Assessment of student residence patterns and the implications for future demand for student accommodation and local housing markets in Bradford

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Executive summary

Context for the initiation of the research project

Over the academic years 2009/10 – 2013/14 (the period which forms the parameters of this study), locally in Bradford and nationally, there has been significant change in the levels of:

- student numbers (demand)
- student accommodation (supply)

Student numbers: the national context

Initially in this period, student numbers continued their upward trajectory established over the preceding two decades. However, in the run-up to the implementation of major policy reform from autumn 2012 (a more laissez-faire market and the near trebling of tuition fees), intakes at higher education institutions (HEIs) increased sharply for 2011/12 as applicants shunned the gap year option to get in ahead of the fees hike. For 2012/13, the year the reform package was introduced, there was a sharp dip in intakes, since when numbers have recovered some ground. The market can be characterised as volatile. Underneath the headline figures, there have been signs of some emergent winners and losers in the student numbers game.

Student numbers: Bradford

In Bradford, the picture has been somewhat different: nationally between 2009/10 and 2013/14 there was a 2.83 per cent increase in full-time acceptances, but at the University of Bradford student numbers declined by 22.21 per cent. For 2013/14 the University did not share in the sector bounce-back from the national low point in 2012/13 and suffered a further, although much reduced, contraction. Over the same period Bradford College has experienced a sustained overall decline (18.5 per cent).

Additionally, Bradford has an unusually high proportion of full-time students attending from their home address and therefore without a residential need. This has traditionally been the case, but before the research had been undertaken there were already indications within the market that demand had dropped in excess of the decline in full-time student numbers, suggesting that the proportion of students attending from home had increased.

The supply of student accommodation: the national context

In the meantime, on the supply side property investors have been attracted by PBSA opportunities which yield returns consistently higher than other options. As higher education has shifted from an elite to a mass enterprise over the last twenty years, commercial providers have moved in to meet the rapid and substantial increases in demand for student accommodation. This expansion in provision has been paralleled in many university host towns by an increase in off-street sharing housing available for students. More recently, a more volatile environment and localised downward pressure on student populations have challenged occupancy levels and served to intensify competition both within the purpose-built sector and between the purpose-built and the off-street shared housing sub-markets. If there has, however, been more uncertainty around demand latterly, this has not registered with the purpose-built sector. Part of this is explained by pipeline lag, but it is also true that property investors still believe purpose-built student accommodation gives the best returns. This prevailing mood in the market is likely to continue, sustained by the removal of the cap on student numbers from 2015/16.

The investment market has not been discriminating in gauging the relative performance of particular institutions in sustaining or raising recruitment levels. Whereas some HEIs have propped up residential demand by holding the volume of new students steady, others have experienced significant degradation, which has caused substantial damage to local markets.

The supply of student accommodation in Bradford

Bradford is a host city that has seen declining student numbers with a residential need and, at the same time, a rapidly expanding purpose-built sector. Students in Bradford are accommodated through a mix of purpose-built student accommodation, run either by the University of Bradford, Bradford College or private sector providers; city centre located private rented apartments; and off-street shared private rented housing – or they live in their own or their parents' home. On the basis of intelligence available before this study[1], the total supply amounted to between 5,500 and 6,000. Within this figure, 4,500 were purpose built and the remainder in the off-street shared housing sector.

Balance of supply and demand in Bradford

On the basis of intelligence available before this study, the level of over-supply was running at between 1,000 and 1,500 bed spaces.

Purpose and objectives of research

The purpose of this research is to establish a reliable evidence base to inform debate on the current and future environment and on options for intervention; and to help stakeholders adjust their business models appropriately. Objectives include identifying patterns of provision and current use and likely future accommodation needs; and investigating and evaluating whether existing provision meets the demand and preference of students and their parents. Part of the research brief was to identify, *inter alia*, changes in student residence and demand between 2009 and 2014 and the impacts of the building of substantial stocks of purpose-built accommodation in Bradford.

Findings

Student numbers

On the basis of data provided by the University, its full-time student numbers were down from 9,843 in 2009/10 to 9,766 in 2013/14, having reached a high point of 10,674 in 2011/12, the year in which numbers were up across the country. Student numbers have not been made available by Bradford College. However, on the basis of UCAS information on acceptances, the College experienced a drop in intake of 20.4 per cent from 980 to 780 between 2009 and 2013. (This may understate the real intake figure slightly, as some entrants may have come through non-UCAS routes.) Combining the University's intake figures with College acceptances, the numbers of new students dropped 22.2 per cent from 5,425 to 4,219 between 2009/10 and 2013/14.

Student demand for accommodation

For the academic year 2013/14, 4,100 students in Bradford required accommodation either in the purpose-built or off-street sector. Sixty-one per cent of students undertook their studies from their parental or own home. This is a considerably higher figure than anticipated.

Supply of accommodation

Of the total current supply of 5,850 bed spaces, 4,350 are accounted for by purpose-built student accommodation (institutional and commercial). The remaining 1,500 bed spaces represent the off-street shared housing sector. The ANUK/Unipol Code of Standards covers 3,755 bed spaces and 595 bed spaces are

[1] *Bradford owners' briefings*, Unipol

currently provided outside the Code. Most purpose-built student accommodation (PBSA) provision is located on the University campus or in the city centre or in adjoining Shearbridge.

Level of over-supply

On this basis, the level of over-supply amounts to around 1,750.

Empty bed spaces

As at July 2014, Unipol had advertised 685 bed spaces in off-street properties since the start of the house hunting season. By October 2014, 331 bed spaces had been let, leaving 354 bed spaces unlet. On the basis of the available data, 61 per cent of PBSA provision is let and occupied for 2014/15, leaving a potential surplus of 39 per cent of bed spaces, or almost 1,740 actual bed spaces. This includes 380 new bed spaces currently available but not yet let. It is likely that take-up of the new bed spaces will be matched by a reduction in occupancy in other PBSA provision. Two thirds of PBSA covered by the ANUK/Unipol Code of Standards is let and occupied, compared to only 28 per cent of non-Code provision. The University-run accommodation at The Green and Vernon Barnby is virtually full but private sector providers are experiencing occupancy rates as low as 26 per cent. The lower than average occupancy levels recorded in some PBSA within the city must call into question the longer term viability of some of that accommodation.

Distribution of students with a residential need

Students living and studying in Bradford are spread across different living situations. Twenty-six per cent of students live in institutional or commercial purpose-built accommodation. Only 13.7 per cent live in private rented housing, either in off-street shared housing or in city centre apartments.

