12	25%	14	50%	25	52%
Total	15	100%	48	100%	28	100%	48	100%

Figure 25: Advance rent payment by size of provider
Does your organisation ask for an advance rent payment?

Guarantors

Figures 26 shows the proportions of respondents who require a guarantor. Figure 27 gives an insight into the bed space numbers – or students – affected by the decisions of providers.

On guarantors, the previous survey reported wide variance between practices among provider types, a gap which has grown further in the intervening three years. While a static 79 per cent of institutions do not require a guarantor, the figure for private providers is 24 per cent, a fall of four percentage points on 2018/19. This decline in the requirement for guarantors among private providers may reflect a growing perception, born of experience, that it

- is a resource-heavy and less than fully effective tool for recouping debt
- creates inertia in the applications process, particularly for international and estranged students reliant on non-family third parties to vouch for them.

As in 2018/19, four fifths of the providers that stipulated the need for a guarantor applied the requirement to all students. Seventeen per cent require UK students to provide a guarantor; five per cent require international students; and three per cent require EU and non-EU students.

If a student cannot provide a suitable guarantor:

- three fifths of providers who require one allow them to submit external guarantor services in lieu (for example, Helping Hand and UK Guarantor)
- over a quarter (27 per cent) waive the requirement for certain categories of students (for example, students who are care leavers)
- a tenth require advance rent payment to reduce risk
- just four per cent of these providers offer to stand as guarantor themselves.

Managing non-payment of rent

As the lightest touch mechanism available, payment plans are much the preferred approach for both provider types when students fall behind with their rent (Figure 28). The proportion of respondents supporting payment plans is broadly the same as for 2018/19. Institutions are more likely to take legal action once a student is no longer resident; significantly more private operators are inclined to take legal action while a student is still their tenant.

For some institutions, unresolved outstanding rent can carry a significant penalty: 20 per cent allow their students to graduate but bar them from attending their awards ceremony (up four percentage points on 2018), and an additional four per cent do not let them graduate at all (down from six per cent in the last cycle). 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.

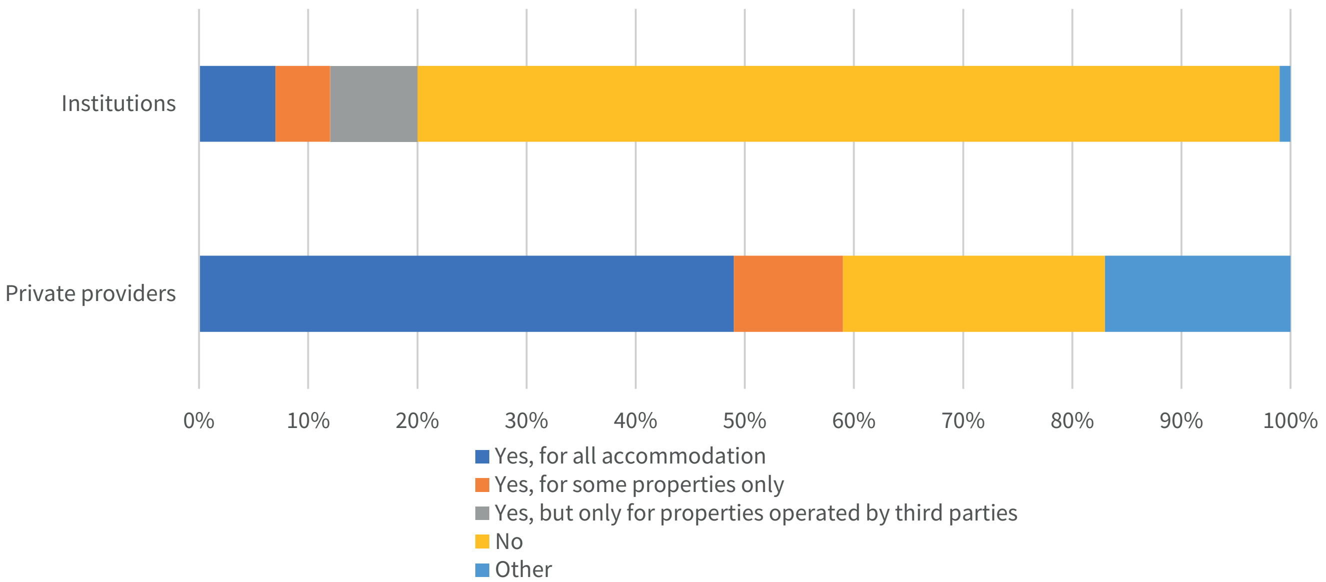
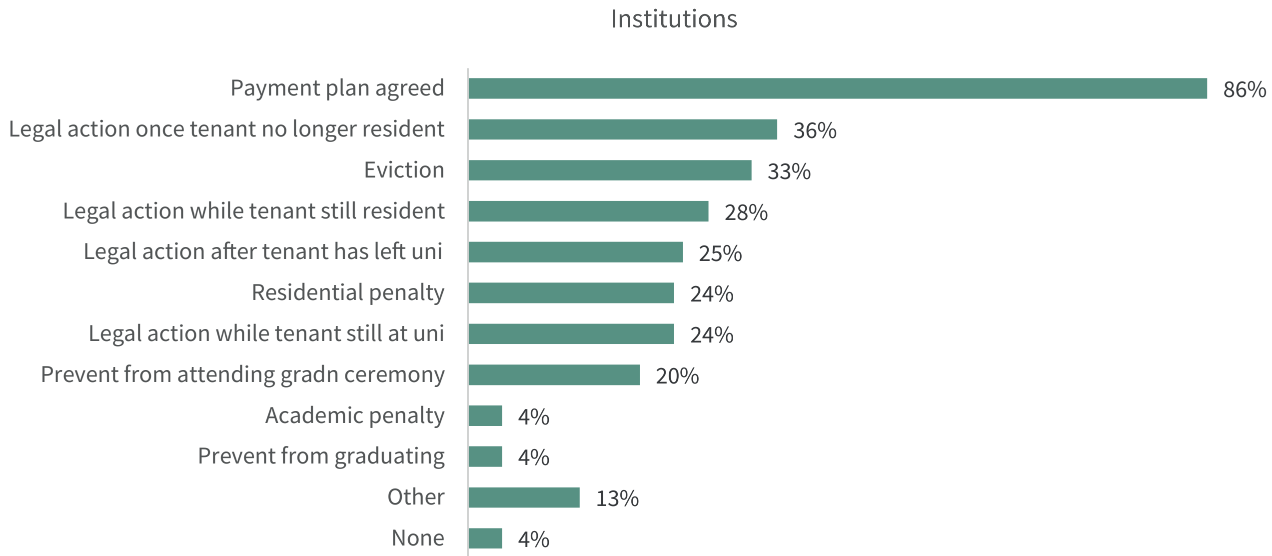


Figure 26: Providers requiring a guarantor
Does your organisation require students to provide a guarantor?

	Private 6,001+ beds		Private up to 6,000 beds		Institutions 3,001+ beds		Institutions up to 3,000 beds	
Yes, for all accommodation	9	60%	22	46%	1	4%	4	8%
Yes, for some properties only	1	7%	5	10%	1	4%	3	6%
Yes, but only for properties operated by 3rd parties	0	0%	0	0%	2	7%	4	8%
No	1	7%	14	29%	24	86%	36	75%
Other	4	27%	7	15%	0	0%	1	2%
Total	15	100%	48	100%	28	100%	48	100%

Figure 27: Guarantor requirement by size of provider
Does your organisation require students to provide a guarantor?



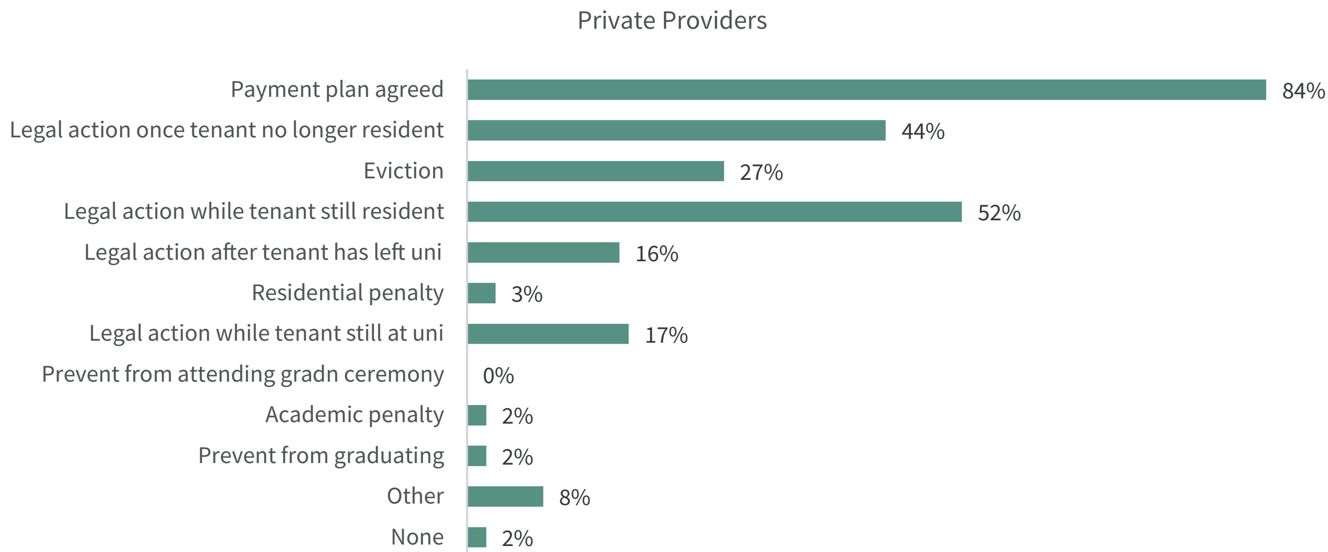


Figure 28: Typical methods for dealing with non-payment of rent

DECISION-MAKING DURING THE PANDEMIC

Pricing tactics

In 2020/21 and 2021/22, the pandemic created substantial turbulence in the lettings market, occupancy levels and the provision of educational and accommodation services. Private providers were more responsive in adjusting pricing tactics to fill rooms: 29 per cent reported having significantly discounted rents and 41 per cent offered greater incentives such as cashback and vouchers. This contrasts with minimal activity in the institutional sector, where 84 per cent of respondents said they had not made any changes to pricing tactics.

Covid-19 refunds

As the sector came under pressure to give rent rebates to tenants as a result of the pandemic, universities were the first to give them, and refunded students much more readily than private providers. In 2020/21, 92 per cent of institutions made some level of rent refund. By contrast, the figure for private providers was 54 per cent. Whether they were made in 2019/20 or 2020/21, the value of the rent rebates reported by respondents in connection with Covid-19 was £385.7m. As context, in 2021 the total rent roll of the 473,684 rooms in the survey was £3.51 billion.

For refunding providers, Figure 29 below shows the percentage of respondents making refunds as a proportion of their total annual rent roll. It is striking that 38 per cent of private operators paid back rents equivalent to 1 – 10 per cent of their rent roll, as compared to 17 per cent for the university sector. Private providers were less likely to give a refund and, where they did, it affected their rent roll to a lesser extent than institutions.

Asked about the circumstances in which refunds had been granted, three quarters (74 per cent) of respondents in the private sector reported that they had made them across the board, without applying any eligibility criteria. Only 11 per cent of universities adopted this simple approach; most of the rest (79 per cent) made refunds only where the student had not been resident for certain periods.

Survey data on communications between institutions and private partners during the pandemic gives an interesting insight into the depth of relationships between them. Institutional respondents reported on whether and when, in the early days of the pandemic, they had notified their private sector partners about rent rebates. Forty-one per cent had done this before the rebate was announced to the tenant group; 34 per cent at the time that students found out; and seven per cent after the announcement had been made. In 17 per cent of cases, universities did not make any communication with private partners about the matter.

It is noteworthy that only 41 out of 76 participating universities responded to this question. This is in marked contrast to comprehensive disclosure across the rest of the survey. It suggests that there were additional institutions that had not contacted their suppliers – but chose not to report their inaction in the questionnaire. The findings here are at odds with the picture of healthy relationships between partners evidenced elsewhere in the survey. It appears that, in some partnerships, further work needs to be done to nurture operational relationships for bad times as well as good.

Contracts: release and flexibility

Contract flexibility and releases were no less important a mechanism than rent rebates for managing relationships with consumers during the pandemic. In 2020/21, half of university respondents reported that, as a proportion of their total tenancy base, releases from contract amounted to between one and ten per cent (Figure 30). In the private sector, the corresponding figure was similar, at 53 per cent. Over four fifths (82 per cent) of institutions granted some level of contract release for reasons associated with Covid-19. For private providers it was 62 per cent.

Given the significant business adjustments that all providers had to make in response to the pandemic, fieldwork for the 2021/22 survey sought to gauge the mood of the sector about the prospects for more contract flexibility in the future (Figure 31). Surprisingly, among institutions, a quarter of respondents (24 per cent) thought there would be less flexibility, as compared to 14 per cent who envisaged more. The bulk of respondents across the sector either felt that there would be no change or said they did not know. While it is too early to tell, the experience of 2020/21 may have set in train consumer expectations that will be reflected in the market in time.

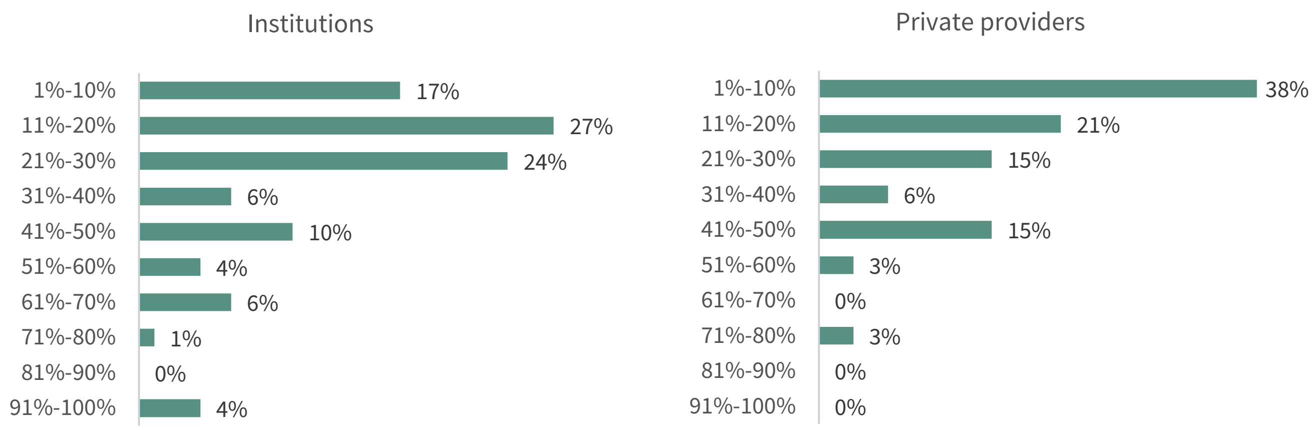


Figure 29: Scale of refunds made in 2020/21 as a proportion of rent roll

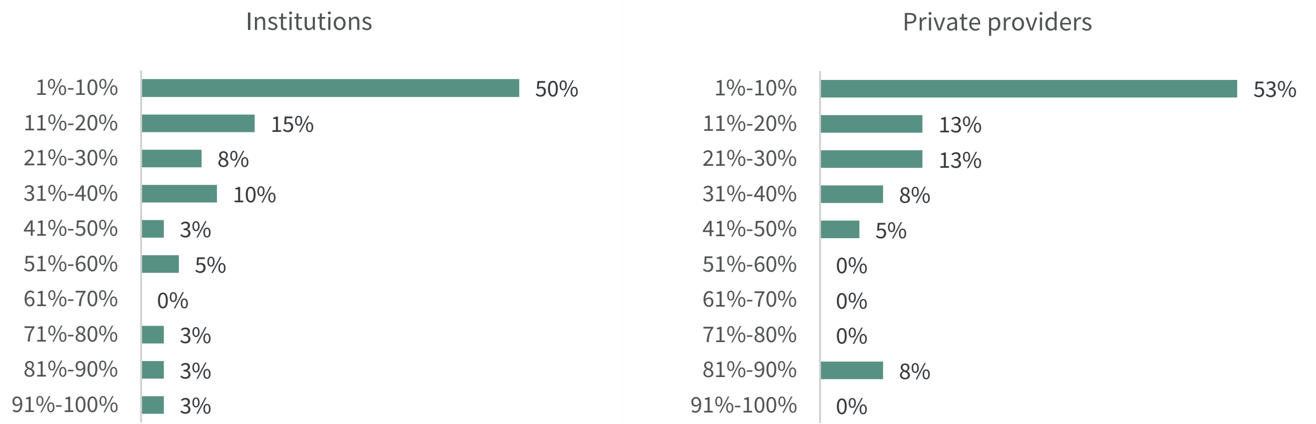


Figure 30: Scale of contract releases as proportion of tenancies

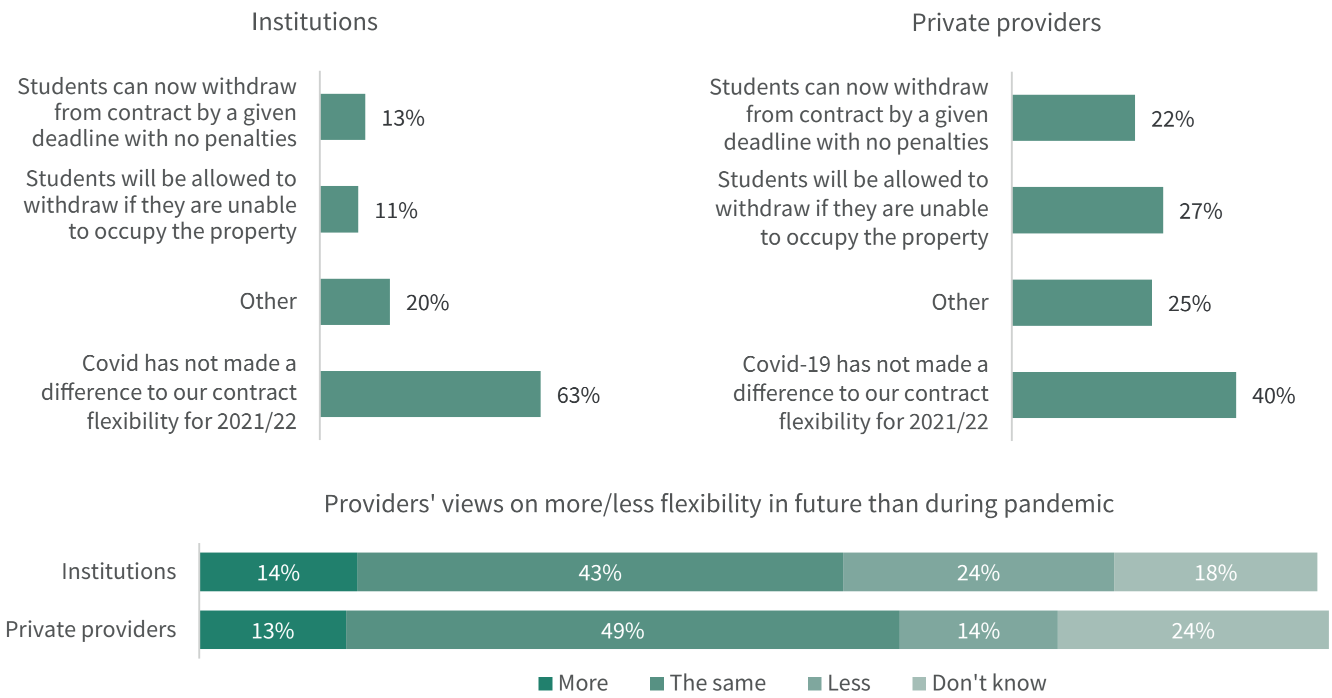


Figure 31: Contract flexibility

RESPONDENTS' COMMENTS ON UNEXPECTED CONSEQUENCES OF RENT REFUNDS

Were there any unexpected consequences in student behaviours, as a result of providing rent refunds?

- *Many students felt the rebate period should have been longer and a small number entered into a rent strike*
- *Some students opted to leave due to the rent refund option for the 5 week period. Others were unhappy at not being able to apply for the refund as they were still living on site but felt punished for having to stay on site*
- *Lots of social media backlash where a full or partial refund wasn't given, or a decision was made later*
- *Yes, expectations on eligibility for the value of the rent rebate. Felt they were entitled to a full rebate even though they returned to accommodation during the lockdown*
- *Increased vibrancy*
- *Not so much in 20/21 as communicated better, but in 19/20 our communication was poorer which resulted in significant complaints, and not all our owners/investors agreed to a standard approach*
- *Some students were unhappy that they were not refunded as not all sites were able to offer this due to there being different building owners across our portfolio, so the decision was theirs. This resulted in some student complaints*
- *Tenants in residence also requested a refund but as they were on site and in room they didn't qualify*
- *Some complained that it was not enough and that the university should be refunding the whole of the accommodation fees for the periods they did not attend*
- *As we decided our policy early, and communicated it early, our students were happy and we didn't receive any complaints or questions*
- *Some students are expecting similar flexibility for 2022/23*
- *A lot more returned to halls on 17 May than we expected- we thought they would mostly take the opportunity to cancel the remainder of their contract but this wasn't the case.*

CHAPTER 3
AFFORDABILITY IN PURPOSE-BUILT ACCOMMODATION

AFFORDABILITY: PROBLEMS OF DEFINITION IN THE FORMULATION OF POLICY

There is renewed debate about the definition of affordability, arising from the very real issues of cost captured in this survey. How to measure the sector's performance in providing choice to students across the spectrum of room types and price points is difficult in the face of supply challenges. In adhering to the rather broad-based policy established by the NUS some years ago, the current survey enables comparisons with previous cycles to continue. However, there are voices now suggesting that the metrics should be tightened so that the needs of UK-based students in receipt of public funding can be measured more closely.

