BIRMINGHAM CITY COUNCIL

REPORT OF DIRECTOR, INCLUSIVE GROWTH (ACTING)

PLANNING COMMITTEE **16 December 2020**

Student accommodation supply and demand

1. Executive Summary

1.1 This paper provides an update to the student accommodation supply and demand paper reported to Planning Committee on 21 November 2019. It is not a policy document. Its purpose is to provide information on the demand for and supply of student accommodation in Birmingham, based on the available data at the time of writing.

1.2 According to the latest available Higher Education Statistics Agency (HESA) data, there were 69,810 full-time and 14,185 part-time students studying at the City's five main universities in 2018/19. The number of full-time students has grown by 1,920 since the previous HESA dataset (2017/18).

1.3 Of the total number of full-time students: 25% lived in Purpose Built Student Accommodation (PBSA); 27% in HMOS/ other rented accommodation; 29% lived with parents/ guardians; 14% lived in their own home; 2% were not in attendance. Excluding those who do not require accommodation because they live with parents/ guardians; in their own home; or are not in attendance at the university, the overall demand for accommodation was 38,401 bed spaces in 2018/19. There has been an increase of 2,183 students requiring accommodation from 2017/18

1.4 There are an estimated 21,516 existing available bed spaces[1] in purpose built and converted[2] student accommodation in the city. A further 2,444 bed spaces were under construction[3] and another 2,087 have planning permission not yet started[4]. If all permissions were implemented, there would be total supply of 26,047 bed spaces.

1.5 The majority of existing and committed PBSA is located in the city centre (51%) with other major concentrations in Selly Oak (38%), and smaller clusters in Edgbaston (9%) and Bartley Green.

1.6 There are currently 14 live planning applications/ pre-applications/ impending

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[1] This takes into account 811 bed spaces in Perry Barr which have been demolished/ no longer in use
[2] Only large-scale conversions of 50+ beds paces have been included
[3] At 1st April 2020
[4] At 1st April 2020

submissions for PBSA totalling 5,538 bed spaces. Of these 1,965 are in Selly Oak; 2,790 are in the City Centre and 783 in Edgbaston.

1.7 Based on existing demand[5] which is derived from the overall number of students requiring accommodation (note: not distinguishing between the type of accommodation required) against existing and committed supply[6], **there is an overall deficit of 12,355 bed spaces across the city.** This, however, assumes that all permissions are built out and all students requiring accommodation would want to live in PBSA. On a local level, the deficit is almost entirely located in Selly Oak. (See Table 2 below).

1.8 Based on the information provided by the main universities, potential future demand of students requiring accommodation could increase by an additional between 5,439 – 6,439 over the next 5 years resulting in a demand for 43,840 – 44,840 bed spaces by 2025/26.

1.9 If all current planning applications were approved and all pre-applications progressed to applications and were also approved, there would be an additional 5,538 bed spaces in the city. If all these were built out, the potential future supply would be 31,585 bed spaces. On a city-wide basis, this would still be insufficient to meet future demand. It is, however, necessary and important to consider local demand and supply. In demonstrating need, evidence of city-wide need alone will not be sufficient.

Summary Table 1: City wide – Demand/ supply analysis

	Bed spaces
Existing demand	38,401
Existing and committed supply of PBSA	26,047
Shortfall	**- 12,355**
Potential future demand	43,840 – 44,840
Potential future supply of PBSA if all current PAs are approved and if pre-apps progress to PAs and are approved[7]	31,585
Shortfall	**- 12,255 – 13,255**

Summary Table 2: Sub area – Demand/ supply analysis

	City Centre	**Selly Oak**	**Other**	**City wide**
Existing demand	15,664	22,407	330	38,401
Existing and committed supply of PBSA	14,607	11,134	306	26,407
Shortfall	**-1,058**	**-11,273**	**-24**	**-12,355**
Potential future demand	19,103	24,407 – 25,407	330	43,840 - 44,840
Potential future supply of PBSA if all current PAs are approved and if pre-	17,789	13,490	306	31,585

[5] Based on HESA 2018/19 data
[6] Sites under construction and sites with planning permissions not yet started at 1 April 2020
[7] Based on Council's monitoring databases BLADES and M3

	City Centre	Selly Oak	Other	City wide
apps progress to PAs and are approved				
Shortfall	**-1,314**	**-10,917 -11,917**	**-24**	**-12,255 - 13,255**

1.10 While the focus of this report is on PBSA, houses in multiple occupation (HMO) also provides a source of accommodation. HMOs will not, however, have the range of facilities provided in PBSA and will be subject to variation in quality and fluctuation in supply and availability. HESA 2018/19 data shows that a total of 18,629 full time students studying at the 5 main institutions lived in HMOs and other rented accommodation in the city.

