BIRMINGHAM CITY COUNCIL

REPORT OF DIRECTOR OF PLANNING, TRANSPORT AND SUSTAINABILITY

PLANNING COMMITTEE **07 July 2022**

Purpose Built Student Accommodation: Supply and Demand

1. Summary report

Introduction

1.1 This report provides a summary of the 'Purpose Built Student Accommodation: Supply and Demand (2022)' paper (attached as Appendix 1). Appendix 1 updates the previous paper which was reported to Planning Committee on 21 January 2021. It should be noted the paper 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.

Demand

1.2 According to the Higher Education Standards Agency (HESA) 2020/21 data, there were 76,850 full-time and sandwich students studying at the five main universities[1] in Birmingham in the 2020/21 academic year. This has increased by 7,040 students compared to 2018/19.

1.3 Of the total number of full-time students: 19% lived-in Purpose-Built Student Accommodation (PBSA); 27% in HMOS/ other rented accommodation; 33% lived with parents/ guardians; 16% lived in their own home; 5% not known and 0.5% were not in attendance.

1.4 Since the January 2021 report (which was based on HESA 2018/19 data), the proportion of students living in PBSA has dropped by 6%, while those living in HMOs/ other rented accommodation has remained consistent. The proportion of students living with parents/ guardian has increased by 4% and those living in their own residence has increased by 2%.

[1] University of Birmingham, Aston University, Birmingham City University, University College Birmingham and Newman University.

1.5 Excluding those who do not require accommodation because they lived with parents/ guardians; in their own home; or were not in attendance at the university, **the estimated current overall demand for accommodation is 38,915 bed spaces,** an increase of 513 bedspaces since the January 2021 report. Table 1 shows how demand has been disaggregated based on the universities and their location.

Table 1: Demand by university/ location

University/ location	Uni. of Bham (Selly Oak/ Edgbaston)	Aston, BCU, UCB (City Centre)	Newman Uni. (Bartley Green)	City-wide
Existing demand*	22,650	15,880	385	38,915
Potential future demand	24,407-25,407	19,139	516	44,062 – 45,062

* Source: HESA 2020/21

1.6 BCC obtained information from the universities regarding their future growth plans and projected student numbers for the January 2021 report. As part of the work on the Housing and Economic Development Needs Assessment (HEDNA) for the preparation of Birmingham's new local plan, consultants Iceni Projects Ltd interviewed the 5 main institutions. These interviews took place over the summer of 2021. The findings, along with the information that remains relevant from the Council's January 2021 report has been used to update the future demand figures. Drawing together the Council's and Iceni's findings, the estimated number of students requiring accommodation will increase to 44,062 – 45,062 bed spaces by 2025/26.

<u>Supply</u>

1.7 At April 2021, there were an estimated 23,443 existing available bed spaces[2] in purpose built and converted[3] student accommodation in the city. A further 1,130 bed spaces were under construction and another 3,483 had planning permission not yet started.

1.8 The majority of existing and committed PBSA is located in the city centre (57%) with other major concentrations in Selly Oak (34%), and smaller clusters in the North Edgbaston/ Five Ways area and Bartley Green (9%). For analysis, supply that serves both the city centre universities and the University of Birmingham has been split 50:50 between these two main locations.

1.9 At the time of writing this report (14 February 2022) there were 8 live planning applications for PBSA totalling 2,834 bedspaces and 9 recent/ current pre-applications totalling 1,737 bedspaces.

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

Table 2: Supply of PBSA by location

Location	Selly Oak/ Edgbaston	City Centre	Bartley Green	City-wide
Existing supply*	9,108	14,225	110	23,443
Under construction*	268	862	0	1,130
Permission not started*	1,295	1,992	196	3,483
Sub total	**10,671**	**17,079**	**306**	**28,056**
Current applications**	471	2,364	0	2,834
Pre-applications**	347	1,390	0	1,737
Total	**11,489**	**20,833**	**306**	**32,627**

* At 1st April 2021

** At 14th February 2022

Demand and supply analysis

1.8 Table 3 below shows three different scenarios.

- Scenario 1 - Existing demand[4] against existing and committed supply[5]
- Scenario 2- Future demand against existing and committed supply
- Scenario 3 – Future demand against existing and committed supply, plus supply from all current applications (at February 2022) if permitted

1.9 A fourth scenario in Table 5 looks at the impact of including of other rented accommodation within the analysis.

1.10 These scenarios assume that all permissions are built out and that all students requiring accommodation would choose to live in PBSA. It is also important to assess demand and supply by location and Table 4 below disaggregates the citywide figures to provide a more granular picture.