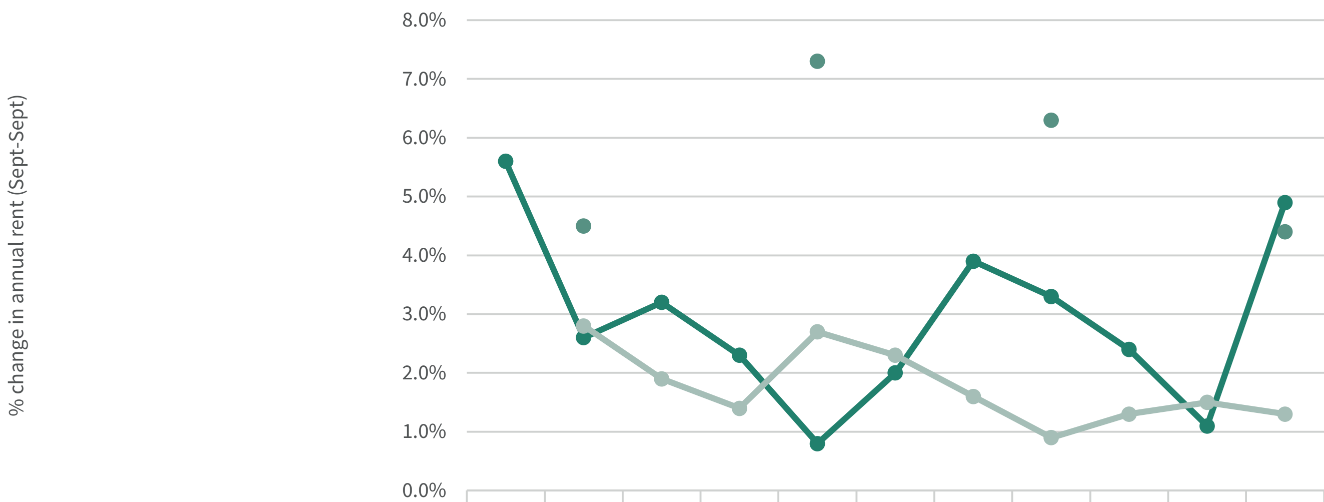
THE UK CONTEXT

Rent rises and inflation

Figure 32 shows September-to-September percentage change in average annual rents for PBSA against percentage changes in the Retail Prices Index and against average rent increases in the UK's private rental sector as a whole. It is clear that rents have been outpacing inflation for some time. Since 2012, average annual increases in the overall UK rental sector have been much lower than in the student sector.

The exception here is the academic year 2021/22. On the face of it, the alignment of rent rises and inflation for the current year is good news. In reality, this is coincidence occasioned by a dramatic rise in inflation. The burden of keeping up with rent payments weighs heavier for students and their families now than before, as they contend with the impacts of inflation across their wider household finances.

Rent setting above inflation levels is likely to be challenged in the future by significant changes anticipated in the demography of the full-time student population. It is estimated that 358,000 extra places will be needed in England by 2035.[13] Although growth in numbers of 18-year-olds will have some marginal impact, it is the widening participation programme that will drive this dramatic expansion in demand. It is possible that the PBSA market as it is currently configured would be unable to bear a higher proportion of students from historically under-represented social groups, whose families work on tighter household budgets and may be more debt-averse. If providers



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
RPI (Sept to Sept)	5.6%	2.6%	3.2%	2.3%	0.8%	2.0%	3.9%	3.3%	2.4%	1.1%	4.9%
Student PBSA: change in rent on previous year		4.5%			7.3%			6.3%			4.4%
UK rented sector: change in rent on previous year		2.8%	1.9%	1.4%	2.7%	2.3%	1.6%	0.9%	1.3%	1.5%	1.3%

Figure 32: Overall annual rent increases vs Retail Prices Index vs private housing rental prices, 2011/12 – 2021/22 [12]

do not balance their portfolios and rent structures to include more affordable accommodation, some would-be students from less affluent backgrounds may be deterred from entering higher education, while others may opt to commute to and from their place of study.

How the Government calculates student living costs and the level of maximum grant

At the moment, it is impossible to work out how the Government calculates student living costs and, from there, the level of maximum loan. Its definitive source of information on students' real finances is the Student Income and Expenditure Survey (SIES). Unipol research suggests that the Government's understanding of the costs of education to the individual is incomplete and out of date. This is because it is based on an SIES undertaken back in 2014. At the time it was last collected, the data straddled the pre- and post-2012 funding systems. For this reason, statistical averages collected at that time represented neither set of funding arrangements. The 2014 SIES is an unreliable basis for making public policy today. In order for the Government to make sound funding decisions, new data is urgently needed. Work on SIES 2019 has been delayed and, regrettably, a better understanding of the real costs borne by students will remain out of reach for some time yet.

RENT AND MAINTENANCE LOANS

England

In 2021/22, for students living away from home outside London, the maximum maintenance loan is £9,488, and for students living in London it is £12,382. According to the Office for National Statistics, the average UK household income in 2020/21 was £29,900.[14] Based on this average household income, a student may expect to receive a maintenance loan of £8,823. This means that the average room rent in England (outside London) of £6,707 would take up 76 per cent of the loan, and leave £2,116 or £52.90 per week over 40 weeks.

In England as a whole, the average maintenance loan awarded in 2020/21 was £6,860 and the average rent that year was £7,065. This meant that in reality the average loan did not pay for the average room in 2020/21.[15]

England, outside London

For a student in England, studying outside London and away from home, the maximum student loan in 2021/22 is £9,488, and their average annual rent is £6,707. On this reckoning, rent currently accounts for 72 per cent of their loan income, leaving them with £2,781. Spread across 40 weeks' term-time, these students will have £69.52 a week to live on, unless they have other sources of income. Research elsewhere in the sector has found that in the UK overall 'new en-suites this year are priced at 82 per cent of the maximum regional maintenance loan.'[16]

Back in 2012/13, the average rent equated to just over half (51 per cent) of the maximum maintenance loan plus grant. This means that the worst-off student would have had more money after rent (£4,265 per year or £106.63 per week for 40 weeks) than they would have today – and this does not factor in inflationary attrition.

It is worth remembering that a significant part of the student accommodation market caters to postgraduates and international students, to whom the undergraduate home student maintenance loan does not apply.

The numbers in Figure 34 expose just how the living costs have increased in real terms over time, but they tell only part of the story. Student support packages are means-tested, and it is understood that fewer than half of UK students take out the maximum student loan. There is a hidden expectation that the shortfall in rent and living costs will be made up from other sources, specifically parental contributions and part-time employment. During the pandemic and especially during lockdown, young people were the most likely to lose their jobs, as the economy was mothballed in sectors where they are traditionally concentrated.[17] The hidden costs associated with families supporting away-from-home study impacts elsewhere in household expenditure, in both lower-income households and households where more than one child is studying away.

London, students studying away from home

In London, budget pressures on students are even stronger than they are in the rest of England. Students studying and living in London away from their home are able to access a significantly enhanced maintenance loan (maximum £12,382). But the extra cash built into the maximum loan available to them does not take full account of the much higher rent levels in the capital.

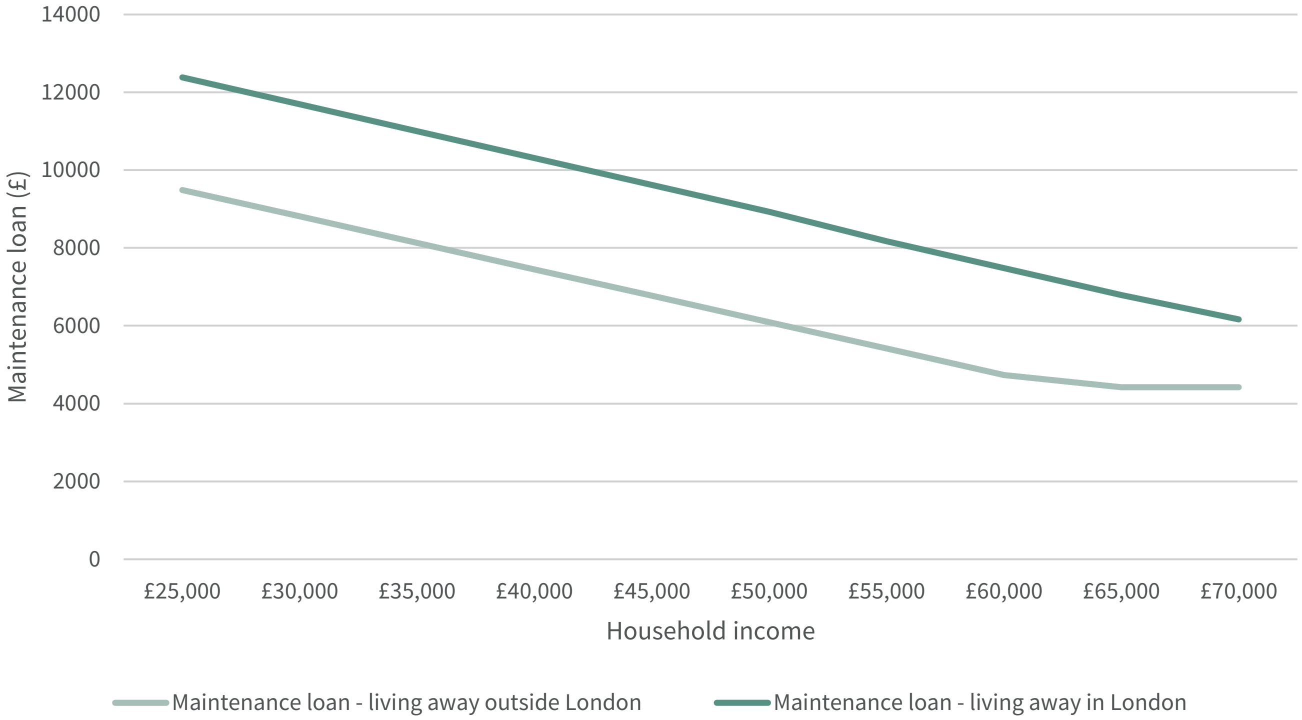
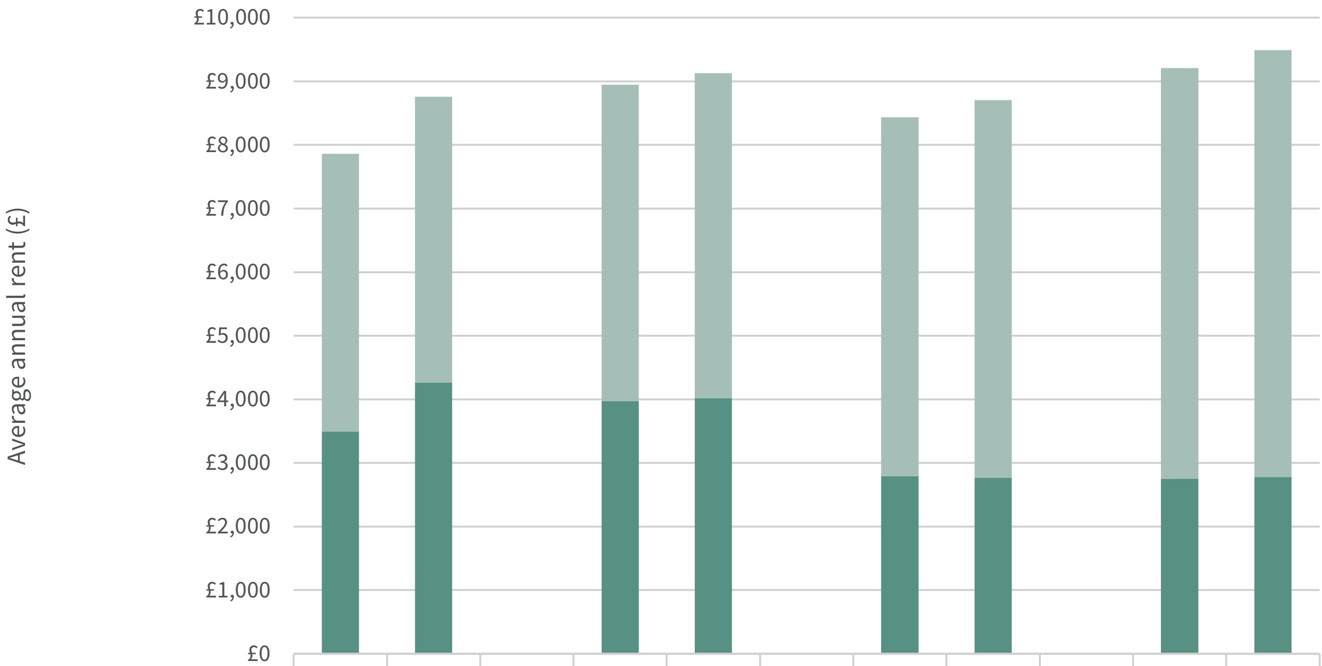
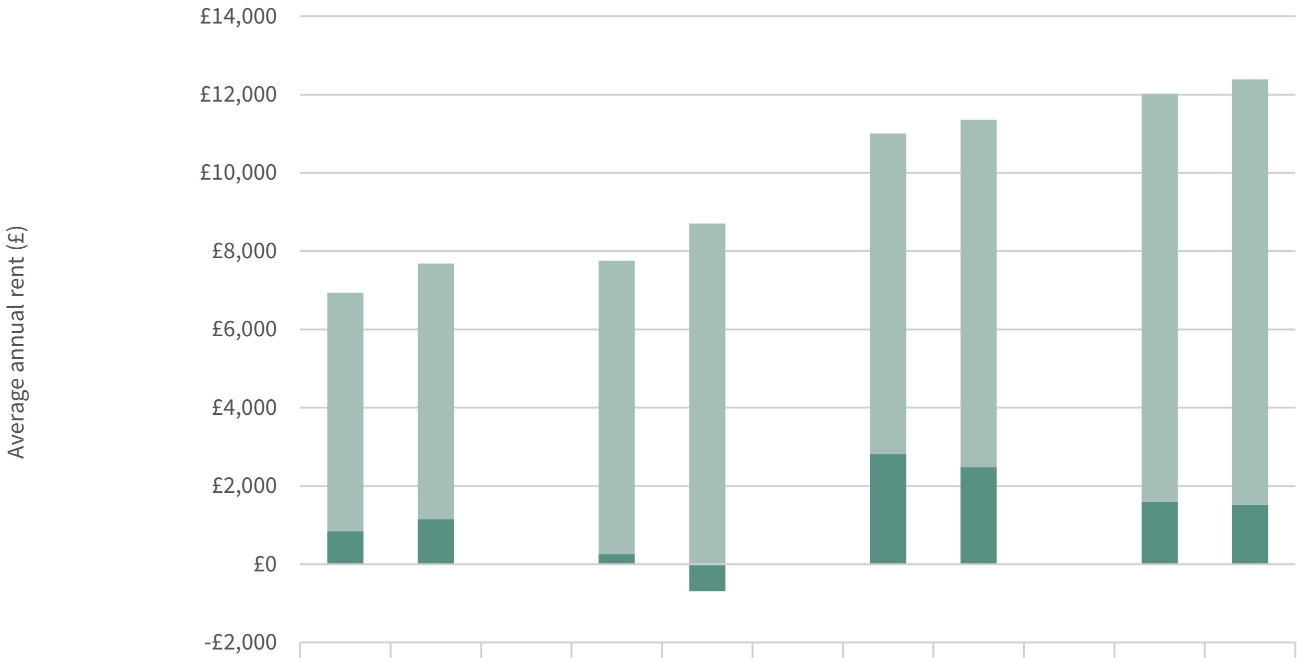


Figure 33: English maintenance loan by household income, 2021/22



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Rent as % max loan	55%	51%		56%	56%		67%	68%		72%	72%
Annual average rent	£4,360	£4,485		£4,967	£5,109		£5,642	£5,928		£6,455	£6,707
Loan remaining after rent	£3,496	£4,265		£3,975	£4,018		£2,788	£2,772		£2,748	£2,781

Figure 34: Weighted average rent as a proportion of maximum maintenance loan: England excluding London



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Rent as % max loan	62%	60%		67%	76%		74%	78%		87%	88%
Annual average rent	£6,083	£6,533		£7,494	£8,701		£8,188	£8,875		£10,417	£10,857
Loan remaining after rent	£845	£1,142		£257	-£692		£2,814	£2,479		£1,593	£1,525

Figure 35: Weighted average rent as a proportion of the maximum maintenance loan: London

Figure 35 plots London loan rates against average annual rents over time. In 2015/16, the average cost of a room was more than the maximum loan plus grant for that year. Currently, the average annual rent of a room in London equates to 88 per cent of the loan amount. This means that, once rent is taken out, students are left with just £1,525 a year or £38 a week for term-time expenditure (40 weeks). Living and studying in London is not a viable option for other than the most privileged UK students who can rely on substantial extra resources.

NUS AFFORDABILITY POLICY

NUS policy states that, in order to be deemed affordable in London, a development should have 35 per cent of its rooms offered at 55 per cent of the student loan in any given year. With a maximum loan of £12,382 for students living away from home in London, the threshold for affordability is £6,810. For universities, the proportion of their rooms meeting the NUS target has fallen in London by 19 percentage points since 2018/19. However, among institutions which offer more than 1,000 rooms, several are more than exceeding the threshold. London-based universities with the most affordable rooms include Brunel University, Greenwich University, Queen Mary University of London, and Imperial College London.

Outside London, NUS targets differ: to be considered affordable, at least a quarter of rooms in a development must be offered at half of the maximum loan (equating to £4,744 in 2021/22). Again, there has been significant slippage in the performance of the university sector since the last survey, with affordable rooms down from 22 to 12 per cent. At least some of this deteriorating position must be attributed to escalating development and increasing utility costs. Institutions outside London which have the most affordable portfolios tend to be in the north of England, and include the Universities of Sunderland, Lancaster, Sheffield Hallam, Central Lancashire and Leeds Beckett University. Elsewhere in England, the Universities of Essex and East Anglia and Southampton Solent University also reported above average proportions of affordable rooms.

The London Plan is now accepted under planning policy by the London boroughs. Within the plan, Policy H15 contains criteria for new-build PBSA that are informed by the NUS affordability policy for London. This means that any new accommodation must demonstrate a

	London 2021/22	London 2018/19	Rest of England 2021/22	Rest of England 2018/19
Policy target	35% of rooms offered at 55% of maximum student loan	35% of rooms offered at 55% of maximum student loan	25% of rooms offered at 50% of maximum student loan	25% of rooms offered at 50% of maximum student loan
Overall: % rooms meeting affordability target	16%		10%	
University owned/managed: % rooms meeting affordability target	31%	50%	12%	22%
Private direct let: % rooms meeting affordability target	5%	7%	9%	7%

Figure 36: Sector performance against NUS affordability targets, 2021/22 and 2018/19

majority relationship with a registered higher education provider, and that 35 per cent of the rooms must be offered at 55 per cent of the maximum student loan. The London plan requires that, to get through the planning process without referral for a viability assessment, applications for new PBSA must provide for 35 per cent of planned rooms to meet the affordability criteria. Affordable rent is rent that accounts for no more than 55 per cent of the maintenance loan over a 38-week period. The maximum London maintenance loan is £12,382 for 2021/22; 55 per cent over a 38-week period equates to £179.21 per week.

The London Plan also stipulates that at least half of rooms must be offered through a nomination deal with a registered higher education provider. Because it is silent on what counts as a nomination agreement for these purposes, boroughs are left to determine which agreements qualify.

At present, developers seem to be having problems in getting educational institutions to engage with them in nominating or filling the affordable rooms provided.

On a cautionary note, the plan will take time to effect, and not all institutions in London are taking part. As a result, rents in existing buildings will carry on rising as institutions in the city continue to benefit from student number growth, fuelled by inflation in matriculation grades over the past two years.

SCOTLAND

Students applying for Scottish maintenance support can include Scottish-domiciled students as well as UK-based students resident in Scotland and intending to remain in Scotland after their study period.[18] The maintenance system is based on means-tested maintenance loans and an element of bursary. Bursaries are available to students dependent on their parents and independents, as well as students opting to study nursing and midwifery. If a student is independent of their parents, they can access greater amounts of loan funding.

In Scotland, the maximum financial support a student can obtain through loans and bursaries in 2021/22 is £7,750. The weighted average rent in Scotland is £6,853 meaning that the average rent equates to 88 per cent of the maximum available financial package. A student in receipt of the full support package would therefore have £897 per term for additional living costs, which works out as £22.42 per week, based on a 40-week term.

At the other end of the scale, for students receiving the minimum financial package, the average Scottish rent is 144 per cent of the available loan. This points up the significant amount of funding that students have to find from alternative sources such as parental support in order both to pay for their room and to support living costs.

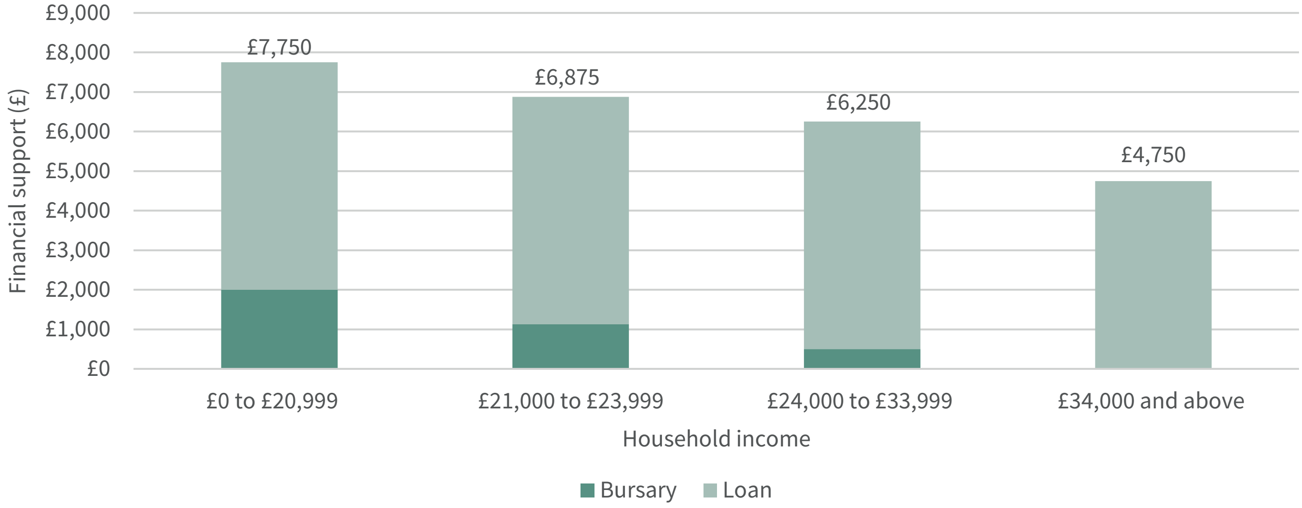


Figure 37: Scottish maintenance loan system: students under 25, 2021/22

Figure 38: Welsh student maintenance support, 2021/22

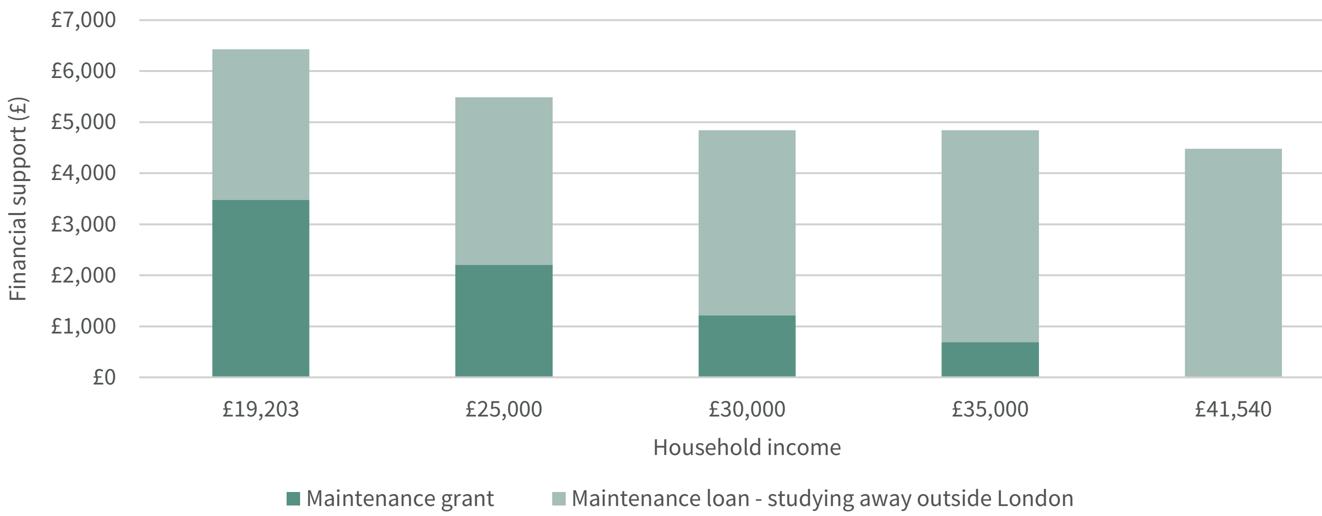


Figure 39: Northern Irish maintenance support, 2021/22

WALES

Welsh student finance applies to any Welsh-domiciled student as well as UK and EU students who will be resident in Wales for their programme of study. Maintenance loans and grants are available to students, meaning that some elements of the Welsh financial package are given rather than loaned. The maximum amount of funding per year is £10,350 for a student living away from home, and the proportion of this amount that is grant or loan is determined by means-testing.[19]

The average annual rent in Wales in 2021/22 is £6,168, up by 4.5 per cent annually over the previous three years. The average rent in 2021/22 equates to 59.6 per cent of the support package for students living in Wales. Students with the lowest household income could pay for a room and have £1,932 of grant left, plus their loan amount. For all students, the financial support remaining after the average room has been paid for is £4,182. This means that a student would have £104.55 a week to spend on living costs over 40 weeks' term-time.