Sixty per cent of new undergraduates chose to live in their own or their parental home, (either in or out of Bradford), almost twice as many as chose to live in PBSA. Very few new students chose to live in off-street shared or city centre private rented housing. Slightly fewer (57 per cent) Year 2 students remained in their parental or own home after their first year, and those that did not were as likely to choose to live in PBSA as in private rented housing, either in off-street or city centre tenancies. Sixty-one per cent of Year 3 students and 58 per cent of Year 4 students remained in their parental or own home, and those that did not were more likely to choose to live in PBSA rather than in private rented accommodation.

Over the period of the study, the balance of various student constituencies has shifted as follows. The proportion of new students living in:

- PBSA has increased from a quarter to a third
- private sector halls has reduced substantially from 22 to 13 per cent
- University run accommodation has increased from four to 19 per cent
- off-street rented housing has reduced by almost half, but from a very low base.

The proportion of returning students living in

- in private halls has stayed the same
- in private halls has reduced from 19 to 16 per cent
- in University run accommodation has increased from 0.9 to 3.7 per cent
- in private rented housing has reduced slightly
- outside Bradford has increased substantially from 14 to 21 per cent.

The proportion of postgraduate students living:

- in PBSA has increased substantially from 24 to 39 per cent
- in off-street private rented housing has dropped from 44 to 30 per cent

- at their parental home or in the own home also increased from 22 to 30 per cent.

Private rented sector: market contraction

The off-street private rented student housing market is much smaller than in other university cities, and judged to have shrunk to its core. There has been a reduction in the number of students in areas of the city with a recognised supply of private rented housing of 25 per cent overall.

Student number plans

For the period 2013/14 to 2018/19 the University plans to grow its total student population by 4.6 per cent from its current base of 9,766 to 10,207. From a new corporate plan focussed on realigning its identity to accord with its heritage as a technology institution, it is inferred that the University will seek to change the balance of its geographical student profile towards more students recruited from outside Bradford and the Leeds City Region. This would increase the number of students with a residential need, although this cannot be quantified. No figures are available from Bradford College. However, its new corporate plan sets out that "we will aim to build our intake of students from within the Bradford District and Leeds City Region, as well as from across the UK. We will continue to welcome and build our intake of international students." Whether either institution will achieve its targets is an open question. However, as this report's survey of the sector suggests, there are strong headwinds that will make it difficult not only to expand but also to maintain current levels and to hold on to existing market share. If numbers do increase, this may turn out to owe more to Bradford's demography as a city of young people than to expansion in non-regional recruits. If so, this will do little or nothing to increase residential demand.

Demographic profile of areas with high student populations

There are approximately 36,000 private rented properties in Bradford as measured at the 2011 Census, or 18 per cent of all housing. The areas with the highest proportions of private rented housing are mostly concentrated in areas close to the University and Bradford College. Only one ward – City Ward – has a substantial student population. The areas surrounding the University of Bradford where students tend to live are characterised by a very substantial BME population; a large proportion of younger households; a significantly lower proportion of people in managerial / professional occupations; higher than average level of unemployment; and people who are economically inactive. In most wards with higher than average student populations there is a mixture of tenures and no one housing tenure dominates any ward. Less than seven per cent of the population of wards other than City Ward were full-time students. This indicates that student concentrations (or 'studentification') are not a key issue in Bradford.

House prices and affordability in areas with high student populations

The average entry level house price in the areas closest to the campuses was just over £76,000, compared to the average for Bradford of almost £86,000. House prices in areas closest to the University and the College tended to be lower than the city average, except in the city centre and parts of Heaton and Frizinghall. That prices are lower than average could make them both affordable and attractive to potential first-time buyers. For entry level properties (one or two bedroom) an average single income of almost £22,000 (around the average income level for Bradford) or a household income of £26,300 would be needed to afford mortgage repayments.

Rent levels

Rents in PBSA developments range from £50 per week for a standard room in the Dennis Bellamy Hall on Laisteridge Lane to £149 per week for a studio in Arkwright Hall. The average ensuite room in a large development was between £60 (Malik Halls) and £108 per week (The Green). Rent levels in the private

rented sector remain lower than in PBSA provision and have fallen over the last year.
Market rents in areas with highest student residence tend to be lower than the city average, but with some variation.

Impact of The Green coming into commission

The Green has been a game changer, with major implications for commercial PBSA and the private rented sector. The shift in student locational and living choices between 2009 and 2014 owes something to the reduction in student numbers, but is largely a function of the University opening The Green Student Village in 2011/12. Compared to 2009, there are 426 more students living in PBSA: 842 more in University or College PBSA, but 416 fewer in privately run PBSA. The provisions managed by CRM and USL have both seen significant reductions in student demand. In off-street shared housing there are 416 fewer students than in 2009. The University of Bradford accommodation now houses just over 25 per cent of students – five times more than in 2009. The proportion of students accommodated by private sector halls has reduced from 53 to 40 per cent and the proportion of students housed in the off-street private rented sector fell from 36 to 27.5 per cent.

In some cases a loss-making development can form part of an overall profitable portfolio and it is fortunate that three buildings within the City have recently been sold or transferred as part of larger portfolio transactions to operators who have several student accommodation developments located throughout the country, allowing risk to be spread and absorbed within their portfolio. Examples of these recent changes would be Wardley House moving into the Sanctuary portfolio, Forster Halls moving into Unite's portfolio and Arkwright Hall moving into Graystar's recently acquired portfolio.
Where local developers or investment funds have only buildings located within Bradford, the risk profile of those developments must be considerably higher. A recent example demonstrating the danger of this higher risk has seen Haria House and Towers – both high quality, well placed developments – put into receivership by Santander Bank because of inadequate returns, almost certainly based on lower than planned occupancy rates.

Forecast change in the student residential market

Pressures are building on existing and planned PBSA and on the off-street rental market in Bradford within the context of changing demand from students:

- There is a growing supply of purpose-build
- Student numbers and student demand for accommodation are unlikely to grow materially
- There is some evidence that lower priced purpose-built developments will be seeking to capture more of the returning student market
- The business environment will be more demanding on product and services:
  - in off-street properties the poorer quality, poorly located developments will be unlet
  - in purpose-built properties poorer located properties will see their rents fall or will remain empty
  - there will be increasing competition between PBSA providers for returning students
- The off-street market is driven mainly by returning students renting in groups, so is likely to face competition from increasing PBSA supply for their core market. The level of off-street housing is probably now at its bedrock level but may suffer some further erosion
- The impact of The Green on private sector PBSA in the city, combined with the strong presence in the market of the option to attend studies from home, may create a structural surplus of accommodation, requiring rationalisation of the PBSA and the off-street housing sector

- Investment in PBSA will continue to exert itself as a significant issue for the Council and the University.