Table 3: City wide – Demand/ supply analysis

	Bed spaces
Existing demand	38,915
Existing supply + committed supply	**28,056**
Shortfall	**10,858**
Potential future demand	44,062 – 45,062
Existing supply + committed supply + all current PAs if approved	30,890
Shortfall	**13,172 – 14,172**

[4] HESA 2020/21

[5] Sites under construction and sites with planning permissions not yet started at 1 April 2

Table 4: Sub area – Demand/ supply scenarios

	Scenario	Uni. of Bham (Selly Oak/ Edgbaston)	Aston, BCU, UCB (City Centre)	Newman Uni. (Bartley Green)	City-wide
1	Existing demand	22,650	15,880	385	38,915
	Existing supply + committed supply	10,671	17,079	306	28,056
	Shortfall/ surplus	**11,976 shortfall**	**1,196 surplus**	**78 shortfall**	**10,858 shortfall**
2	Potential future demand	24,407 – 25,407	19,139	516	44,062 – 45,062
	Existing supply + committed supply	10,671	17,079	306	28,056
	Shortfall/ surplus	**13,736 – 14,736 shortfall**	**2,060 shortfall**	**210 shortfall**	**16,006 – 17,006 shortfall**
3	Potential future demand	24,407 – 25,407	19,139	516	44,062 – 45,062
	Existing supply + committed supply + current applications	11,142	19,443	306	30,890
	Shortfall/ surplus	**13,265 – 14,265 shortfall**	**304 surplus**	**210 shortfall**	**13,172 – 14,172 shortfall**

1.11 Table 4 shows that the largest shortfall in accommodation is experienced in the Selly Oak/ Edgbaston area due to unmet demand arising from the University of Birmingham. In the city centre, existing demand arising from the city centre-based universities is almost fully met by existing supply. When sites under construction and with planning permission are taken into account, there would be an apparent surplus of supply (Scenario 2). However, this scenario assumes that all consents will be implemented, and that demand remains static. In reality, demand arising from the city centre universities is expected to modestly grow resulting in a shortfall of around 2,000 bedspaces against existing and committed supply (if all built out). The third scenario considers the impact if all current applications (at February 2022) were approved. This would result in a surplus of around 300 bedspaces. However, it is important to note the data limitations and assumptions set out throughout this report.

<u>Other sources of accommodation</u>

1.12 While the focus of this update is on PBSA, houses in multiple occupation (HMO) and other rented accommodation also provides an important source of accommodation. Table 5 below shows that if HMOs are taken into account, there would be a significant over-supply of student accommodation. However, it should be noted that that HMOs are not directly comparable to PSBA with the latter providing a greater range of facilities and services and the former being more variable in quality and availability.

Table 5: Sub area – Demand/ supply scenarios including HMOs

	Selly Oak/ Edgbaston	City Centre	Bartley Green	City-wide
Potential future demand	24,407 – 25,407	19,139	516	44,062 – 45,062
Students living in HMOs*	13,065	7,605	270	20,930
Existing supply + committed supply + HMOs*	23,735	24,684	495	48,914
Shortfall/ surplus	**672 -1,672 shortfall**	**5,545 surplus**	**21 shortfall**	**4,852 – 5,852 surplus**
Existing supply + committed supply + all current PAs if approved + HMOs*	24,206	27,048	566	51,819
Shortfall/ surplus	**210 -1,201 shortfall**	**7,909 surplus**	**50 surplus**	**7,757 – 8,757 surplus**

* The number of students living in HMOs and other rented accommodation according to HESA 2020/21 data. This figure is not the total number of HMOs in the city. Figures do not sum due to rounding.

1.13 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

<u>Data limitation and assumptions</u>

1.13 It is important to note that demand from alternative providers and further education colleges has not been quantified and that demand for PBSA may arise from these, as well as other universities within or beyond Birmingham.

