



STUDENT
ACCOMMODATION
SURVEY 2018/19

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FOREWORD



James Pullan, Head of Global Student Property, Knight Frank

I am delighted to present the findings of this first Student Accommodation Survey, undertaken in partnership with UCAS.

By capturing the voices of over 70,000 young people, split across current students and new applicants, our survey represents the most comprehensive and authoritative study into student accommodation in the UK undertaken to date.

Our research examines the views and opinions of both UK and international students regarding their accommodation choices, opinions and preferences whilst they are studying at university.

Since the lifting of the student number cap in 2015, universities have prioritised investment in improving teaching, facilities and the wider student experience. The findings of our survey clearly show that student accommodation also has a role to play, both in attracting new students and in supporting student wellbeing. The focus

on student accommodation has never been so acute and with several universities facing financial challenges, as well as the potential impact of the Augar Review on tuition fees, universities must ensure that they get their accommodation offering right.

Our survey comes at a time when the private purpose-built student accommodation (PBSA) sector in the UK faces its own set of challenges; not least from policy and from competition in what has become an increasingly global market for higher education.

The private sector now accounts for the majority of new PBSA development, and, as universities become more reliant on outside investment to provide new PBSA, greater focus is likely to be placed on the strength of the relationship between the private sector and universities. The ability for both to work together and bring new product and innovation to market will be key to future success.

Engaging with students on their needs and preferences is absolutely vital to achieving this. Our survey highlights the importance of affordability, for example. Some 84% of students say that their accommodation is affordable, but more than half said the costs were “just about” affordable. The sector is responding to this, evidenced by the shift to cluster flats in new development which tend to have the lowest rents in PBSA.

The survey highlights a broad tapestry of needs dependent on factors including location, design, cost and amenity, all of which could help shape the future of PBSA. The important impact that accommodation has in supporting wellbeing, the role it plays in bringing students together, and the emphasis students place on this when determining where they live at university will mean the sector will need to move away from delivering a ‘bricks and mortar’ product and towards developing student communities.



Dr David Best, Director of Analysis and Insight, UCAS

For the first time, we can bring survey evidence from over 70,000 applicants, current students and new students to illuminate their views on accommodation. Our analysis clearly shows the importance they place on where they'll be living during their studies. In the first study of this type specifically focussing on accommodation, the scale, breadth and depth of this research vividly shows how where they live can have a huge impact on students' overall experience.

We already know the importance of choosing the right course, and the academic and vocational

paths that can follow, but living in a supportive environment that allows students to make the most of their time at university plays a huge part in their overall experience of higher education. It's within accommodation that hours will be spent engrossed in literature, assignments will be carefully prepared, and friends can be made for life.

The student voice is a powerful one, and when such a large investment is being made by both accommodation providers and students themselves, it's important that this voice is heard and that the evidence we collect is

“Where students live can have a huge impact on their overall experience”

truly representative of the student experience as a whole.

Value for money comes out as the most important factor when decisions about where to live are made. I would encourage accommodation providers to bear this in mind when deciding on their offering to young people who may be moving away from home for the first time. With both UK and international students giving such comprehensive insight on a key part of their undergraduate experience, we hope their views have a lasting effect on the future of accommodation provision at our world-class universities and colleges.

THE SURVEY

The UK market for student accommodation is becoming increasingly competitive, driven by healthy levels of new supply and changing demographics.

A demographic quirk means that the number of people turning 18 fell this year, and will fall again next year, before starting to rise in 2020 and beyond. This presents a challenge for the student accommodation market over the short-term, with potentially changeable levels of demand.

To succeed, owner-operators need to have a clear view on what students need and want from their accommodation. Strong product design, customer care and wellbeing will become increasingly important as students demand housing choices that will support and enhance their overall experience.

Across the UK, around 30% of full-time first-year students live in private purpose-built student accommodation (PBSA), up from 22% five years ago. A further 40% live in halls or accommodation provided by the university, this proportion has remained broadly unchanged over the same period. The remaining 30% of first-year students either live in the private rented sector or at home with parents or guardians.

If the PBSA sector is to deliver the right type of accommodation in the right locations it will need to understand the priorities of students and respond to their changing needs.

Our survey with UCAS provides a unique insight into the preferences and concerns that students have and comes at a time when the role of accommodation in supporting student wellbeing is more fully recognised by universities and students themselves.

More than 70,000 students from across the UK responded to the UCAS/Knight Frank Student Accommodation Survey. The responses were broadly representative of the make-up of the student population, but where appropriate the data has been weighted to better reflect the current profile of students.

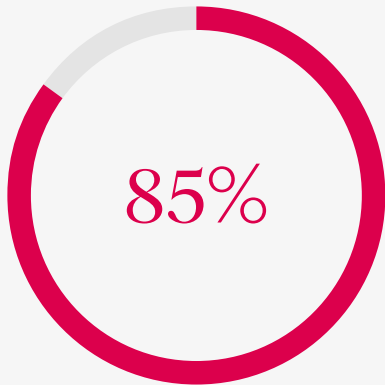
This report represents the key findings from the survey of current students including their own view of the quality of PBSA available and the role it plays in the student experience. It also explores the factors influencing their accommodation choices, from affordability to the cleanliness of the bedrooms.

“The role of accommodation in supporting student wellbeing is becoming more fully recognised”

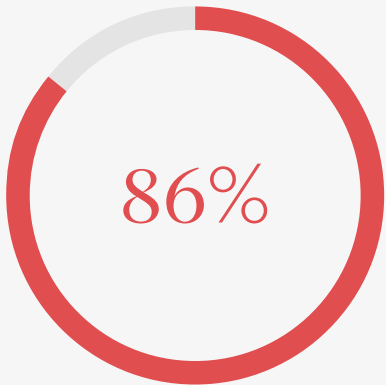
Matthew Bowen,
Head of Student Property Research,
Knight Frank

Methodology:

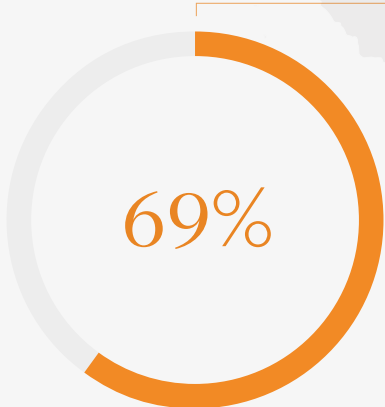
The survey was undertaken in the period between May and August 2018 and comprises both applicants, current students and new students who started university in the 2017/18 academic year. We received a response from 35,800 applicants, who answered the applicant survey form and 41,600 current or new students, who answered the current student survey form. This report represents the key findings from the survey of current students only.