Options for intervention

In the context of its having been reduced to bedrock level and of intensifying competition from PBSA, the off-street student sector faces a bleak future, characterised by widespread over-supply, under-occupation and increasing unviability. These conditions make a Unipol-backed Accreditation-Plus scheme, a workable and effective instrument of intervention. Sitting atop current accreditation arrangements, this would be capable of identifying properties with higher standards (including WiFi and utility-inclusive rents competitive with PBSA) and Unipol would support landlords in achieving these and supporting their badging in the marketplace. The intention would be to provide students looking to enter the off-street sector with an off-street product that does not have an amenity deficit in comparison with PBSA.

Against this background of over-supply, it is important to consider alternative sources of demand for properties no longer wanted by students:

- Home purchase, especially by first-time buyers, would be one option. Average house prices in the areas surrounding the University are substantially lower than the average for Bradford as a whole and have fallen by around six per cent since 2009. While the purchase of housing in this area is relatively affordable for average earners, properties may still be out of the reach of low earners, and first-time buyers may be hindered by the scale of deposits required and stringent lending conditions.
- There is some anecdotal evidence that a number of landlords in the areas where students live are letting as a temporary measure, pending properties being gifted to sons or daughters upon marriage. It may be, therefore, that unwanted properties may revert to use within the local Asian community or may be purchased by others within the Asian community.
- It may be that there are alternative rental markets for unwanted student properties. The difficulties faced by younger households in securing mortgages and accumulating deposits have led to a boom in rental demand, and there could be demand for rented properties unwanted by students among young couples and starter households seeking their first home. However, again this may be of benefit only to average earners.
- Some property owners may consider disposal of unwanted properties to housing associations with a stock base in the areas where students currently live in shared rented housing.

Section 1: Introduction and policy context

1.0 This section describes the business case for the study and sets out the project definition approved by the advisory group established for these purposes. It goes on to survey in summary terms some of the relevant policy and market terrain (including economic, demographic and housing profiling).

1.1 Background

1.1.1 Since its implementation in autumn 2012, a package of radical policy reform in the funding of higher education and the sector's marketisation have effected major change in the shape and patterning of student intakes nationally and locally. This period has been marked by a high level of volatility and the early emergence of some winners and losers in the student numbers game. While some segments – notably international students (both EU and non-EU), postgraduates and mature students – have experienced decline, the resilience of demand in the home full-time undergraduate market, notwithstanding the near tripling of tuition fees, has been the surprise headline. From it, the government has taken its cue to remove the cap on intakes from 2015/16. However, caution needs to be exercised in reading this as a guarantee of fulfilling expansionist ambitions across the board. As the sector continues to stratify and as institutional market positions continue to evolve and settle, some higher education providers will be in a position to exploit the new laissez-faire environment and any pent-up demand in the system, and others will not. There will be an element within the sector which will want to focus on quality and in so doing decide not to go for growth. There will also be an element which stands to lose market share at the expense of others' success in building volume in student intakes. Much, however, remains unknown: whether a capless system is fundable beyond the short term; the policy approach of government after the 2015 General Election; and the success or otherwise of so-called 'alternative [commercial] providers'. That said, it is a conclusion of this report that the institutions in Bradford are not currently well placed to achieve growth and may be vulnerable to predation from local and benchmark competitors, at least in the short term.

1.1.2 Nationally, alongside shifts in student numbers, the student accommodation sector continues to experience structural change. Over the last two decades, in responding to the creation of a mass rather than elite higher education system, many institutions have increased the volume of bed spaces available in purpose-built accommodation, either themselves or through partnering arrangements with the commercial sector.[2] Where this expansion has been insufficient to meet increased student demand, the private rented off-street sector has grown to absorb the excess. Latterly, however, in a volatile student numbers environment, competition to fill existing bed spaces has intensified in those local markets where higher education institutions (HEIs) have experienced lower intakes. Combined with changing consumer expectations more widely, this has led institutions and other accommodation providers to recognise the important contribution that accommodation makes to the broader, student experience beyond academic quality.[3] Accordingly, there has been significant investment in the quality, design and amenity level of purpose-built accommodation. Recent research carried out by Unipol in Leeds and Nottingham has shown that the heightened attractiveness of purpose-built accommodation is beginning to extend into the returning student sub-market, having been confined historically to new students.[4]

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2 See triennial *Accommodation Costs Survey*, NUS / Unipol

3 See *Enhancing the student* experience, CUBO/i-graduate, 2008

4 *Assessment of housing market conditions and demand trends in Inner North-West Leeds*, re'new and Unipol, 2012; *Assessment of student residence and housing market conditions in Nottingham*, re'new and Unipol, 2013

1.1.3 The University of Bradford is finalising a new corporate strategy, the detailed content of which is currently embargoed. From discussion with University managers it is understood that the new strategy sets out plans to transform the focus and profile of the institution and to make it fit to succeed in an increasingly competitive environment towards 2020.

Bradford College is also in the consultative phase in its planning cycle. In its draft strategy for 2015-20 it is clear that the institution aims to expand its higher and further education intake numbers and to develop the quality of both its academic and support services. It is important for both institutions, in recognising that student choices are about more than just the course and the learning experience, that the attractiveness of the institution to prospective applicants is underpinned by the provision of/easy access to an appropriate range of good quality accommodation, provided in the right numbers. Researching and analysing market trends (including student preferences and the changing shape of provision) are a precondition of developing a strategy that provides this underpinning through a cost-effective approach.

1.2 Project definition

1.2.1 The purpose of this research is:

- to establish reliable information to facilitate an informed debate on the current and future environment and on options for intervention
- to help stakeholders (Bradford Metropolitan District Council, the University of Bradford, Bradford College, Unipol and other student accommodation providers/agents) adjust their business models appropriately to account for change
- to comment on the probable shape of the rental market both now and in the immediate future.

1.2.2 The objectives were set as following:

- to survey the policy and strategic context for the housing of students in Bradford
- within that context, to identify patterns of provision and current use and likely future accommodation needs
- to analyse student housing demand and preference
- to investigate and evaluate whether the accommodation offered to students coming to Bradford meets the demand and preference of students and their parents
- to identify overall housing market drivers with a potential impact on student housing, the demographic composition of areas with student populations and the incidence of empty bed spaces/ properties in areas with student populations.

1.2.3 In Bradford currently student accommodation provision is mixed both in terms of type, age and level of amenity and facilities. Specifically, therefore the research has aimed to identify:

- the balance of student residence between purpose-built student accommodation (PBSA), off-street rented housing and residence in their own or their parents' home
- changes in student residence and demand between 2009 and 2014 (using these two years' data as bases for comparison)
- the impacts of the building of substantial stocks of purpose-built accommodation in Bradford
- the changing nature of student demand.