Summary Table 3: Sub area – Demand/ supply analysis including HMOs

	City Centre	Selly Oak	Bartley Green	City-wide
Future demand	19,103	24,407 – 25,407	330	43,840 – 44,840
Existing and committed supply of PBSA + HMOs*	21,283	22,931	462	44,676
Shortfall/ surplus	**+2,180**	**-1,476 – 2,476**	**+132**	**-196 to +836**
Potential future supply of PBSA if all current PAs are approved and if pre-apps progress to PAs and are approved + HMOs*	24,465	25,287	462	50,214
Shortfall/ surplus	**+5,362**	**-120 to + 880**	**+132**	**+5,374 to +6,374**

* HESA 2018/19 used for level of HMOs and assumption that HMO bed spaces will remain constant

1.11 It is acknowledged that, currently, all students have accommodation and there is, therefore, sufficient accommodation to house all students. This suggests that any new PBSA would primarily be to:

- Serve a growth in student numbers,
- Rectify a mismatch in the type of accommodation which is available and that which is needed,
- Respond to changing student preferences, or
- Replace existing PBSA accommodation

1.12 It should be noted that demand from alternative providers and further education colleges is not quantified and demand for PBSA may arise from these.

1.13 The average rate of occupancy for the 2019/20 academic year (pre Covid-19) was 95%. At November 2020, average occupancy was only 69%. Operators are anticipating an increase in January 2021 from current levels and return to more normal levels for 2021/22.

2. <u>Recommendations</u>

2.1 That Planning Committee note the update to the supply and demand figures for student accommodation.

2.2 That Planning Committee approve the recommended change to the detailed information requirements in relation to proposals for student accommodation (Appendix 1).

3. Contact Officers

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4. Background

4.1 See main report set out below.

5. Financial Implications

5.1 None.

6. Implications for Policy Priorities

6.1 The report supports the outcomes of the Council Plan, in particular: “Birmingham is an Entrepreneurial City to learn, work and invest in” and “Birmingham is a great city to live in” by supporting implementation of the Birmingham Development Plan which was adopted by Full Council in January 2017.

7. Implications for Equalities

7.1 The BDP was prepared in line with Section 149 of the Equality Act 2010 in ensuring that public bodies consider the needs of all individuals in shaping policy. Preparation of the BDP included the carrying out of an integrated Sustainability Appraisal at each formal stage which ensures positive social, economic and environmental impacts as well as an Equality Analysis.

8. Appendices

- Appendix 1 – Information Requirements for Proposals for Student Accommodation

9. List of Background Documents used to compile this report

- Birmingham Development Plan (2017)
- HESA Data
- UCAS, Student Accommodation Survey 2018/19

MAIN REPORT

4. <u>Student accommodation Supply and Demand</u>

4.1 Policy context

4.1.1 The adopted Birmingham Development Plan (BDP) is the city's key statutory planning document and is used to guide decisions on planning and development. The BDP recognises the important role of the city's universities and the supply of good quality accommodation to meet their housing need. The BDP contains the following policy in relation to the provision of new student accommodation.

Policy TP33 Student accommodation
"Proposals for purpose-built student accommodation provided on campus will be supported in principle subject to satisfying design and amenity considerations. Proposals for off campus provision will be considered favourably where:

- There is a demonstrated need for the development.
- The proposed development is very well located in relation to the educational establishment that it is to serve and to the local facilities which will serve it, by means of walking, cycling and public transport.
- The proposed development will not have an unacceptable impact on the local neighbourhood and residential amenity.
- The scale, massing and architecture of the development is appropriate for the location.
- The design and layout of the accommodation together with the associated facilities provided will create a safe, secure and welcoming living environment."

4.2 Student Profile in Birmingham

4.2.1 Birmingham is home to five main universities, the top three of which have nationally and internationally recognised specialist strengths in a range of teaching and research fields. The universities/colleges and their students bring many positive benefits to the City. They enhance its reputation as a dynamic and vibrant location, they create a critical mass for the delivery of goods, services and events, they boost the local economy, they provide local businesses with skilled workers and seasonal part time workers, they are a driving force for innovation and they can aid regeneration and investment. The City's universities make a significant contribution to the local economy as major employers and investors. The University of Birmingham for example contributes £3.5 billion to the UK economy every year and supports 15,545 jobs in the West Midlands.

4.2.2 It is essential, therefore, for the competitiveness of our higher education institutions and the welfare of the students that a suitable range of high quality and affordable accommodation is on offer. Student accommodation plays a major role in the student experience at a university. Well designed and managed accommodation in the right location provides not only a place to live but also a place to study and relax in a safe and secure environment.

4.2.3 Demand for places at Birmingham's universities remains high with the number of applications for a place on an undergraduate course far exceeding the number of places available (UCAS data 2019).