1.14 The estimated demand assumes that all students requiring accommodation would want to live in PBSA.

1.15 In terms of supply, it is assumed that all completed schemes will remain as available supply.

2. Recommendations

2.1 That Planning Committee note the updated paper on ‘Purpose Built Student Accommodation: Supply and Demand’ (attached as Appendix 1).

3. Contact Officers

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4. Background

4.1 See main report set out in Appendix 1.

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 – ‘Purpose Built Student Accommodation: Supply and Demand’

9. List of Background Documents used to compile this report

- Birmingham Development Plan (2017)
- HESA Data

Appendix 1

Purpose Built Student Accommodation: Supply and Demand

1. Policy context

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."

2. Student Profile in Birmingham

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.

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.

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 2020).

Table 1: Undergraduate applications – UCAS Applications

		2016	2017	2018	2019	2020
University of B'ham	Applicants	37,725	43,090	40,175	53,050	55,935
	Placed Applicants	5,455	5,800	5,590	6,850	7,725
B'ham City University	Applicants	29,735	28,715	27,215	35,760	34,775
	Placed Applicants	6,110	6,275	5,970	6,690	6,755
Aston University	Applicants	13,730	13,600	11,605	17,120	18,730
	Placed Applicants	3,065	3,065	2,765	3,465	3,585
University College B'ham	Applicants	3,010	2,450	1,745	2,015	2,995
	Placed Applicants	1,115	1,135	1,115	1,490	1,830
Newman University	Applicants	3,010	3,040	2,845	2,845	3,075
	Placed Applicants	810	855	750	785	730
TOTAL	**Applicants**	**87,210**	**90,895**	**83,585**	**110,790**	**115,510**
	Placed Applicants	**16,555**	**17,130**	**16,190**	**19,280**	**20,625**

Source: UCAS

2.4 Over the last 5 years there has been a 16% increase in the number of full-time students studying at the 5 main universities in Birmingham.

Table 2: Full Time Students 2020/21 at the 5 main institutions in Birmingham

Full time	2016/17	2017/18	2018/19	2019/20	2020/21
Total	66,215	67,890	69,810	72,505	76,850

HESA data rounded

3. Where students lived – past trends

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 2020/21. 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 University, 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 2016/17 – 2020/21

Accommodation	16/17	17/18	18/19	19/20	20/21	% change
University halls	10,560	6,955	6,465	5,860	5,745	-45
Private-sector halls	5,555	9,920	10,970	10,625	8,565	54
Parental/guardian home	17,500	18,215	19,990	21,255	25,075	43
Own residence	10,515	11,265	10,080	10,465	12,440	18
HMO/Other rented accommodation	16,430	15,435	17,015	19,375	18,940	15
Other	1,765	2,035	1,615	1,965	1,990	13
Not known	2,580	1,880	2,335	1,805	3,675	42
Not in attendance	1,320	2,195	1,340	1,150	415	-68
Total	**63,635**	**66,010**	**67,475**	**72,505**	**76,850**	**-**

Source: HESA data rounded. Figures do not sum.

Table 4: Needing versus not needing accommodation

	2016/17	2017/18	2018/19	2019/20	2020/21
Requiring accommodation[6]	36,890	36,220	38,400	39,635	38,915
Not requiring accommodation[7]	29,325	31,670	31,410	32,865	37,935
Total	**66,215**	**67,890**	**69,810**	**72,505**	**76,850**

Source: HESA data rounded

<u>Last 5-year trend</u>

- The amount of university-maintained accommodation has decreased by over 45% over the last 5 years. This is partly accounted for by the transfer of significant amount of university accommodation (e.g. Aston University accommodation) to the private

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

sector and the loss of accommodation (c. 3,000 bed spaces) at BCU's former Perry Barr campus.

- There has been a 54% 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.

- Students living at their parental/ guardian home have increased by 43% between 2016/17 and 2020/21. Students living in their own home have increased by 18% over the same period.

- Students living in HMO/ other rented accommodation have fluctuated but between the period 2016/17 and 2020/21 there has been a 15% increase.