The research has been undertaken with the co-operation and full practical input and support of the University of Bradford, Bradford College and the City of Bradford Metropolitan District Council.

1.3 Current national policy context

1.3.1 *Higher education*

Changes to national higher education policy in recent years significantly affect the shape and direction of housing markets in cities with large student populations. Chief amongst these have been the legislative and regulatory measures effected by the coalition government from autumn 2012. To date, these have created uncertainty and variant fortunes for both higher education and student accommodation providers. The prospect of further market liberalisation in the higher education market now heightens the mood of uncertainty. What is clear is that some institutions will be beneficiaries and some will lose out. These outcomes will feed directly through to student housing markets and suppliers that operate in them. The intensification of competition among education providers will therefore be closely paralleled among student housing providers, both within and between the sub-markets of institutional, purpose-built and off-street provision. .

1.3.2 *Welfare reform*

It is likely that the supply of shared housing will need to increase as a result of welfare reform introduced in April 2012 to restrict housing benefit for claimants under 35 to the cost of a room in a shared house.

1.3.3 *Localism*

The Localism Act 2011 enables local authorities to fulfil their duty to rehouse in private rented housing. This may exert pressure on landlords, unable to let to students, to consider letting to homeless families and other households in housing need.

1.3.4 *Housing markets and strategy*

There is strong evidence that, over the last five years, major housing market changes have taken place which have affected the housing options open to households in Bradford.

Since the credit crunch in 2008 the banking sector has adopted restrictive lending practices. To obtain a mortgage, borrowers are required to make significantly larger deposits than was previously the case. At the same time, house prices in many areas are unaffordable to first-time buyers, notwithstanding the price falls seen in some areas and for some property types. Taken together, these factors have conspired to present many first-time buyers with highly challenging or insurmountable obstacles to gaining access to home ownership.

The difficulties faced by those on around average incomes in becoming home owners have led to an increase in renting. However, many of those in the 'squeezed middle' would have difficulties affording full market rents, and many single people in work are deciding to take up shared housing in the private rented sector instead.

The government's intention to define affordable housing as being set at rents at 80 per cent of market levels ('Affordable Rents') reduces prospects for developing additional homes for letting at social rents. Recent proposals to force housing built to replace homes sold under the 'reinvigorated right to buy' to be offered at Affordable Rents make these prospects very remote. This bleak outlook has, furthermore, prompted concerns that letting to benefit claimants at 80 per cent market rents could create a trap in which claimants would only be able to afford the rents while on benefit and would be unable to afford them if they took up low-paid work. Concern has also been registered that relettings at 80 per cent market rents could create a two-tier housing association or council stock.

Affordable Rents could, however, be attractive and affordable to average earners who are unable to buy. They could also provide a 'new' market for housing associations. Products offered through the Homebuy and local authority mortgage schemes, along with rent to mortgage schemes, may enable first-time buyers to find a route into home ownership, but critics of such schemes fear they may contribute to house price bubbles.

1.3.5 *The local demographic and economic context*

Location of students

Analysis of the 2011 Census shows that 6.7 per cent of the population of Bradford were full-time students over 16, in general terms distributed widely over the district. Table 22 below shows that only one ward – City Ward – had a substantial student population, unsurprising in virtue of its proximity to the University of Bradford campus and Bradford College.

Table 1: Full-time students as a percentage of the population of wards with above average student populations

Ward	**Students**	**Population**	%
City Ward	6,241	23,485	26.57%
Toller Ward	1,784	19,914	8.96%
Bradford Moor Ward	1,883	21,210	8.88%
Manningham Ward	1,685	19,983	8.43%
Heaton Ward	1,427	17,121	8.33%
Little Horton Ward	1,585	21,547	7.36%
Bowling and Barkerend Ward	1,462	20,618	7.09%
Great Horton Ward	1,239	17,683	7.01%

(*Source: 2011 Census L15 Full-time students (percentage of all aged 16-74*)

Less than seven per cent of the population of all other wards were full-time students. This indicates that student concentrations (or 'studentification') are not a key issue in Bradford. To provide some comparison, research in Nottingham showed that 17 of the 29 wards had a percentage of students higher than the average in Bradford. Research in Leeds showed that students made up around 90 per cent of the population in the area around the universities and over 50 per cent of the population in the Hyde Park and Woodhouse areas. A full breakdown is given in Annexe 1.

Demographic projections show a continuing upward trajectory in the numbers of young people in Bradford and surrounding areas, which may feed through into higher domestic demand for places in higher education.

Demographic characteristics

The areas surrounding the University of Bradford where students tend to live are characterised by a very substantial black and minority ethnic (BME) population; a large proportion of younger households; a significantly lower proportion of people in managerial or professional occupations; higher than average level of unemployment; and people who are economically inactive.

Table 2: Demographic characteristics in wards with the highest proportions of student residence

2011 Census indicator	**Wards with most students - under 2 miles from campus**	**Wards with most students - 2 to 3 miles from campus**	***Bradford average***
Age			
Under 16	27.9%	30.5%	***23.4%***
% aged 16 - 25	17.2%	13.9%	***12.1%***
% aged 25 - 44	31.7%	31.0%	***28.2%***
% aged 45 - 65	17.7%	16.1%	***22.9%***
% aged 65 - 85	6.6%	7.2%	***11.5%***
Over 85	1.0%	1.3%	***1.8%***
Average age	28	28	***34***
Household type			
Families with children	41.3%	43.7%	***33.9%***
Lone parents	10.9%	12.6%	***11.1%***
Couples under 65 without children	14.5%	13.4%	***18.6%***
Single people under 65	22.7%	14.2%	***18.5%***
Couples over 65 without children	3.0%	3.0%	***6.5%***
Single people over 65	7.7%	13.1%	***11.4%***
Ethnicity			
White British	21.6%	23.2%	***63.9%***
Irish	0.5%	0.5%	***0.6%***
European	7.3%	5.1%	***3.7%***
Black and minority ethnic (of which)	70.7%	71.4%	***29.3%***
African Caribbean	4.0%	2.2%	***1.8%***
Indian, Pakistani, Bangladeshi, Arab	59.3%	63.0%	***25.6%***
Chinese, other Asian	4.1%	3.3%	***1.9%***
Mixed ethnicity	3.3%	2.9%	***2.5%***

(*Source: 2011 Census in ONS Neighbourhood Statistics 2014*)

Table 2 shows that those wards closest to the University of Bradford and Bradford College have demographic characteristics at significant variance from the average for Bradford. The proportion of people from a black or ethnic minority in the areas closest to the University is more than double that for Bradford as a whole. A higher than average proportion in the areas closest to the University are aged under 25, compared to 35 per cent across Bradford. There are significantly fewer people aged over 65 in the areas closest to the University, when compared to Bradford as a whole.