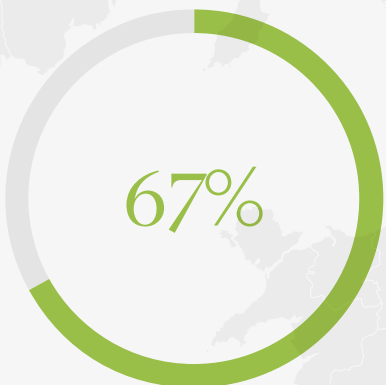
85% of students in Glasgow rate the quality of their accommodation as “good” or “excellent”



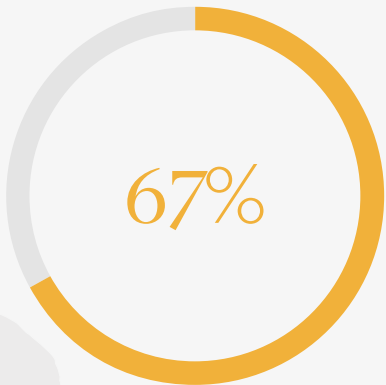
86% of students in Newcastle rate the location of their accommodation as “good” or “excellent”



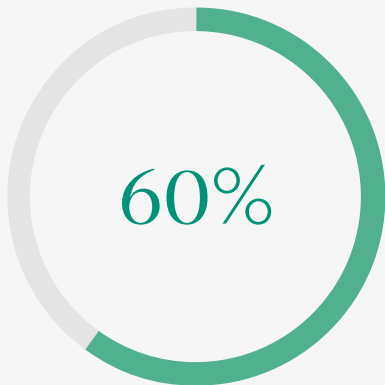
69% of students in Leeds had secured their accommodation for this academic year (2017/18) before March



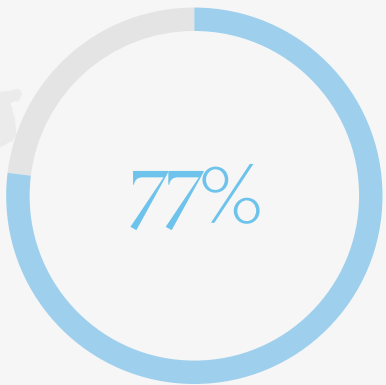
67% of students in Southampton indicate that their private PBSA accommodation represents “excellent value for money”



67% of third-year students in London intend to remain in London when they graduate



Students in Plymouth have the shortest commute with over 60% living within ten minutes from campus



Private PBSA in Brighton has the best-rated social scene with 77% students rating it as “good” or “excellent”

STUDENT SATISFACTION

> Most students said they were happy with their accommodation choice for the year.

However, a higher proportion said they were happy living in private PBSA or university-run accommodation, with 76% of students saying this was the case. Those living in the private rented sector were still happy overall, but a slightly lower proportion (73%) indicated that this was the case.

Looking specifically at property types, those living in a cluster flat, or in a shared house, said they were happier than those living in a single-occupancy studio or alone.

Overall, more than 80% of students living in shared accommodation, eg. a twodio - a two bedroom flat with shared kitchen and bathroom - a shared house operated by the university, or in a cluster flat (with en suite) within university-operated accommodation said they were happy with their living arrangements.

While still positive, levels of happiness were slightly lower for students living in studios or single occupancy flats, with 71% saying they were happy with their accommodation.

The survey shows that, in addition to property type, other key drivers of happiness in private PBSA are location, the option to live with friends and the quality of accommodation, as shown in figure 2.

Within the accommodation, efforts to create a community were also noted, with the atmosphere and social scene provided within their accommodation rated positively by 52% and 43% of respondents in private PBSA respectively.

High levels of overall happiness within student accommodation are reflected by the fact that, in total, 69% of students who lived in private PBSA said that they would recommend their accommodation to new first-year students, and 77% of those in university-run accommodation said the same.

of students living in PBSA said they were happy with their accommodation choice

76%

of students living in a studio or single person flat said they were happy with their accommodation

71%

of students living in shared accommodation, such as a twodio, said they were happy with their accommodation

80%

69%

of students living in private PBSA would recommend it to new first-years

Figure 1: Where are students happiest with their accommodation?
 % of students living in privately-operated PBSA who said they were happy with their accommodation choice

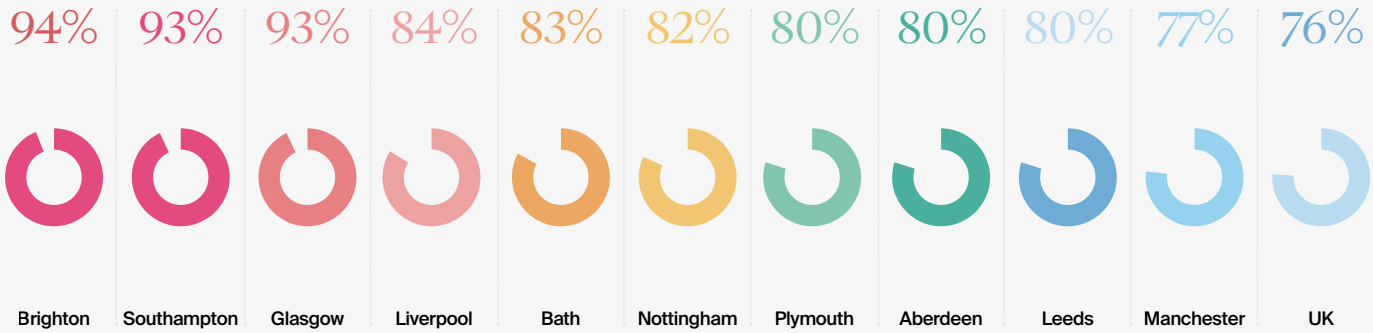
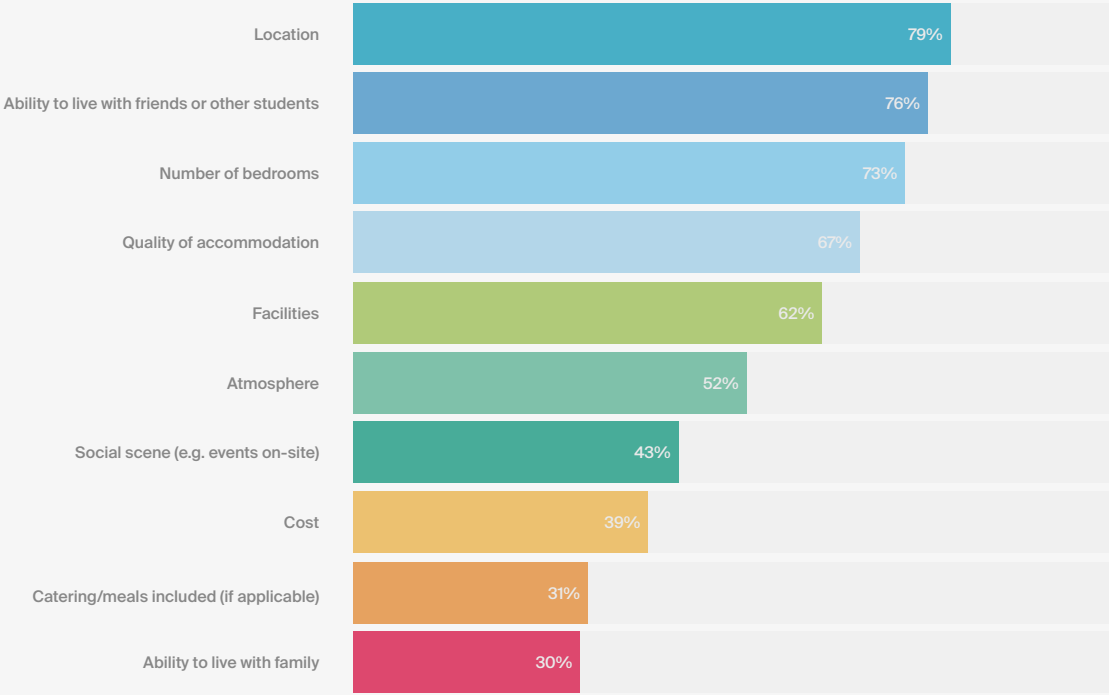


