**Purpose Built Student Accommodation: Supply and Demand Update**

**28 November 2024**

# Introduction

1. This report updates the Purpose-Built Student Accommodation (PBSA): Supply and Demand report dated 16 March 2023. It should be noted this is not a policy document; its purpose is to provide evidence and information on the demand for and supply of student accommodation in Birmingham based on the available data at the time of writing.

# Demand

1. The most recent demand for student accommodation figure is based on Higher Education Standards Agency (HESA) 2022/23 data, which shows that there were 102,089 full-time students studying at universities[[1]](#footnote-2) in Birmingham in the 2022/23 academic year.
2. Of the total number of full-time students: 16% lived-in Purpose-Built Student Accommodation (PBSA); 25% in HMOs/other rented accommodation; 25% lived with parents/ guardians; 18% lived in their own home and 16% were in other types of accommodation or not known.
3. Excluding those who do not require accommodation because they lived with parents/ guardians or in their own home, the estimated current demand for accommodation is 47,434 bed spaces arising from the city’s five main universities (Aston University, Birmingham City University, Newman University, University College Birmingham and the University of Birmingham). Table 1 shows a breakdown of demand by location.

**Table 1:** **Demand by location**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Location** | **Selly Oak/ Edgbaston** | **City Centre** | **Bartley Green** | **City-wide** |
| Existing demand from the main universities\* | 24,784 | 22,413 | 237 | 47,434 |
| Potential future demand arising from the main universities | 26,184 | 27,016 | 276 | 53,476 |

\* Source: HESA 2022/23

1. To correlate with the HESA 2022/23 data, in 2023 BCC obtained information from the city’s main student generating universities in relation to their future growth plans and projected student numbers in order to determine the level of potential additional demand for accommodation in future years. This is shown in detail in Table 2 and summarised in Table 1 above. Further detail relating to the information obtained from the universities is set out in Appendix 1. The estimated number of students requiring accommodation will increase by approximately 6,000 to a total of 53,476 students by 2027/28.

**Table 2: Projected increase in students requiring accommodation to 2027/28**

|  | **Current number of students requiring accommodation 2022/23\*** | **Projected number of students requiring accommodation by 2027/28\*\*** | **Change in numbers between 2022/23 and 2027/28** |
| --- | --- | --- | --- |
| Aston University | 7,312 | 11,203 | 3,891 |
| Newman University | 237 | 276 | 39 |
| Birmingham City University | 12,664 | 13,202 | 538 |
| University of Birmingham | 24,784 | 26,184 | 1,400 |
| University College Birmingham | 2,437 | 2,611 | 174 |
| **Total** | **47,434** | **53,476** | **6,042** |

\* HESA 2022/23 data

\*\* Figures provided by the universities, or estimated by BCC on the best available information

# Supply

1. The estimated supply of existing available student accommodation is based on the annual monitoring of completions. The latest monitoring was undertaken in April 2024. There are an estimated 24,614 available bedspaces across the city with a further 2,010 bed spaces under construction (as at April 2024). At the time of writing (8th November 2024), there were a further 7,168 bedspaces which have planning permission. Furthermore, there were 5,591 bedspaces proposed within 10 live planning applications (see Appendix 2). The overall supply and breakdown by planning status is shown in Table 3.
2. The majority of existing and committed PBSA is located in the city centre (61%) with other major concentrations in Selly Oak and Edgbaston (38%), and a smaller cluster in Bartley Green (1%). For analysis purposes, supply in the North Edgbaston/ Five Ways area that serves both the city centre universities and the University of Birmingham has been split 50:50 between these two main locations.