Table 3: Economic characteristics in wards with the highest proportions of student residence

2011 Census indicator	**Wards with most students – under 2 miles from campus**	**Wards with most students – 2 to 3 miles from campus**	**Bradford average**
Employment			
Full-time employed	22.9%	22.3%	***34.3%***
Part-time employed	13.0%	14.1%	***14.4%***
Self-employed	7.3%	8.3%	***8.6%***
Unemployed	8.0%	8.3%	***5.8%***
Full-time student	5.5%	3.9%	***3.4%***
Retired	7.1%	7.5%	***12.0%***
Other economically inactive	36.3%	35.7%	***21.5%***
Occupation			
Professional/managerial occupations	24.7%	26.5%	***34.8%***
Intermediate occupations	40.5%	40.6%	***42.6%***
Process, plant, machine, routine occupations	34.8%	33.0%	***22.6%***
Education/qualifications			
No qualifications	33.2%	36.4%	***27.7%***

(*Source: 2011 Census in ONS Neighbourhood Statistics 2014*)

Table 3 shows that in areas close to the University and College campus, there is a much smaller proportion of people in full-time work or in managerial and professional occupations, and a higher proportion of people employed in routine (low-paid) occupations or who are unemployed and economically inactive than for Bradford as a whole. However, there are enough people in average or higher-paid work to afford market house prices and rents in those areas.

<u>Housing tenure and housing type</u>

Table 4: Housing tenure in wards with highest student residence

Ward	**All households**	**% students**	**Home owners**		**Rented from a housing association[5]**		**Private rented**	
City Ward	7,489	26.57%	2347	31.3%	1,595	21.3%	3,396	45.3%
Toller Ward	5,331	8.96%	3495	65.6%	474	8.9%	1,265	23.7%
Bradford Moor Ward	5,756	8.88%	3363	58.4%	1,011	17.6%	1,241	21.6%
Manningham Ward	5,605	8.43%	2591	46.2%	1,603	28.6%	1,260	22.5%
Heaton Ward	5,207	8.33%	3595	69.0%	559	10.7%	970	18.6%
Little Horton Ward	6,719	7.36%	3159	47.0%	1,814	27.0%	1,572	23.4%
Bowling and Barkerend Ward	7,124	7.09%	3554	49.9%	1,652	23.2%	1,765	24.8%
Great Horton Ward	6,169	7.01%	3930	63.7%	754	12.2%	1,393	22.6%
BRADFORD AVERAGE	**199,296**	**6.67%**	**130,715**	**65.6%**	**29,513**	**14.8%**	**36,070**	**18.1%**

[5] Local authority housing in Bradford has been transferred to InCommunities – a housing association

(*Source: 2011 Census via West Yorkshire Observatory 2014*)

Table 4 shows that in most wards with higher than average student populations there is a mixture of tenures and that no one housing tenure dominates any of the wards listed. This is in contrast to areas of Nottingham and Leeds where private rented housing tended to dominate the housing composition of areas with high student populations. Levels of home ownership, however, tended to be lower than the city average in most wards.

1.3.6 *Housing market context*

The information presented above identifies those wards with the highest student populations. Analysis of housing market conditions in those areas is shown below in Tables 5 and 6.

Table 5: Average house prices for different property types in areas with highest student residence

	1 bed	2 bed	*Entry level*	3 bed	4+ bed	ALL
Areas within 2 miles of the University/College campus						
Shearbridge, Lidgett Green	£50,139	£88,541	***£69,340***	£113,506	£189,451	**£117,537**
City Centre	£76,476	£96,155	***£86,316***	£162,500		**£96,165**
Little Horton, West Bowling	£50,689	£70,769	***£60,729***	£97,678	£178,020	**£97,396**
Heaton, Frizinghall	£81,655	£95,814	***£88,735***	£143,448	£233,724	**£174,413**
Average	*£64,740*	*£87,820*	***£76,280***	*£129,283*	*£200,398*	*£121,378*
Areas within 2 - 3 miles of the University/College campuses						
Manningham, Girlington	£53,185	£77,620	***£65,403***	£105,330	£201,587	**£117,591**
Eccleshill, Fagley, 5 Lane Ends	£67,839	£103,363	***£85,601***	£128,875	£216,235	**£135,322**
Barkerend, Laisterdyke, Bradford Moor	£62,142	£75,236	***£68,689***	£96,117	£127,955	**£92,992**
Holmewood, Tyersal East Bowling	£58,648	£82,187	***£70,418***	£124,028	£198,472	**£128,246**
Average	*£60,454*	*£84,602*	*£72,528*	*£113,588*	*£186,062*	*£118,538*
BRADFORD AVERAGE	**£71,955**	**£99,344**	***£85,650***	**£133,578**	**£264,386**	**£145,478**

(*Source: www.home.co.uk 2014*)

Table 5 shows that the average entry level house price in the areas closest to the campuses was just over £76,000, compared to the average for Bradford of almost £86,000. House prices in areas closest to the University and the College tended to be lower than the city average, except in the city centre and parts of Heaton and Frizinghall. That prices are lower than average could make them both affordable and attractive to potential first-time buyers. This, again, is in contrast to the situation in Nottingham and Leeds where prices in areas with high student populations were higher, sometimes considerably higher, than the city averages.

Table 6 below shows that house prices on average reduced in Bradford, and in those areas with higher than average student populations. This operates as a double-edged sword. While reducing prices help make properties more affordable, the trend in price reduction can act as a barrier to demand affecting confidence in those areas as places with the prospect of affluence.