Figure 2. What influences how happy you are with your accommodation?
 % of students living in privately-operated PBSA rating the below as having a positive impact on their happiness



“It may not have the largest common areas or be the cutest but my room is amazingly cosy, and that is important.”

First-year student

THE HUMAN FACTOR

The single most important factor influencing the choice students make about where they live is value for money. Some 97% of respondents rated this as being important to them, with approximately half rating it as “extremely important”.

With this in mind it is interesting to note that just over two thirds (67%) of all students rated their accommodation as “good” or “excellent” value for money with a further 12% saying it was neither good nor poor value. Value for money was comparable regardless of whether students were living in private or university-owned PBSA or in the private rented sector, despite the variations in cost between the three.

Indeed, the survey instead suggests a preference for high-quality accommodation that provides clear and obvious elements that add value. For example, respondents said that, on top of their existing rent, they would be prepared to pay a premium for access to certain amenities. These include super-fast wifi, a gym on site and 24-hour security, as shown in figure 5.

When deciding where to live, other factors identified by students as “extremely important” included the cleanliness of the bedroom (43%), the quality of the accommodation (35%) and the facilities available (26%).

More subjective factors include reviews of the accommodation by other students, and the level of daylight in the bedroom. Indeed, these two factors were particularly important to first-year students, with 80% saying it helped them decide on their accommodation.

Second and third-year students also sought value for money but were equally influenced by the absolute cost of accommodation, with 89% rating this as either “very” or “extremely important”. This compared with 81% of new students.

Second and third-year students deemed being able to maintain friendship groups as important when looking for accommodation, with over 60% of this group identifying the number of bedrooms available in a property, and the effect this had on being able to live either with friends or alone, as influencing their choice.

Of note for student property providers, brand recognition was also a factor for students, with nearly half (46%) of new first years living in private PBSA saying that the operator and brand of their student accommodation had played a part in their choice.

Parental involvement also had a role to play, especially for first-year students, with 76% saying that their parents were involved when they were deciding where to live. This was much lower for second-year and third-year students, with nearly half (45%) saying that their parents had no involvement at all.

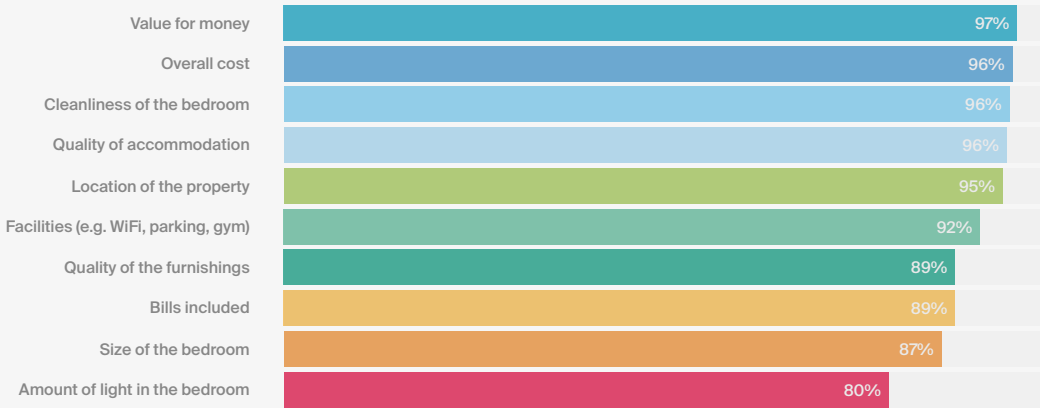
In terms of location, nearly half (44%) of first-year students live within a 10-minute commute of their campus, with only 5% living more than 40 minutes away. Second and third-year students tend to live further from campus, with just 29% living within 10 minutes of university.

Just 6% of students rated the location of their accommodation negatively, compared with 79% who said it was “good” or “excellent”. Those that rated it negatively most commonly cited being too far from university, too far from town and there not being enough amenities nearby.

Students within private PBSA in London, Brighton and Edinburgh have the longest commutes with more than 20% travelling 30 minutes or more, whilst students in Plymouth, Glasgow, Birmingham and Leicester have the shortest commute. In these markets, at least 50% of students live within a ten-minute journey of campus.

89% of returning students said the absolute cost of accommodation was very or extremely important

Figure 3. Which of the following influenced your decision on where to live?
 % of first-year students rating each factor as “slightly”, “very” or “extremely” important



STUDENT WELLBEING

Accommodation came out as the most important factor influencing student wellbeing across the UK, with students in all markets naming it as their number one concern, ahead of student pastoral support or a good campus atmosphere.

Some 63% of students also identified living costs as “very important” with regards to their overall wellbeing. When questioned on this in more detail, 84% of students said that their accommodation is either “affordable” or “just

about affordable” to them. The remainder indicated some form of affordability pressure. These figures were broadly comparable regardless of whether students were living in university-owned, private PBSA, or the private rented sector.

New development figures suggest that the sector is responding to this with a greater focus on delivering more affordable accommodation. Of the units due to be delivered for the 2018/19 academic year, 62% are categorised as cluster

flats, which typically command the lowest rents. As the market evolves, investors, developers and operators need to continue to deliver housing that best suits the needs of students.

But it’s not just about cost, the overall quality of accommodation was also identified as being important. Some 99% of students said the standard of their accommodation had an influence on their wellbeing, with 79% saying it was an “important” or “very important” factor.