**Table 3: Supply of PBSA by location**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Location** | **Selly Oak/ Edgbaston** | **City Centre** | **Bartley Green** | **City-wide** |
| Existing supply\* | 8,805 | 15,699 | 110 | 24,614 |
| Under construction\*\*  | 751 | 1,259 | 0 | 2,010 |
| Permission not started\*\*  | 1,691 | 5,281 | 196 | 7,168 |
| **Sub total**  | **11,247** | **22,239** | **306** | **33,792** |
| Current applications\*\* | 0 | 5,591 | 0 | 5,591 |
| **Total** | **11,247** | **27,830** | **306** | **39,383** |

\* At 1st April 2024

\*\* At 8th November 2024

# Demand and supply analysis

1. In analysing the demand and supply, a number of scenarios are presented for consideration:
* Scenario 1 - Existing demand[[2]](#footnote-3) against existing and committed supply[[3]](#footnote-4)
* Scenario 2 -Future demand against existing and committed supply
* Scenario 3 - Future demand against existing and committed supply, plus supply from all current applications assuming all are approved.
* Scenario 4 -Future demand against existing, committed supply, supply from all current applications, plus supply other rented accommodation.
1. Scenario 4 takes into account other rented accommodation such as HMOs but assessments of demand generally exclude these because they are not comparable to PBSA in terms of the type of accommodation they provide. Including them in the supply would also suggest a reliance on HMOs. It is acknowledged that taking account of HMOs as a form of accommodation for students shows a significant surplus citywide and in the city centre.  If HMOs are taken into account (as shown in Scenario 4), then there would not be a shortfall. However, it is difficult to compare HMOs and PBSA because they provide a different kind of offer in terms of their quality and facilities for students at different stages within their academic careers. In addition, supplying more PBSA within the City Centre could help to address the imbalance and over-reliance on HMOs and diversify the accommodation offer in the area.
2. The most sensible scenarios to consider are Scenarios 2 and 3. This is because Scenario 2 sets out the most up to date position in comparing future needs and supply as at April 2024 and Scenario 3 adds in further potential supply from PBSA planning applications that have been submitted since April 2024. Scenario 1 is not sensible to consider because it only identifies existing needs and not future needs. Scenario 4 is not sensible because HMOs and PBSA are not directly comparable, as explained above. In Scenario 2 (existing and committed supply against future demand), there would be a large deficit of bedspaces serving the University of Birmingham and a smaller but still significant deficit serving the city centre universities.
3. Under Scenario 3, assuming all current live applications (as at 8th November 2024) were approved, there would be a small surplus of 813 bedspaces in the City Centre.

**Table 4: Demand/ supply analysis** Blue = surplus

 Red - shortfall

|  | **Selly Oak/ Edgbaston** | **City Centre** | **Bartley Green** | **City-wide** |
| --- | --- | --- | --- | --- |
| **Scenario 1** |  |  |  |  |
| Existing demand  | 24,784 | 22,413 | 237 | 47,434 |
| Existing + Committed Supply\*  | 11,249 | 22,238 | 306 | 33,792 |
| Shortfall/ surplus  | -13,536 | -176 | 69 | -13,642 |
| **Scenario 2** |  |  |  |  |
| Potential future demand  | 26,184 | 27,016 | 276 | 53,476 |
| Existing + Committed Supply\* | 11,249 | 22,238 | 306 | 33,792 |
| Shortfall/ surplus  | -14,936 | -4,779 | 30 | -19,684 |
| **Scenario 3** |  |  |  |  |
| Potential future demand  | 26,184 | 27,016 | 276 | 53,476 |
| Existing + Committed supply + Current applications | 11,249 | 27,829 | 306 | 39,383 |
| Shortfall/ surplus  | -14,936 | 813 | 30 | -14,093 |
| **Scenario 4** |  |  |  |  |
| Potential future demand | 26,184 | 27,016 | 276 | 53,476 |
| Existing + Committed supply + Current applications + HMOs | 25,727 | 39,148 | 311 | 65,185 |
| Shortfall/ surplus  | 14,021 | 23,451 | 40 | 37,511 |

# Conclusions

1. Selly Oak/ Edgbaston – has the largest shortfall in accommodation due to current and future unmet demand arises from the University of Birmingham. There are just over 8,800 existing PBSA bedspaces (private and University-owned) in the Selly Oak/ Edgbaston area, 752 under construction and a further 1,692 consented but not yet started, totalling 11,249 bedspaces, compared with a current need of 24,784 and future need of 26,184 bedspaces.
2. City Centre – existing PBSA in the city centre is insufficient to serve the existing level of need (Scenario 2) with a deficit of around 4,800 bedspaces. This is a large increase on last year’s report due to much larger student numbers being recorded for the City Centre’s main universities in the HESA 2022/23 data. This large increase in demand is also likely reflected by the increased number of planning applications for new PBSA development schemes being submitted in the City Centre in the past year. There are almost 5,600 bedspaces across 10 individual planning applications currently being considered in the City Centre (see Appendix 2). If all of these were to be approved and implemented then there would be a surplus of 813 bedspaces when considered against the future demands resulting from the growth aspirations of the city’s main universities to 2028.