Welsh students are also able to apply for up to £1,500 of their maintenance loan to be cancelled out in return for a minimum early repayment of £5 towards their debt.

As policy context, the NUS launched a new Welsh student housing policy in November 2021 and student finance in Wales is under review. The UK Government has commissioned a review of student finance for English-domiciled students in England. Suggestions made in the review include the reintroduction of grants for students from low-income households; and a lowering of the repayment threshold. If the review suggestions are accepted, it is likely that funding for Welsh students will change in line with funding for English students.

NORTHERN IRELAND

For student loan purposes, a Northern Irish student can, depending on circumstances, be a student from elsewhere in the UK and EU, who has settled in the country. The maintenance package is means-tested. In 2021/22, a maximum grant for qualifying students attending university in Northern Ireland (up to a household income of £19,203) is £3,475 plus £2,953 of loan. The grant tapers away to zero at a household income of £41,065, but the loan rises to £4,480 at that level of income.[20] Further means-tested support is available through a Special Support Grant which is paid on top of the loan to students who have additional needs (for example, students with a disability or students supporting a child.

The average rent in Northern Ireland is £5,256, so that after rent, under the maximum maintenance package of £6,428, a student would be left with £1,172 or £29.30 per week for 40 weeks. At the average household income in Northern Ireland of £29,000, the maintenance package would be approximately £4,900.[21] The average rent payment would mean a parental contribution of £356 in rent, with all living costs having to be covered by parental contribution or alternative sources of income.

AFFORDABILITY STRATEGY AND FINANCIAL SUPPORT GIVEN TO TENANTS

All in all, the findings explored in this section are disappointing. Most organisations do not have an affordability strategy. In the roster of those that do, institutions are represented in greater numbers than private providers.

Where affordability strategies are in place, 46 per cent of providers said they made theirs publicly available; 54 per cent do not. There must be concerns about 'secret' affordability strategies. Whereas there has been a rise of four percentage points in the proportion of institutional respondents reporting that they have a strategy, there has been a ten-percentage point drop among private providers.

Figure 41 shows that institutions and private providers have different ideas about the extent of their responsibilities to help students who need particular financial support to deal with the pressures of paying rent.

Eighty-nine per cent of surveyed universities offer a hardship fund and 59 per cent a bursary. Further financial support is often available through other institutional channels such as scholarships. The figures for universities were similar in 2018. Much of this funding comes to them from central Government.

By contrast, three quarters of respondents from the private sector gave a nil return on lending financial support to tenants, and it is likely that most, if not all, of these do not consider this to be part of their role. The Government's policy of channelling hardship funds through the educational institutions would help to support this conclusion.

Some private operators do run a hardship fund and this has remained steady around the ten per cent mark, but those offering bursaries have dropped from 17 to 10 per cent. In the private sector, a similar proportion of larger and smaller providers offer hardship funds and/or bursaries: 20 per cent of operators that have more than 6,000 beds and 19 per cent of smaller providers. The numbers of private sector respondents reporting that they offered other forms of support – such as widening participation scholarships, grants, loans and reserving some affordable accommodation for eligible students – have fallen away since 2018. It might be argued that, in the absence of Government help (such as is provided to educational institutions), hardship fund arrangements made within the private sector are likely to be reflected in higher rents for the remaining students.

While maintaining a ladder of rents with some genuinely affordable price points is still vital, the data from this cycle underscores how difficult it is to rein in rent increases and maintain the supply of affordable provision. Strategically, in order to maintain affordability in the context of educational access, it now appears easier to target the consumer rather than the property infrastructure. Operating well-resourced and publicised bursary schemes to support clearly identified groups may, in many cases, be a more straightforward and effective way of helping to widen participation.

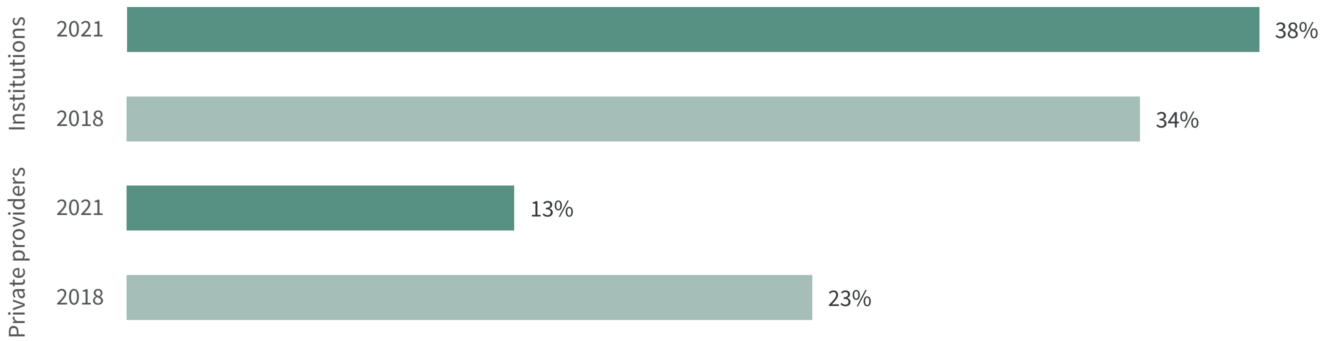


Figure 40: Providers with an affordability strategy
Do you have an affordability criteria/strategy? (Base size: 139)

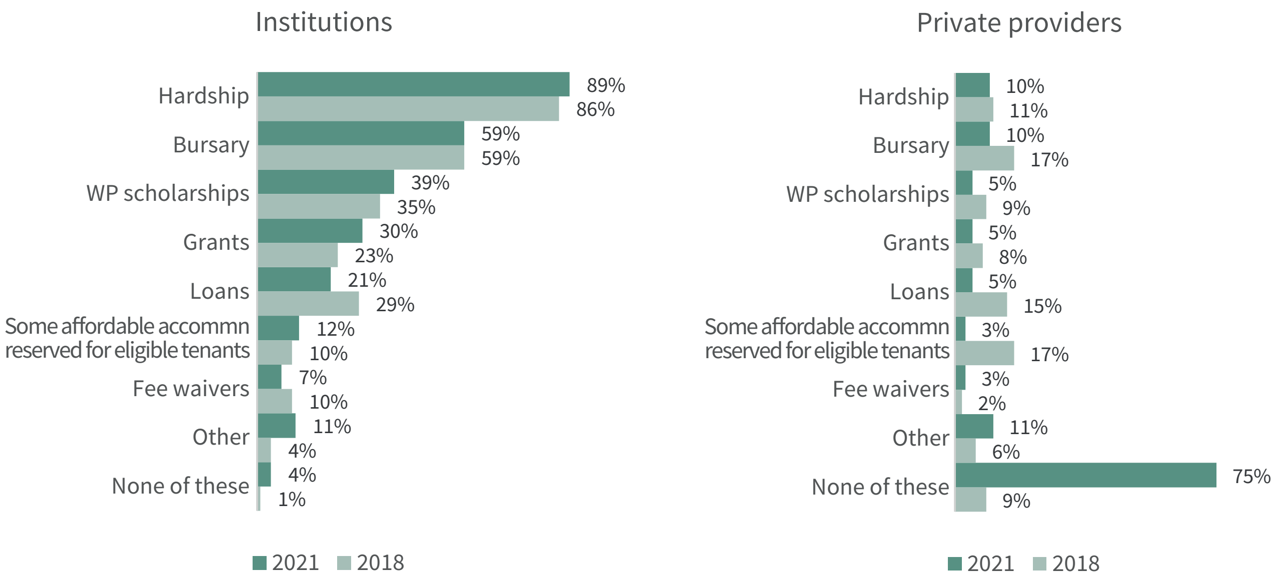


Figure 41: Financial support offered to tenants

CHAPTER 4

ACCOMMODATION PROVIDERS, STOCK AND RELATIONSHIPS

BED SPACES: WHO OWNS WHAT

Figure 42 shows the shifting balance of ownership of purpose-built accommodation since 2012/13. Within overall expansion of 29.9 per cent across the period, university provision has halved (-49.6 per cent) and privately-owned bed spaces have grown by 153.9 per cent. In 2012/13, institutions laid claim to 60.9 per cent of total provision, and the private sector to 39.1 per cent. By contrast, In 2021/22, universities account for less than a quarter (23.6 per cent), and the private sector for more than three quarters (76.4 per cent). This turnaround is one of the major stories in student accommodation in the last decade.

In the private sector, the investment stream shows no signs of abating, as yields from PBSA continue to outperform rival opportunities in the property sector. Demand for higher education keeps on growing and has shown itself to be extremely resilient, having weathered strong recent headwinds (the fees hike in 2012/13, a sustained demographic downturn in 18-year-olds, and the pandemic).

Figure 43 sets out how many bed spaces are managed or controlled by universities and by private operators. Respondents are clustered in the bands extending from fewer than 250 bed spaces to 12,000. The upper echelons of the range are the exclusive preserve of private providers, generally operating in multiple locations. The survey findings reflect growing concentration of stock volume in fewer – private – hands in the PBSA sector. A recent example is the merger of Unite and Liberty Living, involving 181 buildings in 27 cities.

RELATIONSHIPS BETWEEN UNIVERSITIES AND PRIVATE PROVIDERS

Recent survey cycles have charted increasing institutional reliance on the private sector. The forms of this dependence vary. Figures 44 and 45 give a sense of the prevalence of the more common types of partnership arrangements, and the kinds of proportions of students being allocated by accommodation offices into rooms not owned by universities.

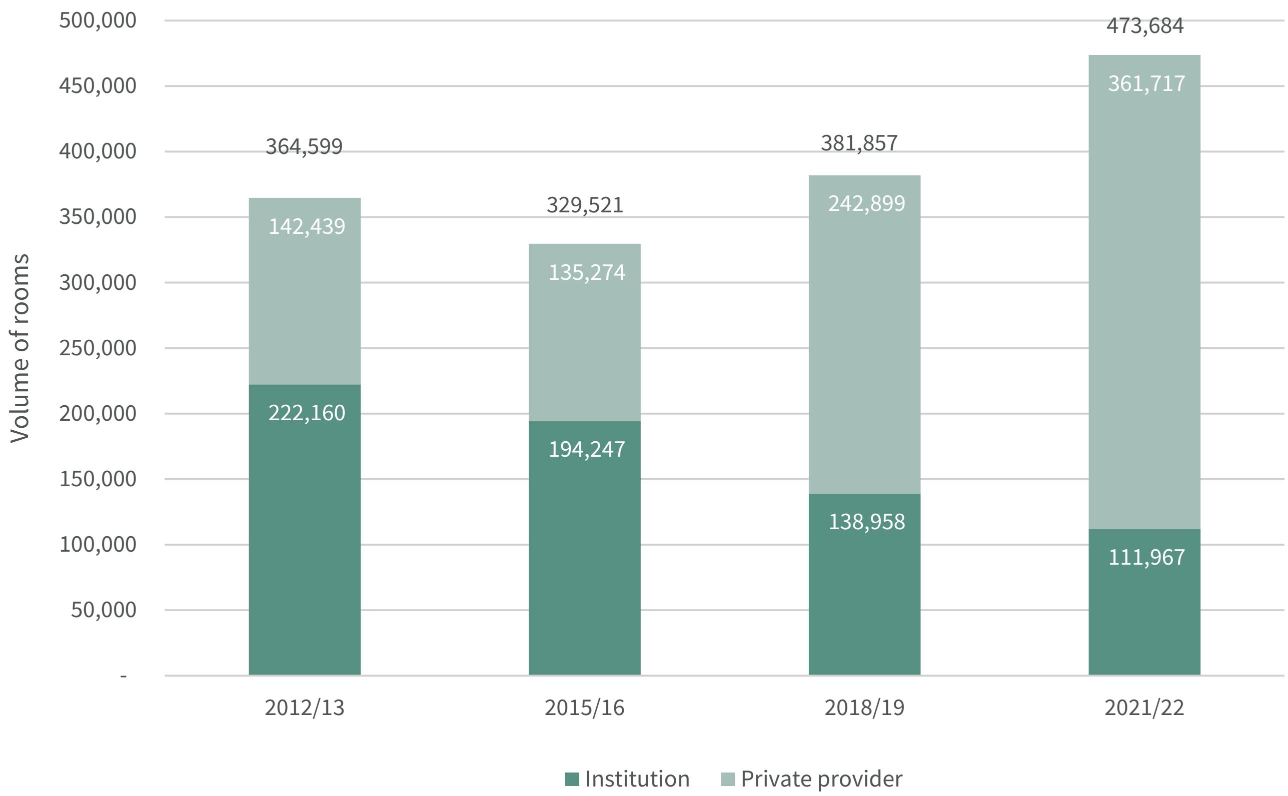


Figure 42: Total volume of rooms by provider type

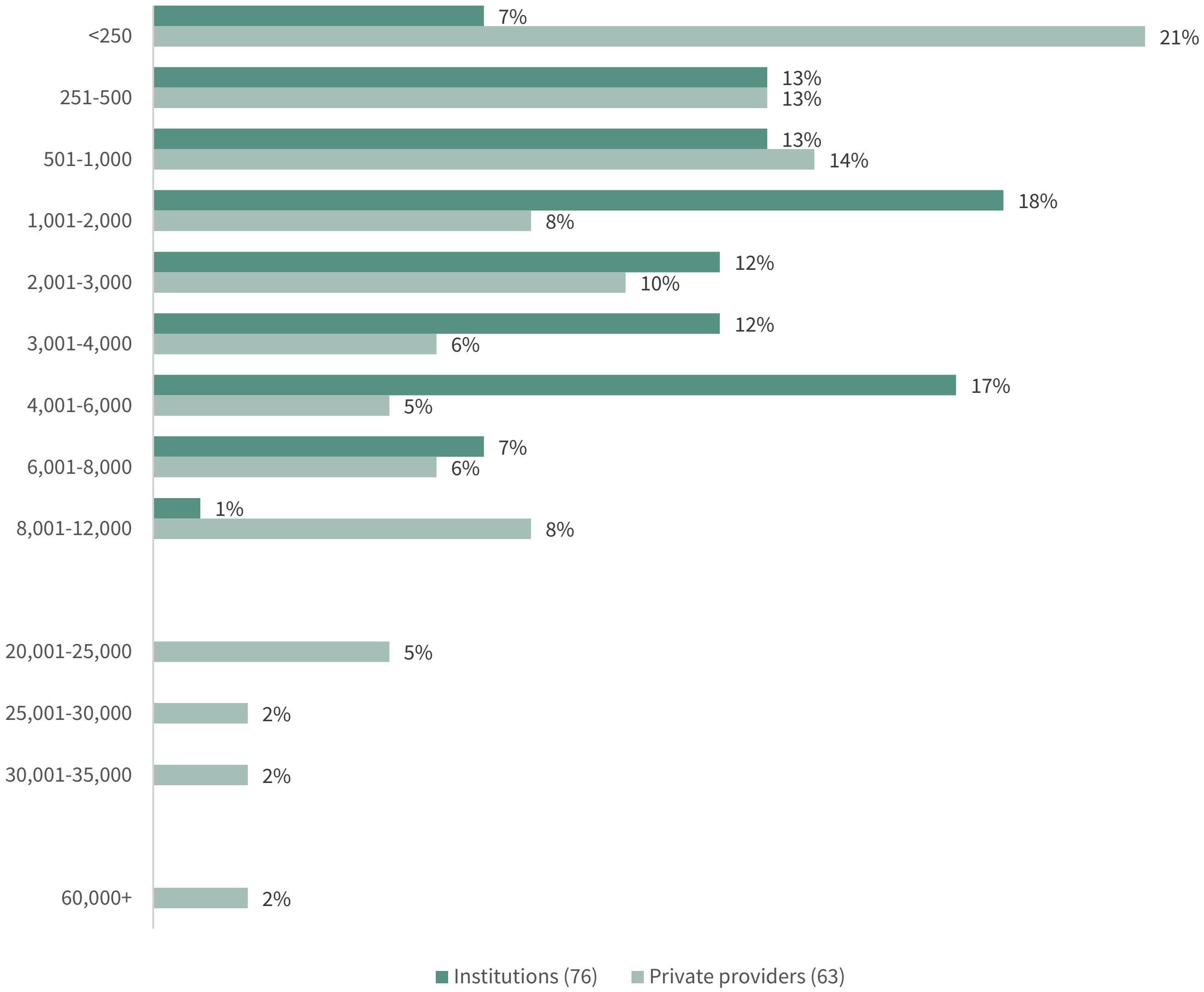


Figure 43: Numbers of bed spaces controlled/managed by providers

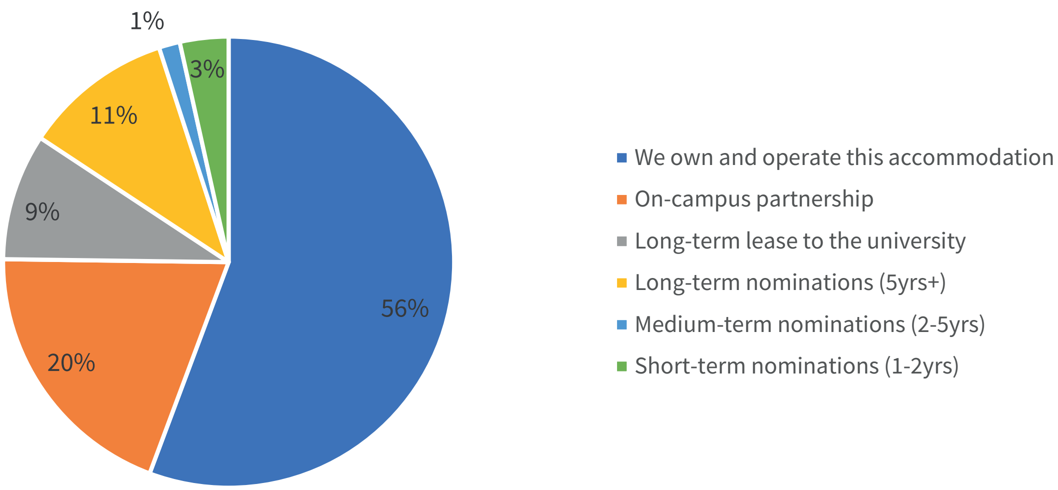


Figure 44: University rooms: ownership and relationships with private providers 2021/22

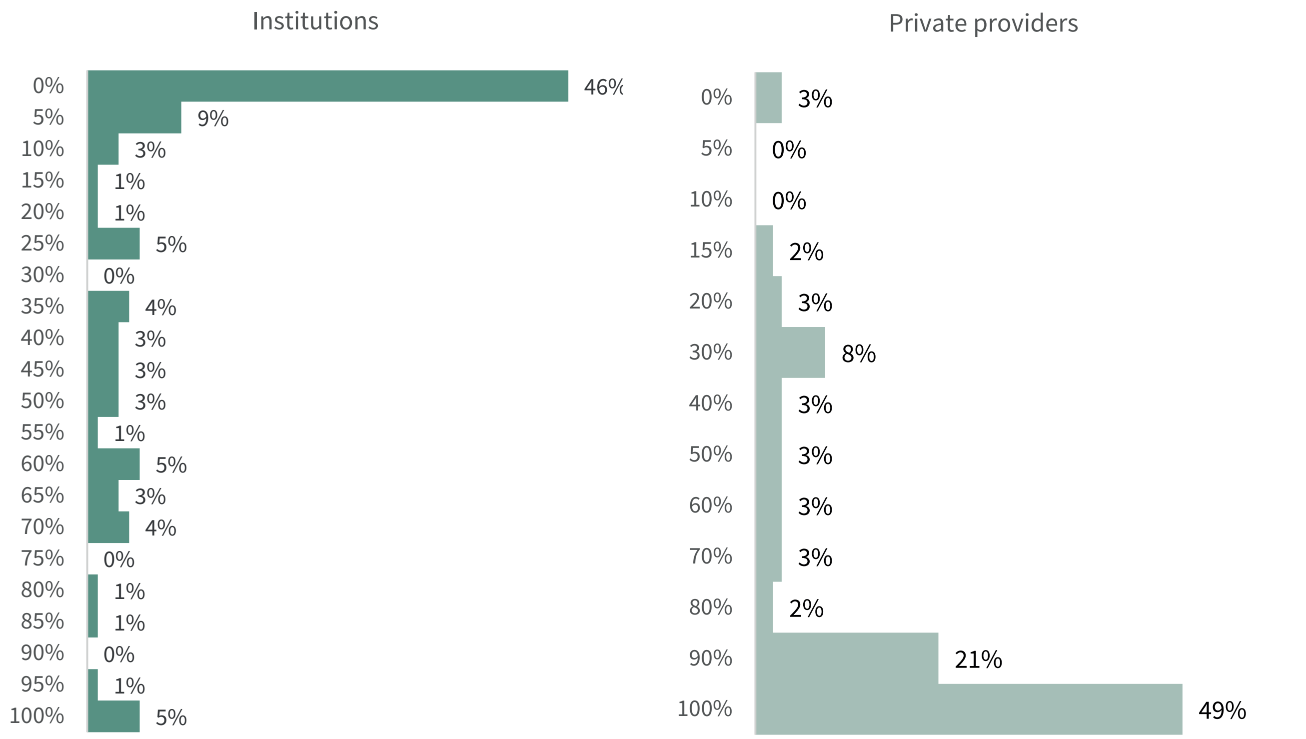
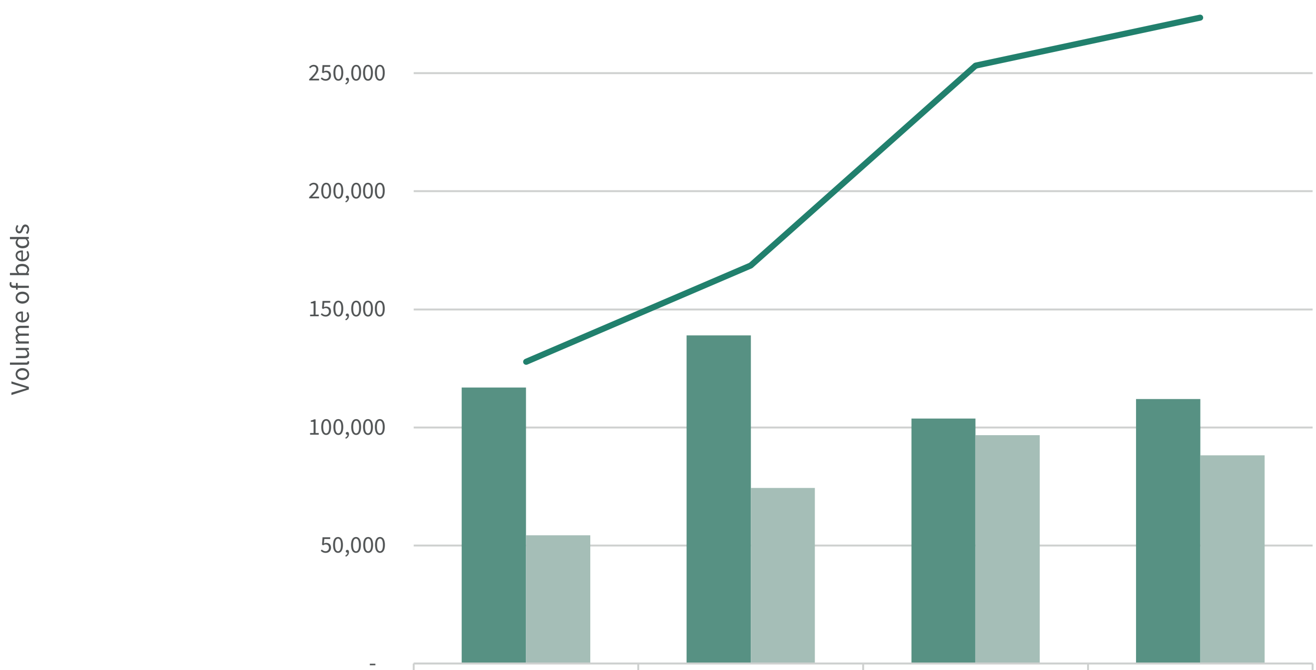


Figure 45: Students allocated by accommodation offices into rooms not owned by institutions
What proportion of students are allocated by the accommodation office into rooms which are not owned by the university directly?



