STUDENT FIRST

STUDENTCROWD

It’s that time of year again

A snapshot of the UK student accommodation market

October 2023

It’s that headlines time of year again

Here we all are once more, at the beginning of another academic year. Accommodation teams across the country have breathed their first sighs of relief that applications are settling down. They have (just about) completed their summer works in time to deep clean the rooms for the new student arrivals. They have waded through the initial flurry of room move requests, and general wrinkles around settling in, from their anxious new cohort. Despite these inevitable early hiccups, welcome events and residential life programmes are in full swing, and the students themselves are making friendships that will last a lifetime.

Each cohort of students brings an element of uniqueness (and, for the accommodation team, throws up a new loophole that needs closing off within licence agreements). However, much can be predicted year-on-year.

At this time of year, it has become commonplace to see a press frenzy over the unavailability of student accommodation, and once more to hear the question of whether universities are over-recruiting at the expense of student experience. The BBC’s headlines (pictured) echo other media.

We do not doubt that the experiences of those students profiled within these articles is anything but true. At SFG we have created fresh residential strategies for more than 20 universities over the last few years, who seek to ensure that they have the right number of rooms at the right quality and the right price for their students in years to come.

Source: BBC

However, from the discussions we have had with clients and contacts across the sector, it seems that **2023 has felt different from 2022, even - dare we say it - back to normal**. A year ago, following the previous years of pandemic, we saw a significant spike in demand for accommodation, justifying much of the press hyperbole. UCAS’s interim CEO, Sander Kristel, concurs with this view.

‘Normal’ is subjective, though: it is still horrendously difficult for students to find accommodation in some markets . So, what do the latest data tell us?

SFG partners with StudentCrowd who collates data with 100% coverage of UK Purpose-Built Student Accommodation (PBSA). This includes the daily maintenance of pricing and availability which lets us easily build up a detailed picture of what is happening out there.

We took a snapshot of the availability of PBSA across the country. We focused on the direct-let market, for two reasons. Firstly, it is rare for universities to publicise which of their accommodation, if any, is still available. Secondly, unlike much university-owned and nominated stock, direct-let operators do not, as a matter of policy, restrict their accommodation to particular cohorts. This means that they are a useful measure of complete demand in the city.

On the following page we analyse the snapshot we took on 2 October 2023 to ask: **how easy or difficult is it for students to find accommodation at this point in the cycle?**

Direct-let PBSA is still available in many cities, but in some there is a noticeable trend towards one end of the price range

Availability varies significantly in each city across the UK. In each case we saw examples which did not match the noticeable trend.

The overnight queues seen in Durham this time last year, comprised of students seeking accommodation for their second year, only around a month after freshers' week, still appears to be representative of the situation in the city. On the day we checked, not a single bed was available in the direct-let PBSA market. Durham was not alone. We saw the same situation in Bath, and in Cardiff, only one direct-let hall advertised availability, and even this was sold out the following day.

In other cities, where there was some availability, it was interesting to see the types of accommodation still on the market, as this too appeared to vary by market:

In high-price, high-demand cities such as Manchester, Edinburgh and Glasgow, we generally only saw availability at the higher price points. One explanation is that canny operators are confident in holding out for high rents for their premium products, even at this late stage in the cycle. Alternatively, it could suggest that there is a limit to the capacity for (often wealthy international) students to afford those eye-wateringly high rents.

Through our recent work with universities, we have observed that much international recruitment has shifted to other growth markets, such as the Indian sub-continent and West Africa. It appears that students from these markets simply do not have the same means as those from East Asia, and as such a lot of PBSA is simply out of their reach.

Other cities saw the opposite, with availability predominantly across basic PBSA at the affordable end of the market. This tended to be in cities which were already comparatively low-cost, such as Middlesbrough, Aberdeen and Belfast, or those with very competitive PBSA markets, such as Sheffield, Liverpool and Newcastle.

