

Unipol Student Homes  
**Report on the Market Briefing in Nottingham**  
16 December 2010

Mobile Website

A demonstration was given of the Unipol Mobile website which will be launched for the forthcoming house hunting season. As web access from a mobile device is expected to become more popular than PC use in the coming years it is seen as an important service to assist students.

One of the key features of the site is a 'my location' search which enables users to find properties within a given distance of where they are accessing the website. The site will also have cut down house hunting information and property checklists as well as allowing use of the student to student notice board.

The site can be viewed on a mobile phone at [www.unipol.org.uk/nottinghammobile](http://www.unipol.org.uk/nottinghammobile). Screen shots of the site are displayed below:



Market Briefing

**National Picture**

Government policy for Higher Education has a significant impact on the number of students entering Higher Education and on demand for places on University courses nationally. Therefore, as a useful starting point, owners were informed of the latest developments nationally and its relevance to Nottingham.

The national picture sees almost static intake due to strictly imposed restrictions, a situation that has seen relatively low growth over the past three years. In spite of this, there has been a somewhat surprising increase in demand for student accommodation in some parts of the country, with some areas even reporting accommodation shortages.

This increase in demand for accommodation has been fuelled by increased A Level scores due to greater competition for places. As a result, a number of local based students have been squeezed out in favour of the highest grade students.

For example:

- University of Kent down from 18%-15% of local students to 11%
- University of Bradford down from 52% of local students to 35%
- Leeds Metropolitan University needed to "buy in" an additional 400 beds.

Applications to University were again up, but there was almost no change in the number of students arriving at University in 2010, with a 0.4% increase on the 2009 figure.

- 479,057 in 2010
- 477,272 in 2009

More significant is the 209,253 unsuccessful applicants in 2010, a total that continues to increase when compared with 156,315 in 2009. The graph below illustrates how the rate of acceptances has slowed owing to Government restrictions across the sector.



## Future Demand

There are a number of factors that will impact on demand for places at University for September 2011 intake and again the national trend is likely to significantly impact on Nottingham.

Looking firstly at applications for the forthcoming year, as of Monday 22nd November 2010 there had been 181,814 applications for courses commencing in September 2011 which represents an increase of 11.7% from this point in 2010. Many of the 209,253 unsuccessful applicants referred to above are likely to apply for a place at University again for 2011 which is a probable cause of such an increase. Add to this, the fact that changes to University funding have recently been announced, it is reasonable to predict that 2011 will be a bumper year for applications.

This has been confirmed since the meeting as reported on January 4th in a number of newspapers - [click here](#) for a sample story

Whether 2011 sees any expansion in actual student numbers (further than 0.4% in 2010) will depend on funding constraints and matters imposed by the Government later in the cycle.

## Future Demand: Spending Review and Fees

The Government has announced details of the comprehensive spending review which revealed Higher Education funding to be cut by 40% (from £7.1billion to £4.2billion) by 2014-2015.

In addition, responses to the Browne Review are being considered and we have seen the raising of the cap on tuition fees from £3,290 per year with effect from 1st September 2012. This will be replaced by a 'tapered levy' on institutions charging more than £6,000 per year with the maximum fee that can be charged will be £9,000 per year.

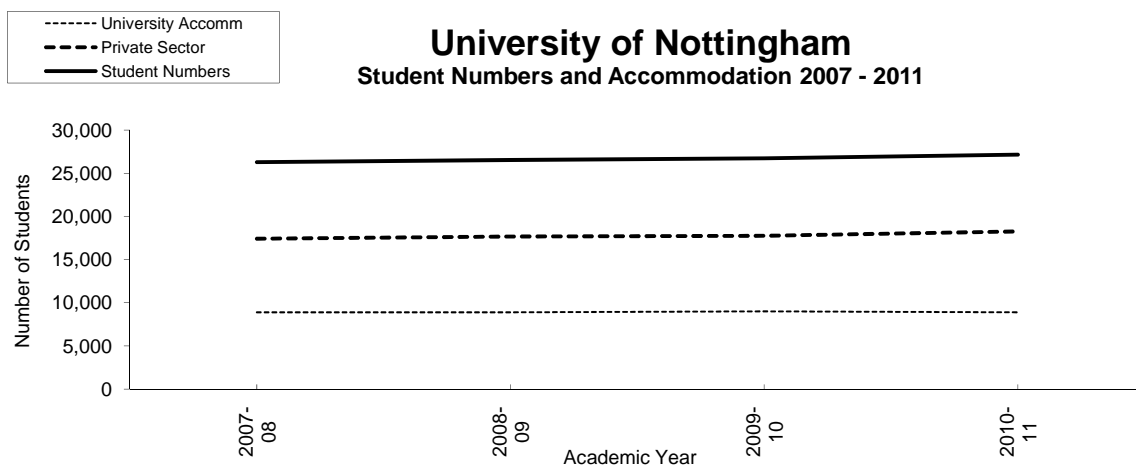
More than this is currently unknown because the Government is still considering responses to other aspects of the report. Institutions charging over £6,000 per year will be required to demonstrate improved standards of teaching and fair admission but a number of other questions remain as to the shape of Higher Education from 1st September 2012.