Table 1: Undergraduate applications – 2019 UCAS Applications

		2013	2014	2015	2016	2017	2018	2019
University of B'ham	Applicants	31,460	35,400	37,450	37,725	43,090	40,175	53,050
	Placed Applicants	5,265	5,570	5,555	5,455	5,800	5,590	6,850
B'ham City University	Applicants	26,875	30,070	28,980	29,735	28,715	27,215	35,760
	Placed Applicants	5,820	5,925	6,010	6,110	6,275	5,970	6,690
Aston University	Applicants	9,900	10,855	12,890	13,730	13,600	11,605	17,120
	Placed Applicants	2,180	2,290	2,995	3,065	3,065	2,765	3,465
University College B'ham	Applicants	2,550	2,940	3,305	3,010	2,450	1,745	2,015
	Placed Applicants	1,255	1,290	1,420	1,115	1,135	1,115	1,490
Newman University	Applicants	2,420	2,680	2,965	3,010	3,040	2,845	2,845
	Placed Applicants	670	720	725	810	855	750	785
TOTAL	**Applicants**	**73,205**	**81,945**	**85,590**	**87,210**	**90,895**	**83,585**	**110,790**
	Placed Applicants	**15,190**	**15,795**	**16,705**	**16,555**	**17,130**	**16,190**	**19,280**

Source: UCAS 2019

4.2.4 Over the last 4 years there has been a 4.5% increase in the number of full and part time students studying at the 5 main universities in Birmingham and a 10% increase in the number of full-time students only.

Table 2: Full Time Students

Full time	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Aston University	10,471	11,580	12,268	12,211
Birmingham City University	19,113	19,714	20,405	21,323
The University of Birmingham	27,196	28,623	28,899	29,836
University College Birmingham	4,224	4,210	4,250	4,276
Newman University	2,097	2,090	2,068	2,164
Total	**63,101**	**66,217**	**67,890**	**69,810**

4.3 Where students lived – past trends

4.3.1 The most widely used information source relating to where students live comes from the Higher Education Statistics Agency (HESA). The latest available data is for the academic year 2018/19. This paper provides data on the returns provided to HESA from the City's five main higher education institutions: Aston University, Birmingham City University, Newman College, University College Birmingham and the University of Birmingham. Part time students are generally excluded from assessments of demand for student accommodation based on the assumption that they are already housed for the duration of their part time studies. Table 3 shows where full time students lived during term time in the following academic years.

Table 3: Where full time students lived 2011/12 - 2018/19

Accommodation	08/09	09/10	10/11	11/12	12/13	13/14	15/16	16/17	17/18	18/19	% change
University halls	7298	8819	8087	9258	9394	8875	12587	10562	6954	6465	-11.4%
Private-sector halls	2563	3243	3819	3747	4350	6446	5429	5553	9918	10971	328%
Parental/guardian home	10645	11687	12801	12314	13721	14820	18099	17500	18215	19990	88%
Own residence	6526	7450	5545	5646	6620	6455	17514	10517	11263	10081	54%
HMO/Other rented accommodation	10687	9579	12660	14662	14980	16327	15280	16430	15433	17016	59%
Other	897	836	1018	1297	1079	982	2171	1767	2035	1613	79%
Not in attendance	942	763	956	1070	1035	965	1425	1308	2194	1338	42%
Total	**39558**	**42377**	**44886**	**47994**	**51179**	**54870**	**72505**	**63637**	**66012**	**67474**	**71%**

Source: HESA

Table 4: Needing vs not needing accommodation

	2015/16	2016/17	2017/18	2018/19
Requiring accommodation[8]	36,860	36,892	36,218	38,401
Not requiring accommodation[9]	26,241	29,325	31,672	31,409
Total	63,101	66,217	67,890	69,810

Source: HESA

<u>Observations on trends</u>

- The amount of university-maintained accommodation has decreased by over 11% over the last 10 years. This is partly accounted for by the transfer of the majority of Aston University's accommodation (c. 2,000 bedspaces) to the private sector and the loss of accommodation (c. 3,000 bed spaces) at BCU's former Perry Barr campus.
- There has been a 328% increase in the number of students living in private sector PBSA but taking into account the transfer of university accommodation to the private sector, the increase in real terms is less than this.

[8] Student living in university hall, private sector halls, HMO/ other rented accommodation, other accommodation, and 'unknown'.
[9] Students living at parental/ guardian home, own home, or not in attendance at the provider

- Students living at their parental/ guardian home have increased by 88% between 2008/09 and 2018/19. Students living in their own home have increased by 54% over the same period.

- Students living in HMO/ other rented accommodation have fluctuated. In 2017/18 there was a 6% decrease on the previous year. In 2018/19, there was a 10% increase on the previous year.

- Overall, there appears to have been an increasing demand for accommodation as evidenced by the number of students enrolled on full time courses at the universities and the returns provided by the universities to HESA in relation to the number of students and where they resided during term time.

- While the total number of full-time students has grown by around 10%, the number of students requiring accommodation has only increased by 4.2% while students not requiring accommodation has risen by 20%.

4.4 Methodology for assessing demand for student accommodation

Data sources and limitations

4.4.1 The data principally used in this report is collected by the Higher Education Statistics Agency (HESA). The data is normally published 9 months after the completion of the last academic year. This report uses the latest HESA data of 2018/19.

