

Unipol is committed to giving owners up to date information on both the student accommodation market and initiatives taking place throughout the sector.

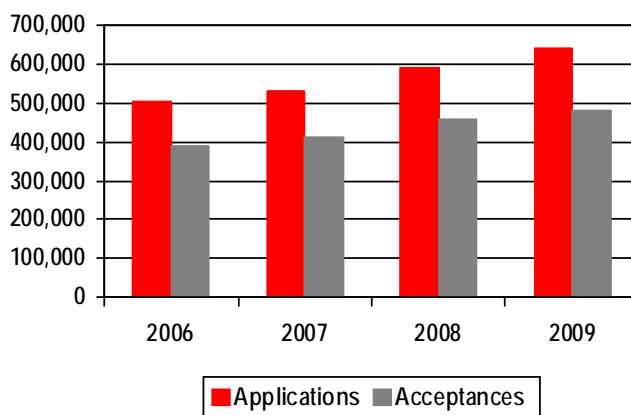
The latest briefing was given by Martin Blakey, Chief Executive on Wednesday 25th February 2010 at the University of Bradford and below is a summary of the presentation.

## Student Numbers

### National Demand for Higher Education

The final figures for 2009-2010 were released on January 21st 2010 and showed applications for September 2009 entry were up 8.7%. This means that there were 639,860 applications compared to 588,689 in 2008, a further increase on the 531,898 applications in 2007.

Of these applications, 481,854 were converted into acceptances for students taking up courses at University or College. The graph below shows the relationship between applications and acceptances from 2006-2009. It clearly shows applications to be higher than any previous year and this is reflected in the acceptances, although the increase in acceptances for 2009 is not as great as the increase shown in applications.



There has been a marked increase in students over the age of 25 with applications up in this cohort by 15.3% to 89,133, a direct affect of the recession as more people seek to upskill at a time of high unemployment. This converted into 51,443 acceptances, an increase of 5.5%. By comparison, acceptances of students aged 20 years and under increased by 4.6% and 21-24 by 8.3%.

There was continued strong growth from overseas, with a 10.2% rise in acceptances bringing the total to 53,968. Significant increases were seen from students applying in France, Malaysia and Cyprus, although there were drops from Pakistan (17.3%), Nigeria (5.3%) and Poland (18.7%). Romania, Bulgaria, Lithuania and Saudi Arabia show strong growth but overall numbers remain relatively small.

The 2009 intake year was the first year that the Points Based Immigration System was in effect following its introduction on 1st April 2009. The system has attracted a high amount of media attention and imposes financial restrictions upon students who must be able to demonstrate that they have funds of at least £5,400 plus course fees.

The final figures show that the system has not had an impact on overall numbers, but it can now take up to 3 months for a visa to be granted from some countries such as Pakistan and Nigeria. Some visas were therefore significantly delayed, and it was not uncommon nationally to see students arriving as late in the year as November/December, having missed the beginning of their course.

### 2010-2011 Applications

The first figures for 2010 entry were published on 2nd November 2009 which showed that the number of people applying for Higher Education is up 11.6% from 64,438 at this point last year to 71,883. The number of applicants from outside the UK is up 16.6%, with Ireland (43.0%) and China (26.8%) showing significant increases. It is likely that this upward trend will continue considering the high numbers of people who did not get accepted onto courses in 2009 being encouraged to 'apply again next year' by Peter Mandelson's Department for Business Innovation and Skills.

As of 22nd January 2010 there were 570,556 applicants, a rise of 106,389 (22.9%) over 2009. Overseas applicants rose from 55,245 to 71,105 (28.7%) with the biggest increases from:

- Ireland +50.4%
- China +22.4%
- Germany +23.7%
- Lithuania +102.3%

There continues to be significant increases in applications from those over 20 years of age, up 44.8% for 21 to 24 year olds, and 63.4% for over 25 adding to the already expanding levels of applications which are set to be a 'record year' for the fourth consecutive year.

Locally, both the University of Bradford and Bradford College are experiencing strong levels of applications for 2010, with applications at the University up by 22.9% and at Bradford College for HE courses up by 51.4%. Clearly not all of these applications will convert into students in Bradford for a number of reasons as detailed below, but this trend is positive.