In terms of estimating how the new fee regime will impact demand for University places, but The Browne Review suggests that a 10% increase in student places should be factored into the system over the next four years. Looking back to 2006 when 'top-up fees' were introduced, demand for places saw a dramatic one year drop before strengthening to a position where there have been year on year increases each year subsequent.

### University of Nottingham

The University of Nottingham has opted to maintain a static level of intake in recent years and September 2010 saw modest growth, mainly from overseas. Around 200 additional international students were recruited, with home student numbers remaining relatively stable.

In terms of accommodation for first year students, the University houses around 9,000 students either directly or in special partnership arrangements, which leaves just over 18,000 students with a residential need in the private rented sector

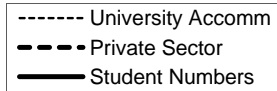


### Nottingham Trent University

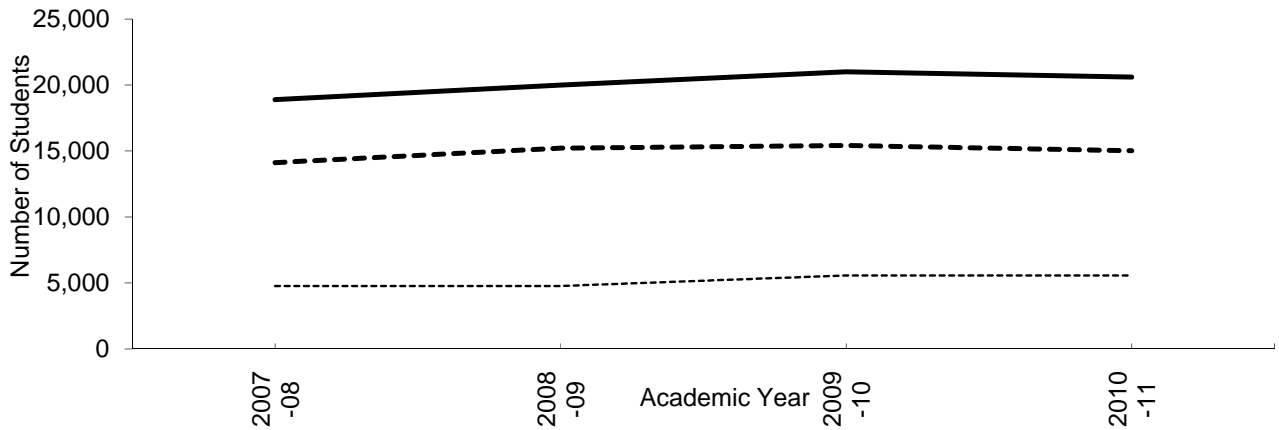
NTU slightly reduced its intake by around 300 students following rapid expansion of intake over the last two years. At the earlier market briefing in July 2010, it was raised that this would be likely to affect the property market as fewer students would be coming to study and live in Nottingham. As discussed previously, this was not the case and whilst the University recruited fewer students, the increased competition for places has meant fewer local based students took places on courses. As a result, around 300 more students arrived in Nottingham with a residential need in September 2010 and this will feed into the off-street property market in subsequent years.

The University currently houses first year students in a number of arrangements, principally through the provision of around 6,500 bed spaces in University allocated or owned accommodation

Nottingham Trent are also seeking to increase its own accommodation portfolio, mainly to ensure first year students are allocated accommodation rather than to attract returning students into their residences. 600 bed spaces are due to come online at Clifton Campus in September 2011, and active consideration is being given to a further site at Byron House on the City Campus. Although these developments are primarily for first year students, there may be an impact on the wider housing market which in recent years has seen a lot of activity around September once developments are full.



## Nottingham Trent University Student Numbers and Accommodation 2007 - 2011



### Summary

In summary, there are now 47,743 students with a residential need in Nottingham and the institutions house around 14,448 (mainly first year) students directly or through partnership arrangements. This leaves a total demand on the private rented sector of 33,295.

Looking ahead, there are some 900 bed spaces due to be added to Nottingham's housing stock which will increase competition, but both institutions continue to perform well in terms of recruitment.