Table 6: Movements in house prices between 2009 and 2014 for different property types in areas with highest student residence

Difference 2009-14	1 bed	2 bed	Entry level	3 bed	4+ bed	ALL
Areas within 2 miles of the University/College campus						
Shearbridge, Lidgett Green	-18.3%	-6.3%	***-11.0%***	-9.9%	-14.7%	**-3.8%**
City Centre	-6.3%	-5.1%	***-5.6%***	-38.0%		**-3.8%**
Little Horton, West Bowling	-7.2%	-13.1%	***-10.8%***	-11.4%	-4.3%	**-10.3%**
Heaton, Frizinghall	-5.4%	-7.4%	***-6.2%***	-1.2%	-5.9%	**-7.0%**
Average	**-8.8%**	**-7.7%**	***-8.1%***	**-19.7%**	**-8.4%**	**-6.3%**
Areas within 2-3 miles of the University/College campuses						
Manningham, Girlington	-11.3%	-21.6%	***-17.7%***	-19.2%	-3.5%	**-8.8%**
Eccleshill, Fagley, Five Lane Ends	-2.9%	-8.5%	***-6.4%***	-6.3%	9.7%	**1.0%**
Barkerend, Laisterdyke, Bradford Moor	-23.0%	-10.6%	***-16.6%***	-8.7%	-10.0%	**-5.5%**
Holmewood, Tyersal East Bowling	-15.9%	-21.1%	***-19.0%***	1.5%	-24.7%	**-0.1%**
Average	**-13.7%**	**-15.4%**	***-14.7%***	**-8.3%**	**-8.3%**	**-3.2%**
BRADFORD AVERAGE	**-17.0%**	**-12.7%**	***-14.6%***	**-7.1%**	**-8.3%**	**-5.6%**

(*Source: www.home.co.uk 2014*)

Table 7 below shows the annual income needed to afford different property types in the areas of highest student residence. It shows that for entry level properties (one- or two-bed) an average single income of almost £22,000 (around the average income level for Bradford) or a household income of £26,300 (the equivalent of one full-time and one part-time income of £15,000 per year) would be needed to afford mortgage repayments. A higher income could be required with the more restrictive and cautious lending practices introduced in April 2014.

Table 7: Annual income needed to afford entry level house prices in areas with highest student residence

	1 bed	2 bed	Entry level	3 bed	4 bed
Single income	£18,497	£25,091	£21,794	£36,938	£57,257
Joint income	£22,324	£30,283	£26,303	£44,580	£69,103

(*Source: www.home.co.uk 2014; Annual Survey of Hours and Earnings, Office for National Statistics 2013*)

Table 8: Level of deposit needed to secure a mortgage for entry level house prices in areas with highest student residence

University area	1 bed	2 bed	Entry level	3 bed	4 bed
20% deposit	£12,948	£17,564	£15,256	£25,857	£40,080
10% deposit	£6,474	£8,782	£7,628	£12,928	£20,040

(*Source: CML 2013*)

Table 8 shows that a deposit of £15,256 would be needed to secure a mortgage for an entry level property in those areas with highest student residence, and a deposit of between £26,000 and £40,000 would be needed to secure a mortgage for a three- or four-bed property. Average earners may be able to afford mortgage payments at these levels of prices, but it still may take them almost four years to accumulate the deposit. For those on low incomes it could take between eight and 17 years to accumulate the deposit required.

Table 9: Market rents in areas of highest student residence

Monthly market rents	1 bed	2 bed	3 bed	4+ bed	ALL
Areas within 2 miles of the University/College campus					
Shearbridge, Lidgett Green	£364	£452	£454	£503	**£485**
City Centre	£417	£553	£386		**£482**
Little Horton, West Bowling	£412	£382	£460	£565	**£455**
Heaton, Frizinghall	£373	£415	£524	£635	**£431**
Average	*£392*	*£451*	*£456*	*£568*	*£463*
Areas within 2-3 miles of the University/College campuses					
Manningham, Girlington	£382	£392	£443	£498	**£408**
Eccleshill, Five Lane Ends	£354	£459	£497	£607	**£449**
Barkerend, Laisterdyke	£380	£415	£437	£472	**£416**
Tyersal,Holmewood,Bierley	£380	£412	£476	£620	**£453**
Average	*£374*	*£420*	*£463*	*£549*	*£432*
BRADFORD AVERAGE	**£404**	**£488**	**£512**	**£596**	**£483**

(*Source: www.home.co.uk*))

Table 9 shows that market rents in areas with highest student residence tend to be lower than the city average, but with some variation. While this would suggest a more affordable level of rent in those areas, Tables 10a and 10b show that affordability is limited to those on or around average income levels.

Table 10a: Income needed to afford market rents in areas with highest student residence

	1 bed	2 bed	3 bed	4+ bed	ALL
Areas 1-2 miles from the University/ College	£16,443	£18,921	£19,152	£23,842	£19,457
Areas 2-3 miles from the University/ College	£15,708	£17,619	£19,457	£23,069	£18,123
Bradford average	***£16,968***	***£20,496***	***£21,504***	***£25,032***	***£20,286***

(*Source: www.home.co.uk 2014; Annual Survey of Hours and Earnings, Office for National Statistics 2013*)

Table 10b: Proportion of monthly income of different income groups taken by market rents in areas of highest student residence

	1 bed	2 bed	3 bed	4+ bed	ALL
Bottom 10% income	53.1%	61.2%	61.9%	77.1%	62.9%
Bottom 25% income	25.4%	29.3%	29.6%	36.9%	30.1%
Average income	14.1%	16.2%	16.4%	20.5%	16.7%

(*Source: www.home.co.uk 2014; Annual Survey of Hours and Earnings, Office for National Statistics 2013*)

Table 10a shows that an income of between £17,000 and £20,500 is needed to afford market rents for one- or two-bed properties, and between £19,000 and £24,000 for three beds or more in areas with high student populations. Table 10b shows that for the very lowest earners market rents in the areas with high student populations would take between 53 and 77 per cent of average monthly income. Rents would be just about affordable to those on lower than average incomes and comfortably affordable to average earners.

Section 2: Supply of accommodation for students in Bradford

2.0 This section presents data on the shape of the student housing sector in Bradford, including accommodation types, rent levels and occupancy rates.

2.1 Students in Bradford are accommodated through a mix of PBSA, run either by the University of Bradford, Bradford College or private sector providers; city centre located private rented apartments; and off-street shared private rented housing – or they live in their own or their parents' home.

2.2 Purpose-built student accommodation

There are currently 4,350 bed spaces in PBSA in Bradford spread across University maintained accommodation and accommodation run by private sector providers. The ANUK/Unipol Code of Standards covers 3,755 bed spaces and 595 bed spaces are currently provided outside the Code. Table 11 below gives a breakdown of accommodation provision with numbers of bed spaces and ownership.