### 2010 – 2011 Intake Factors

The Government continues to impose a cap on student numbers for 2010-2011 against a back drop of funding cuts across the sector of approximately 12% over the next two years:

- 2010-2011 £135m funding reduction
- 2011-2012 £780m funding reduction

This is despite reference being made to offering additional student places during the March budget as these places are unlikely to be centrally funded.

In addition to the cuts detailed, further tightening of immigration restrictions may act as a disincentive although this is uncertain, as was the case for 2009 intake. These further restrictions include:

- applicants from outside the EU will have to speak English to a higher level
- students on courses below degree can only work for 10 hours a week
- students on courses which last under six months cannot bring dependants
- visas for courses below degree level with a work placement will be granted only if the institutions is on the Highly Trusted Sponsors List

## **Demand for Student Accommodation in Bradford**

There are 9,360 students at the University of Bradford and of these, around 6,642 are from the UK. Of these home students, 2,711 are from Bradford and 1,743 are from West Yorkshire, which represents 67% of home based students, with just 2,188 are from elsewhere in the UK.

20% of the total number of students (1,854) have come to Bradford from outside of the EU and it should be noted that international and postgraduate students are not subject to Government restrictions on growth. It is likely that many institutions will seek to attract more high-cost fee paying internationals.

Between them, the University and College have a total residential need of 5,306 students, of which 1,135 are housed directly in University or College allocated accommodation. The overall demand for private sector accommodation is 4,171 and many of these students are attracted to return to private halls, with the following providers active in the market in Bradford:

- Opal have 753 bed spaces at Arkwright Hall, all of which are accounted for in nominations arrangements
- Mainstay have 504 bed spaces in Forster Hall
- CRM have a number of developments totalling 795 bed spaces
- Malik Halls has 220 bed spaces
- Cosmopolitan manage Wardley House which has 290 bed spaces let directly into the market
- Haria House and Tower 325
- Bradford Foyer have 16 bed spaces
- There is a small development in Wilton/Morley Street for 75 bed spaces

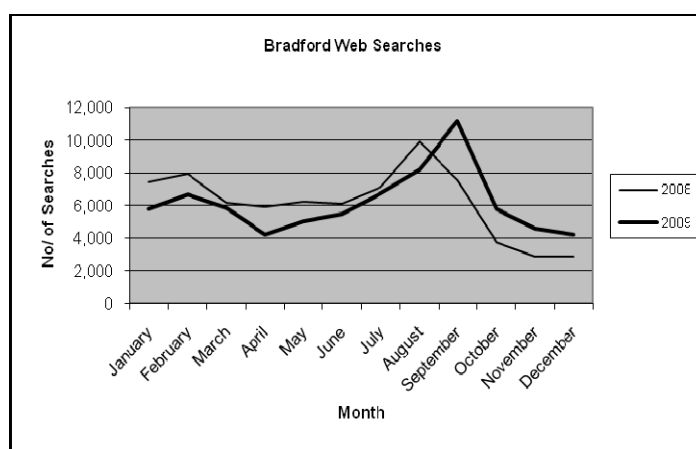
Some large developments have substantially discounted rents on some of their rooms to directly compete with the off-street market.

## Market Activity 2009

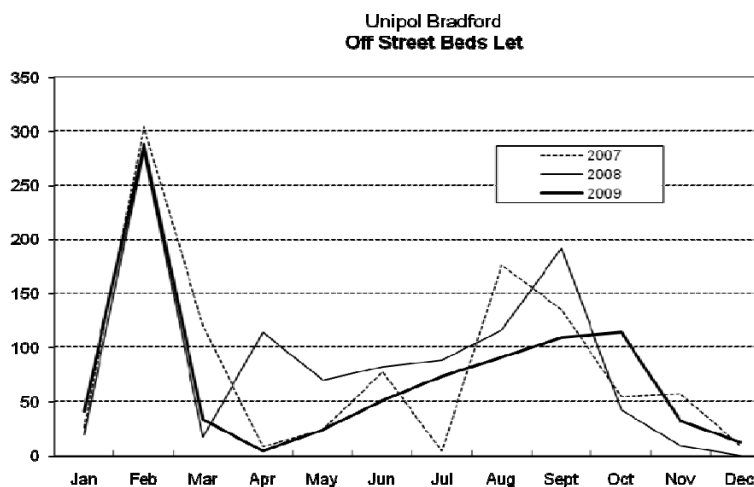
The house hunting season in 2009 saw a generally a slow start to the year as reported at the previous owners briefing [[available here](#)]. By August 2009, 60% of bed spaces displayed were let and by the end of December this reached 84% which was 1% up on the final figure for 2008.

