



The State of Student Housing

Wednesday 20th December; 10:15am-11:15am
Macmillan Room, House of Commons, Westminster, SW1A 0AA

Introduction

Recent research has found that there are now more students than ever before studying away from home, which has meant the demand for accommodation is continuously growing. The cost-of-living in the UK has increased rapidly especially for the capital, London, with many commentators claiming the city is facing a 'housing crisis.' The All-Party Parliamentary Group on Students is committed to raising the concerns facing students and brings together MPs and Peers across the political spectrum to encourage students to actively participate in politics. This APPG hopes to unearth the role cost-of-living plays in allowing young people accessing education.

Key Statistics

- 1.7million full-time students in UK
- There are 602,000 purpose-built bed spaces available to students for the academic year 2017/18
 - 43% of these are studios, 97% of studios are private sector owned
- New en-suite bed spaces for 2017/18 are 8% higher priced compared to the average
- 19% of bed spaces in the market are priced at the NUS approved level of 25% of beds at c£4,200
- Universities provide 57% of all rooms, with the private sector providing 43% of beds – an increase from 41% in 2016
- Standard bed spaces available has dropped to 30% of the market, with studios accounting to 12% of all beds

Affordability

Whilst the full-time student population has grown extensively, university accommodation has not met the demand for student room rental.¹ Historically student accommodation has been offered by higher education institutions as part of their duty to provide students with pastoral care whilst they are studying. However, throughout the last decade that relationship has changed. Purpose Built Student Accommodation (PBSA) for example has been a huge player in student accommodation and has been recognised as the UK's best performing property sector for those looking to invest in accommodation and housing students.² Since the growth of PBSA, combined with high costs from private rented accommodation, sector representatives have argued that the potential marketization of higher education has led to "greater competition between universities, and an improvement in the teaching and infrastructure facilities and services provided to students."³

Changes to the funding structure for institutions has left them searching for ways to support themselves financially, and unfortunately this has led to student accommodation being used to generate income, more so than ever before. A large-scale survey produced by the National Union of Students (NUS) and Unipol has shown that whilst in the majority of cases, accommodation provided by institutions is cheaper than private providers, the survey has shown institutions continue to set their rents above inflation, and well above what would be an 'affordable' level for a student.⁴ NUS set an ambition for 25% of all bed spaces to be provided at a maximum of 50% of the student maintenance loan (which is around £4,200 in 2017/18).⁵ According to Cushman & Wakefield, only 13% of the market is priced at or below this level, and currently only 19% of beds at or below £4,200 per year are provided by the private sector.⁶

As it currently stands, the private sector provides 43% of all bed spaces and 24% of accommodation offered by the private sector are now studios. There has been an exponential

¹ <https://www.emergingproperty.co.uk/insights/purpose-built-student-accommodation-how-it-works/>

² [http://www.ey.com/Publication/vwLUAssets/ey-uk-purpose-built-student-accommodation/\\$FILE/ey-uk-purpose-built-student-accommodation.pdf](http://www.ey.com/Publication/vwLUAssets/ey-uk-purpose-built-student-accommodation/$FILE/ey-uk-purpose-built-student-accommodation.pdf)

³ Cushman & Wakefield, *UK Students Accommodation Report 2017/18*,

<http://www.cushmanwakefield.co.uk/en/services/student-residential-accommodation/>

⁴ <https://www.nusconnect.org.uk/resources/nus-unipol-accommodation-costs-survey-2015>

⁵ Cushman & Wakefield, *UK Students Accommodation Report 2017/18*,

<http://www.cushmanwakefield.co.uk/en/services/student-residential-accommodation/>

⁶ Ibid



growth in studio accommodation – an increase of 106% from 2014-17⁷ - it is not clear however that there is any evidence that students want to live in this type of accommodation. Cushman & Wakefield are concerned that much studio development has been driven by land cost rather than student demand with clear evidence that many of these developments are experiencing occupancy issues.⁸

The link between high accommodation costs in the PBSA sector and increasing rents in the private rented sector is well established. Such high accommodation costs across both sectors combined with the growing cost-of-living have left students struggling. NUS found that 37% of students surveyed as part of the *Homes Fit for Study* research project cannot afford to pay their rent.⁹ This has had a knock on effect and has also led to many students also facing fuel poverty.¹⁰ The recent publication of the Draft Tenants' Fee Bill puts forward a number of policy recommendations such as banning unfair letting agent fees and place a cap on holding deposits. The Bill presents an opportunity to raise the concerns of students, especially with regard to affordability, however a number of sector representatives have cast doubt on whether this will have a direct impact on the cost-of-living for students.

Quality

Evidence shows that poor quality accommodation and housing has a substantial negative impact of students' mental health, and their ability to achieve their full potential whilst at university or college. Research from Shelter found that poor conditions like damp, mould, lack of heating contribute to physical health problems, with properties that have vermin infestations or poor noise insulation contribute to mental health problems.¹¹ The estimated cost to NHS of poor quality housing is £600 million per year with 1 in 6 local authorities in England required health services to intervene because of neglect by private landlords¹².

The 2016 NUS *Homes Fit for Study* aimed at developing a holistic understanding and evidence base on students' experiences of housing. It was based on a UK-wide survey conducted in November/December 2013 (with the next piece of research due to be published in 2018). The 2013 NUS report found that three quarters of students had one or more problems with the condition of their property – 60% with damp, condensation or mould; 25% thought their doors and windows were insecure; and 37% struggled to pay their rent.¹³

Safety

Following the tragedy of the Grenfell Tower fire, the same combustible cladding was found in student blocks in Newcastle, Edinburgh, Bournemouth, and Nottingham. According to Unipol, overall 5 per cent of PBSA was found to have ACM cladding. The student accommodation codes aim to regulate purpose built student housing.¹⁴ The codes stipulate that providers undertake and evidence fire risk assessments, but do not stipulate the use of certain building materials. The Department for Communities and Local Government's offer to test the cladding of providers who comply with the codes was optional rather than mandatory. As such there is no guarantee for students that the cladding on their accommodation is safe.

For details of our next event or to receive more information about the APPG on Students, please contact the Secretariat to the APPG on Students: info@appg-students.org.uk.

⁷ Ibid

⁸ Ibid

⁹ NUS, *Homes fit for study*, 2013,

<https://www.nus.org.uk/PageFiles/12238/Homes%20Fit%20for%20Study%20report.pdf>

¹⁰ Ibid

¹¹ https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folde/r/report_safe_and_decent_homes

¹² Ibid

¹³ <https://www.nus.org.uk/PageFiles/12238/Homes%20Fit%20for%20Study%20report.pdf>

¹⁴ <http://www.universitiesuk.ac.uk/policy-and-analysis/Pages/accommodation-code-of-practice.aspx#sthash.u9M6aene.dpbs>