63% of students said the standard of their accommodation is a “very important” factor impacting their wellbeing

Figure 4. Which room type offers the most value for money?
 % rating it as “good” or “excellent” value

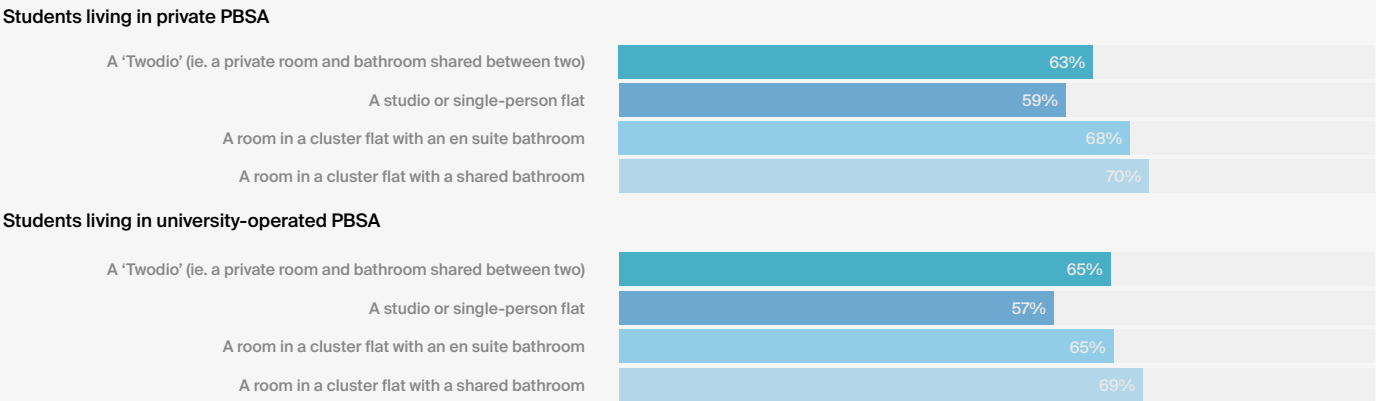
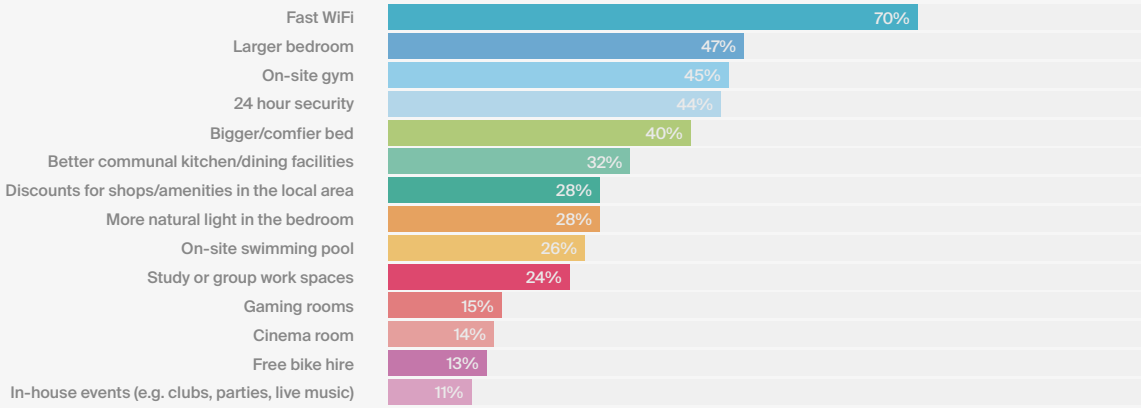


Figure 5. For which of the following would you be willing to pay a rental premium?
 % of students living in privately-operated PBSA who said they would pay a rental premium



INTERNATIONAL STUDENTS

The number of international students applying to Higher Education institutions in the UK is under close scrutiny from both universities and accommodation providers, especially given uncertainty surrounding Brexit.

Alongside UK applicants to higher education, every year UCAS processes a large proportion of the applications to UK universities from international students. With numbers increasing over the last few years, overseas students now make up around 14% of acceptances through UCAS. Some 86,000 international students enrolled in UK universities in 2017/18 as undergrads according to HESA.

Applicant numbers from outside the EU are expected to continue rising steadily over the next few cycles. In the short-term, the same is likely to be true of prospective students applying from within the EU, however there is uncertainty surrounding the long-term impact of Brexit.

The survey confirms various patterns regarding the international student group. International students are the most likely to be renting, for example, with 94% doing so, compared to 70% for UK-based students. This equates to more than 250,000 international undergraduates renting across the UK each year.

International students are among the most likely to remain in the same accommodation for longer. Some 42% said that the option to stay in the same accommodation for more than one year was “extremely important” or “very important” when deciding where to live. This suggests that they are looking longer-term when they first assess their accommodation preferences.

The 79% of international students who are living in private PBSA are happy with their accommodation choice, with 7% expressing no strong feelings either way. Levels of happiness for those living in private PBSA were comparable with those living in university accommodation and higher than students living in the private rented sector (72% of respondents said they were happy).

Looking specifically at property types, 89% of international students were happy living in a cluster flat with a shared bathroom in private PBSA. For students living in the same room within university-operated accommodation this fell to 72%.

Levels of happiness within studio accommodation were higher for international students (83%) compared with the equivalent figure for all students (71%).

Value for money and the overall cost of accommodation are also important factors for international students when choosing where to live. These were rated as either “extremely important” or “very important” by 89% and 85% of international students respectively.

Within this, 68% of international students living in private PBSA rate their accommodation as good or excellent for money with 15% saying it was neither good nor poor value.

Similarly to UK-domiciled students, international students are willing to pay a premium for elements which are perceived to add value. These include super-fast internet, an onsite gym and 24-hour security. Only 9% of international students indicated that they would be prepared to pay a premium for in-house social events, whilst having a games room and cinema room also received a low level of response.

Around one in six non-EU students do not pay their own rent, suggesting that this group is the most likely to be funded by someone else, for example parents or wider family.

Of those who do pay their own rent, those from non-EU countries are the most likely to say that their accommodation is affordable.

Fewer than one in 10 non-EU students said that their accommodation was unaffordable. Looking specifically at EU students, 87% said their accommodation was either “affordable” or “just about affordable”, a higher proportion than the number of UK-domiciled students who said the same.

68% of international students living in private PBSA rate their accommodation as good or excellent value for money

Figure 6. Most important factors for international students when choosing where to live
 % of international students rating each factor as “slightly”, “very” or “extremely” important

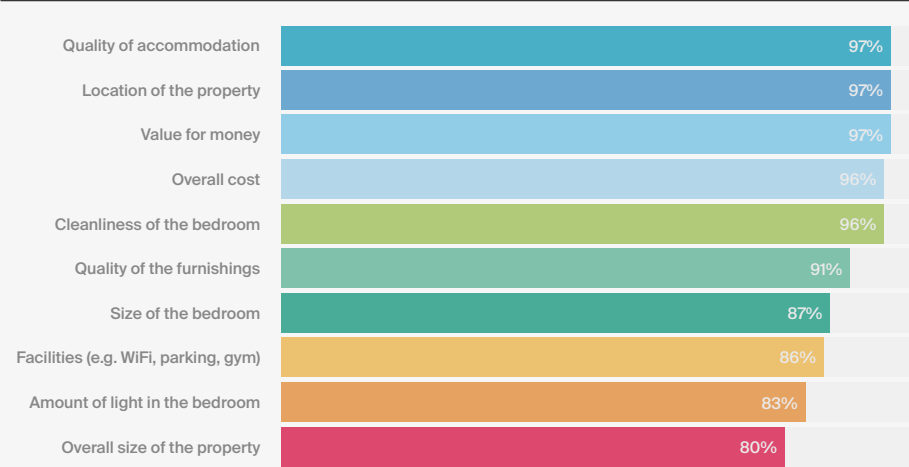


Figure 7. Which room type offers the most value for money?
 % of international students rating it as “good” or “excellent” value