It appears that students have been taking advantage of the relative value-for-money in these cities, and seeking out the very best quality they can afford. This flight to quality is borne out by our university clients' experiences on their own campuses.

This year has seen record numbers of students using Clearing to secure their place at university. These students have therefore been entering into the student accommodation market later than others. Several universities we are working with have actively chosen to restrict their recruitment, simply because they have run out of options for assisting their students with accommodation, but this view does not appear to be universal. With Clearing remaining open until 17 October 2023, we can expect the market across those cities with good availability to remain active over the next few weeks. For those with few or no beds available it is likely to continue to be a struggle for students with their hearts set on their particular course and institution.

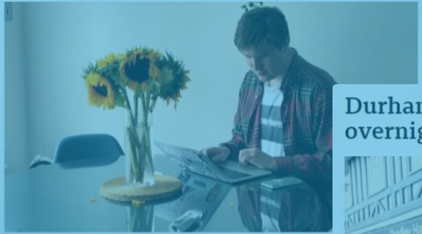
Snapshot of availability of direct-let PBSA on 2 October 2023

Beds still available across all price points	Some beds at the affordable end of the market still available (£)	Some beds at the premium end of the market still available (£££)	All beds sold out
Aberystwyth	Aberdeen	Brighton	Bath
Carlisle	Belfast	Bristol	Cardiff
Colchester	Leicester	Cambridge	Durham
Derby	Liverpool	Edinburgh	
Hatfield	Middlesbrough	Glasgow	
Leamington Spa	Newcastle	Kingston	
Stirling	Sheffield	Manchester	
Winchester		Swansea	
Worcester			

Source: SFG analysis of StudentCrowd data. Other cities not cited had some availability with no identifiable pattern.

University accommodation: Students struggle to find housing

Bristol student accommodation at crisis point, letting agent warns



Durham University students queue overnight to secure accommodation

Scotland's students face accommodation 'nightmare'

University accommodation: 'I got into uni, but couldn't find anywhere to live'

The plight of first-year students in PBSA is often the focus, but we are starting to see undergraduates looking at the situation around accommodation availability for all years of their study, as well as how early those markets are getting.

Increases in the number of 18-year-olds, a slowing down of new PBSA supply through planning and viability issues, and a reduction in the number of HMOs – these all lead us to conclude that universities need to be reviewing this critical aspect of their student experience now, particularly in respect of returning students.

- Martin Hadland, Founder & Managing Director, Student First Group

There are no easy or fast fixes, however, there is widespread motivation to relieve these pressures in locations with limited accessible supply.

We believe there are opportunities for really productive collaboration between all participants to create viable, accessible, additional provision and to ensure students are continuing to be able to choose to study where they will thrive, not just where they can afford.

- Tuely Robins, Head of Insight, StudentCrowd

Contacts

Martin Hadland
Founder & Managing Director

m: +44 7772 064 600

e: martin@sfg.ltd

Robert Kingham
Head of University Advisory

m: +44 7311 275 105

e: robert@sfg.ltd

David Stephens
Assistant Director - University Advisory

m: +44 7555 093 054

e: david@sfg.ltd

Rebecca Jones
Assistant Director - University Advisory

m: +44 7725 017 199

e:rebeccajones@sfg.ltd

Andrew Howarth
Assistant Director - University Advisory

m: +44 7711 368 382

e: andrewhowarth@sfg.ltd

Student First Group Ltd

The Cursitor | 38 Chancery Lane | London WC2A 1EN

w: sfg.ltd

Paul Humphreys
Founder & CEO

m: +44 7879 428 871

e:paul@studentcrowd.com

Tuely Robins
Head of Insight

m: +44 7929 200 028

e:tuely@studentcrowd.com

StudentCrowd

Office 7 | 35-37 Ludgate Hill | London EC4M 7JN

w: studentcrowd.com

Photo credits

Front page: Mike Cox

Page 2: BBC