- Over the last 5 years the proportion of students requiring accommodation has also varied year on year, but the overall trend is upwards. The proportion if students not requiring accommodation has increased almost year on year. The 2020/21 data shows a big increase in those living at home or in own their own residence. The 2020/21 figures are likely however to be affected by the impacts of Covid-19.

4. Demand for student accommodation

<u>Data sources and limitations</u>

4.1 The data principally used to assess demand in this report is collected by the Higher Education Statistics Agency (HESA). This report uses the latest HESA data of 2020/21. Comprehensive data is not available for alternative provides and further education colleges which may also generate demand.

4.2 It should 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.

<u>Assumptions</u>

4.3 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 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.

<u>Overall student numbers</u>

4.5 Table 5 shows where full time students studying at the city's five universities resided in 2020/21.

Table 5: Type of Accommodation 2020/21 Academic Year - Full Time Students

Term time accommodation	Number of students
University maintained halls	5,755
Private-sector halls	8,565
Parental/Guardian home	25,075
Own home	12,440
HMO /Other rented	18,940
Other	1,990
Not in attendance	3,675
Not known	415
Full time Total	**76,850**

Source: HESA 2020/21 rounded. Figures to do not sum.

Students not requiring accommodation

4.6 Of the 76,850 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	25,075
Own home	12,440
Not in attendance	415
Total	**37,935**

Source: HESA 2020/21 rounded

4.7 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

4.8 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.

4.9 There were 415 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	5,750
Private-sector halls	8,565
HMO /Other rented	18,940
Other	1,990

Not known	415
Full time Total	**38,915**

Source: HESA 2020/21 rounded

In 2020/21 there was a minimum demand of 38,915 bed spaces city-wide.

Current demand by area

4.10 The demand can be disaggregated by area assuming that students choose to live close to their place of study. Therefore, demand arising from the city centre universities is assumed to be the demand for accommodation in the city centre. The same principles have been applied to the other institutions/ areas.

Table 8: Current demand by area

Location	Selly Oak/ Edgbaston	City Centre	Bartley Green	City-wide
Existing demand	22,650	15,880	385	38,915

Source: HESA 2020/21

City Centre

4.11 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% of students on a full-time course at the University of Birmingham in 2020/21 lived in the city centre.

4.12 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.

Selly Oak

4.13 Demand for student accommodation in Selly Oak arises principally from the University of Birmingham. About 29% of students requiring accommodation lived in provider maintained or private sector PBSA. A notable 58% lived in ‘other rented accommodation’ including HMOs. 14% of students answered, ‘don’t know'. These categories have been counted towards the demand.

4.14 Of those living in PBSA, the majority (86%) were first year or foundation year students; 14% were non-first year students.

4.15 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 academic year (2021/22) is estimated to be around 7,200 bedrooms.

Other

4.16 Demand for student accommodation elsewhere in the city mainly arises from Newman University located in Bartley Green. Newman University have 300 university-maintained bedspaces on campus.

Future potential demand

4.17 For the January 2021 report, BCC obtained information from the universities regarding their future growth plans and projected student numbers. As part of the work on the Housing and Economic Development Needs Assessment (HEDNA) for the new Birmingham Plan, the 5 main institutions were interviewed on issues relating to accommodation and future growth. These interviews took place over the summer of 2021. Their findings, along with the information that remains relevant from the Council's January 2021 report is summarised below.

Aston University

4.18 The University does not own any student accommodation; however, they do have an annual nominations agreement with UNITE Student Accommodation. Currently this agreement provides 1,100 rooms for first years and Postgraduates and adapted accommodation for students with disabilities.

4.19 Most other students live in other private purpose-built student accommodation within the city centre close to the university's main campus – approximately 1/3 of students originate within 25 miles of the University.

4.20 The university plans on a 5 year rolling basis. Currently they plan to keep undergraduate numbers steady with incremental growth in postgraduates taught students. Degree apprenticeship students are a different category in regard to accommodation as are mature learners they usually live at home.

4.21 To give an indication of the scale of growth, this year (2020/21) 80 UNITE rooms were allocated to postgraduate students, it is likely that in 2021/22 they will be seeking 90 and 100 the year after. (This is a growth of around 12% per annum which if applied to 3,000 post graduate students (20% of 15,000) would be an additional 736 students in two years.)