4.4.2 Data has also been obtained directly from the 5 main institutions in relation to their future growth plans and projections of student numbers requiring accommodation.

4.4.3 Comprehensive data is not available for alternative provides and further education colleges which may also generate demand. It should also be noted that student numbers and accommodation preferences are subject to change. Demand for accommodation may fluctuate in response to changes in student finance regimes; employment prospects; competition between institutions. Past trends may not necessarily guide future patterns.

Assumptions

4.4.4 Part time course students are generally excluded from assessments of demand for student accommodation based on the assumption that they are already housed for the duration of their part time studies.

4.4.5 The analysis in this paper is generally based on the assumption that all current and future potential demand is accommodated in PBSA, rather than, for example in shared housing in the private rented market. However, some analysis of HMO accommodation is provided to set a wider context for consideration of proposals.

Overall student numbers

4.4.6 Table 4 shows where full time students studying at the City's five universities resided in 2018/19.

Table 5: Type of Accommodation 2018/19 Academic Year - Full Time Students

Term time accommodation	Number of students
University maintained halls	6,465
Private-sector halls	10,971
Parental/Guardian home	19,990
Own home	10,081
HMO /Other rented	17,016
Other	1,613
Not in attendance	1,338
Not known	2,336
Full time Total	**69,810**

Source: HESA 2018/19

Students not requiring accommodation

4.4.7 Of the 69,180 full-time students, not all will require accommodation. Students that have been removed from the assessment of demand are those living in their own home; in their parental/ guardian home and 'not in attendance'.

Table 6: Students not requiring accommodation

Term time accommodation	Number of students
Parental/Guardian home	19,990
Own home	10,081
Not in attendance	1,338
Total	**31,409**

Source: HESA 2018/19

4.4.8 These students will usually have made the decision to study at a local university, often to minimise costs and will not normally be seeking alternative accommodation.

Students requiring accommodation

4.4.9 The analysis in this paper is based on the assumption that all current and future potential demand is accommodated in PBSA, rather than, for example in shared housing in the private rented market.

4.4.10 There were 2,336 students where information regarding their place of residence during term time is 'not known'. They have been counted towards the demand.

Table 7: Students requiring accommodation (city-wide)

Term time accommodation	Number of students
University maintained halls	6,465
Private-sector halls	10,971
HMO /Other rented	17,016
Other	1,613
Not known	2,336
Full time Total	**38,401**

In 2018/19 there was a minimum demand of 38,401 bed spaces city-wide.

<u>Current demand by area</u>

4.4.11 Breaking the HESA data down by institution and using the same methodology as above, an estimate of demand by area based on the main location of the institutions can be derived.

Table 8: Current demand by area (all years)

		City Centre	Selly Oak		Other		Total
Demand	Aston	5,937	UoB	22,407	Newman	330	
	BCU	8,121					
	UCB	1,606					
Total		**15,664**		**22,407**		**330**	**38,401**

Source: HESA 2018/19

<u>City Centre</u>

4.4.12 Demand for student accommodation in the city centre mainly arises from Aston University, Birmingham City University, and University College Birmingham. In considering sub areas it should be borne in mind that the city centre is very accessible from Selly Oak. HESA data shows that around 6.5% of students on a full-time course at the University of Birmingham in 2018/19 lived in the city centre.

4.4.13 Demand for student accommodation in the city centre may also arise from alternative providers of higher education located in the city centre such as the University of Law and Access to Music Ltd. HESA does not capture data for such smaller institutions; demand is likely to be nominal.

<u>Selly Oak</u>

4.4.14 Demand for student accommodation in Selly Oak arises principally from the University of Birmingham. About 40% of students requiring accommodation lived in provider maintained or private sector PBSA. A notable 52.6% lived in ‘other rented accommodation’ including HMOs. 7% of students did not answer the question. These categories have been counted towards the demand.

4.4.15 Those living in PBSA in Selly Oak were mainly first year students, although a proportion of non-first years students also resided in PBSA.

Table 9: Students living in PBSA by academic year

	First/ Foundation Year	Other Years	Total
Provider maintained	4,568	401	4,969
Private sector	2,752	1,240	3,992
Total	7,320	1,641	8,961

Source: HESA 2018/19

4.4.16 The University of Birmingham (UoB) own and operate 5,183 bedrooms across 3 key locations at the Vale, Pritchatts Park and Selly Oak. In 2020/21 UoB contracted out 1,070 bedrooms to private sector providers to supplement its own stock in order to meet the demand of their first-year guarantee scheme. Demand for first year accommodation for the upcoming academic year (2021/22) is estimated to be around 7,200 bedrooms.

<u>Other</u>

4.4.17 Demand for student accommodation elsewhere in the city mainly arises from Newman University located in Bartley Green. Neman University have 300 university maintained bedspaces on campus. There is also demand in Edgbaston arising from UoB and BCU due to location of some teaching facilities in Edgbaston.