Table 11: Purpose-built student accommodation in Bradford 2014

Accommodation	**Provider**	**Location**	**Bed spaces**	
			No	**%`**
Code of Standards accommodation			**3,799**	**85.0%**
The Green	University of Bradford	Campus	1,026	22.9%
Vernon Barnby Hall	University of Bradford	Frizinghall	34	0.8%
Arkwright Hall.	Prodigy House	Campus	754	16.9%
Wardley House.	Sanctuary Students	City centre	290	6.5%
Forster Hall	UNITE	Shearbridge	504	11.3%
Kexgill House/Edmund Street	Kexgill	City centre	74	1.7%
Campus House (33)	Campus House Ltd	Campus	52	1.2%
Haria House/Tower	TigerLime Ltd	Campus	325	7.3%
Laisteridge Lane	Universal Student Living	Shearbridge	490	11.0%
Grattan Residence	Grattan Studios	City centre	35	0.8%
Doris Birdsall Halls	Bradford College	Campus	55	1.2%
Appleton Point (Sept 2014)	South Street IM Ltd	City centre	160	3.6%
Accommodation not in the Code of Standards[6]			**673**	**15.0%**
Malik and Trigg Halls	Malik Halls	Campus	219	4.9%
Castle - Elm Field Villas	Castle Ltd	Heaton	34	0.8%
Hockney Court (pods)	Priestley & Co	City centre	19	0.4%
SummerBerry (Studios)	Absolute Living	City centre	160	3.6%
Castle - Challow Field Court	Castle Ltd	Heaton	21	0.5%

6 Of the accommodation not covered by the ANUK/Unipol Code of Standards, Hockney Court, Summer Berry and Sunbridge Halls are not exclusively for students

Sunbridge Halls (Pods - 2014)	Daniel Jones/Proudfoot	City centre	220	4.9%
All Purpose Built			**4,472**	**100.0%**

(*Source: Unipol 2014)*

Most PBSA provision is located on the University campus or in the city centre or in adjoining Shearbridge. Three provisions (Vernon Barnby, Challowfield Court and Elm Field Villas) are located in Frizinghall and Heaton respectively, and aim to serve the University of Bradford Business School, located in Frizinghall.

Table 12: Rents for PBSA 2014

	Standard/ standard + room	**Ensuite/ ensuite +**	**Studio/ large studio**	**Town house**
The Green		£108		£100
Vernon Barnby		£89		
Doris Birdsall		£81		
Haria House/Tower		£77-£95	£110-£140	
Forster Hall		£75-£95	£140	
Laisterdge Lane Halls	£50-£55	£65-£75	£100-£105	
Malik Halls		£60-£65		
Arkwright Hall		£75-£94	£149	
Campus House	£60		£110-£125	
Wardsley House		£78		
Gratton			£100-£140	
Castle Residences		£63-£87		
SummerBerry			£85-£100	
Appleton Point			£99-£155	
Sunbridge Halls			£115	
ALL	**£50-£60**	**£60-£108**	**£85-£149**	**£100**

(*Source: Unipol, Accommodation Provider websites 2014*)

Table 12 shows that rents in PBSA developments range from £50 per week for a standard room in the Dennis Bellamy Hall on Laisteridge Lane to £149 per week for a studio in Arkwright Hall. The average ensuite room in a large development was between £60 (Malik Halls) and £108 per week (The Green). Rents at large developments increased by five per cent between 2012 and 2013. Average rents for new city centre studio or 'pod' developments increased by 36 per cent between 2012 and 2013. This places rents for PBSA at a considerably higher level than off-street shared housing.

The new student housing developments being developed by non-traditional developers could be seen as investment opportunities as much as they are means of meeting student accommodation needs. Appleton Point describes itself as the 'Appleton Point Investment Opportunity' offering an opportunity to reserve units on a 999-year lease for £5,000 with nine per cent net yields assured for five years, interest paid on deposit providing immediate returns and an exit strategy with £18,000 minimum profit[7]. Promotional information for Sunbridge Halls refers to 'student accommodation –

[7] http://www.appletonpointstudent.com/why-invest

the no. 1 choice for property investment in the UK' and that 'for the past five years student accommodation has been the strongest growing investment property market in the UK, with Knight Frank reporting a rental growth of 5 per cent p.a. over this period, compared to 0.6 per cent for commercial property'. [8]

The promotional information for these schemes have a tendency to overstate the numbers of students in Bradford [9] (Appleton Point states that there are 37,000 students in Bradford and SummerBerry Residences claims that Bradford is host to over 40,000 students, with the University alone having over 20,000).[10] Promotional literature tends also to use past student application trends to suggest vastly increasing potential demand; asserts that there is a severe shortage of purpose-built accommodation; compares their product to 'outdated university accommodation'; and claims that student accommodation providers are reporting 100 per cent occupancy rates.[11]

2.3 Private rented housing

There are approximately 36,000 private rented properties in Bradford as measured at the 2011 Census, or 18 per cent of all housing. Table 13 shows the areas with a proportion of private rented housing above the city average. It shows that the areas with the highest proportions of private rented housing are mostly concentrated in areas close to the University and Bradford College.

Table 13: Wards with above proportions of private rented housing 2011

Ward	Private rented	
City Ward	3,396	45.3%
Bowling and Barkerend Ward	1,765	24.8%
Shipley Ward	1,661	23.8%
Toller Ward	1,265	23.7%
Little Horton Ward	1,572	23.4%
Keighley Central Ward	1,395	22.7%
Great Horton Ward	1,393	22.6%
Manningham Ward	1,260	22.5%
Bradford Moor Ward	1,241	21.6%
Bolton and Undercliffe Ward	1,221	19.2%
Heaton Ward	970	18.6%

(*Source: 2011 Census/ONS Neighbourhood Statistics 2014*)

Table 14 shows that rent levels in the private rented sector remain lower than in PBSA provision apart from the newer city centre located studio and pod developments, and have fallen over the last year. It may be expected that rent levels are key drivers of residential demand. However, research has shown that rent levels are less important to students than location and quality of amenities.[12] Private rented properties that are considered too far away from the University or do not have expected amenities (heating, security and increasingly WiFi or broadband connectivity) may become difficult to let.

8 http://www.trivellesinternational.com/current-projects/4
9 Appleton Point claim there to be 37,000 students in Bradford
10 http://summerberryresidences.com/brochure.pdf
11 For example, http://www.trivellesinternational.com/current-projects/4
12 *Assessment of housing market conditions and demands in Inner North-West Leeds*, re'new and Unipol 2012

Table 14: Rent levels in off-street shared housing compared to other accommodation 2013

Type	2012/13	2013/14	Change
Shared house	£46.92	£45.70	-2.6%
Shared flat	£71.49	£66.76	-6.62%
Self-contained flat	£76.73	£73.00	-4.86%
City centre studio flat	£81.67	£111.43	+36.44%
Comparators			
Large developments	£79.30	£83.76	+5%
Lodger with owner occupier	£66.82	£65.88	-1.41%

(*Source: Unipol 2014*)

Table 15 below shows the proportion of private rented properties accredited under the ANUK/Unipol Code of Standards with various kinds of amenity provision. It shows that provision of amenities, while improving, is still some way short of the levels provided by landlords in Leeds (except for washing machines and fully zoned fire protection).