4.22 Before Covid-19 many postgraduate students came from overseas, the expansion of online provision as part of the reaction to Covid-19 has enabled the university to expand. This has been particularly successful in tapping into the Canadian postgraduate market. As such, postgraduate growth may not have any impact on accommodation within the city at all.

4.23 The decision is made annually on whether to increase the nomination agreement with UNITE. Currently it is expected that the nomination level will remain the same for under-graduates in 2021/22.

4.24 Recently the nomination agreement with UNITE has decreased as a result of Brexit, loss of Erasmus (which has one year left) and other EU students. Those who are not allocated rooms tend to find other purpose-built accommodation within the city centre.

4.25 The university are hoping to grow the number of overseas students. Brexit has resulted in applications from the EU plummeting, this has been replaced by increased numbers of domestic students which the university would like to rebalance with greater numbers of international students.

4.26 Based on past trends, the Council's January 2021 report estimated a 10% increase in the number of students requiring accommodation by 2025/26 from 2018/19 levels, resulting in an additional c. 600 students requiring accommodation by 2025/26. Drawing together the above information, it is considered that this estimate remains reasonable.

Birmingham City University

4.27 BCU own and operate 450 bedrooms and nominate around 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.

4.28 The University has undergone a strong period of growth equating to a 15% increase between 2014-15 and 2019-20 of both undergraduates and postgraduates. Birmingham City University did not provide any comment to the HEDNA on their plans or issues around housing their students. However, as previously indicated in the Council's January 2021 report, 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**.** These future demand figures remain therefore remain unchanged.

Newman University

4.29 The University principally draws students from the local area and has experienced a period of modest growth equating to 3% between 2015/15 and 2019/20. The University has decreased the number of undergraduates and increased the number of postgraduates. Of the 2019/2020 student intake 78% are Undergraduates and 22% are Postgraduates.

4.30 The vast majority of students are accommodated in University owned housing in their Bartley Green campus which has undergone substantial investment since 2016.

4.31 The University has plans to increase the overall student roll by 6% each year for the next five years. This would take the total number of students to 3,740 and would be an increase of both under-graduate and post-graduate students as well as changing the profile of students with new subjects coming online. The University intends to publish an estates strategy towards the end of 2022 which will detail how this growth in students will be accommodated.

4.32 Taking the projected increase of 6% each year and applying that to the number of students currently requiring accommodation would result in 516 students requiring accommodation by 2025/26 – an additional 132 students. 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.

University of Birmingham

4.33 The University has no plans to dramatically increase student numbers for the UK campus or change the profile of students. However, the University was granted planning permission to expand its accommodation portfolio in the Pritchatt's Park village which will bring 496 new beds for undergraduate students. Work started in Autumn 2021. The Pritchatt's Park site will be operated under a DBFO scheme.

4.34 The continued assumption based on the Council's previous discussion with the University is that an additional 2,000 – 3,000 students will require accommodation, representing a 9-13% increase from the 18/19 baseline.

University College Birmingham

4.35 The University College has undergone a low period of growth equating to 2% between 2014-15 and 2019-20 when there were 4,855 students on the roll. the student roll is very local.

4.36 The University has plans to increase the number of higher education students (full and part time) to 6,500 over the next five years. This is likely to mean a greater focus on post-graduates with an anticipated split of 80% undergrads and 20% post-graduates.

4.37 Historically, the University has had one of the highest proportion of EU students (30%) with 7% other international. They are expecting this to decline to 10% EU (decline) with other international students expected to increase to 15%. They also expect an increase in domestic students and due to the pandemic they expect this to continue to be quite local students.

4.40 Of the 4,665 full time studying at the University, approximately 29% require accommodation. Taking into account the University's planned increased in students and applying the proportion (29%) which require accommodation, only an estimated 316 additional students will need accommodation over the next 5 years.