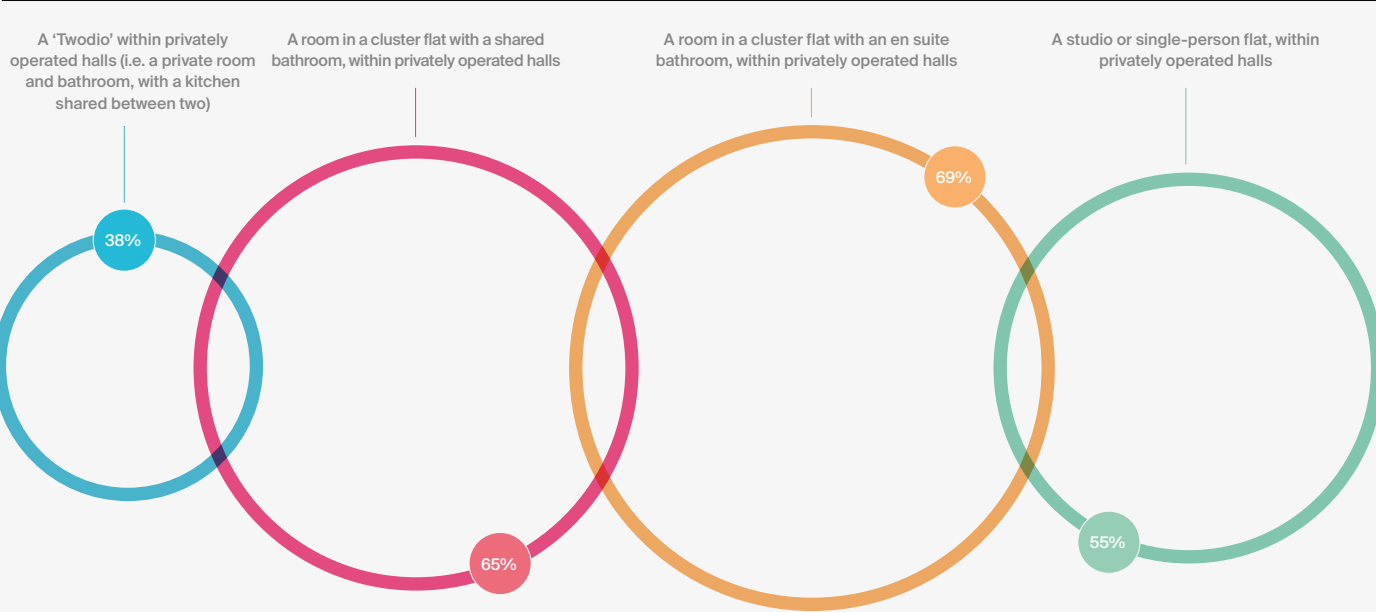
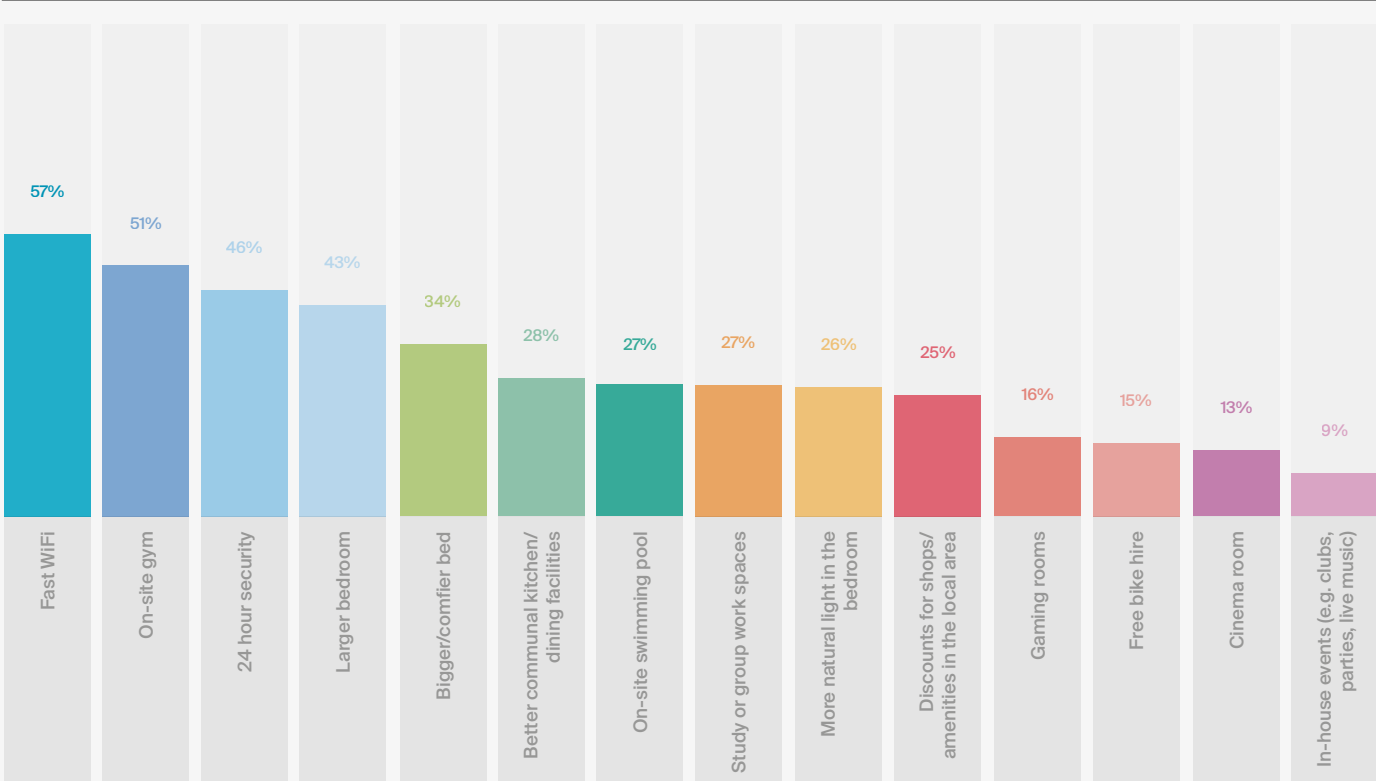


Figure 8. For which of the following would you be willing to pay a rental premium?
 % of international students living in privately-operated PBSA who said they would pay a rental premium



EVOLVING MARKETS

Owner-operators active in the sector will be interested in when students look to secure their accommodation. The timing of when new and existing students find somewhere to live for the following year will have implications on their pricing and marketing strategies.