	2017/18	2018/19	2020/21	2021/22
University's own beds	116,922	138,958	103,833	111,967
Private beds used by universities	54,336	74,323	96,760	88,195
Private direct let	127,842	168,576	253,162	273,522

Figure 46: Volume of bed spaces by user type over time [22]

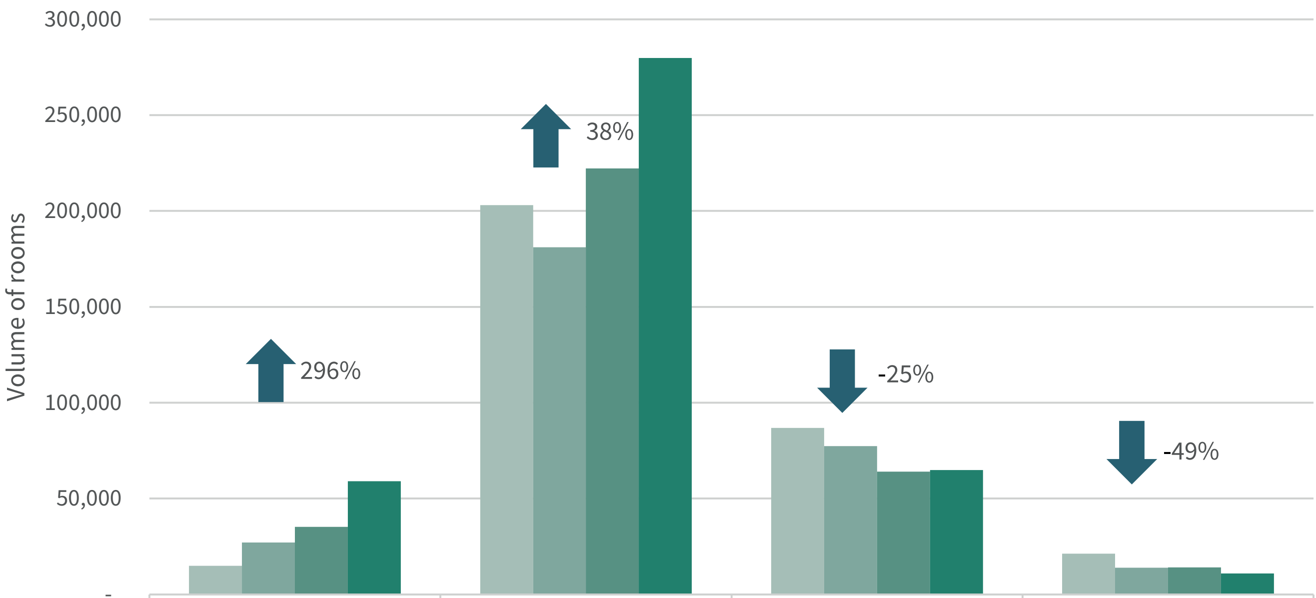
Figure 46 shows the nature of the relationships in the current cycle compared with the previous survey. The major increase in the number of students renting directly from private providers is a headline finding in this survey. While university-owned rooms have fallen away, the volume of private sector bed spaces used by universities has substantially increased, reaching a peak in 2020/21.

Within these macro-trends in the evolving shape of the sector, there is a dip in the number of private beds used by universities (-8.9 per cent on last cycle). This appears to be the result of not renewing nomination arrangements that have come to an end, whether these are longer or shorter-term relationships. However, there is evidence of one-year deals being affected to a lesser extent. The apparent sudden break in relationships on 8,565 rooms may have been triggered by the pandemic, as institutions review both their strategy around teaching and on-campus participation, and growth expectations. In the online survey most respondents have said it is too early to say what the longer-term effects of Covid-19 will be on the portfolio and their behaviour. Perhaps this caution is filtering through to nomination decisions.

The simple interpretation is that some universities, despite growth in student numbers, are cutting back on their accommodation requirements and on partnerships with others, which may expose them to risk of empty rooms.

ROOM TYPES

The balance of accommodation room types continues to change. The volume of self-catered en-suite rooms is still growing and they now account for 59 per cent of all provision in the 2021/22 survey. This is a slight percentage points increase, up from 58 per cent on 2018, but in real terms represents an additional 57,504 beds. It is the most popular room type for universities to develop (on their own or in partnership). It is apparent that, for Year 1 entrants, the default accommodation choice is an en-suite room. For many, feedback from some parts of the sector suggests, this may not be a rational decision that actually best meets the needs and preferences of first-years as they settle into their accommodation. It



	Studio (single)	Self-catered en-suite	Self-catered standard	Catered standard
2012/13	14,918	202,990	86,951	21,279
2015/16	27,186	181,103	77,366	14,011
2018/19	35,298	222,261	64,063	14,157
2021/22	59,063	279,765	64,940	10,910

Figure 47: Volume of rooms by stock type

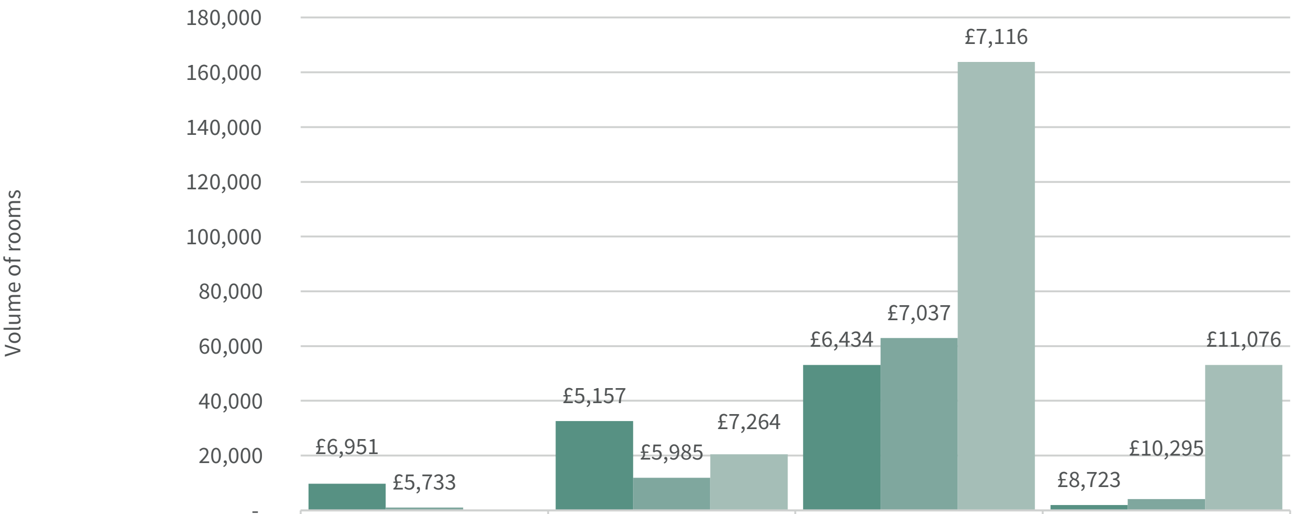
may indicate a lack of good information, effectively communicated at the right time.

The number of studio flats reported in the survey is still rising steeply. This reflects what is going on in the sector but also has something to do with some of the private providers new to the survey.

Standard shared bathroom accommodation is in decline. The numbers are dropping as fashion and consumer preferences move elsewhere. Within this segment, catered provision has been reduced to a small rump, serving a niche student market that continues to value the combination of more affordable rooms and upfront budgeting for the costs of food. Although the figures here are inevitably affected by shifts in the profile of institutional respondents, the trend is nevertheless a real one. There is a view that the only strong demand for catered, often older accommodation comes from students previously at public boarding schools. Standard self-catered accommodation volumes have held steady in 2021/22 compared to 2018/19. This may reflect conscious efforts in some universities to retain an element of provision that offers students a lower-cost alternative, but may also reflect a number of newer townhouse developments that have come into commission on campuses in recent years.

Figure 48 presents data on different room types by volume, ownership, annual rent and user type. En-suite provision continues to be the focus for partnership arrangements. If an institution needs new rooms, it can provide them itself on its own balance sheets or it can procure them through partnership mechanisms, in the form of either long-term structures or a nominations agreement.

Universities make choices about how to prioritise their own financial commitments, and many opt to rely on private funding and partners to supply new accommodation, so that they can focus their own financial capacity on academic and other infrastructural investments. The availability of private money and investment in student accommodation is helpful for universities in bringing forward new accommodation both on and off campus. There are benefits in maintaining property long term, as universities have historically underinvested in keeping accommodation up to date once built. However, reliance on the private sector comes at a cost, manifest in the higher average rents associated with typically newer private rooms. If private developers are taking a greater share of longer-term risk on lettings, it is unlikely they will move away from perceptions of student consumer preferences for en-suite rooms.



	Standard catered	Standard self-catered	En-suite	Studio
University-owned	9,680	32,575	53,089	1,883
University using private	1,032	11,859	62,923	4,071
Private direct let	198	20,506	163,753	53,109

Figure 48: Main room types by volume, owner, relationship and annual rent 2021/22

Although business models are factored by local variations in demand and supply conditions, private providers typically have two choices, in which risk level and rental income are directly related:

- to work with universities, through which arrangement they generally have more secure occupancy levels and are therefore able to offer lower rents or
- to enter the direct let market where competition raises the risk of lower occupancy, but also opens up the opportunity for higher rental returns.

Studio accommodation remains very much the domain of private providers, working in the direct let market. Universities tend not to favour this style of accommodation, which is usually targeted at international and postgraduate students, and at students outside the scope of institutional accommodation guarantees.

Studios now represent 12 per cent of the total student stock covered in the survey. This compares to four per cent in 2012/13 and nine per cent in 2018/19. The rapid and sustained expansion of volume for this accommodation type continues to be a driver nationwide. Numbers in the sector have almost quadrupled since 2012/13 (+296 per cent). In London, studios have increased by 166 per cent since 2018/19 and by 61 per cent in the rest of the UK. Of the 59,063 single occupancy studios logged for the 2021 survey, 64 per cent (or 37,712) were reported by providers who took part in 2018. For this group, volume has grown by 34 per cent since the previous cycle.

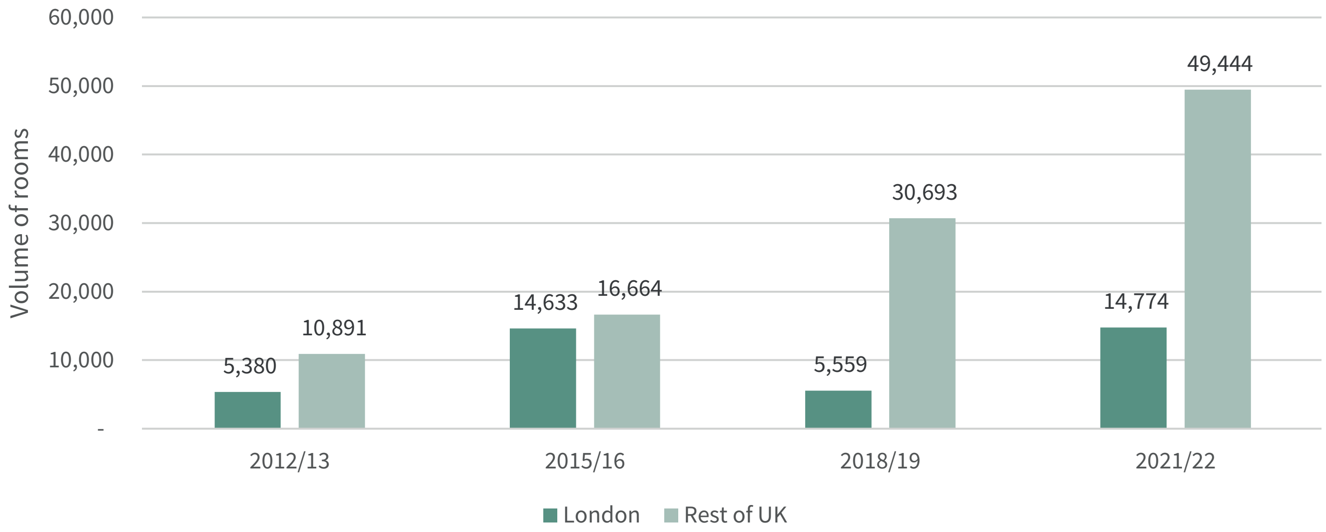


Figure 49: Studios over time

CHAPTER 5
EQUALITY AND WELLBEING

HOW PROVIDERS MEET THE NEEDS OF DIFFERENT STUDENT CONSTITUENCIES

Accommodation supporting specific student needs and preferences

Institutions remain well ahead in supporting specific needs and preferences of student residents (Figure 50) and all institutional respondents offer some specialist types of accommodation.[23] As was the case for the previous survey, factors here are likely to include, for institutions, a sense that, as education providers, they are duty-bound and funded to meet the demands and expectations that minority student groups present.

For institutions, the past three years have produced little, if any, progress in the proportions of university respondents supporting specific student needs and preferences. In fact, there is less support evident in 2021 against some types of accommodation.

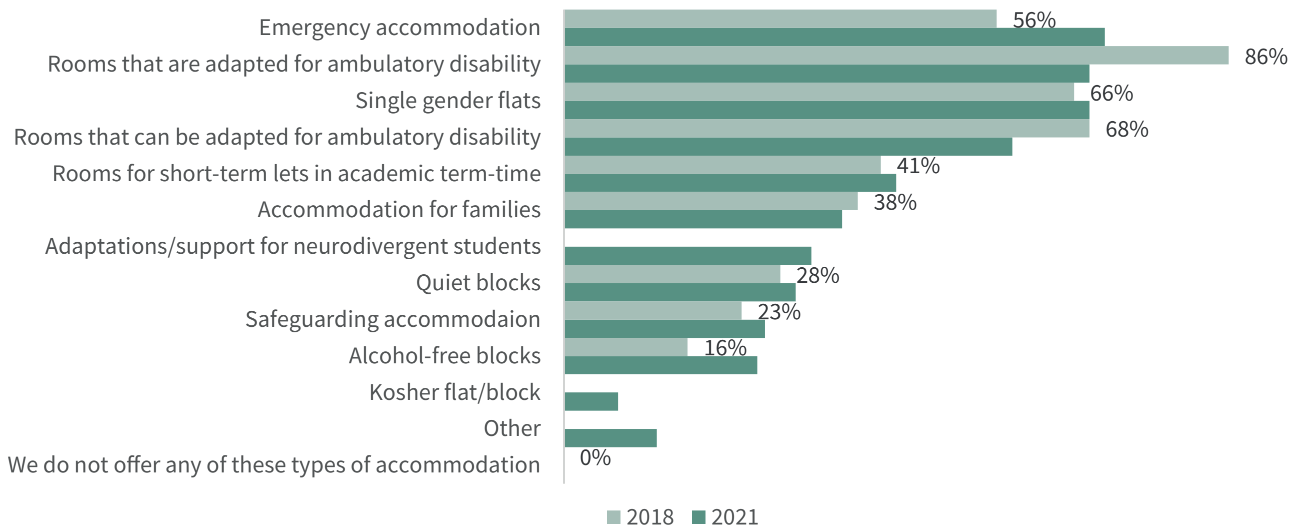


Figure 50a: Accommodation supporting specific needs/preferences: institutions
Do you offer any of the following types of accommodation?

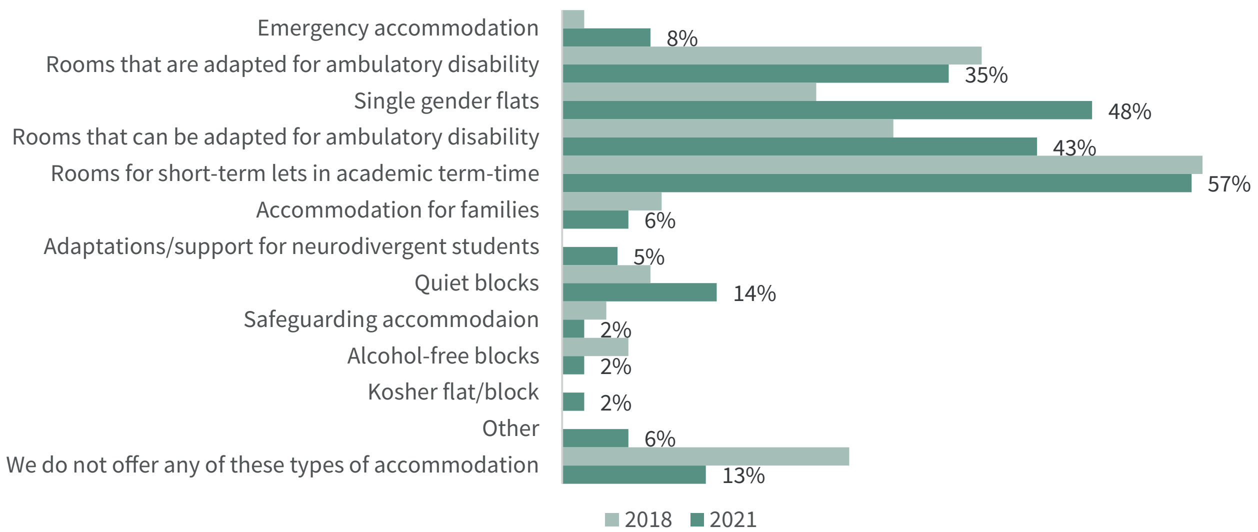


Figure 50b: Accommodation supporting specific needs/preferences: private providers
Do you offer any of the following types of accommodation?

The situation in the private sector has, however, been changing. While 13 per cent of private providers report that they do not offer any of the specialist or alternative accommodation types set out in the questionnaire's response options, this figure is significantly down on the 26 per cent logged in 2018. Although there is such a disparity between provider types, it is pleasing to see a measure of progress in supporting the needs of specific tenant groups among private providers.

Returning and international students

Measured according to new and returning students, the tenant profiles of private providers and universities remain distinctive. Returners are a core market for private operators, who continue to draw post-Year 1 students away from off-street housing in ever greater numbers in many localities. This trend is likely to accelerate, as the off-street private rented sector shrinks in the face of continued PBSA expansion, the growth in non-student professional renting, taxes on secondary homes, and local authority licensing and use of Article 4 Directions. As student demand from the 'middle market' gathers pace, the supply is evolving to incorporate provision that is different to accommodation for first years, offering different ways of living and a progression from the typically larger blocks associated with first-year living.

By contrast, the institutional model is primarily focussed on guaranteeing a place to all new undergraduates in university accommodation, often in the context of student recruitment. For institutions, returning student lets have often been a way to plug gaps left by under-recruitment of first years and are only selectively targeted. For institutions experiencing declining demand in a competitive higher education sector, reliance on returning students to maximise occupancy is likely to increase. At the other end of the spectrum, there are strong indications that accommodation guarantees are under pressure for high-recruiting institutions, as stories of Year 1 students being offered rooms in unfeasibly distant locations make the headlines. Successful growth spells fewer opportunities for returners to stay in accommodation run by universities, exceeding their intake targets. In 2021, only 16 per cent of institutions let more than half of their accommodation to returners. For the private providers the figure was 63 per cent.

The patterning for international students is broadly similar. While 13 per cent of institutions let more than half of their provision to students from overseas, two fifths of private operators let over 50 per cent of theirs to internationals. As noted in the 2018 survey report, the different profile of student domiciles between provider types reflects the heightened importance that non-UK students attach to living in purpose-built accommodation beyond their first year.