Table 9: Current and Potential Future Demand for accommodation

Location	Selly Oak/ Edgbaston	City Centre	Bartley Green	City-wide
Existing demand *	22,650	15,880	385	38,915
Potential additional demand	2,000 – 3,000	3,746	132	5,878 – 6,878
Potential future demand	24,407-25,407	19,139	516	44,062 – 45,062

* Based on HESA 2020/21

5. Supply of student accommodation

<u>City-wide supply of PBSA</u>

5.1 At April 2021 there were 23,443 existing available bed spaces in PBSA in the city Once schemes currently under construction have been completed the supply of PBSA will increase to 24,573 bed spaces. A further 3,483 bedspaces have planning permission but have not yet started construction, giving a potential supply of 28,056 bed spaces.

5.2 At the time of writing this report (14 February 2022) there were 8 live planning applications for PBSA totalling 2,834 bedspaces and 9 recent/ current pre-applications totalling 1,737 bedspaces.

Table 10: The supply of PBSA city-wide (bed spaces)

Supply	Bedspaces
Existing Available*	23,443
Under Construction*	1,130
Permission Not Started*	3,483
Sub Total	28,056
Current applications**	2,834
Pre-apps**	1,737
Total	32,627

Birmingham City Council
* At 1st April 2021
** At 14th February 2022

<u>Supply of PBSA by sub area</u>

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 11: The Supply of PBSA by area (bedspaces)

Location	Selly Oak/ Edgbaston	City Centre	Bartley Green	City-wide
Existing supply*	9,108	14,225	110	23,443
Under construction*	268	862	0	1,130
Permission not started*	1,295	1,992	196	3,483
Sub total	10,671	17,079	306	28,056
Current applications**	471	2,364	0	2,834
Pre-apps**	347	1,390	0	1,737
Total	11,489	20,833	306	32,627

Birmingham City Council
* At 1st April 2021
** At 14th February 2022

Trends in type and format of supply

5.4 Of the total number of existing available PBSA bed spaces, 85% are in cluster flats and 15% are self-contained studios. Of those currently under construction, 57% are in cluster flats and 43% are studios. And of those with planning permission not yet started, 40% are in cluster flats and 70% are studios.

5.5 The Student Accommodation Survey 2021 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:

- Despite the Covid-19 pandemic, a record 516,650 students were accepted at UK universities in the 2020/21 academic year. International student enrolment also increased to its highest ever level. There were lower numbers of international students on campus but the latest data a significant uptick in demand for the next cycle.
- The impact of the UK's departure from the EU is still not fully understood but could impact on research funding.
- The value of going to university has been put in the spotlight. The pandemic has accelerated the delivery of online learning and raised questions about the future of campus, but students still want an immersive experience of university.
- Affordability it the number one issues in terms of accommodation.
- Around 69% of students living in PBSA (either privately operated or university maintained) felt positive about their accommodation provider's response to the Covid-19 pandemic compared to just 25% of students living within house shares rented in the private sector.
- The lasting impacts of the pandemic on the accommodation preferences o students is not yet known.

- Students living in private PBSA or university-run halls were the most satisfied with their accommodation, with 82% of such respondents indicating this was the case.
- Those living in a cluster flat, or in a shared house, were happier than those living in a single-occupancy studio or alone.
- The most commonly cited issue for those living in PBSA related to a lack of value for money. For those living in privately rented house shares problems with the buildings and landlord or agent were the most common issue.
- In addition to property type, other key drivers of happiness with private PBSA are location, the option to live with friends and the quality of accommodation.
- The survey suggests a preference for high-quality accommodation that provides clear and obvious elements that add value.
- While the majority of first-year students live in a form of PBSA, this changes in the second year. Some 73% of first year students who are currently living in PBSA said they planned to move into mainstream private rental accommodation in their second year. Some 25% of first year students who currently live in private PBSA said they planned to stay in the same accommodation the following year. Some 40% of second years living in private PBSA said the same.

Houses in Multiple Occupation

5.6 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. Of the total number of students requiring accommodation across the 5 main universities, 54% lived in HMOs or other rented accommodation. 58% of those studying at the University of Birmingham and requiring accommodation lived in HMOs and other rented accommodation.

5.7 While the focus of this report is on PBSA, houses in multiple occupation (HMO) also provides an important source of accommodation. HMOs are however not directly comparable to PBSA as they do not possess a range of services facilities common within PBSA.

5.8 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 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.

5.9 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.

6. Analysis of demand and supply

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.