For example, more than 50% of new first-year students who responded to our survey said that they had secured accommodation between May and August. Those securing accommodation earlier in the year are typically students with unconditional offers or those that have deferred their study.

By comparison, second and third-year students tend to secure their accommodation earlier. Indeed, 57% said that they had secured their accommodation for the following academic year by the end of March. Only 25% of second and third-year students were without accommodation for the following academic year by the end of May.

There are differences in timings depending on where students live, however. And while the lettings cycle of first-year students is comparable across the majority of markets, a number of locations buck this trend. In London, for example, students start looking for somewhere to live for the following academic year early. Almost 8% of first-year students had secured accommodation for the following year before the end of November, perhaps reflecting the number of students taking a year out.

There is considerably more variation for second and third-year students, a fact which is likely to influence how PBSA providers and landlords operate. In Bristol, 65% of second and third-year students had secured their accommodation by the end of March. However, in Aberdeen the comparable figure is 20%. Understanding these differences will give PBSA providers a clear understanding of market dynamics.

While the majority of first-year students live in a form of PBSA, this changes in the second year. Some 72% of students who were currently living in PBSA said they planned to move into mainstream private rental accommodation in their second year. In some markets this may reflect the availability of PBSA stock.

In order to attract new students and retain existing ones, some PBSA providers offer incentives and deals to students. This is generally confined to the private PBSA market. Indeed, over 40% of first-years living in private PBSA were offered an incentive when looking for somewhere to live. Of those that chose the accommodation offering the incentive, 16% said they would not have chosen the same accommodation had it not been offered.

57% of second and third-year students had secured accommodation for the following academic year by the end of March

“My uni had loads of options, for one halls you would get a free bus pass for the academic year, which is a huge money saver and a big incentive” First-year student

Figure 9. When do students secure their accommodation for the following academic year?

All students

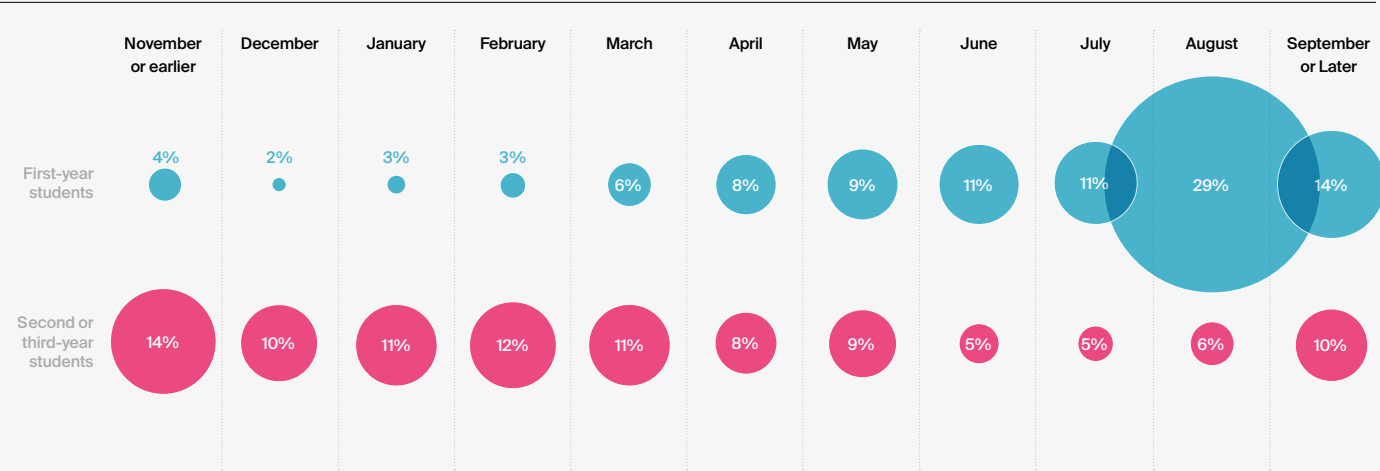


Figure 10. How did those living in PBSA view properties when deciding where to live?

% of those respondents living in PBSA selecting each option

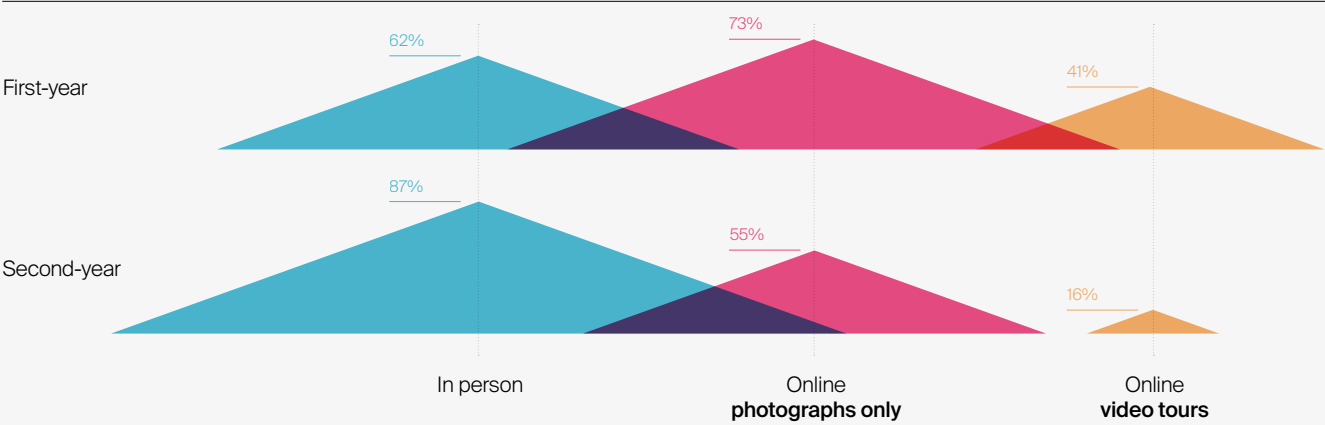
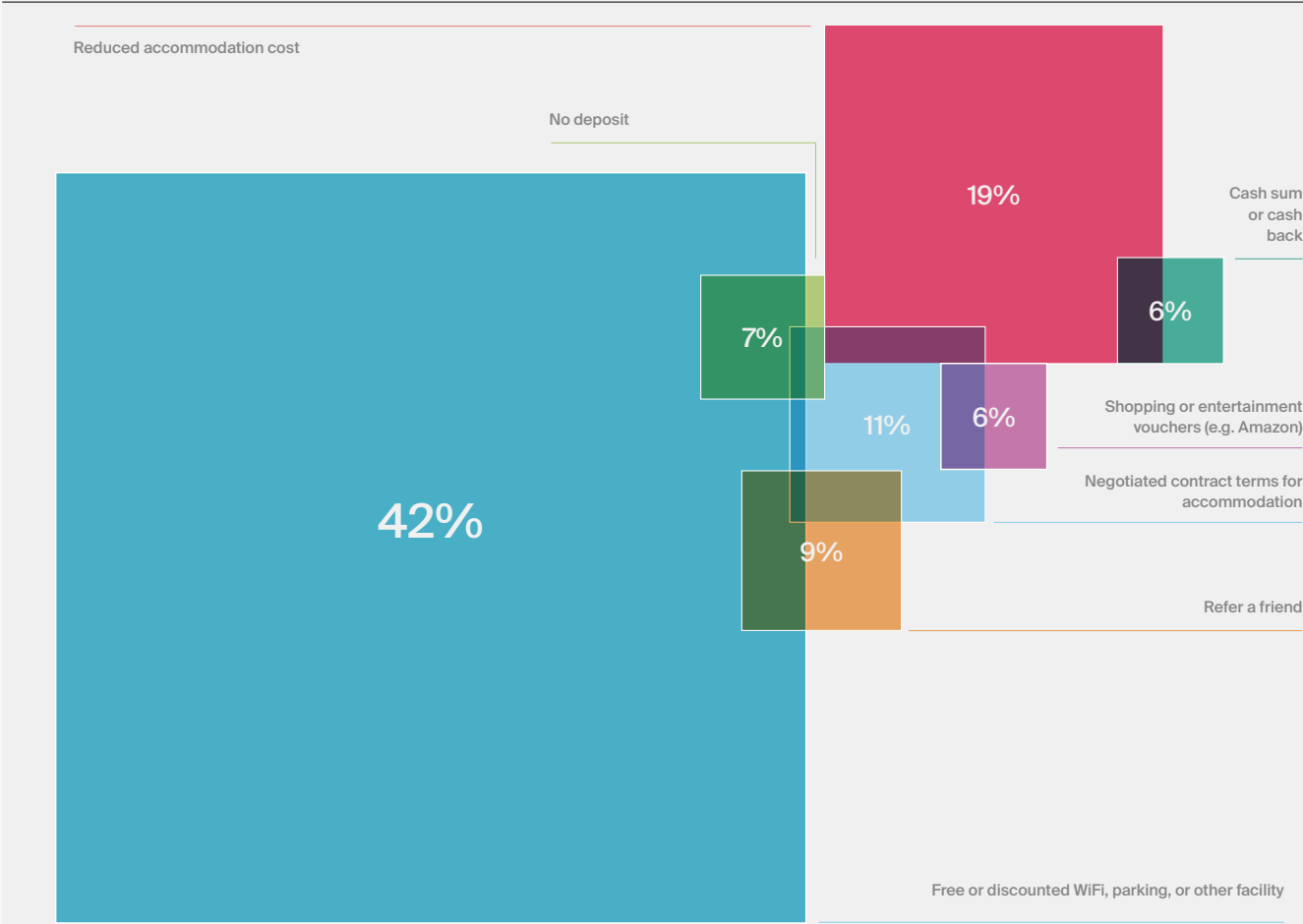