<u>Future potential demand</u>

4.4.18 BCC has obtained information from the universities regarding their future growth plans and projected student numbers requiring accommodation. The information has been summarised below.

- **University of Birmingham** – c.7,200 first year students will require accommodation in 20/21. The University's vision for 2026 paints a clear ambition in terms of increasing student numbers by around 11,000 over the next decade "many of whom will be overseas". It is estimated that the University will require approximately 2,000 – 3,000 additional bedrooms within Birmingham to accommodate this statement representing a 9-13% increase from the 18/19 baseline.

- **Birmingham City University** – BCU own and operate 450 bedrooms and nominate 2,700 bedrooms to private sector providers in order to supplement their stock. Since BCU's relocation from its Perry Barr Campus to the city centre, and redevelopment of the Perry Barr site for the CWG Athlete's village, a substantial amount of stock has been lost. BCU forecast a 35% increase by 2025/26 in the number of students requiring accommodation from its 18/19 base resulting in an additional 2,846 students requiring accommodation by 2025/26.

- **Aston University –** student numbers and demand for accommodation will remain fairly stable for at least the next five years. Based on past trends, it is reasonable to expect a 10% increase from 18/19 levels resulting in an additional 593 students requiring accommodation by 2025/26.

- **University College Birmingham** – student numbers will remain fairly static, however the UCB are in the process of re-assessing demand from local students.
- **Newman College -** principally draws students from the local area. It is assumed that student numbers and demand for accommodation will remain static. The college has planning consent granted in 2017 for an additional 196 beds at Genners Lane. The implementation of this permission is being reviewed through their estate strategy.

Table 10: Current and Potential Future Demand for accommodation

	City Centre	Selly Oak	Other	City wide
Current demand *	15,664	22,407	330	38,401
Potential additional demand **	3,439	2,000 – 3,000	0	5,439 – 6,439
Potential future demand	19,103	24,407 – 25,407	330	43,840 – 44,840

* HESA 2018/19 ** Information provided by Universities

4.5 Supply of accommodation

City-wide supply of PBSA

4.5.1 At April 2020 there were 21,516 existing available bed spaces in PBSA in the city (See Table 6). Once schemes currently under construction have been completed the supply of PBSA will increase to 23,960 bed spaces. A further 2,087 bedspaces have planning permission but have not yet started construction, giving a potential supply of 26,407 bed spaces.

4.5.2 At the time of writing this report were 14 live planning applications/ pre-applications/ impending submissions for PBSA totalling 5,538 bed spaces. Of these 1,965 are in Selly Oak; 2,790 are in the City Centre and 783 in Edgbaston.

Table 11: The Supply of PBSA city-wide (bed spaces)

Supply	Bedspaces
Existing available supply	22,992
Under Construction	2,444
Detailed Planning Permission (not started)	2,087
Total Supply (existing + committed)	**26,407**
Current PAs/ Pre-apps	5,538
Total Supply (existing + committed + current applications)	**31,585**

Source: BLADES

Supply of PBSA by sub area

4.5.3 The above data has been split based on location to provide a more granular understanding in terms of geography/ distribution of the supply. The largest concentrations of PBSA are in the city centre and Selly Oak with a smaller agglomeration situated in Bartley Green and Edgbaston. Supply in Edgbaston has been split 50:50 between the City Centre and Selly Oak.

Table 12: The Supply of PBSA by area (bedspaces) at April 2020

	City Centre	Selly Oak	Bartley Green	Total
Existing available supply	12,368	9,038	110	21,516
Under construction	598	1,846	0	2,444
Detailed permission	1,641	250	196	2,087
Total supply (existing + committed)	**14,607**	**11,134**	**306**	**26,047**
Current PAs/Pre-apps	3,182	2,356	0	5,538
Total supply (existing + committed + current applications)	**17,789**	**13,490**	**306**	**31,585**

Source: BLADES

Trends in type and format of supply

4.5.4 Of the total number of existing available PBSA bed spaces, 86% are in cluster flats and 14% are self-contained studios. Of those currently under construction, 68% are in cluster flats and 32% are studios. And of those with planning permission not yet started, 90% are in cluster flats and 10% are studios.

4.5.5 The Student Accommodation Survey 2018/19 undertaken by Knight Frank in partnership with UCAS captured the views of over 700,000 students and provides a comprehensive and authoritative study into student accommodation in the UK. The key messages are:

- Those living in a cluster flat, or in a shared house, were happier than those living in a single-occupancy studio or alone.
- 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.
- 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.
- The single most important factor influencing the choice students make about where they live is value for money. The survey suggests a preference for high-quality accommodation that provides clear and obvious elements that add value.

4.5.6 Research undertaken by *Campus Living Villages* surveyed over 5,000 students studying in the UK and overseas. The research showed that, although students want independence, they still prefer to live with other flatmates. They report that studios have been slower to sell than traditional multiple occupancy flats, suggesting students still want to live with others but in a comfortable environment which provides both private and social space. Among second- and third-year students, there is a preference for more home-style living arrangements, sharing with just three or four other people with living spaces which feature home comforts such as soft furnishings and pictures. The research suggests that being actively engaged with your academic studies has a positive impact on your mental health. This means the connection between the academic and living environments is becoming increasingly important.