Providers rely on large numbers of wealthy international students to fill many of their beds – specifically, in London. This model of an asymmetric tenant profile was exposed as particularly vulnerable

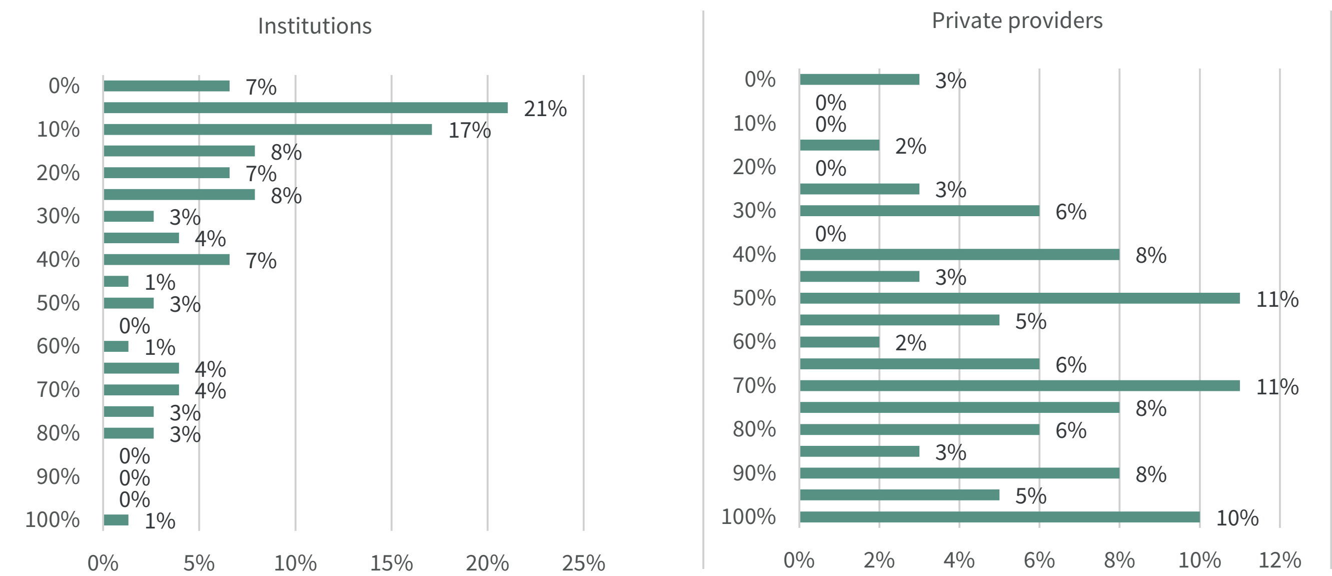


Figure 51: Lets to returning students
What is the proportion of your accommodation which was let to those other than first-year students in 2020?

during the pandemic. In the periods that necessitated international visa restrictions and travel bans, occupancy in London was observed to be significantly lower than in the rest of the country.

In future, providers may not be able to rely on students from China to fill their rooms to the extent that they do now. Already, institutions are seeking to diversify into alternative markets such as India, where average incomes among student-sending households are not as high. This is evident in the most recent data published by the Higher Education Statistics Agency (HESA). Such drivers may mean that providers whose current business model is focussed on premium accommodation for high-income students will need to diversify to meet the needs of new or changing markets.

Disabled students: diversity, access and inclusion

As designated public authorities, universities operate under a duty to consider how their policies or decisions affect people who are protected under the Equality Act 2010. If there is a stand-out retrograde step logged in Figure 50a, it is that numbers have dropped significantly for university respondents with existing/convertible rooms suitable for students with an ambulatory disability. Since the last survey, there has been a drop of 18 percentage points in institutions offering provision that is adapted; and of ten points in rooms that can be adapted. It is possible that these shifts in provision reflect universities reappraising demand, but this supposition does not square with the 11 per cent of institutions reporting that they have experienced a shortfall in adapted accommodation. As noted in the previous survey, institutions should consider carefully how they can fulfil their enabling responsibilities under equality legislation and ensure that an appropriate level of adapted and adaptable accommodation is available. By contrast, the number of private operators reporting that they have rooms adaptable for these purposes has surged by 13 percentage points over the three-year cycle. Nonetheless, private providers still trail universities.

Respondents were asked in the survey questionnaire whether a student requiring accommodation to meet their disability needs could get a room in the provider's portfolio at rent equivalent to the lowest-priced room in the same development. Thirty per cent of institutions and 19 per cent of private providers were unable to report that a student could.

For universities, the aims of the equality duty extend to functions contracted out to external organisations to deliver on their behalf. In this legislative context, university respondents were asked whether they incorporated disability, accessibility and inclusion standards into their contracts with private providers. Disappointingly, a full fifth reported that they did not; five per cent indicated that they did in some instances; and a further 39 per cent said they did not know.

Pursuing the theme of institutional-private partnerships in providing services to legally protected groups, the survey has explored the locus of responsibility for accessibility and wellbeing (Figure 52). The low base rate – 41 responses from universities and 32 from

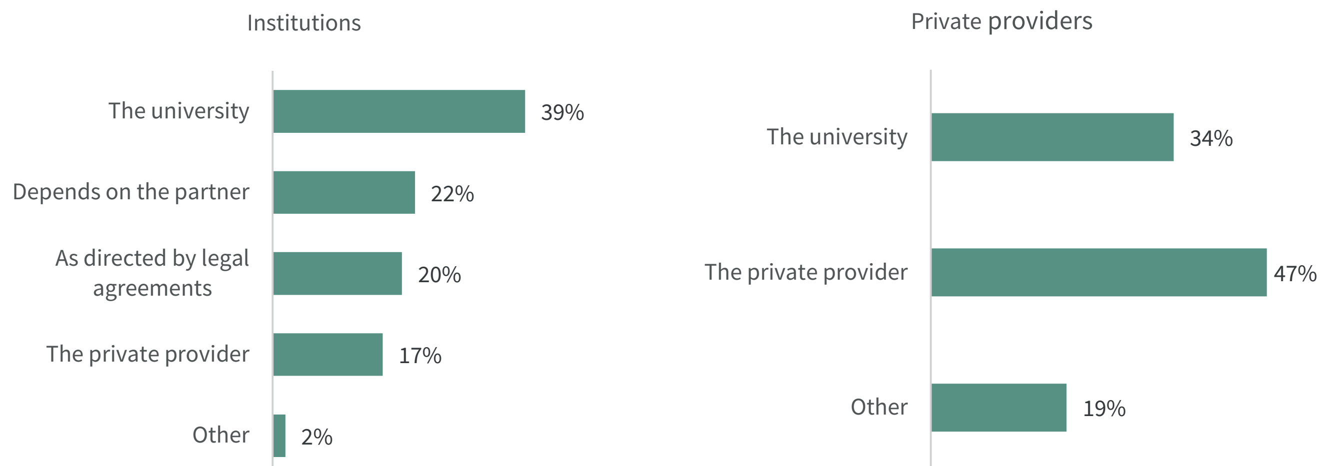


Figure 52: Accessibility and wellbeing of protected students: where responsibility lies
When working with private providers/institutions, who holds overall responsibility for accessibility and wellbeing for protected students, such as disabled students?

private providers – is worth noting and may signal a degree of uncertainty about who is responsible for what. From the consumer's perspective – especially in a crisis or an emergency or where they are seeking redress – this is a major problem that needs resolving.

Figure 53a and 53b set out how providers rated themselves in supporting the needs of students with a range of impairments. Institutions gave themselves high marks across the board. Private providers scored themselves generally lower, and a significantly higher proportion of them reported having had no experience of supporting students with these needs. The generally positive mood among providers needs to be tempered by the findings of some recent research specifically into the experiences of disabled students in UK higher education:

… less than half of respondents said that their accommodation completely meets their physical and mental access needs, potentially compounding the exclusion or isolation they face.[24]

WELLBEING AND MENTAL HEALTH

The mental health crisis affecting young people in the UK – and particularly students – has been a focus of attention among health and social care practitioners over the past decade, and has been widely reported in the media. The previous survey recorded the significant efforts of universities and private providers to respond to deteriorating mental health in the student

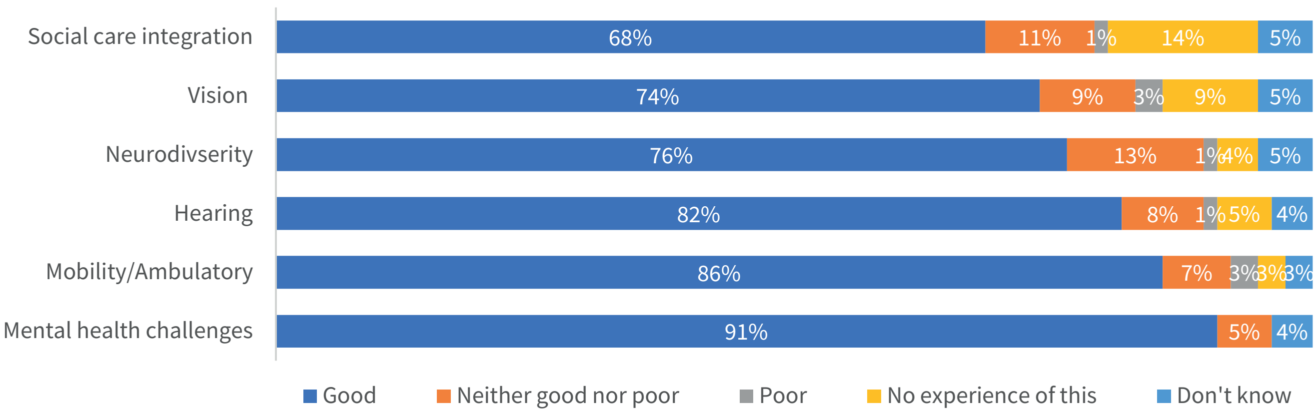


Figure 53a: Ratings universities awarded themselves for their performance in meeting the impairment-related support needs of their students

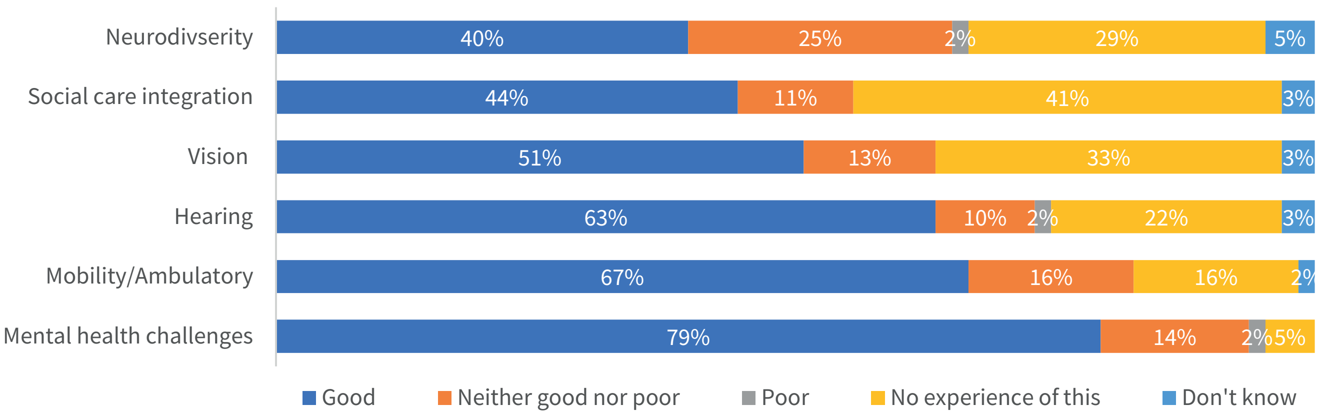


Figure 53b: Ratings private providers awarded themselves for their performance in meeting the impairment-related support needs of their students

population. The 2018 report also recommended that, in the context of more accommodation being run by private operators, the support they provided should be enhanced to match what universities were offering, and private sector and instutional partners were encouraged to adopt a multi-agency case management approach; to work on joined-up solutions; and to put in place effective communication channels between them for these purposes.[25]

Since then, the pandemic has propelled this set of issues to the fore, as threats to mental health and risks of isolation have become real concerns for the general student population. At the same time, the balance of ownership and management has swung considerably further towards the private sector.

In 2021, 42 per cent of university respondents reported that all staff who interacted with tenants had received Mental Health First Aid (MHFA) training. At 24 per cent, the private sector is trailing well behind, although the gap has narrowed since 2018 (Figure 54). Recent changes to the Unipol/ANUK National Code for private providers is both reflecting and driving greater training and support within the sector: new requirements were agreed by private suppliers to come into effect across 2020-22. Other areas where private operators have reduced the deficit include: recording more information about student cases and increasing information about NHS and GP services. But private providers still lag in tenant support and student service referrals. It should, however, be noted that performance is patchy and that there is evidence of excellent practice in some of the larger private providers.

In 2021, more than four fifths of universities identified wellbeing services and support; welcome events; online induction; social media; and social programmes as areas of activity they made use of to build relationships with students. For private providers, more than four in five respondents cited social media and welcome events as means of tenant engagement. The main changes since 2018 are strong upticks for both institutions and private operators in social programmes (such as ResLife) and online induction (Figure 55). It is particularly important that private providers continue to raise their efforts in putting together residential life programmes that enhance residents' social opportunities and

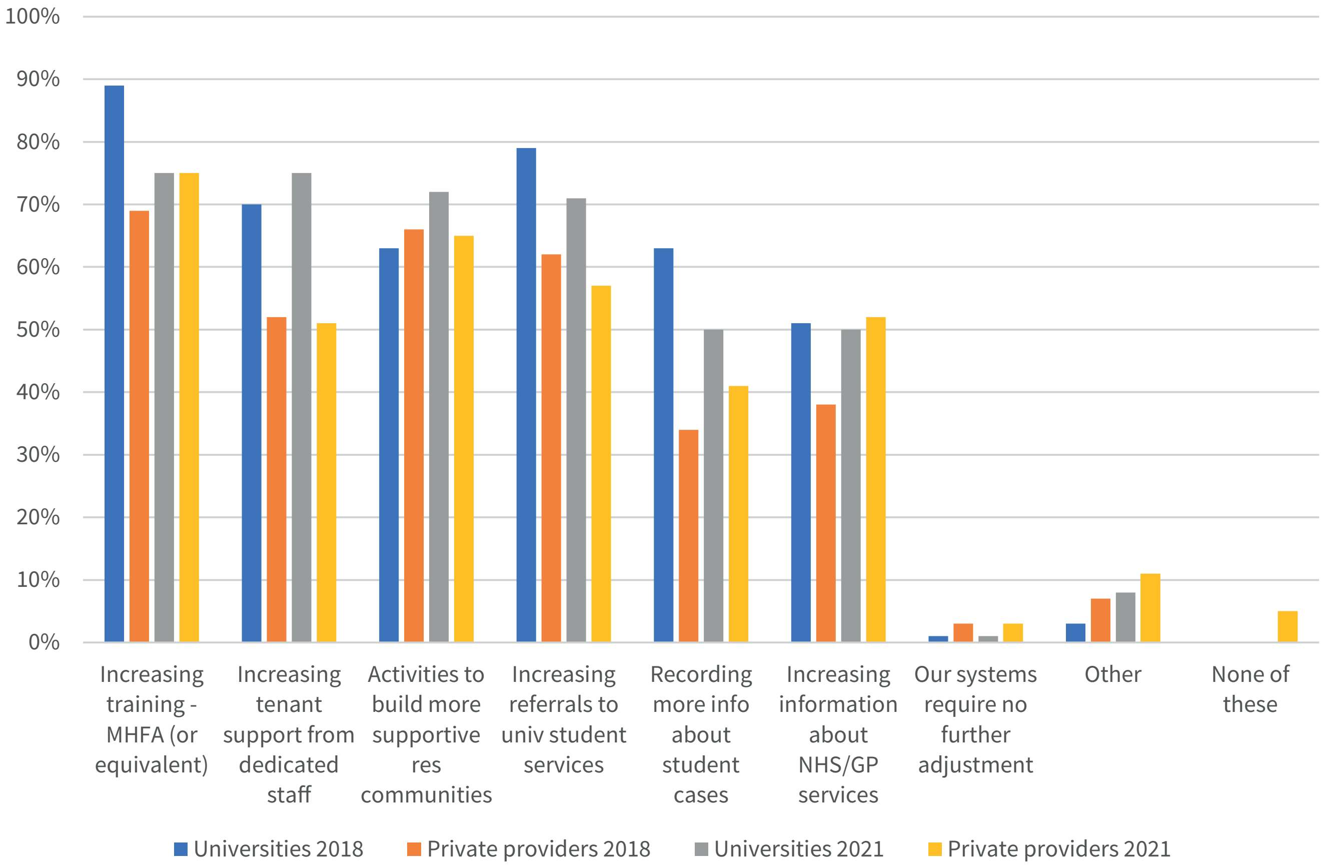


Figure 54: Responses to mental health and wellbeing issues

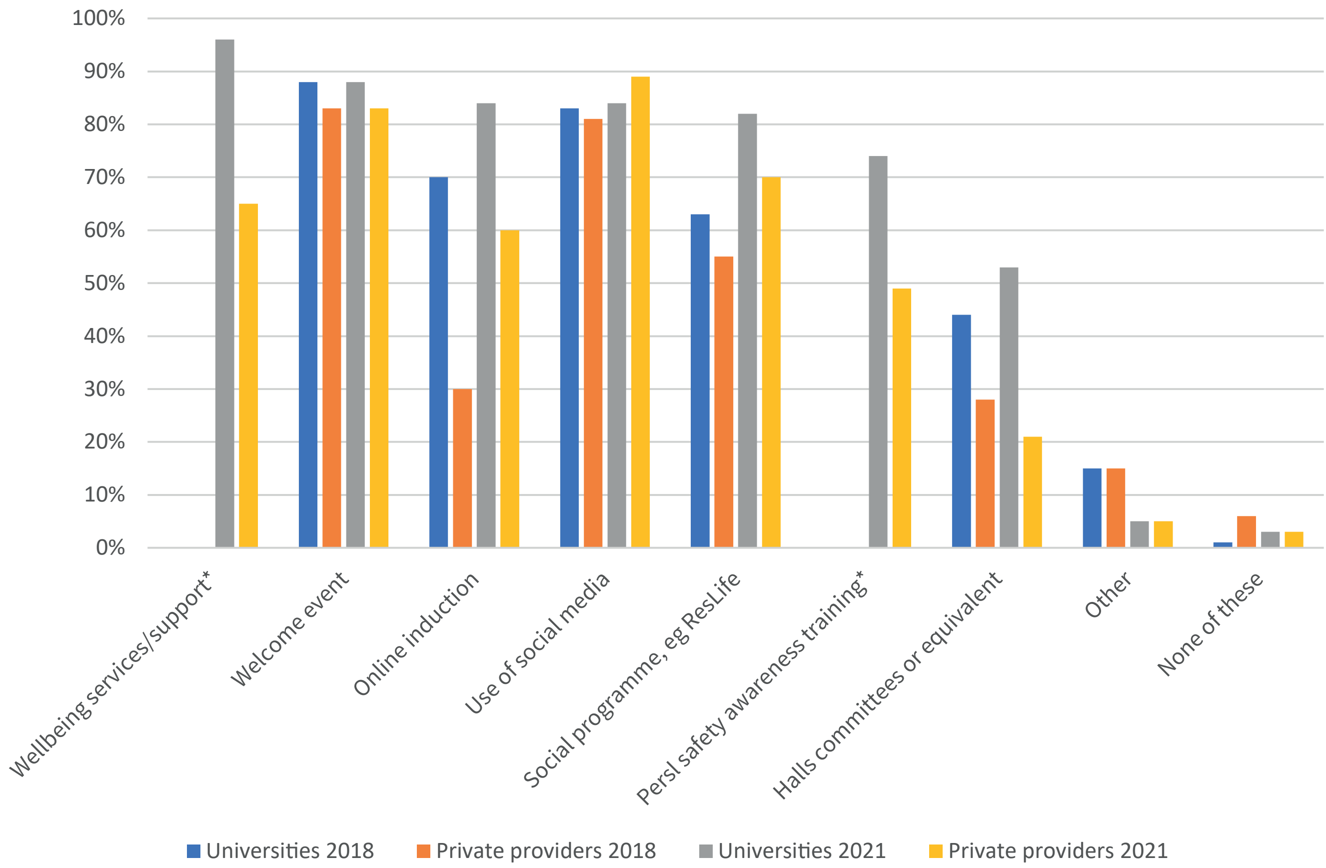


Figure 55: Relationships with tenants
** Not asked in 2018*

reduce instances of students becoming isolated and lonely. Universities have a role to play in helping private providers improve performance on pastoral care and community-building. This, in turn, needs to be facilitated by more active relationships between partners, supported by appropriate data sharing arrangements.

RESPONSES TO THE PANDEMIC

Figure 56 details the numbers of universities and private providers who introduced specific additional services to protect the wellbeing and welfare of students during the pandemic. Scores for food deliveries, more cleaning, and improved signposting to existing services were consistently high across provider types. However, in other areas – online social activities, quarantine accommodation and security – respondents in the private sector were significantly less likely to enhance existing services. It is particularly disappointing that fewer than a quarter of private respondents (24 per cent) took steps to provide additional support for tenants with disabilities, as compared to 54 per cent for institutions.

Respondents also rated the effectiveness of these extra measures. With self-assessment, it is normal to find clustering of values at the top end of the success range, and that is true in this case. Providers rated their performance as very good or fairly good across all indices with the exception of accommodation provided for quarantine purposes.