# Data limitation and assumptions

1. It is important to note that future demand from alternative providers and further education colleges has not been quantified and so there will be some further demand arising from these.
2. The estimated demand assumes that all students requiring accommodation would want to live in PBSA.
3. It is assumed that all completed schemes will remain as available supply and that all permissions are built out.

# Appendix 1: Future Need for Student Accommodation to 2027/28

**Based on information collected from the universities**

**ASTON UNIVERSITY**

Aston University informed the Council that there were 18,750 full and part time students in 2021/22. HESA 2022/23 data shows 19,210 which indicates an increase of 460 students for the next academic year.

Aston University predicts that overall student number will increase to 25,000 by 2030/31. This would result in an additional 5,790 students from the HESA 2022/23 figure.

Applying the current ratio of part and full time students to the 25,000 figure would give 5,000 part time students and 20,000 full time students (rounded figures).

Of the 20,000 full time students, Aston University has indicated that the home / international ratio is anticipated to be 75:25 by 2030/31. Currently it is 83:17.

Assuming all international students require accommodation, this would equate to 5,000 students.

The local WM/ national student ratio is currently 60:40 and anticipated to move to 50:50. This would result in a total 15,000 home students by 2030/31 which would be apportioned 7,500 local WM: 7,500 national UK.

Based on this above, there would be a demand for 7,500 student bedspaces from national UK students.

When international students are added, the overall demand for accommodation by 2030/31 is expected to be 12,500 bedspaces. The current demand is 7,312 (based on HESA data 2022/23). This represents a growth of 5,188 bedspaces or 649 bedspaces per annum between 2022/23 and 2030/31.

Applying the 649 per annum rate for the period between 2022/23 and 2027/28 (6 years) gives an additional need of 3,891 bedspaces.

**Summary: Additional need of 3,891 bedspaces by 2027/28**

**BIRMINGHAM CITY UNIVERSITY**

The numbers are an estimate of the maximum total accommodation requirement over the next 5 years using a similar methodology to the previous work i.e. expected numbers in provider maintained accommodation, other rented accommodation and private halls.  These are the categories used for term time accommodation type on SITS and returned to HESA.

The numbers are based on the expected mix of students broken down by new entrants and continuers for full time UG, PGT and PGR students in line with the 5 year forecast for student numbers signed off by UEG.  Applying an additional factor based on historic data to cover small numbers of part time students recorded as having been in these categories of term time accommodation.  The proportion of each of these groups expected to require accommodation has then been calculated with reference to known proportions for the last full HESA dataset for 2022/23.

| **Full time forecast** |  | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** |
| --- | --- | --- | --- | --- | --- | --- |
| FT UG | Entrant | 3456 | 3469 | 3469 | 3469 | 3469 |
| FT UG | Continuer | 4645 | 4842 | 4977 | 5063 | 5151 |
| FT PGT | Entrant | 3834 | 3835 | 3835 | 3835 | 3841 |
| FT PGT | Continuer | 581 | 616 | 633 | 637 | 642 |
| PGR | All | 99 | 99 | 99 | 99 | 99 |
| **Total** |  | **12615** | **12861** | **13013** | **13103** | **13202** |

Given that the HESA 2022/23 data shows the existing need for accommodation arising from BCU students is 12,664, the projected need in 2027/28 is only 538 bedspaces higher.

**Summary: Additional need of 538 bedspaces by 2027/28**

**NEWMAN UNIVERSITY**

Student numbers will increase by 33% from the latest strategic plan from 2,600 students to 3,458 by 2028. The existing student numbers have been provided by Newman University and contrast with the 2,775 students identified by the HESA 2022/23 data, although the difference is considered to be marginal.

20% of students are part-time and therefore not included in the assessment of demand for accommodation. Removing these would leave 2,766 FTE students by 2028.