Houses in Multiple Occupation

4.5.7 There is a large available supply of HMOs in the city and these act to meet the residual demand for student accommodation. Shared rented housing is a popular choice for students studying in their second year and beyond, often for social and financial reasons. The main concentration of student occupied HMOs are in the Bournbrook area but they are also in other locations across the city. The table below shows that the number of students living in HMOs/ other rented accommodation by university.

Table 13: Students living in other rented accommodation/ HMOs

	BCU	**Aston**	**UCB**	**UoB**	**NU**
Number of students	3,870	2,088	718	11,797	156
% of students as a proportion of those requiring accommodation	47.7	35.2	44.7	52.6	26.7

Source: HESA 2018/19

4.5.8 While the focus of this report is on PBSA, houses in multiple occupation (HMO) also provides a source of accommodation. HMOs will not, however, have the range of facilities provided in PBSA and will be subject to variation in quality and fluctuation in supply and availability. HESA 2018/19 data shows that 18,629 full time students studying at the 5 main institutions lived in HMOs and other rented accommodation. Using Student Council Tax exemptions (excluding PBSA) there is an estimated 4,550 properties across the city which are exempt from Council Tax for student purposes[10]. If an average ratio of 5.56 bedspaces per property is applied, there are potentially 25,298 bedspaces across the city. There is a large discrepancy between the Council Tax and HESA data. This may be explained by the fact these student are studying at other institutions within or outside Birmingham. The HESA data provides a breakdown by institution so has therefore been used as the best estimate for students living in HMOs by university.

4.5.9 To limit high concentrations of HMOs in the city, the Council introduced a city-wide Article 4 Direction on 8 June 2020 which removes permitted development rights for the

[10] At 02.10.20 (includes only those properties which are fully exempt but excludes self-contained flats i.e.non HMOs)

conversion of C3 housing to C4 small Houses in Multiple Occupation. This will help to better manage the growth and distribution of HMOs in the city, thereby increasing demand for PBSA, but it is too early to assess the impacts of this.

4.5.10 The development of PBSA could serve to free up dwellinghouses currently used for student accommodation, HMO or otherwise, to the general housing market, countering current trends of conversion from dwellinghouses to HMOs in certain areas of the city. However, the provision of the unsuitable PBSA could act to increase the need for HMOs.

4.6 Analysis of demand and supply

4.6.1 Overall, demand for accommodation from students has increased over the past 10 years and is set to increase over the next 5 years according to the universities' growth projections.

4.6.2 There has been a steady increase in all types of accommodation occupied by students, but the most significant increases have been in those living in private sector PBSA and HMOs/ other accommodation.

4.6.3 Based on existing demand[11] which is derived from the overall number of students requiring accommodation (note: not distinguishing between the type of accommodation required) against existing and committed supply[12], there is **an overall deficit of 12,355 bedspaces in the city. This, however, assumes that all permissions are built out and all students requiring accommodation would want to live in PBSA.**

4.6.4 Based on the information provided by the main universities, potential future demand of students requiring accommodation could increase by an additional between 5,439 – 6,439 over the next 5 years resulting in a demand for 43,840 – 44,840 bed spaces.

4.6.5 If all current planning applications were approved and all pre-applications progressed to applications and were also approved, there would be an additional 5,538 bed spaces in the city. If all these were built out, the potential future supply would be 31,585 bed spaces. On a city-wide basis, this would still be insufficient to meet future demand. It is, however, necessary and important to consider local demand and supply. In demonstrating need, evidence of city-wide need alone will not be sufficient.

4.6.6 The following tables show both city-wide demand versus supply and a break down by local area.

Table 14: City wide – Demand/ supply analysis

	Bed spaces
Existing demand	38,401
Existing and committed supply of PBSA	26,047

[11] Based on HESA 2018/19 data
[12] Sites under construction and sites with planning permissions not yet started at 1 April 2020

	Bed spaces
Shortfall	**- 12,355**
Potential future demand	43,840 – 44,840
Potential future supply of PBSA if all current PAs are approved and if pre-apps progress to PAs and are approved[13]	31,585
Shortfall	**- 12,255 – 13,255**

Table 15: Sub area – Demand/ supply analysis

	City Centre	Selly Oak	Other	City wide
Existing demand	15,664	22,407	330	38,401
Existing and committed supply of PBSA	14,607	11,134	306	26,407
Shortfall	**-1,058**	**-11,273**	**-24**	**-12,355**
Potential future demand	19,103	24,407 – 25,407	330	43,840 - 44,840
Potential future supply of PBSA if all current PAs are approved and if pre-apps progress to PAs and are approved	17,789	13,490	306	31,585
Shortfall	**-1,314**	**-10,917 -11,917**	**-24**	**-12,255 - 13,255**

4.6.7 If HMOs are included in the supply, the following analysis is provided. The number of HMOs attributed to each area is based on the HESA data. It should be noted that HMOs will not have the range of facilities provided in PBSA and will be subject to variation in quality, supply and availability.