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 with parents/ guardians.

6.3 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 estimated current overall demand for accommodation is 38,915 bed spaces,** an increase of 513 bedspaces since the January 2021 report.

6.4 Based on the information provided by the main universities, potential future demand of students requiring accommodation could increase by an additional between 5,878 – 6,878 over the next 5 years resulting in a demand for 44,062 – 45,062 bed spaces.

6.5 Table 12 below sets out four different scenarios at a city wide and sub area level:

- Scenario 1 - Existing demand[8] against existing and committed supply[9]
- Scenario 2- Future demand against existing and committed supply
- Scenario 3 – Future demand against existing and committed supply, plus supply from all current applications (at February 2022) if permitted
- Scenario 4 – As Scenario 3 but includes HMOs and other rented accommodation

6.6 At a sub area level, the largest shortfall in accommodation is experienced in the Selly Oak/ Edgbaston area due to unmet demand arising from the University of Birmingham. In the city centre, existing demand arising from the city centre-based universities is almost fully met by existing supply. When sites under construction and with planning permission are taken into account, there would be an apparent surplus of supply (Scenario 2). However, this assumes that all consents will be implemented, and that demand remains static. Demand arising from the city centre universities is expected to grow modestly resulting in a shortfall of around 2,000 bedspaces against existing and committed supply (if all built out). The third scenario considers the impact of all current applications being approved. This would result in a surplus of around 300 bedspaces.

[8] HESA 2020/21
[9] Sites under construction and sites with planning permissions not yet started at 1 April 2

6.7 Scenario 4 includes HMOs/ other rented accommodation and shows that there would be an apparent over-supply at a city wide level. However, as stated HMOs are not directly comparable to PSBA.

Table 12: Supply and demand scenarios

Scenario	Supply vs Demand Analysis	Selly Oak	City Centre	Bartley Green	City-wide
1	Existing demand (HESA 2020/21)	22,650	15,880	385	38,915
	Existing supply + committed* supply	10,671	17,079	306	28,056
	Shortfall/ surplus	**11,976 shortfall**	**1,196 surplus**	**78 shortfall**	**10,858 shortfall**
2	Potential future demand	24,407-25,407	19,139	516	44,062 – 45,062
	Existing supply + committed supply	10,671	17,079	306	28,056
	Shortfall/ surplus	**13,736 - 14,736 shortfall**	**2,060 shortfall**	**210 shortfall**	**16,006 – 17,006 shortfall**
3	Potential future demand	24,407-25,407	19,139	516	44,062 – 45,062
	Existing + Committed supply* + current applications**	11,142	19,443	306	30,890
	Shortfall/ surplus	**13,265 - 14,265 shortfall**	**304 surplus**	**210 shortfall**	**13,172 – 14,172 shortfall**
4	Potential future demand	24,407-25,407	19,139	516	44,062 – 45,062
	Students living in HMOs	13,064	7,605	260	20,929
	Existing + Committed supply* + Current applications** + HMOs	24,206	27,048	556	51,819
	Shortfall/ surplus	**201 – 1,201 shortfall**	**7,909 surplus**	**50 surplus**	**7,757 – 8,757 surplus**

* Committed supply = under construction + PP not yet started
** Current applications at 14 February 2022

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

Table 15: Ratios of bedspace to students

Student to Bedspace Ratio	Selly Oak	City Centre	Bartley Green	City-wide
Existing demand to existing and committed supply	2.1: 1	0.9: 1	1.2: 1	1.4: 1
Future demand to existing and committed supply	2.3: 1 – 2.4:1	1.1: 1	1: 1	1.6: 1 - 1.7: 1
Future demand to existing and committed supply + current apps	2.2:1 - 2.3: 1	1:1	1.1: 1	1.4: 1 - 1.5: 1
Future demand to existing and committed supply + current apps + HMOs	1.1: 1	0.7: 1	0.6: 1	0.8: 1

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.

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.

7. Occupancy rates

7.1 An occupancy survey was sent to all the major PBSA providers in the city in winter 2021/22. Of those who returned the survey, the average occupancy rate was 91%; this was 4% lower than the 2019/20 academic year (Pre Covid-19) which had an average 95% occupancy.