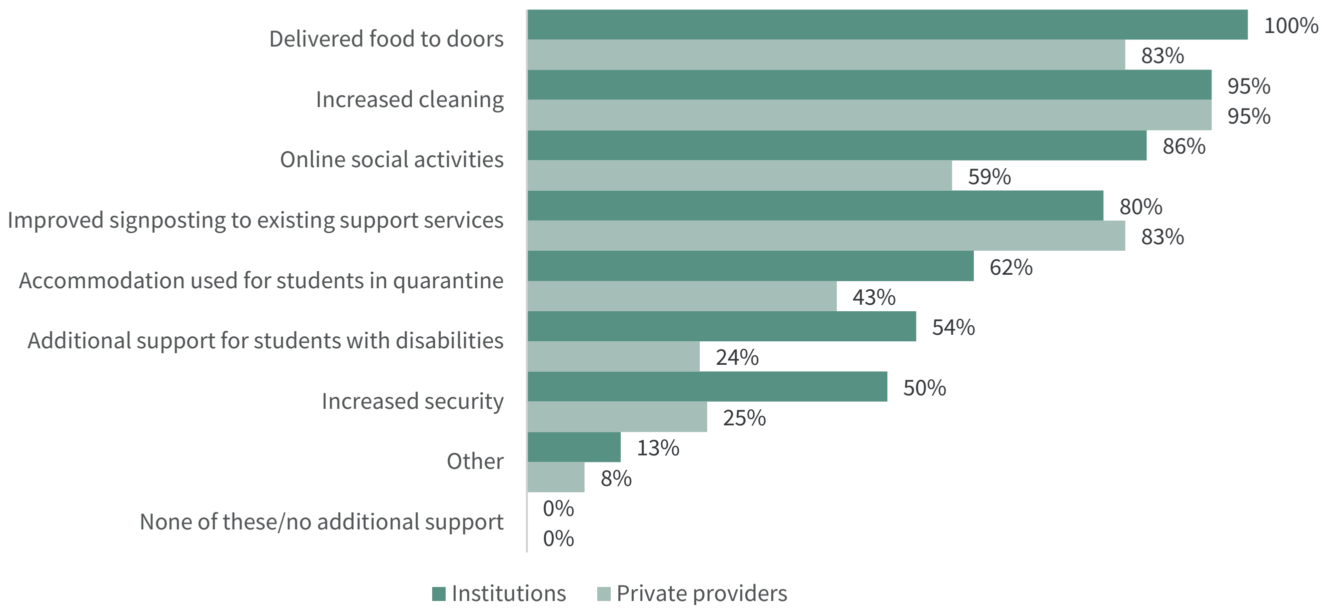


Figure 56: Residential welfare measures taken in response to the pandemic

RESPONDENTS ON SUPPORT PROVISION – GOOD PRACTICE AND LESSONS LEARNED FROM THE PANDEMIC

Many respondents took advantage of the open-ended comments sections on support provision in the survey questionnaire. Asked about things they did that they would consider good practice and what pandemic measures they would absorb into routine operations, respondents' comments highlighted the following:

- stronger presence and visibility of frontline staff to engage, support and provide pastoral care for tenants more effectively – including live-in staff and all-night coverage (multiple mentions)
- more comprehensive staff training in supporting tenants generally and supporting students with specific needs (multiple mentions)
- improving ready access to expertise in supporting students. Examples cited include appointing an onsite nurse; procuring the services of professional agencies to provide wellbeing support; promoting the use of apps such as TogetherAll and Safezone; and a 24/7 helpline for students struggling with their mental health
- better communications and collaborative working with institutional specialists in supporting students – including regular meetings with university disability, mental health and wellbeing services to ensure students are allocated accommodation that fits their needs, and to keep its suitability and the effectiveness of any additional support measures under review
- creating more diversity in ResLife programmes and continuing to develop and exploit outdoor spaces – something which first became necessary during lockdown
- interventions to support students at the point of arrival. Comments referenced: a two-day residential event before the start of term for all first-years; an early start programme for students with autism; pre-arrival phone calls to students who have declared mental health conditions; plus arrivals staggered over a longer period
- developing bespoke support packages for some minority groups. Groups referred to by respondents were: under-18s, care leavers and members of the LGBTQ+ community.

CHAPTER 6
OUTLOOK

In 2018 the scope of the Accommodation Costs Survey was broadened to elicit and analyse respondents' views on the future shape of the purpose-built sector. In 2021 this work continues and draws some comparisons with observations made by respondents three years ago.

SECTOR CHALLENGES

Over the last survey cycle, affordability has become a dominant theme in sector discussions on available and planned accommodation. This reflects not only the importance of providing affordable rooms in appropriate volume, but also how elusive an objective affordability has become. As noted in Chapter 3, there is renewed debate about how to definite affordability. How to measure the sector's performance in providing adequate numbers of rooms to provide access and value for money across the full breadth of price points is a particular case in point.

For institutions in particular, affordable accommodation has become a mantra – after all, widening participation is integral to universities' strategic planning, and having cheaper rooms available may help to secure students from the widest possible range of backgrounds. However, the survey results contain a striking message: affordability is hard to achieve, and institutions are finding it harder to influence the availability of rooms in their markets at an affordable price. Some of the institutions that talk most about affordability have little influence or expertise to deliver it, and are often unrestrained by the practicalities of actually providing low-cost accommodation.

Affordability is the biggest challenge facing providers, according to more than half of university respondents (Figure 57). Although important for the private sector, considerably fewer private respondents rated it as their top issue and identified oversupply as their most pressing concern. These are two sides of the same coin: in economic terms, oversupply would drive down prices, which, naturally, all providers are keen to avoid. Private operators are extremely thorough in their research into locations and rent levels to assure themselves that the long-term strategy for each asset is optimised as far as possible.

FUTURE RENT STRATEGY

For both institutions and private providers, the top two factors shaping rental strategy within their planning horizons are value for money and price diversity. But the focus on value for money is more widespread among universities: 67 per cent identified it as a central consideration, compared to 41 per cent of private providers.

These differences need to be located in the context of the contrasting missions that distinguish the provider types. Universities are, in the main, housing

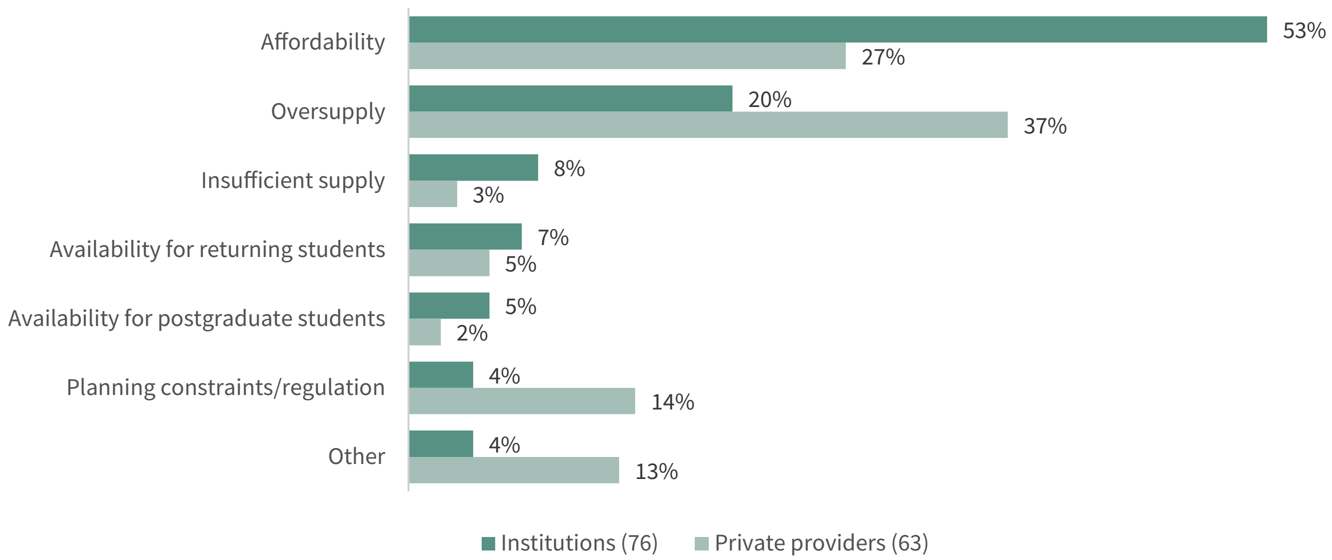


Figure 57: Respondents' views on the biggest challenges in current provision
What do you think is currently the biggest challenge in the current provision of purpose-built student accommodation? (Base size: 139)

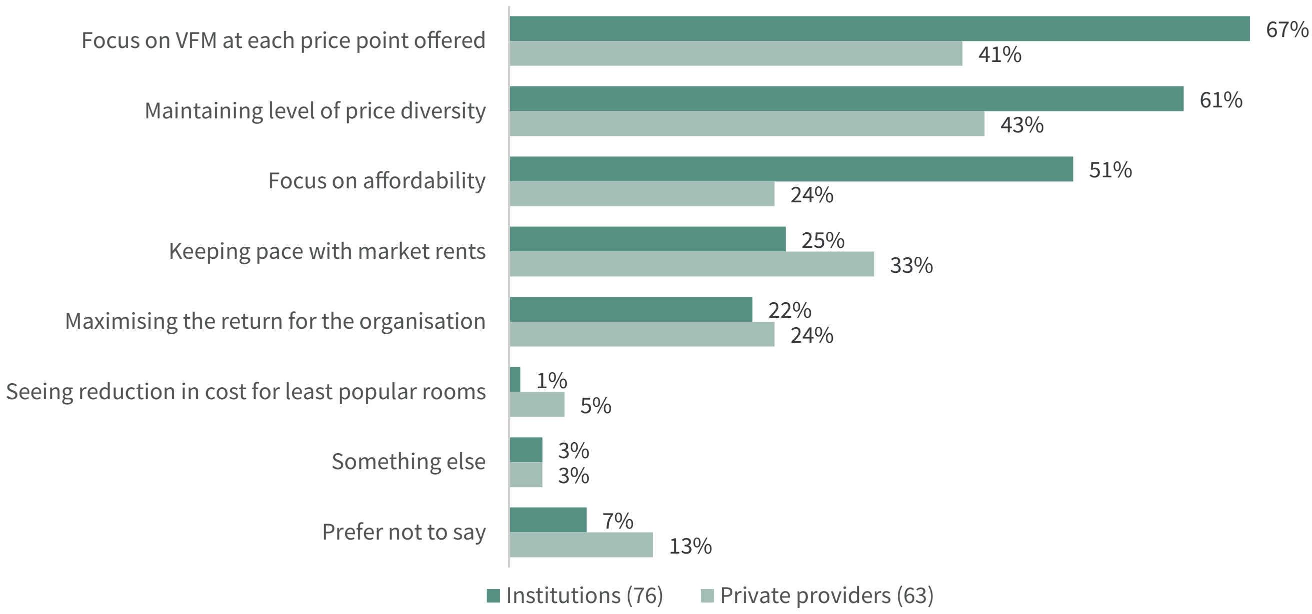


Figure 58: Key drivers in rent strategies
Which of these things will be most central to your rental strategy going forward? (Base size: 139)

undergraduates and most guarantee first-years a room in either their own or a partner's accommodation. Private providers target a much wider range of students and their tenant profiles reflect strong diversity measured by students' level and year of study and by their domicile. However, private operators serve only those students who can afford to choose their accommodation. Unlike universities, private providers are not in the business of trying to house any student who wants a room. This said, many universities often cede their guarantee after the first year of study, leaving most of their students to rent directly from the private sector.

Among private providers, keeping pace with market rents plays an important part in rental strategy, and more so than for institutions (Figure 58). However, very nearly as many universities as private providers report that maximising the return for their organisation is a central objective. Although it is intuitive that a good return on investment is a leading driver in the private sector, it is perhaps not so well understood that there is a strong corporate expectation in universities that the accommodation function delivers a substantial surplus. This adds a layer of complexity to the choices that universities face when determining their rent structures.

It is likely that, if hospitality and conferencing fail to recover and provide out-of-term income to institutional portfolios, letting lengths and rent levels may be increased to make up the shortfall in revenue.

ROLES AND RESPONSIBILITIES IN THE MARKET

Most universities agree that they have a role in offering accommodation to students, and in ensuring a range of rents and affordability. Two thirds report that their highest-priced accommodation sells out most quickly, but opinion is fairly split on whether their portfolios need more in the way of affordable provision.

It is clear from the survey returns that institutions care a great deal about affordability and being able to provide accommodation for their students. However, since 2018, there has been a slight downturn in universities responding positively on questions about their ability to influence rent levels. The proportion of institutions agreeing that they have a role in ensuring a range of rents and affordability in their market has fallen from 81 to 72 per cent. Universities seeking to influence private sector pricing in their markets have reduced from 33 to 25 per cent, and just 21 per cent of universities agree they have a substantial voice in their partners' rent levels. Institutional influence over the private sector has reduced over time.

Since 2018, the number of universities reporting that their highest-price accommodation sells out most

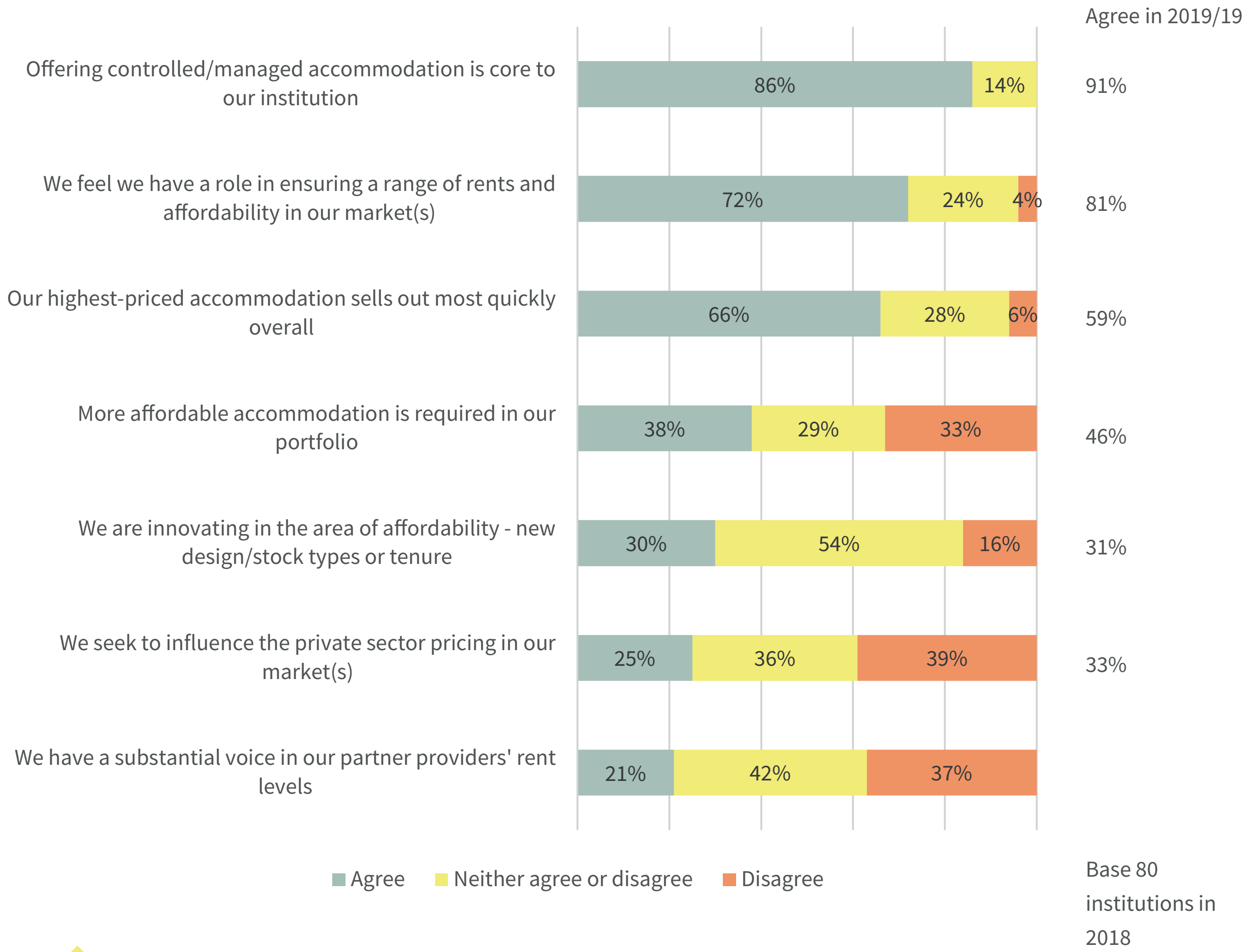


Figure 59: The views of universities on their role as an accommodation provider (1)
Please select the response which most closely represents your opinions on the following grid
(Base size:79) Institutions (76)

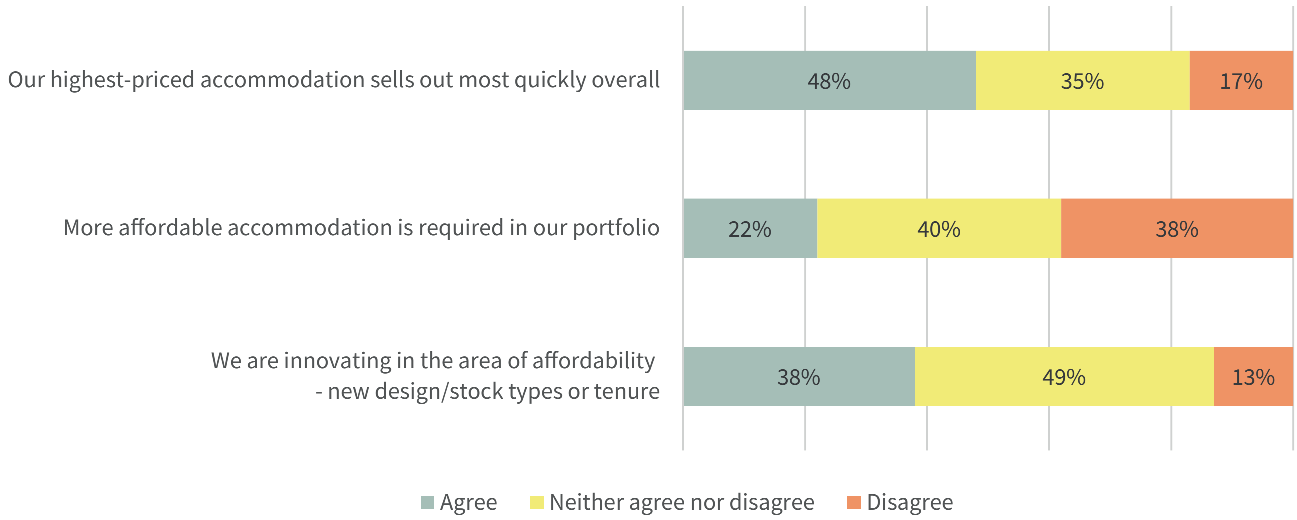


Figure 60: The views of private providers on their role as an accommodation provider (2)
Please select the response which most closely represents your opinions on the following grid
Private providers (63)

quickly has increased by seven percentage points to 66 per cent (Figure 60). This contrasts with under half of private operators (48 per cent). More private providers disagree than agree that more affordable accommodation is required in their portfolios. A substantial proportion of private sector respondents neither agreed nor disagreed with the three statements set out in Figure 60. The role of the private sector is broader and they serve a wide audience of students able and willing to pay.

Although private providers are less concerned in general about having more affordable accommodation in their portfolios, a bigger proportion of them are innovating in this area: 38 compared to 30 per cent in universities. Their interest in developing new stock types/design or tenure for these purposes may be linked to horizon planning which anticipates that, if they are to continue serving the mid-market into the longer term, their offer is going to have to be attractive to, and affordable for, a new generation characterised by much larger numbers of UK and international students from less well-off households.

In the private sector, interest in innovations to support affordable accommodation is significantly greater among the larger providers. It seems that however difficult affordability is to achieve, large private providers continue to look at ways to overcome the obstacles and give choice to students across the board.

Eighty-six per cent of institutions see their future as an accommodation provider as mainly housing allocated students in their owned and managed accommodation. Although this was the dominant response among institutions of all sizes, 21 per cent of universities with more than 3,000 beds reported that they see their role as mainly housing allocated students into rooms owned by partner organisations. This view of their role is often predicated on:

- an ability, as a larger university, to call upon private providers and funders to supply elements of their accommodation portfolio on a short- or long-term basis
- being based in a large conurbation with access to private PBSA
- the financial clout to access preferential funding for joint ventures – historically associated with higher-tariff institutions.

The proportion of smaller institutions that view themselves in this way is just eight per cent. This low figure suggests that their access to private providers may be more limited, particularly if they are based in a smaller conurbation or are a niche institution.

RENT EXPECTATIONS

Compared to 2018, there is a more widespread feeling among respondents that rents will continue to rise strongly in future (Figure 62). This is hardly surprising given the pressures exerted by:

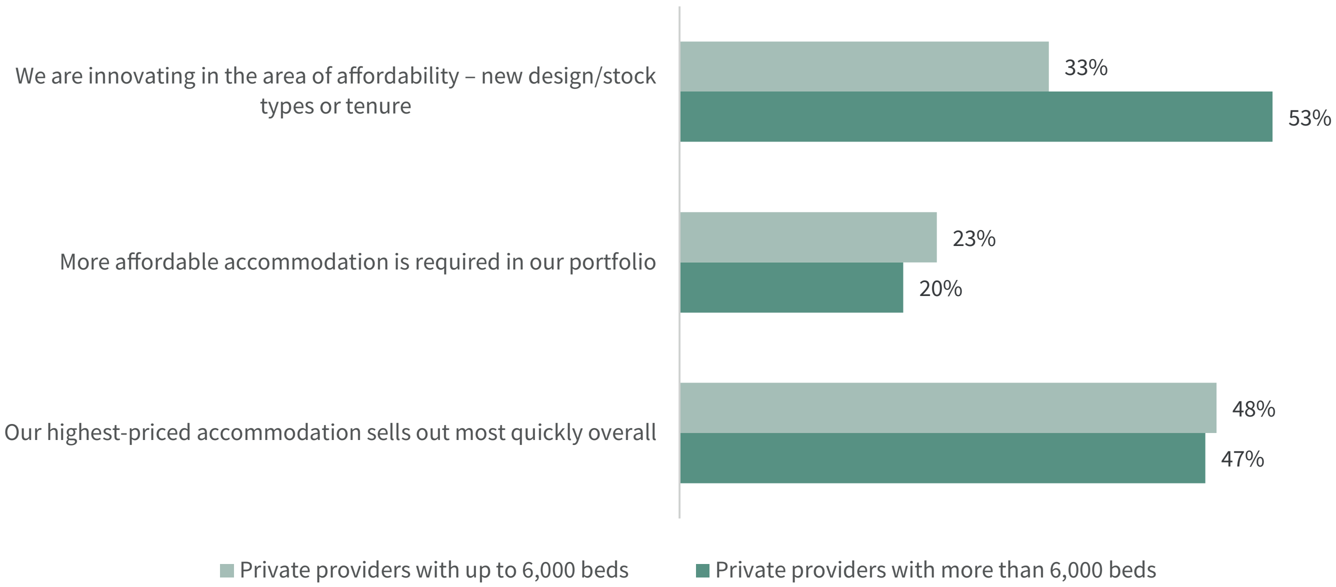


Figure 61: The views of universities on their role as an accommodation provider (3)

- higher land and construction costs (and backlogs in the supply chain)
- higher utility charges, particularly energy
- higher expectations about welfare services, residential life programmes and pastoral care
- the competition to offer the highest levels of specification/amenity in new buildings.

Nine in ten respondents expect rents to grow over the next half-decade, including a third who anticipate that the strong rent increases seen in recent years will continue.

However, the private providers are less optimistic that the big rises of the past will endure. This may be connected to the strength of competition between operators in large markets. Institutions are significantly more confident now than they were in 2018 that future rent growth will be as robust as ever (+14 percentage points). It is a similar story for private respondents: more than a quarter (27 per cent) anticipated continuing strong growth, up from 17 per cent three years ago. By way of reminder, the survey took place before the emergence of huge energy price rises, which will undoubtedly affect rents in future.