Table 16: Sub area – Demand/ supply analysis including HMOs

	City Centre	Selly Oak	Bartley Green	City-wide
Future demand	19,103	24,407 – 25,407	330	43,840 – 44,840
Existing and committed supply of PBSA + HMOs*	21,283	22,931	462	44,676
Shortfall/ surplus	**+2,180**	**-1,476 – 2,476**	**+132**	**-196 to +836**
Potential future supply of PBSA if all current PAs are approved and if pre-apps progress to PAs and are approved + HMOs*	24,465	25,287	462	50,214
Shortfall/ surplus	**+5,362**	**-120 to + 880**	**+132**	**+5,374 to +6,374**

* Assuming HMO bed spaces remain constant

[13] Based on Council's monitoring databases BLADES and M3

4.6.8 The following table calculates the ratio of student to bed space according to various scenarios.

	City centre	Selly Oak	Bartley Green	City-wide
Existing demand to existing and committed supply	1: 1	2: 1	1: 1	1.5: 1
Future demand to existing and committed supply	1.3: 1	2.2: 1	1: 1	1.6: 1 (lower demand) 1.7: 1 (higher demand)
Future demand to existing and committed supply + current applications if all approved	1:1	1.8: 1 (lower demand) 1.9: (higher demand)	1: 1	1.4: 1
Future demand to existing and committed supply + HMOs	0.9: 1 (oversupply)	1: 1	0.7: 1 (oversupply)	0.9: 1 (oversupply)
Future demand to existing and committed supply + current applications if all approved + HMOs	0.8: 1 (oversupply)	1:1	0.7: 1 (oversupply)	0.9: 1 (oversupply)

4.6.9 In considering the demand for student accommodation, it is acknowledged that, currently, all students have accommodation and there is sufficient accommodation to house all students. This suggests that any new purpose-built student accommodation (PBSA) would primarily be to:

- Serve a growth in student numbers,
- Rectify a mismatch in the type of accommodation which is available and that which is needed,
- Respond to changing student preferences or
- Replace existing PBSA accommodation.

4.6.10 Students' accommodation preferences can change from one year to the next as shown by the data. Other factors such as changes to finance regimes, employment prospects, and competition between institutions can act to either suppress or increase overall demand and demand for particular types of accommodation. Some flexibility in supply is therefore beneficial as student numbers can change relatively quickly but development takes much longer to be provided.

4.7 Occupancy rates

4.7.1 An occupancy survey was sent to all the major PBSA in the city. Of those who returned the survey, occupancy rates for the 2019/20 academic year (Pre Covid-19) averaged at 95%. Due to the Covid-19 pandemic the average occupancy rate at November 2020 has dropped to 69%. Operators are anticipating an increase in January 2021 from current levels and a return to more normal levels for 2021/22. It is therefore important to recognise the extraordinary circumstances we are in when looking at current occupancy rates.

4.8 Covid-19 Impact

4.8.1 At the beginning of the first national lockdown in March, universities saw a huge increase in both local and international students requesting to be released from their accommodation contract to return home. In the current 2020/21 academic year, such requests have been more in line with previous years. However, in the long term, if on-line learning continues or if there is a risk of future lockdowns, this may result in an increase of students preferring to stay at home and commuting to the campus only when needed.

4.8.2 The University of Birmingham's highest rated risk is the failure to increase numbers and market share of international students due to e.g. reductions in demand (market contraction) or poor performance relative to competitors (loss of market share). However, early indicators suggest that international student enrolments for 20/21 have outperformed UoB's expectations as a result of mitigating actions taken e.g. extending the recruitment cycle to maximise opportunities, using overseas agent networks, and offering flexible accommodation contracts. UoB have not yet seen increased dropout rates due to Covid-19, but are continuing to monitor this

4.8.3 Covid-19 has also impacted the mental health and wellbeing of students due to reduction in the ability to socialise and increased isolation. UoB's Guild of Students has observed that students are more concerned about budgets and affordable accommodation. At the same there has been an increase in demand for private facilities; studios have become more desirable. As student preferences and priorities change as a result of Covid-19, PBSA may offer clear advantages over HMO accommodation. The longer-term impacts of Covid-19, however, still remain unclear.

Appendix 1 – Information Requirements for Proposals for Student Accommodation

What development the policy applies to

The policy applies to proposals for off campus purpose-built student accommodation and will also apply to proposals for conversions and changes of use of former institutional uses, hotels and other large properties in excess of 1,000 sq.m. to student accommodation.