Students looking for a house in February generally had a good idea of where they wanted to live and had already formed groups. These students mostly search for their properties remotely and then appear at Unipol to either ask a more technical question about the Code or ask about contract checking or using the model tenancy.

Over the summer the majority of students that came into the Bureau looking for housing were students from overseas who needed additional support and guidance. Increased activity from August onwards provides compelling evidence of a shift to a September letting pattern and a decline in the 52 week market.



Bradford continues to see a 'slow burn' scenario with many students in Bradford leaving their house hunting until later in the season to avoid paying for accommodation over the summer period. There was a surge in demand in mid-September as returning students arrived back in Bradford and international students not wanting University allocated accommodation house hunted, as well as the effect of the visa rules discussed previously.



Unipol ran a large promotional campaign to both students and landlords as a response to the slow market this year to ensure that it picked up as anticipated. Adverts and lettings



## Characteristics of the Bradford Property Market

The tables below show some of the characteristics of the Bradford property market for off-street properties and the trends over the past three years.

### Amenity Percentage of Bed Spaces

	2007	2008	2009
Smoke Detection			
Mains interlinked smoke detection	33	43	48
Fully zoned	47	36	34
Battery	18	18	15

*Over recent years we have seen an increase in provision of mains interlinked smoke detection systems in shared houses and a gradual demise of battery operated systems.*

### Security

Burglar Alarm Provided	62	75	77
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*A large percentage of properties have a burglar alarm and this continues to increase*

### Sanitation

Shower	98	99	97
Bath	70	83	83

*Almost all properties now have shower facilities*

### Communal Space

Separate Living Room	59	62	60
Living Space	31	26	31
No Living Space	10	11	9

*Communal space is an important factor for many students and on 9% of properties have no communal living space*

### Facilities

Washing machine	81	93	96
Microwave	89	90	93
Dishwasher	9	10	10

*Almost all properties have a washing machine and a high proportion come with a microwave; very few have a dishwasher*

### Double Beds

Double beds in all rooms	67	69	79
Some double beds	25	23	19
No double beds	8	8	2

*There has been a marked increase in the provision of double beds, with 79% of properties having double beds in all rooms. Just 2% of properties have no double beds at all*

### Double Glazing

Full Double Glazing	76	73	75
Some Double Glazing	13	14	16

Off street parking	40	46	54
Garden	74	78	74

## Unipol Code

The Code has now rebranded as The Unipol Code and continues to be promoted by the universities and students unions' as the Code for student accommodation and students are advised to rent Code properties. This advice is clearly having an impact as illustrated previously in relation to the length of time properties take to let.



Joining the Unipol Code is now free and not linked to displaying properties with Unipol and membership is for three years, not one. Significant new resources have been put into the Code to inspect 1 in 5 properties (more if necessary) and this sample will be every three years. A standard report is issued which is intended to be helpful and informative to owners as a tool to improve standards across the sector.

A total of 77 owners are currently signed-up as members of the Unipol Code in Bradford, with 12 of these signed up new or re-joined since June 2009. This covers 188 properties with 872 bed spaces. During 2009 there were 84 property inspections, which is 27% of the total supply, with all new members having at least 1 property visited. In addition, there were 8 reinspections made at properties belonging to new Code members.

71% of the properties advertised on the website during 2009 were accredited



The national Code for Larger Developments now has a new logo which member providers are encouraged to display in their accommodation. The similarity to the Code logo is intended to encourage students to recognize the symbol as a sign of accredited property.

The following members and buildings operating in Bradford are included within the National Codes:

- CRM - Laisteridge Lane
- Cosmopolitan Student Homes - Wardley House
- Mainstay Group Ltd - Forster Hall
- Opal Property Group - Arkwright Hall
- Suvarna Ltd - Haria House
- University of Bradford - University Hall
- Malik Halls Ltd – Malik Halls

### The Unipol/TDS Deposit Protection Scheme

Unipol has been in discussions with The Dispute Service over a scheme where Code landlords can protect tenancies at low cost. The system was launched on January 5th 2010 and enables landlords to protect deposits with The Dispute Service for a fee of £14 +VAT per tenancy. The Dispute Service is one of the Government approved agencies which protects tenancy deposits and is an insurance backed scheme. This system is only open to Unipol Code Owners.