Those currently requiring accommodation only form 10% of FT students. Applying the same proportion to the projected number of FT students (2,766) means that by 2028 a total of 276 will require accommodation. Currently 237 students require accommodation, representing an increase of 39 bedspaces.

The University has 300 available rooms on campus at an occupancy rate of approximately 85%, which will increase to 312 rooms by 2030.

**Summary: Additional need of 39 bedspaces by 2027/28. The University has 300 available rooms which is more than sufficient to accommodate the increase in this period.**

**UNIVERSITY OF BIRMINGHAM**

The University’s current forecast is to achieve 35,000 full-time students at Edgbaston by 2030, from the 32,748 in 2022/23 (HESA) with the majority of the increase made up from of overseas student numbers.

Based on 2022/23 HESA data, 71% of FT students require accommodation. Applying this to the 2027/28 projected FT student (34,708) number gives a figure of 24,642 requiring accommodation. The 2022/23 HESA data shows that there are already 24,784 students requiring accommodation, which suggests a slight future decrease based on these assumptions.

However, given that most of the future increase will be from international students, who are more likely to require accommodation, it is considered prudent to attribute a similar number of bedspaces to the overall projected increase in students between 2022/23 and 2027/28. If the 2,252 increase in student numbers between 2022/23 and 2030 is prorated instead to 2027/28 then this suggests an additional need for 1,400 bedspaces (rounded down to reflect that not all of the additional students will require accommodation).

UoB are currently capable of housing the majority of 1st year undergraduate and a small proportion of overseas postgraduate students. UoB have a bedspace capacity of around 6,700 for 2023/24 with 5,441 UoB owned rooms across three villages and further 1,285 rooms nominated with partner PBSA providers in the area (Unite, CRM and Host).

The Pritchatts Park development which will contribute an additional 238 rooms taking the total to 5,679 UoB owned rooms.

**Summary: Additional need of 1,400 by 2027/28**

**UNIVERSITY COLLEGE BIRMINGHAM**

No further information has been received from UCB in relation to future demand for student accommodation since 2021. Previous information provided in 2021 indicated a minor increase in need of an additional 174 bedspaces by 2025/26. Given the historic trend as shown in the table below, showing a continuous decline in need between 2015 and 2021 followed by a period of significant growth, the figure of 174 additional bedspaces is considered to be broadly appropriate projection for 2027/28.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 |
| No. of students requiring accommodation | 1,985 | 1,900 | 1,892 | 1,606 | 1,482 | 1,335 | 1,468 | 2,428 |

**Summary: Additional need of 174 bedspaces by 2027/28**

# Appendix 2: Current planning applications for PBSA (at 8th November 2024)

|  |  |  |  |
| --- | --- | --- | --- |
| **PA Reference** | **Address** | **Ward** | **Bedspaces** |
| 2023/06855/PA | Cambrian Hall Land bounded by Parade (B4135), Lyon Queensway (A4400), the former Paradise Circus Car Park and City Gardens and Brindley Drive Birmingham | Ladywood | 131 |
| 2023/07784/PA | 70-73 Cecil Street and 86 Cliveland Street, Newtown | Newtown | 317 |
| 2023/08709/PA  | Land to west of Pershore Street | Bordesley & Highgate | 301 |
| 2024/02669/PA | 34-36 Horse Fair, Southside | Bordesley & Highgate | 182 |
| 2024/02725/PA | Maple House, 150 Corporation Street | Ladywood | 383 |
| 2024/02897/PA | Land corner of Tennant Street and Granville Street | Ladywood | 216 |
| 2024/03375/PA | 35 and 50 Cliveland Street | Newtown | 279 |
| 2024/04265/PA | 1 Lancaster Circus, Queensway | Newtown | 1,968 |
| 2024/06104/PA | Site of the former Axis Building, Holliday Street | Ladywood | 270 |
| 2024/06155/PA | Indoor Market 50 Edgbaston Street  | Bordesley & Highgate | 1,544 |
| **Total** |  |  | **5,591** |

1. University of Birmingham, Aston University, Birmingham City University, University College Birmingham, Newman University. [↑](#footnote-ref-2)
2. HESA 2022/23 [↑](#footnote-ref-3)
3. at November 2024 [↑](#footnote-ref-4)