Figure 11. What incentives were students living in private PBSA offered?

% of respondents living in privately-operated PBSA selecting each option



LIFE AFTER UNIVERSITY

Students moving from one location to another before and after their studies make up a large share of domestic migration in the UK. According to the ONS, university students account for approximately one fifth of all such movements.

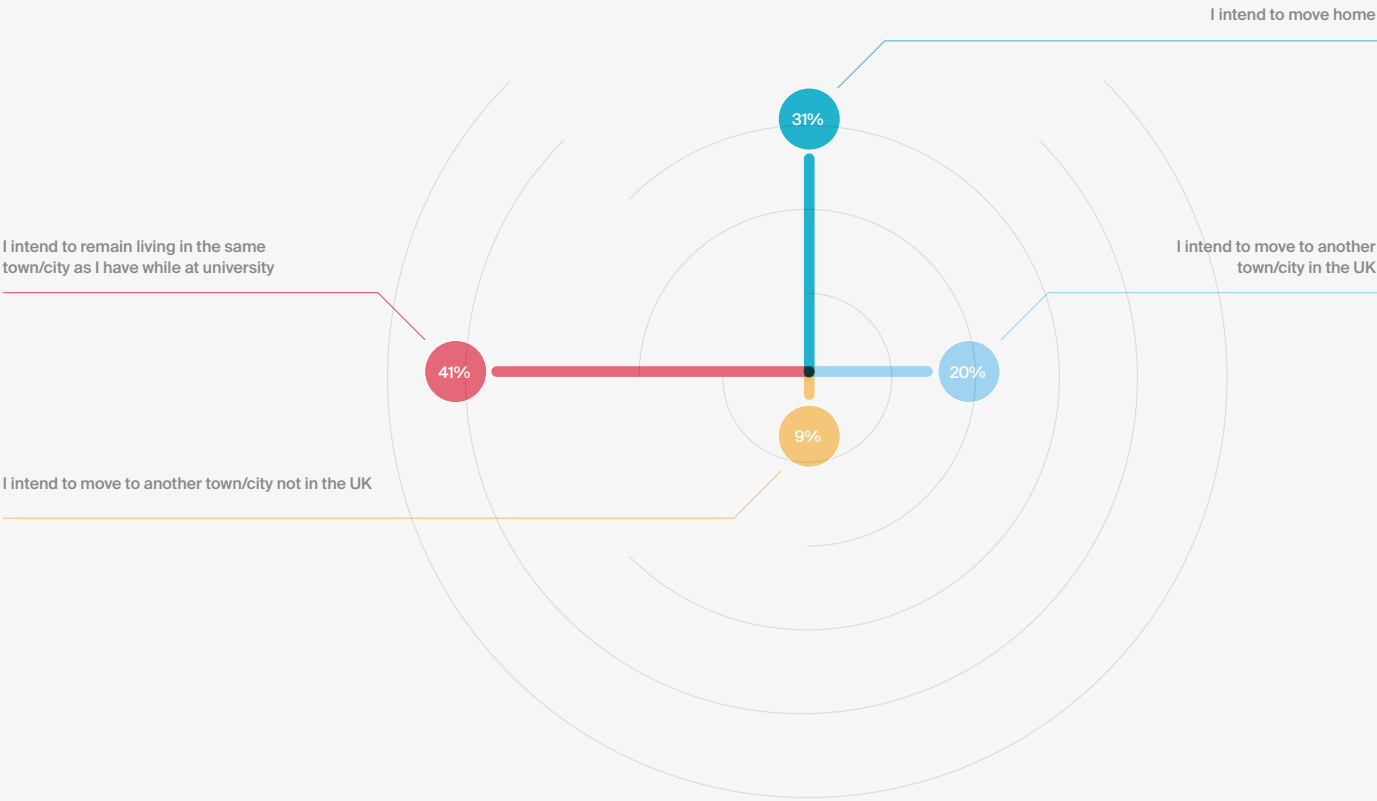
London has historically been a net exporter of students, whilst large regional cities such as Manchester, Leeds and Birmingham are net importers. This trend typically reverses upon graduation, with London acting as a magnet for recent university leavers looking for jobs, or joining graduate schemes in the capital. However, the opportunities for graduates in regional university cities is growing.