	% Respondents	Institutions (76)	Private providers (63)
Rents will rise but are unlikely to rise in the way they have done so far	57%	50%	67%
Rents will continue to rise as strongly in future as they have done in the past	33%	38%	27%
Rents will likely remain static	8%	8%	8%
Rents will likely have to reduce	2%	4%	0%

Figure 62: Providers' views on rent levels in the next five years
Thinking about what might happen to rents in general in the next five years, please pick the statement which you feel best represents your views across the sector (Base size: 139)

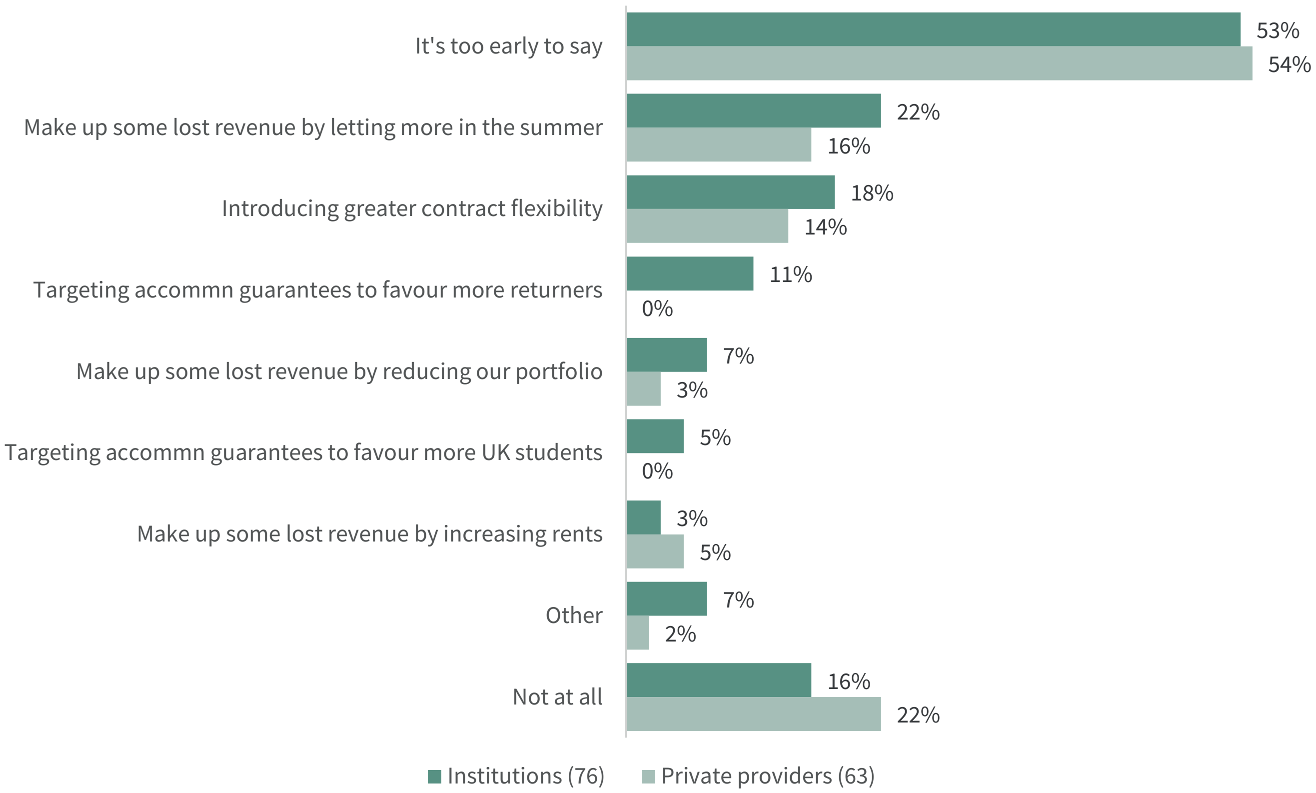


Figure 63: Providers' views on how the pandemic has affected their longer-term strategy
In what ways has Covid-19 impacted on your longer-term strategy? (Base size: 139)

COVID'S IMPACTS ON RENTS

In the fallout from the pandemic, loss of revenue will, at least in the short term, hamper the efforts of providers to make progress on affordability (Figure 63). While the wider strategic implications of Covid-19 have yet to unfold, universities in particular suggest they will have to find ways of making up for shortfalls in revenue either through letting more in the summer (22 per cent) or selling some accommodation (seven per cent), or by putting up rents (three per cent).

The survey results suggest there is more pressure on institutions than private providers to make up shortfalls in revenue incurred as a result of the pandemic. This may be because institutions gave back more money to tenants, or perhaps more private providers find themselves in a position to write off their losses and move on.

PROVIDERS' EXPECTATIONS ON THE FUTURE SIZE OF THEIR PORTFOLIO

Asked about the size of their portfolio in the future, seven in ten private providers said they anticipated it would grow. Of these, over a quarter (27 per cent) expected that growth to be significant (Figure 64). Universities appear to be anticipating slower or no expansion in most cases. Only nine per cent of them think their portfolio will grow and 13 per cent expect theirs to shrink. Growth will therefore continue to be provided by the private sector.

FURTHER COMMENTS AND CONCLUDING REMARKS

Collectively, in 2021, the findings from this part of the survey reveal a prevailing view that market forces will make strong rent rises inevitable in the future. This is predictable, given the upward pressures noted above.

Institutions are still making their mark on the sector in providing their own accommodation and influencing the private sector. But there are some important changes which shine through the results in 2021. The private sector is now larger than its university counterpart and private provision will continue to grow through significant market activity and weight of investment capital pushing to enter the market. The influence of the very largest private providers is spread across university locations, and this affords them a national view on rents and welfare policies. Their UK-wide profile also gives them some protection from fluctuations in individual institutions' intakes: for every university that has fewer students, there is likely to be

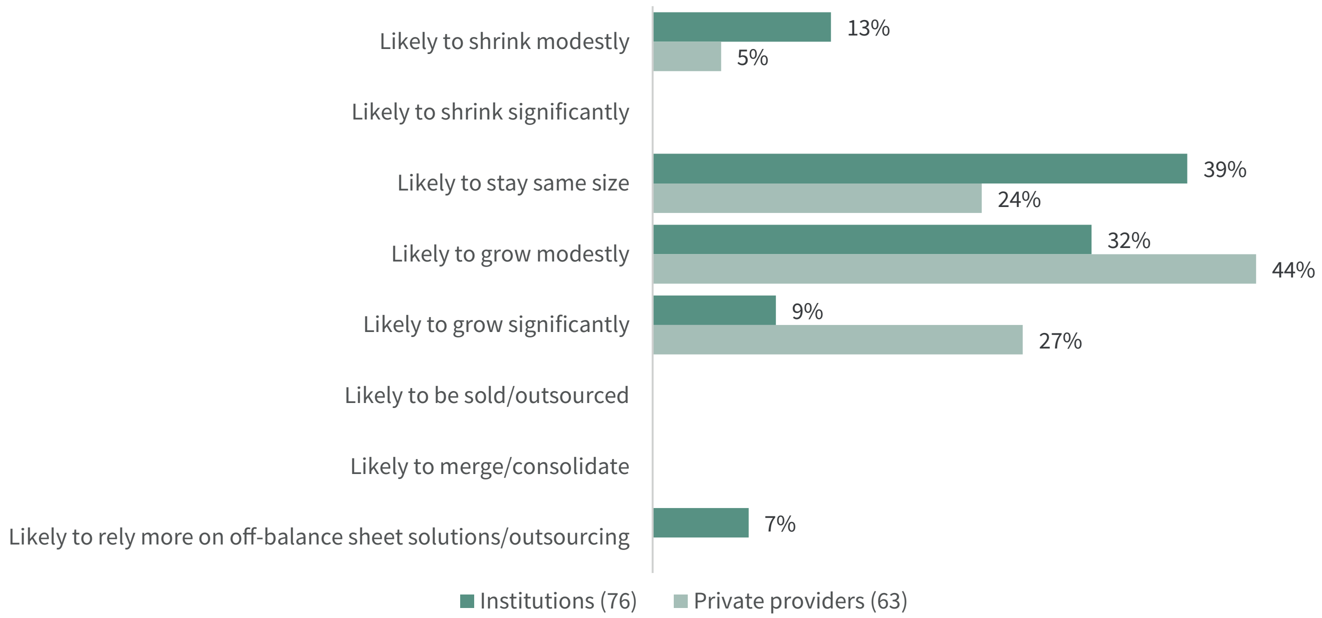


Figure 64: Providers' views on the future size of their portfolio
What do you think will happen to the size of your portfolio in future? (Base size: 139)

an institution with more students. Interestingly, it is the large private providers that continue to seek solutions to the affordability problem.

Universities in most locations have made a significant commitment to housing undergraduate first years. However, as the market diversifies away from just competition at high price points and as the off-street property market (HMOs) becomes more constrained, they will be increasingly interested in housing a more diverse range of students. A ‘middle market,’ made up of students who may prefer to be housed in purpose-built accommodation beyond their first year, is already emerging. Although it may result in more expensive housing compared to off-street properties, the middle market serves a wider range of students with a higher-quality product and is evolving to incorporate provision that is different to accommodation for first years, offering different ways of living and a progression from the typically larger blocks associated with first-year living.

If institutions want to continue to promote affordability in their accommodation mix, they need to increase their influence rather than reduce it. There is also an argument that they should increase their targeted intervention at those who need it most through bursary and policy, rather than by retaining older accommodation which may be affordable but may not be satisfactory for the consumer. More thoroughgoing bursary programmes and accommodation funds could be based on metrics that identify affordability based not just on household income but on the pressure families face when more than one child is away at the same time.

In the past, a focus on affordable infrastructure has been viewed as more favourable than subsidising students, as it was an investment made once, rather than an annually recurrent spend. But in the absence of property solutions that provide quality and affordability – particularly in the south of England and where markets are constrained through planning and land availability – targeted subsidy looks like the simplest way to open up affordable options for students.

INSIGHTS OF INDIVIDUAL RESPONDENTS

Comments made in free text boxes in response to question:
Is there anything else you would like to add, any further comments you would like to make in general or about your priorities?

- *All of our current problems – non-UK students getting here, voids, quarantines, will be washed away but an underlying growth in demand for UK HE both domestically through demographic peak, and internationally from emerging markets. This is a painful short-term storm but the foundations are strong – particularly if the University you serve is attractive. Institutional accommodation standards must keep up though with new private developments and not allow investment in the non-accommodation university estate to absorb all the funds. Outsourced based development is taking a very short-term view.*
- *Our main aim is affordability so our mantra is affordability, affordability, affordability*
- *I cannot quantify in cash terms the loss of revenue from rents due to Covid as it has been such a varied year with students in and out of accommodation due to Govt advice / regulation. This has been such a difficult year that no trends can be drawn from it and we will need to compare next year (assuming a large level of normality) with 2 years ago to draw any conclusion on Welfare and Mental Health provision etc.*
- *Our aim is to ensure the private PBSA blocks are prioritised for our returning students in order that our core first portfolio gets filled by our new incoming students, i.e. there is limited competition from the private PBSA providers for our first years. This way we fill our rooms, fulfil our financial commitments and ensure a robust first year student community.*
- *Priorities are maximising occupancy to generate income whilst providing the best student experience. A fine balance*
- *Value for money (local to each market) but a greater understanding of the choices coming to market from Co-living and BTR [build to rent]*
- *We are looking forward to relaunching our resident satisfaction programme from this autumn. This is something that we paused due to the pandemic. We are particularly interested to see how our rebookers have responded to the financial relief we provided over the last 18 months.*
- *We always aim to offer high quality accommodation at a reasonable price so that the student feels they're getting value for money. However, oversupply in our area is driving rents down, and even given our competitive pricing we will have to adjust our future revenue projections downwards. Our next priority is to enhance our leisure facilities within the building, as that is becoming the key differentiator in my view.*
- *I think student accommodation overall is improving which is affecting the more traditional HMO property. The improved accommodation has led to higher expectations from the students which is a good direction for the market.*
- *We believe over the years it has changed. It not anymore about the accommodation itself it about social activity and almost creating an institution itself with its own events and social areas etc.*

DATA TABLES

Table 1: Average annual rent by category of accommodation

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Institution	**£4,310**	**£4,447**	**£4,938**	**£5,063**	**£5,261**	**£5,528**	**£6,066**	**£6,227**
London	**£5,215**	**£5,264**	**£6,362**	**£6,331**	**£6,092**	**£6,687**	**£7,293**	**£7,546**
Flats	£5,467	£5,765	£8,683	£9,030	£10,199	£10,739	£9,770	£8,445
Full board double or twin rooms	£4,051	£4,831	£8,096	£7,896	£6,383	£5,980		£9,867
Full board double or twin rooms with adjoining bath-room	£4,677	£739	£9,088	£8,864		£11,828		
Full board en-suite	£7,063	£6,603				£10,278		
Full board standard	£5,732	£6,410	£8,963	£9,400	£8,046	£7,990		£8,351
Houses	£3,952	£4,295	£14,000	£14,400			£806	£7,704
Part board double or twin rooms	£3,372	£3,308	£4,614	£5,354			£7,441	£7,865
Part board double or twin rooms with adjoining bath-room	£5,073	£4,765	£5,578			£5,547	£13,045	£12,344
Part board en-suite	£5,710	£6,557	£7,614	£7,199		£8,951	£9,421	£9,732
Part board standard	£5,032	£4,786	£6,789	£7,233		£7,993	£8,519	£8,759
Self-catering en-suite	£5,399	£5,527	£6,383	£6,375	£6,091	£6,302	£7,058	£7,278
Self-catering standard	£4,591	£4,307	£5,535	£5,338	£5,730	£6,316	£6,538	£6,703
Self-catering twin	£4,316	£3,898			£4,661	£4,810	£5,217	£5,352
Self-catering twin or double			£5,214	£5,212	£10,374	£10,686	£9,283	£9,110
Self-catering twin or double with adjoining bathroom	£4,840	£6,581	£6,421	£10,111		£8,722	£8,776	£9,463
Studio flat double	£8,550	£5,625	£9,113	£9,878	£10,374	£11,079	£11,741	£11,568
Studio flat standard	£7,745	£6,939	£10,395	£9,446	£10,868	£10,549	£10,456	£11,260
Triple rooms			£3,143					
Rest of UK	**£4,110**	**£4,300**	**£4,737**	**£4,911**	**£5,116**	**£5,320**	**£5,792**	**£5,943**
Flats	£3,574	£3,537	£4,173	£4,252	£4,858	£5,025	£5,950	£6,050
Full board double or twin rooms	£3,960	£4,325	£4,320	£4,637	£4,239	£4,298	£4,917	
Full board double or twin rooms with adjoining bath-room	£4,972	£5,065	£5,776	£5,940	£4,061	£4,185		£5,800
Full board en-suite	£5,813	£6,024	£6,040	£6,182	£7,175	£7,250	£7,743	£8,335
Full board standard	£4,577	£4,967	£5,299	£5,486	£5,466	£5,670	£6,308	£6,928
Houses	£3,458	£3,639	£4,739	£4,869	£5,174	£5,288	£4,980	£4,928
Part board double or twin rooms	£4,311	£4,223			£5,270	£5,497		
Part board double or twin rooms with adjoining bath-room	£4,059	£3,515						
Part board en-suite	£4,724	£5,086	£6,344	£6,834	£6,623	£6,978	£7,182	£7,345

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Part board standard	£4,131	£4,342	£4,652	£4,623	£5,962	£6,339	£5,567	£5,751
Self-catering en-suite	£4,461	£4,658	£5,060	£5,216	£5,386	£5,595	£6,139	£6,217
Self-Catering other	£3,750	£3,881						
Self-catering standard	£3,465	£3,611	£3,924	£4,065	£4,318	£4,463	£4,842	£4,900
Self-catering twin	£3,209	£3,153			£3,115	£2,997	£4,354	£4,709
Self-catering twin or double			£3,186	£3,449	£3,981	£4,898	£6,372	£6,307
Self-catering twin or double with adjoining bathroom	£2,103	£1,765	£3,348	£3,383	£5,875	£6,050	£5,012	£5,076
Studio flat double	£6,116	£6,029	£6,835	£7,332	£8,573	£8,840	£9,297	£9,499
Studio flat standard	£6,090	£5,256	£6,939	£7,093	£7,713	£7,571	£7,699	£7,985

Private Provider	**£5,016**	**£5,316**	**£5,967**	**£6,542**	**£6,458**	**£6,856**	**£7,394**	**£7,772**
London	**£8,195**	**£8,685**	**£9,666**	**£10,300**	**£9,724**	**£10,160**	**£11,595**	**£12,034**
Flats	£9,683	£10,503	£16,105	£12,325	£7,806	£8,836	£13,330	£11,879
Full board en-suite						£10,772		
Full board standard					£5,580	£6,120	£7,955	£8,140
Houses	£4,757		£1,913	£3,262		£9,195		
Part board double or twin rooms	£10,972	£10,637				£4,206		
Part board double or twin rooms with adjoining bath-room						£6,876		
Part board en-suite						£7,204	£11,745	£12,114
Part board standard	£7,280	£7,696			£10,144	£7,361	£12,090	£12,324
Part board triple rooms						£3,242		
Self-catering en-suite	£7,251	£8,167	£8,448	£9,169	£9,399	£9,682	£10,210	£10,777
Self-catering standard	£6,897	£6,258	£7,534	£7,765	£7,605	£8,473	£9,911	£10,406
Self-catering twin		£4,591			£4,200	£4,945	£10,033	£10,363
Self-catering twin or double			£5,568	£11,098	£5,584	£5,958	£8,930	£7,944
Self-catering twin or double with adjoining bathroom			£6,269	£6,530	£5,760	£6,552	£7,590	£8,014
Studio flat double	£10,413	£9,708	£10,293	£12,726	£9,164	£10,841	£12,189	£16,812
Studio flat standard	£13,534	£12,092	£12,556	£11,804	£14,569	£15,171	£15,062	£15,551
Rest of UK	**£4,584**	**£4,769**	**£5,425**	**£5,438**	**£5,972**	**£6,275**	**£6,645**	**£6,939**
Flats	£4,155	£4,275	£4,021	£4,863	£5,434	£5,720	£6,488	£6,618
Full board double or twin rooms		£3,840			£6,920	£6,920		
Full board en-suite		£6,360			£6,444	£6,372	£8,373	
Full board standard	£4,074	£4,934		£9,894	£3,933	£4,169	£6,490	£6,630
Houses	£4,429	£3,849	£3,563	£3,585	£4,319	£4,420	£4,176	£4,248

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Part board double or twin rooms	£6,769	£7,099						
Part board en-suite					£5,779	£5,988		£7,502
Part board standard	£5,028	£5,205			£4,721	£4,815	£7,008	£4,975
Self-catering en-suite	£4,649	£4,826	£5,213	£5,111	£5,746	£6,081	£6,210	£6,502
Self-catering standard	£4,136	£4,009	£4,735	£5,077	£4,655	£4,848	£5,611	£5,844
Self-catering twin	£5,280	£5,554					£7,407	£6,875
Self-catering twin or double			£8,630	£6,507	£8,835	£8,907	£6,200	£5,669
Self-catering twin or double with adjoining bathroom	£3,975	£4,322		£5,695	£4,030	£4,181		£5,086
Studio flat double	£5,217	£5,909	£8,478	£7,543	£6,513	£7,263	£7,220	£10,129
Studio flat standard	£6,126	£6,272	£8,359	£8,008	£8,336	£8,603	£9,284	£9,587
Republic of Ireland						**£13,515**	**£11,168**	**£12,841**
Flats							£9,871	£13,638
Self-catering en-suite						£13,515	£9,216	£7,440
Self-catering standard							£13,617	£13,617
Studio flat standard							£14,191	£13,776
Grand total incl. RoI	**£4,581**	**£4,786**	**£5,282**	**£5,670**	**£5,990**	**£6,373**	**£7,091**	**£7,407**
Grand total excl. RoI	**£4,581**	**£4,786**	**£5,282**	**£5,670**	**£5,990**	**£6,369**	**£7,065**	**£7,374**

Table 2: Average weekly rent by region

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Institution	**£110**	**£113**	**£122**	**£125**	**£132**	**£138**	**£153**	**£156**
East Midlands	£121	£122	£133	£136	£135	£138	£133	£165
East of England	£107	£107	£118	£123	£132	£136	£145	£150
London	£131	£134	£154	£154	£152	£166	£185	£190
North East	£110	£110	£98	£101	£121	£129	£128	£130
North West	£96	£102	£113	£116	£107	£116	£142	£145
Northern Ireland	£82	£86	£102	£107			£120	£120
Scotland	£108	£113	£107	£113	£118	£117	£148	£145
South East	£108	£113	£126	£130	£138	£143	£158	£161
South West	£119	£123	£138	£142	£158	£166	£179	£182
Wales	£88	£91	£99	£104	£113	£118	£126	£127
West Midlands	£103	£108	£114	£118	£130	£134	£156	£150
Yorkshire and the Humber	£104	£107	£116	£119	£123	£129	£137	£139
Private provider	**£114**	**£121**	**£135**	**£148**	**£145**	**£152**	**£163**	**£169**
East Midlands	£103	£108	£106	£110	£126	£130	£147	£149
East of England	£107	£118	£139	£137	£144	£155	£161	£163
London	£176	£188	£225	£237	£212	£219	£245	£255
North East	£100	£105	£116	£120	£132	£139	£130	£131
North West	£107	£111	£116	£119	£131	£133	£141	£143
Northern Ireland	£0	£0	£0	£0	£144	£148	£139	£145
Republic of Ireland	£0	£0	£0	£0	£0	£265	£256	£299
Scotland	£118	£117	£133	£137	£142	£144	£154	£159
South East	£122	£129	£166	£126	£150	£156	£170	£177
South West	£115	£116	£130	£144	£143	£150	£161	£168
Wales	£95	£98	£112	£121	£130	£135	£137	£148
West Midlands	£108	£109	£117	£122	£138	£146	£146	£150
Yorkshire and the Humber	£97	£101	£104	£103	£121	£128	£135	£140

Table 3: Number of bed spaces by category of accommodation

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Institution	**224,284**	**222,160**	**193,162**	**194,247**	**116,922**	**138,958**	**103,833**	**111,967**
Flats	10,856	8,805	4,857	4,874	3,631	3,962	3,372	3,519
Full board double or twin rooms	1,746	1,274	632	580	208	260	92	64
Full board double or twin rooms with adjoining bathroom	947	1,468	710	716	45	61		136
Full board en-suite	6,862	6,220	6,206	6,283	4,126	4,816	1,975	3,373
Full board standard	17,410	15,906	10,456	10,387	4,198	7,626	2,227	5,699
Houses	4,773	5,745	3,058	3,732	1,716	2,196	1,732	1,879
Part board double or twin rooms	490	461	314	182	198	198	72	12
Part board double or twin rooms with adjoining bathroom	72	701	140			92	19	27
Part board en-suite	2,671	3,209	2,638	2,967	1,696	2,062	3,894	3,598
Part board standard	4,493	4,399	4,699	3,623	3,524	3,725	3,726	3,981
Self-catering en-suite	96,258	96,608	92,167	95,098	53,414	64,826	53,086	53,089
Self-catering other	214	223						
Self-catering standard	72,351	68,891	61,478	60,214	41,440	45,503	30,333	32,575
Self-catering twin	1,624	1,961			568	813	653	665
Self-catering twin or double			1,508	1,336	87	87	71	69
Self-catering twin or double with adjoining bathroom	537	278	196	163	1,025	1,037	588	569
Studio flat double	503	956	1,216	1,144	385	427	291	287
Studio flat standard	2,477	5,055	2,845	2,948	661	1,267	1,702	1,883
Triple rooms			42					
Unclassified								542
Private provider	**139,610**	**142,439**	**97,185**	**135,274**	**182,178**	**242,899**	**349,922**	**361,717**
Flats	6,792	7,059	873	2,821	15,990	23,078	31,212	35,296
Full board double or twin rooms		14			14	14		
Full board en-suite		130			1,454	1,826	1,407	
Full board standard	138	881		1	773	808	3,247	521
Houses	455	621	1,756	1,748	2,082	2,337	2,795	856
Part board double or twin rooms	29	31				124		
Part board double or twin rooms with adjoining bathroom						44		
Part board en-suite					1,081	1,085	752	915