Information requirements

1. There is a demonstrated need for the development.

Applicants will be expected to demonstrate to the satisfaction of the City Council that there is a need for the accommodation proposed at the time the application is submitted. In particular, applicants should:

- Identify which university the accommodation is intended to serve and whether a university or institution would have exclusive nomination rights over the development and if so for what period.
- Demonstrate that there is unmet need for the type, size and format of accommodation proposed.
- State what type of accommodation the anticipated occupants of the accommodation are likely to be drawn from if the need does not arise from an increase in student numbers.

In addressing need, consideration should be given to the local area around the university to be served. Evidence of city wide need alone will not be sufficient. The evidence should address specific subsets of the student population, not the overall student population.

This, together with any additional supporting evidence, should be submitted to the City Council along with the planning application. However, developers are encouraged to make the evidence available earlier to enable effective pre application discussions to take place. Additional supporting evidence could include details of waiting lists at nearby, similar, accommodation.

Developers are urged to contact the relevant university to determine the specific nature of any additional accommodation requirements before bringing forward development proposals.

When needs can be met by a variety of different types or sizes of accommodation, such as that which is suitable for groups of friends to live together, for older students including those who have families and for research students, proposals should incorporate a variety of suitable types and sizes of accommodation. Proposals which offer a greater diversity of accommodation, such as student houses, are encouraged.

Where the accommodation is intended to draw students from shared HMO accommodation the evidence should include information on comparable rent levels.

2. The proposed development is very well located in relation to the university that it is to serve and to the local facilities which will serve it, by means of walking, cycling and public transport.

Applicants will be expected to demonstrate that the proposed development is well located. Information to be provided includes:

- The walking distances from the proposed site to the campus which it is to serve and to the local facilities which will serve it; and
- Accessibility to good public transport for connections beyond the local area.

A reasonable walking distance is defined as ~~ten~~ **a 15-20** minute **walk (based on the BDP policy TP45 Accessibility standards for new development)**. In terms of distance this equates to around 1**.5**km[14]. ~~Where proposals are located more than 1km by foot from the campus, applicants will be expected to demonstrate that there are no suitable alternative locations within 1km of the campus and that the site can be easily accessed by means of sustainable transport options to the satisfaction of the City Council.~~

3. The proposed development will not have an unacceptable impact on the local neighbourhood and residential amenity.

Planning applications for purpose-built student accommodation should be accompanied by a Management and Neighbourhood Impact Statement. In this statement developers should demonstrate to the satisfaction of the City Council that measures are in place to:

- Mitigate nuisance to neighbours including those relating to noise, nuisance, litter and parking.
- Create a safe environment for students including lighting, security, concierge facilities and CCTV.
- Manage car parking.

4. The scale, massing and architecture of the development is appropriate for the location.

[14] This should be a walkable route measured from the application site to the entrance of a building located in the middle of the relevant campus. For guidance, these are identified in Appendix 2 of this document.

Applicants should demonstrate this through the Design and Access Statement that accompanies the planning application. The accommodation should be designed to enhance the quality of the urban environment and to minimise potential adverse impacts.

5. The design and layout of the accommodation together with the associated facilities provided will create a positive and welcoming living experience environment.

In demonstrating the above, proposals for new purpose-built student accommodation should take into careful consideration student health and well-being. Planning applications for purpose-built student accommodation should be accompanied by a Management and Neighbourhood Impact Statement. In this statement developers should demonstrate to the satisfaction of the City Council how the design, layout, size and format of accommodation will:

- Provide communal space / facilities such as games rooms and lounges to allow students to interact and add to the living experience.
- Provide attractive and usable open space / amenity areas.
- Provide for the welfare and wellbeing of students including help and support.
- Provide safe and secure environments incorporating appropriate safety and security measures both inside and outside the accommodation to minimise the opportunity for crime and make the environment safer for the students.
- Be flexible and designed in such a way that they can be converted into general housing should the need arise.

Appendix 2 – Measuring distance/ time from the proposed site to the campus

The measuring point should be from the entrance of the following buildings which are located centrally within the campus.

Aston University – Building 5 Aston Business School and Conference Aston
https://www2.aston.ac.uk/about/documents/campus-map-2020.pdf

University of Birmingham – Building R6 Aston Webb – Great Hall
https://www.birmingham.ac.uk/Documents/university/edgbaston-campus-map.pdf

University College Birmingham – Summer Row
https://www.ucb.ac.uk/media/ezlgmco2/campus_map_university_college_birmingham.pdf

Newman University – Julian of Norwich Building
https://www.newman.ac.uk/wp-content/uploads/sites/10/2018/01/Newman-University-College-3D.pdf

Birmingham City University
City Centre Campus – The Parkside Building
https://bcuassets.blob.core.windows.net/docs/city-centre-campus-map-pathed-updated-2019-132212460225756176.pdf

South City Campus – Seacote Building
https://bcuassets.blob.core.windows.net/img/City%20South%20Campus%20map%2024.9.19.pdf

Birmingham School of Art – 3, Margaret St

School of Jewellery – 82 – 86 Vittoria St