41%

of final-year students intend to remain in the city in which they are studying

Figure 12. What do students intend to do when they graduate?

% of final-year students choosing each option



Aside from future employment opportunities, overall lifestyle plays a significant role. Thinking about where they intend to live following graduation, more than half of students said they would move directly into a property in the private rented sector, with the remainder moving in to a range of other accommodation choices, including moving into a family or friends' home or buying a property.

Cities will need to deliver more vibrant, amenity-rich, flexible living space if they are going to attract and retain the talent pool generated by UK higher education.

Accommodation influences the decisions student make on where to study, and it will increasingly influence the decisions among graduates on where they choose to work.

Figure 13. Retention rates for selected UK cities

% of final-year students choosing each option

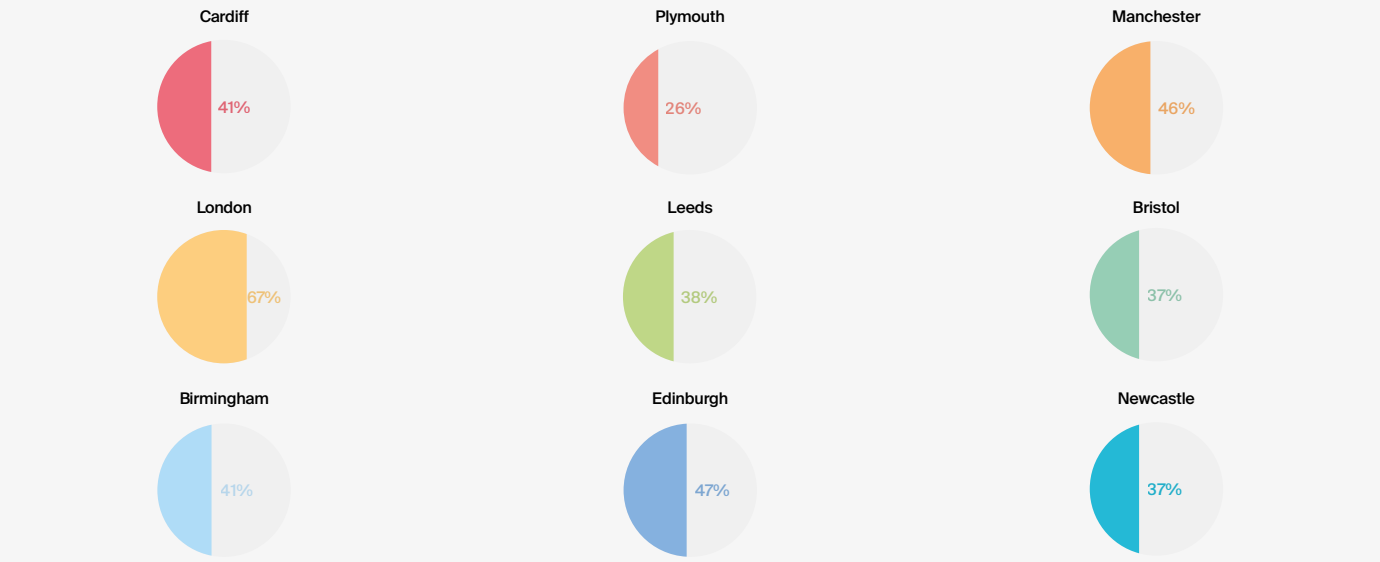
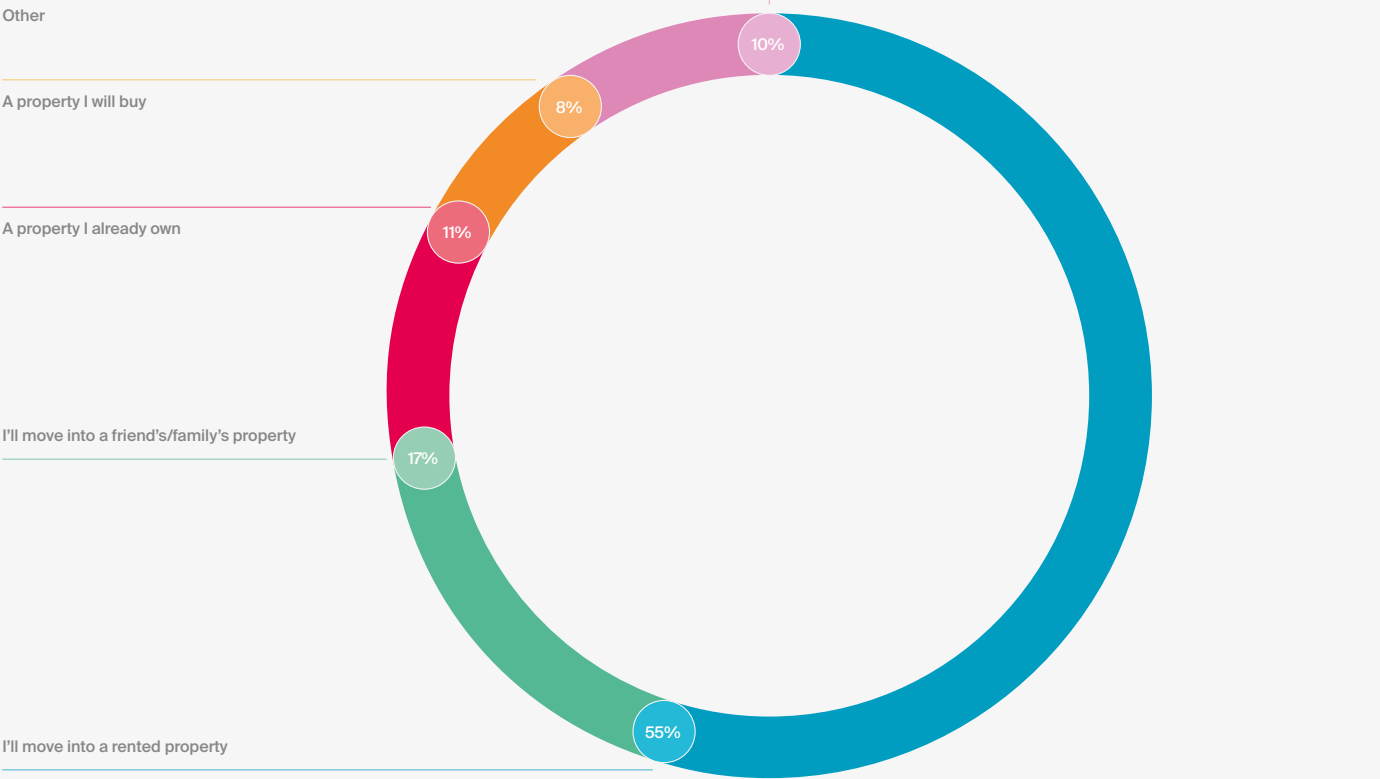


Figure 14. Where will students live after they graduate?

% of final-year students choosing each option



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