These developments will have a significant impact on the estimated surplus bed spaces in the student market:

2008	4,500	(original estimate)
2009	2,000	(rapid growth)
2010	2,300	(reduced intake)
2011	3,000	(reduced intake and Opal)
2012	4,000	(reduced intake and Clifton)

Though there has been a relative 'shortage' of accommodation in recent years, this is likely to ease and we will see an increase in competition. Further ahead than September 2012 is difficult to predict with the unknown effects of higher tuition fees.

### Unipol Market Activity in 2010

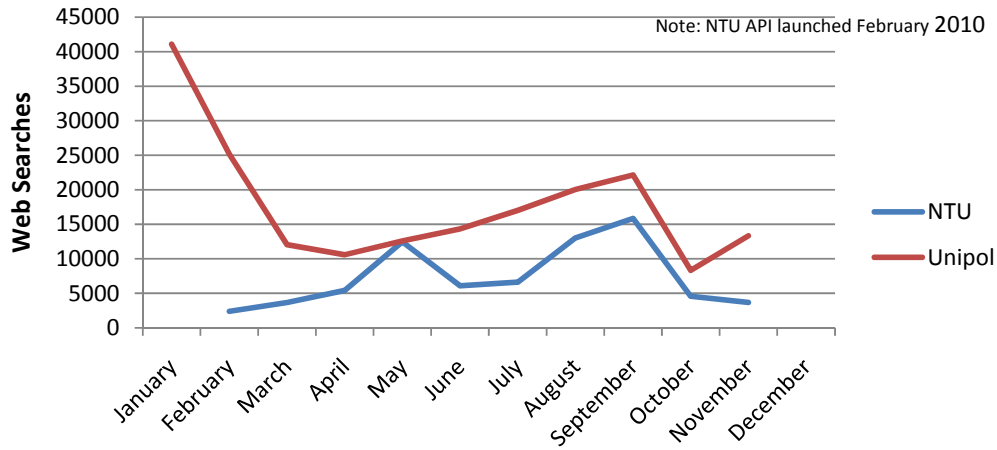
The Unipol Nottingham site has displayed 5,321 off-street bed spaces during 2010, with 4,716 (89%) of these let during 2010-2011 showing that the Unipol website has proved highly effective in helping landlords let properties. Usage of the site by students continues to increase significantly and has been boosted by the launch of the NTU service which displays properties listed with Unipol.

During 2010, the Unipol service received:

- Hits: 13,337,611 (up 42%)
- Searches: 284,022 (up 52%)
- Hosts: 70,667 (up 33%)

The site also saw the launch of the NTU accommodation service which has seen a number of NTU students access the search facility and increased exposure of adverts amongst these students. the graph below illustrates the relationships between the two sites and shows where searches have originated from.

## Unipol and NTU Web Searches 2010



The house hunting season got off to a slower start in January 2010 than in 2009, reflecting some success in telling students not to rush - although January remains the most popular month for searches. Both February and March 2010 saw higher lettings than in 2009 and it was clear that accredited and well marketed properties were let easiest at the beginning of the year.

Letting Activity in July and August was low at around 650 bed spaces but this reflected a similar pattern to 2009. Large Developments continue to prove popular, with most reporting that they were full early in August.

The first six months of the year allow comparison to be made at the speed at which students are letting property and letting figures from the start of house hunting to the end of June are as follows:

2008-2009	91%
2009-2010	78%
2010-2011	73%

It is pleasing to report that Unipol DASH Code properties continue to let faster than unaccredited properties, albeit marginally at around 94 days compared to 97 days.

### Market Characteristics

The Nottingham market continues to offer high levels of amenity to students and it is important for successful lettings that landlords stay a step ahead of the competition. The figures below provide a useful illustration of the market, although not all will be applicable to every type of property.

	2010	2009
<i>Smoke detection</i>	98.5%	98%
Mains interlinked	66%	65%
Zoned systems	20%	18%
Burglar alarm	68%	70%
Washing machine	92%	96%
<i>Double or 4" beds</i>		
All	64%	63%
Some	26%	28%

The average rent achieved by landlords has risen by 6.3% between 2009 and 2010. The graph below illustrates the trends in advertised rents over the last three years and when read alongside the level of letting activity it is clear that landlords respond positively to levels of demand through the year.