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Part board standard	93	93			1,184	1,997	1,132	709
Part board triple rooms						42		
Self-catering en-suite	93,845	105,062	72,520	86,005	115,861	157,595	213,718	226,676
Self-catering standard	29,335	17,820	9,613	17,111	16,370	18,560	33,893	32,365
Self-catering twin	452	463			6	28	791	877
Self-catering twin or double			144	338	441	446	275	1,274
Self-catering twin or double with adjoining bathroom	7	5	24	45	128	358	19	108
Studio flat double	477	397	1,732	2,967	305	526	3,520	4,940
Studio flat standard	7,987	9,863	10,523	24,238	26,489	34,031	57,161	57,180
Grand total	**363,894**	**364,599**	**290,347**	**329,521**	**299,100**	**381,857**	**453,755**	**473,684**

Table 4: Number of bed spaces by region

UK Region	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
East Midlands	42,338	44,283	22,746	24,037	25,664	33,756	46,629	50,328
East of England	19,288	20,347	20,929	23,198	10,924	18,318	21,924	23,139
London	57,320	53,651	36,254	51,459	40,919	57,094	69,374	75,692
North East	19,363	19,417	11,097	10,945	10,492	12,494	17,359	20,547
North West	38,069	39,509	35,035	41,073	30,753	44,820	52,033	52,049
Northern Ireland	4,331	4,588	2,243	2,247	413	1,360	5,218	5,498
Republic of Ireland						203	2,846	2,846
Scotland	23,713	21,460	14,166	18,022	22,168	26,658	39,526	40,674
South East	32,615	36,551	41,813	38,261	42,037	52,034	47,380	49,914
South West	31,640	32,441	25,772	30,759	30,241	35,648	37,876	38,983
Wales	20,761	18,702	21,562	23,223	18,555	18,657	25,941	26,192
West Midlands	29,554	30,257	24,006	26,496	30,444	31,830	33,648	35,702
Yorkshire and the Humber	44,902	43,393	34,724	39,801	36,490	48,985	54,001	52,120
Grand total	**363,894**	**364,599**	**290,347**	**329,521**	**299,100**	**381,857**	**453,755**	**473,684**

Table 5: Average length of contract by category of accommodation

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Institution	**39.3**	**39.3**	**40.4**	**40.5**	**39.9**	**40.1**	**39.9**	**40.0**
Flats	40.6	41.2	39.5	39.1	40.7	41.4	41.3	40.3
Full board double or twin rooms	32.0	32.5	33.3	33.6	35.0	35.9	38.0	39.0
Full board double or twin rooms with adjoining bathroom	31.9	31.6	31.3	31.4	31.0	33.9		38.0
Full board en-suite	35.2	35.3	34.5	34.7	38.8	39.1	37.0	38.4
Full board standard	35.7	36.3	37.1	37.2	37.8	38.7	37.2	38.6
Houses	41.4	42.1	43.0	42.8	42.1	42.4	38.1	40.3
Part board double or twin rooms	37.4	34.9	35.2	38.3	33.6	33.6	40.0	40.0
Part board double or twin rooms with adjoining bathroom	39.2	38.6	39.2			38.0	40.0	39.4
Part board en-suite	37.3	37.9	38.9	39.5	35.8	36.3	35.1	35.3
Part board standard	35.9	36.2	39.3	39.6	39.0	39.0	37.5	37.8
Self-catering en-suite	40.5	40.3	41.5	41.4	39.8	40.0	40.3	40.4
Self-catering other	42.0	42.0						
Self-catering standard	39.1	39.1	40.1	40.2	40.4	40.6	40.3	40.3
Self-catering twin	34.0	33.3			38.6	38.2	42.0	43.5
Self-catering twin or double			39.5	40.1	42.0	41.7	39.5	39.1
Self-catering twin or double with adjoining bathroom	33.8	28.0	37.9	37.5	40.2	40.2	38.0	38.7
Studio flat double	45.2	43.2	42.8	43.3	42.8	42.5	43.8	43.7
Studio flat standard	42.9	42.3	44.7	44.2	45.4	43.7	42.8	42.5
Triple rooms			31.0					
Unclassified								35.6
Private provider	**43.6**	**43.7**	**44.4**	**44.3**	**44.2**	**45.0**	**45.1**	**45.5**
Flats	42.9	42.6	44.4	46.0	44.8	45.5	45.3	45.2
Full board double or twin rooms		40.0			40.0	40.0		
Full board en-suite		40.0			40.8	40.4	39.1	
Full board standard	21.0	37.0		51.0	39.5	40.1	39.1	39.7
Houses	42.4	44.2	47.1	47.3	41.3	42.0	40.8	45.7
Part board double or twin rooms	47.9	47.3				31.5		
Part board double or twin rooms with adjoining bathroom						36.7		
Part board en-suite					37.0	37.0	40.0	38.4
Part board standard	49.6	49.6			38.5	37.9	45.8	39.4
Part board triple rooms						31.0		
Self-catering en-suite	43.6	43.8	44.3	44.3	43.7	44.6	44.5	44.8
Self-catering standard	42.9	43.0	42.8	43.8	41.3	42.0	44.8	45.3
Self-catering twin	44.0	43.9			40.0	47.9	46.4	46.9
Self-catering twin or double			45.7	48.8	41.2	41.2	43.9	43.5

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Self-catering twin or double with adjoining bathroom	44.0	44.0	27.0	34.7	41.4	40.0	50.3	48.8
Studio flat double	46.6	48.1	42.8	46.1	44.8	43.1	38.1	50.4
Studio flat standard	46.8	45.4	46.4	44.0	49.1	49.4	48.6	48.3
Grand total	**40.9**	**41.1**	**41.7**	**42.0**	**42.5**	**43.2**	**43.9**	**44.2**

Table 6: Average length of contract by category of accommodation

	2011/12	2012/13	2014/15	2015/16	2017/18	2018/19	2020/21	2021/22
Institution	**39.3**	**39.3**	**40.4**	**40.5**	**39.9**	**40.1**	**39.9**	**40.0**
East Midlands	38.0	38.5	37.2	37.3	40.0	40.6	41.7	40.8
East of England	34.3	34.8	40.7	40.9	37.2	37.7	39.7	39.6
London	39.7	39.1	41.3	41.1	40.1	40.2	39.2	39.7
North East	38.0	39.8	40.2	40.7	40.1	40.4	40.0	40.2
North West	41.4	41.4	41.1	41.3	40.5	40.8	40.4	40.1
Northern Ireland	37.9	38.2	38.0	38.0			37.9	37.9
Scotland	39.0	39.1	39.3	39.3	42.6	42.0	40.0	40.4
South East	39.4	39.4	40.2	40.1	38.6	38.8	39.0	38.9
South West	39.9	40.2	39.8	40.0	39.7	39.5	38.2	38.3
Wales	40.2	39.7	39.7	40.1	39.3	39.6	40.3	40.4
West Midlands	39.5	39.5	40.1	40.2	40.9	41.3	42.5	42.5
Yorkshire and the Humber	40.9	41.1	42.8	42.8	41.6	41.9	42.4	42.1
Private provider	**43.6**	**43.7**	**44.4**	**44.3**	**44.2**	**45.0**	**45.1**	**45.5**
East Midlands	44.0	44.2	44.0	44.4	45.5	46.0	45.2	46.0
East of England	46.5	46.8	43.9	44.5	39.1	40.3	43.5	43.7
London	45.7	45.7	43.7	43.4	45.4	45.9	46.9	46.8
North East	43.9	43.8	43.7	44.4	44.8	46.8	45.1	44.8
North West	42.5	42.8	44.9	45.3	43.8	44.8	44.9	44.9
Northern Ireland	-	-	-	-	45.6	48.1	45.6	46.1
Republic of Ireland	-	-	-	-	-	51.0	43.5	43.0
Scotland	42.3	44.0	44.7	44.7	43.3	44.3	45.0	45.7
South East	43.1	42.2	44.8	42.7	43.0	43.3	44.3	44.8
South West	42.7	42.5	45.3	44.6	43.4	44.7	44.8	45.2
Wales	41.5	41.2	42.8	43.3	43.4	43.6	43.5	45.2
West Midlands	43.7	43.7	44.3	44.8	44.8	45.8	46.1	46.8
Yorkshire and the Humber	43.6	43.8	44.7	44.4	45.0	45.3	44.4	44.8

ABOUT THE SURVEY

PURPOSE

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

The research was conducted into purpose-built student 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 equality, wellbeing and 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 2020/21 and 2021/22. Together with its sector contacts, Unipol promoted the survey.

SURVEY RESPONSE PROFILE

The fieldwork elicited 141 returns, 79 from institutions and 62 from private and charitable providers. Overall, responses account for 473,684 bed spaces. This marks a high point in the survey's history and represents 68 per cent of the purpose-built student accommodation sector, up from a 60 per cent participation rate in 2018/19.[26] Within the respondent profile by number of rooms covered, 55 per cent were institutions, 45 per cent private providers (compared to 60 per cent and 40 per cent respectively in the previous survey).

The volume of rooms by provider type has changed over time, partly reflecting the growing private sector, but also a slight reduction in the number of institutions taking part in 2021/22. There is always a level of churn in the survey participants. There were 27 institutions that took part in 2021/22 but not in 2018/19. They brought with them 38,600 rooms not previously recorded. At the same time,

Home nation/region	Rooms
England	398,474
East Midlands	50,328
East of England	23,139
London	75,692
North East	20,547
North West	52,049
South East	49,914
South West	38,983
West Midlands	35,702
Yorkshire & Humber	52,120
Northern Ireland	5,498
Republic of Ireland	2,846
Scotland	40,674
Wales	26,192
Grand total	**473,684**

Map of data coverage 2021/22

there were 39 institutions that took part in 2018/19 but not this time round. This took away almost 69,000 previously recorded rooms. If these institutions had taken part in this exercise the 2021/22 dataset would have represented 77 per cent of the sector. The drop in institutional respondents can be attributed to the much greater administrative burden on universities arising out of the pandemic.

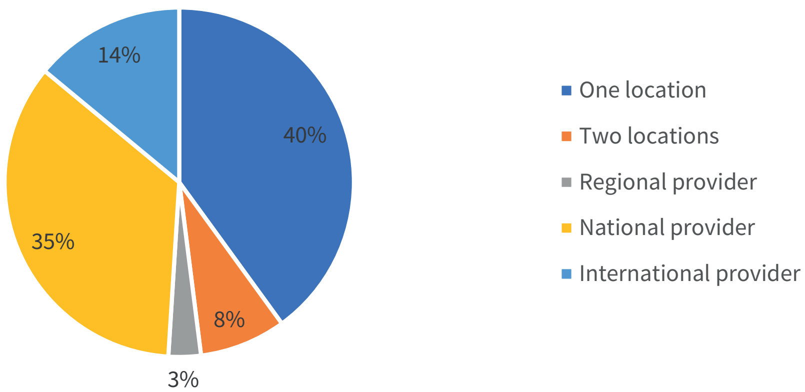
The net reduction in university rooms has been more than offset by the significant increase in the number of bed spaces reported by private providers. In 2021/22 there are 30 new private providers taking part for the first time. This has expanded the dataset by 29,515 rooms. The remaining growth has come from respondents who have taken part in previous cycles: 89,300 additional rooms arising from expansion in those providers since 2018/19.

The respondent profile for 2021/22 contains more high-end private sector suppliers than has been the case hitherto. These tend to be major providers of studio accommodation, often in London. In reviewing the impact on rents of new providers at studio level, their effect was actually to bring rents slightly down, but the effect has been marginal and therefore not reported. Their participation in the survey is welcomed and contributes to a growing sample size that is becoming more representative of the full sector over time.

The response level for the North West region has been affected by the decision of both the University of Manchester and Manchester Metropolitan University not to participate in 2021.

Home nation/ region	2012/2013		2015/16		2018/19		2021/22	
England	319,849	88%	286,029	87%	334,979	88%	398,474	84%
East Midlands	44,283	12%	24,037	7%	33,756	9%	50,328	11%
East of England	20,347	6%	23,198	7%	18,318	5%	23,139	5%
London	53,651	15%	51,459	16%	57,094	15%	75,692	16%
North East	19,417	5%	10,945	3%	12,494	3%	20,547	4%
North West	39,509	11%	41,073	12%	44,820	12%	52,049	11%
South East	36,551	10%	38,261	12%	52,034	14%	49,914	11%
South West	32,441	9%	30,759	9%	35,648	9%	38,983	8%
West Midlands	30,257	8%	26,496	8%	31,830	8%	35,702	8%
Yorkshire & Humber	43,393	12%	39,801	12%	48,985	13%	52,120	11%
Northern Ireland	4,588	1%	2,247	1%	1,360	0%	5,498	1%
Republic of Ireland		0%		0%	203	0%	2,846	1%
Scotland	21,460	6%	18,022	5%	26,658	7%	40,674	9%
Wales	18,702	5%	23,223	7%	18,657	5%	26,192	6%
Grand Total	**364,599**	**100%**	**329,521**	**100%**	**381,857**	**100%**	**473,684**	**100%**

Rooms by region



Locations private providers are operating in

RENT PER WEEK AND RENT PER YEAR

Rents stated in both weekly and annual terms are important in the world of student accommodation. There is a commonly held view in the sector that students only look at weekly rents when they are working out where to live. But variability in the length of contracts makes weekly rent an incomplete guide to the cost of purpose-built student accommodation to the consumer. Annual rent is a better measure of what students actually pay, but to call it annual is in itself problematic. Letting years are anchored to the academic year but their specific relationship to it is elastic. Contracts can start earlier than the academic cycle and go on beyond summer exams, and the let length on studios is often close to being a full calendar year. By contrast, most contracts for most room types are nearer to nine months. Imperfect though it is, the term annual rent is used as a kind of shorthand in the student accommodation sector and throughout this report.

For providers, there may be advantages to marketing and advertising their accommodation with a weekly price tag; and, for students, it taps into a common way of thinking about managing their overall personal budgets. As, then, the weekly rate is common currency among suppliers and consumers, the survey uses this benchmark, alongside the letting lengths associated with them. However, because rent expressed in annual terms is a truer index of the cost of student accommodation, the report attaches more significance to it. To help shift the narrative away from weekly rates, the report presents the survey findings on annual rent levels as the headline news, and then dismantles them to expose how providers construct the overall rent out of the constituent weekly rates and contract lengths.

CATEGORY DEFINITIONS

Type of provider

Higher education institutions (alternatively described as universities in the report as shorthand) which provide accommodation 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 providers are non-educational, private (and charitable) operators who own and manage accommodation that is likely to be signed up to the ANUK Code for Larger Accommodation (non-educational).

Type of accommodation provided according to its use

University accommodation
Bed spaces owned, let and managed by higher education institutions

Privately-provided accommodation
Bed spaces owned by commercial (or charitable) operators

Direct lets
Bed spaces owned and managed by private providers, and let directly in the market without mediation through higher education institutions as part of a partnership arrangement.

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

As for 2018/19, the 2021/22 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 change

(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
BTR – build to rent
CAGR – compound annual growth rate
CPI – Consumer Prices Index
CUBO – College and University Business Officers
HESA – Higher Education Statistics Agency
HEPI – Higher Education Policy Institute
HMO – house in multiple occupation
LGBTQ+ - lesbian, gay, bisexual, transgender, queer/questioning and other sexual identities
MHFA – Mental Health First Aid
NUS – National Union of Students
OfS – Office for Students
ONS – Office for National Statistics
PBSA – purpose-built student accommodation
ResLife – residential life (programme)
RPI – Retail Prices Index
SIES – Student Income and Expenditure Survey
SU – students' union
UCAS – Universities and Colleges Admissions Service
UUK – Universities UK
VFM – value for money

SCHEDULE OF RESPONDENTS

Institutions	Private and charitable providers
Aberdeen University	
Aberystwyth University	A2Dominion
Anglia Ruskin University	AA4S – Affordable accommodation for students (formerly Cass and Claredale)
Arts University Bournemouth	Abodus Student Living
Bangor University	aparto
Bishop Grosseteste University	ASN Capital
Bournemouth University	BOHO
Brunel University London	Campus Living Villages
Cardiff University	Catalyst Housing
Christ's College, Cambridge	City of London Corporation
Clare College, Cambridge	CityBlock
Clare Hall	Cloud Student Homes
Corpus Christi College, Oxford	CODE Student Accommodation
De Montfort University	Collegiate AC Ltd
Edinburgh Napier University	Condor Properties
FIE Ltd	CRM Students
Goldsmiths, University of London	Derwent Students
Gonville and Caius College, Cambridge	dwell Student Living
Greenwich University	Empiric Student Property
Heriot-Watt University	Fawleybridge Student Living
Imperial College London	Find Digs
King's College London	Fresh Student Living
Lancaster University	GLSP Student Lettings
Leeds Beckett University	Goodenough College
Leeds Trinity University	GSA
Loughborough College	HomeLets Bath
Middlesex University	Homes for Students Limited
Murray Edwards College, Cambridge	Host Student Housing Management
Newcastle University	IconInc
Newnham College, Cambridge	Infrastructure Investments (Leicester) Ltd
Nottingham Trent University	INTO Newcastle University
Oxford Brookes University	INTO UEA
Peterhouse, Cambridge	iQ Student Accommodation
Plymouth Marjon University	Kexgill
Queen Mary University of London	Lee Abbey Movement
Queen's University Belfast	LIV Student
Royal Holloway University of London	Maria Alvarez
Royal Veterinary College	Nido Student
Sheffield Hallam University	Njoy Student Living
Sidney Sussex College, Cambridge	Optivo
Southampton Solent University	Prime Student Living
St Anne's College, Oxford	Primo Property Management
St Catharine's College, Cambridge	Sanctuary Students
St Edmund's College, Cambridge	Scape
St John's College, Cambridge	SCIO
St Mary's University, Twickenham	South Street Asset Management Ltd
Stranmillis University College	Student Beehive
University College London	Student Facility Management
University of Birmingham	Student Living by Sodexo
University of Brighton	Student Roost

Institutions	Private and charitable providers
University of Bristol	SuperUni Housing
University of Central Lancashire	The Stay Club
University of Derby	TJ Thomas Ltd
University of East Anglia	Unilife Ltd
University of Edinburgh	UNINN Student Accommodation
University of Essex	Union House Management Company Ltd
University of Exeter	Unipol Student Homes
University of Glasgow	Unite Students
University of Gloucestershire	University Partnerships Programme
University of Hull	urbanest
University of Kent	Vita Student
University of Leeds	West One Student Accommodation
University of Lincoln	Wilson and Sharp Developments
University of Liverpool	
University of London	
University of Nottingham	
University of Oxford	
University of Plymouth	
University of Portsmouth	
University of Reading	
University of Southampton	
University of Strathclyde	
University of Sunderland	
University of the Arts London	
University of Ulster	
University of Worcester	
Warwickshire College Group	
Westminster College	
York St John University	

ENDNOTES

[1] National Union of Students and Unipol Student Homes, *Accommodation Costs Survey*, December 2018

[2] *Ibid*, p.3

[3] Cushman & Wakefield reports 679,000 rooms in *The Student Accommodation Tracker*. This is the basis for these calculations.

[4] See National Code website: *New buildings 2021 and construction delays affecting students*

[5] Although there is inevitably some variance in the respondent profile across the three-yearly cycles of the survey, the size of the sample as a proportion of the full sector over time gives the findings strong integrity. Average rents have been weighted to reflect bed space volume for each rental value submitted by respondents. The source data for previous surveys referred to 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)

[6] Source estimate for full UK PBSA sector: Cushman & Wakefield

[7] The report deals with the core stock types of en-suite, standard 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 dataset is less comprehensive across the three most recent iterations, is included in the tables towards the end of this report.

[8] This summary is based on the excellent report undertaken by William Whyte for the Higher Education Policy Institute (HEPI), *Somewhere to live: why British students study away from home – and why it matters*, November 2019

[9] Sarah Jones and Martin Blakey for the Higher Education Policy Institute, *Student accommodation: the facts*, August 2020

[10] This summary is reproduced from the previously-cited *Student accommodation: the facts*, in which further detail on partnering arrangements between institutions and private operators is set out.

[11] The question on rent setting factors has been changed in the 2021 survey. Previously, respondents were asked to identify the single most important determinant in setting rents. In the current survey, in order to broaden insight into providers' frame of reference, they were invited to cite the main mechanisms (plural) that they used to set rent. For this reason, it is not possible in this iteration to make longitudinal comparisons.

[12] Data source for the wider private rented market: Office for National Statistics, Index of private housing rental prices

[13] Rachel Hewitt for HEPI, *Demand for higher education to 2035*, October 2020

[14] Average household income – UK Office for National Statistics (ons.gov.uk)

[15] Source data: Paul Bolton for the House of Commons Library, *Student loan statistics*, December 2021, p.43

[16] Cushman & Wakefield, *UK student accommodation report 2020/21*, p.9

[17] See, for instance Tony Wilson and Dafni Papoutsaki for Youth Futures Foundation, *An unequal crisis: the impact of the pandemic on the youth labour market*, February 2021, p.12

[18] Student Awards Agency Scotland, *Undergraduate funding*

[19] Student Finance Wales, *What finance is available for Welsh full-time undergraduate students*

[20] Student Finance Northern Ireland, *A guide to financial support for full-time students in higher education, 2021/22* (studentfinanceni.co.uk)

[21] Northern Ireland Statistics and Research Agency, *Annual survey of hours and earnings*

[22] the data for the 2015/16 survey is not sufficiently reliable to include here.

[23] Other, kosher flats and adaptations/support for neurodivergent students are categories not offered in 2018.

[24] Megan Hector for HEPI, *The experiences of disabled students in higher education*, October 2020

[25] British Property Federation, *Student wellbeing in purpose-built student accommodation*, June 2019 for detailed and DfE-endorsed guidance on best practice in private PBSA for mental health and wellbeing.

[26] Cushman & Wakefield reports 679,000 rooms in the Student Accommodation Tracker, and this has been used as the basis for the calculation.

NATIONAL UNION OF STUDENTS

Snape Road
Macclesfield, SK10 2NZ
t. 0845 5210 262
www.nus.org

UNIPOL STUDENT HOMES

155 / 157 Woodhouse Lane
Leeds, LS2 3ED
t: 0113 205 3431
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