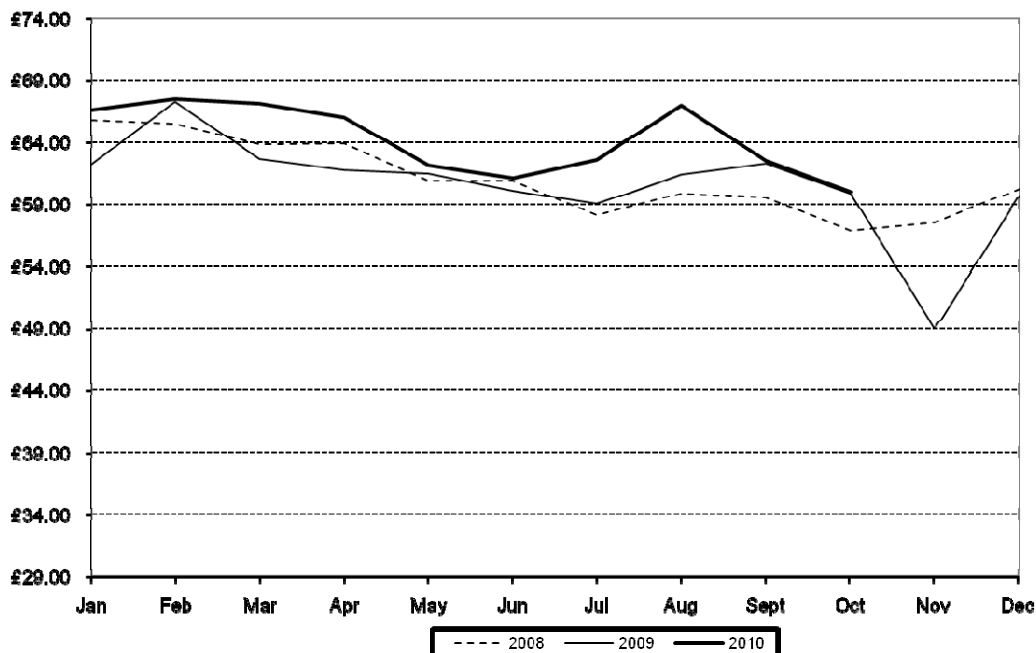
Large development rents have risen by around 20% over the last two years and average currently in excess of £90.

An off-street property currently represents the cheapest living option in Nottingham when compared directly to large developments

2009-2010 = £62.51

2010-2011 = £66.47

**Nottingham  
Average rent of beds let**



34% of bed spaces can now be let individually compared to 30% in 2009

43% of properties this year are not offering summer rent concessions, compared to 54% in 2009

48% of bed spaces ask for a rent guarantor compared to 42% in 2009

### Unipol DASH Code

There are now 403 landlord members of the Unipol DASH Code and a further 6 managing agents who are full members. A further 8 managing agents are Supporters of the Unipol DASH Code and work is being done in this area to attract more managing agents to the service to ensure greater choice is on offer to students using the service. A total of 8,688 bed spaces are now covered by the Unipol DASH Code, which operates over a three year cycle.

The level of verification continues to be high with around 1:1.6 properties being inspected per owner. In 2010 there have been:

252 inspections

105 re-inspections

### Tribunal

The Unipol DASH Code tribunal continues to receive cases brought by students and minutes are available publically on the [Unipol website](#). Recently, the first landlords have been removed from the Unipol DASH Code following a complaint raised by their student tenants. Mr Max Choudhuri and Dr Fatima Jabbar had incurred a series of breaches of the Unipol DASH Code relating to matters of disrepair, deposits and electrics.

## **Tenancy Deposit Protection**

Owners were reminded that the £100K threshold in relation to Assured Shorthold Tenancies was introduced on October 1st 2010, which means some tenants may now require their deposits protected.

The Unipol/TDS Scheme continues to offer good value for money and is a bespoke scheme for student landlords. In addition, the relevant Prescribed Information is contained within the Unipol Model Tenancy.

To date in Nottingham there are 26 member landlords of the scheme and so far in Nottingham there have been:

- 142 deposits protected
- 509 tenants protected using the scheme
- £138,342 of deposits registered

## **Additional Licensing**

It is anticipated that Nottingham City Council will shortly be launching a consultation on the introduction of additional licensing within the City. Specific details are as yet unknown, but information will appear on the Unipol website when it is known. Both Unipol and EMPO will be responding to the consultation and landlords are encouraged to do so.

## **Unipol's Future Plans**

The briefing concluded with Unipol's Chief Executive, Martin Blakey, thanking owners for their part in supporting students in Nottingham and for their support of both accreditation and the Unipol service. Looking ahead into future years, Unipol plans to:

- extend the current level of intervention through continued promotion of accreditation in the Nottingham property market;
- extend accreditation more widely to managing agents through the Unipol DASH Code Supporters Scheme;
- introduce a starred system on top of basic accreditation to identify the best landlords and properties;
- carry out a review of accreditation standards after three years in 2012;
- continuing the penetration of the Unipol service into areas servicing Nottingham Trent University;
- updating the Unipol web site and enhancing its potential to deliver information and advice to students, landlords and the community during the 2012 calendar.

A number of questions were raised by landlords present and some discussion took place before the briefing formally concluded.