It may be that there has been greater competition in Leeds between landlords and with the PBSA sector for student (and parent) demand which has pushed up standards. Student expectations of their accommodation are increasing and failure to improve provision may well lead to falling demand for properties.

Table 15: Provision of amenities in off-street shared rented housing 2013

Facilities provided by landlords in Bradford	2012	2013	% in Leeds
Double beds in all rooms	75%	76%	95%
Full double glazing	84%	87%	93%
Washing machine	84%	96%	97%
Dishwasher	9%	11%	25%
Mains interlinked smoke detection	42%	45%	56%
Fully zoned smoke detection	35%	39%	39%
Battery smoke detection	15%	13%	0%
Burglar alarm	69%	84%	88%

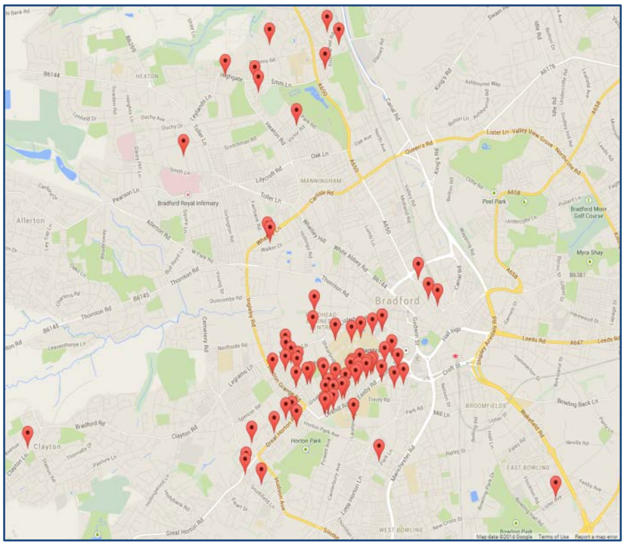
(*Source: Unipol Owners Briefing 2014*)

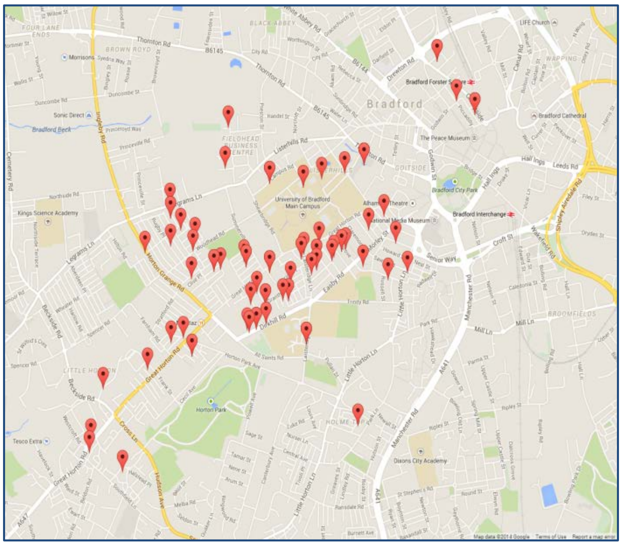
2.4 Empty or unlet bed spaces

As at July 2014, Unipol had advertised 685 bed spaces in off-street properties since the start of house hunting season. By October 2014, 331 bed spaces have been let, leaving 354 bed spaces unlet.

Fig 1: Distribution of empty bed spaces the advertised on the Unipol database

Fig 2: Empty bed spaces in areas close to University campus





(*Source: Unipol 2014*)

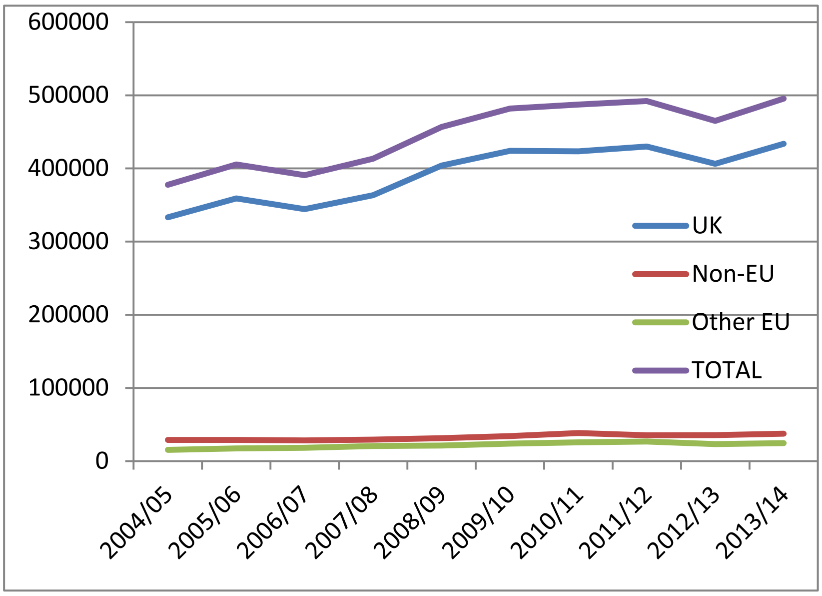
Figure 1 shows the distribution of empty bed spaces according to the Unipol database of advertised properties. It includes properties both within and outside the Unipol Code, as well as large developments. Figure 2 is centred on the Bradford University campus and shows a cluster of empty bed spaces close to it. It is possible that this clustering effect is attributable to the relatively high level of voids in some PBSA schemes close to the campus (especially around Laisteridge Lane). Figure 1 shows that there are clusters of empty bed spaces in Manningham and Heaton and in the Great Horton area.

Section 3: Student demand

3.0 This section summarises the complex and dynamic national higher education policy and market environments. Because these national factors feed through directly to institutional recruitment performance, this is considered important context in which to locate the historic student number trends in Bradford and forecasts on intakes and overall student populations, which are described thereafter. It also provides a commentary on evidence of changing accommodation preferences for accommodation among students.

3.1 Survey of the higher education sector

Graph 1: UK student acceptances by domicile 2004/05 – 2013/14



(*Source: UCAS*)

Graph 1 shows overall sustained growth in full-time student acceptances over the last decade. This reflects a long-term government policy of expansionism, which dates back to the late 1980s. This growth has been sustained in recognition of the need for the higher education sector to supply high-level intellectual capital in far greater volume into an economy and labour market that place ever-increasing value on knowledge over other traditional job skills.

Aberrations within the upward trend are attributable to the introduction of tuition fees and subsequent hikes in their chargeable level. Most recently the near-trebling of fees in autumn 2012 created substantial volatility within the sector, reflected in the marked dip for that year's entrants. These intermittent adjustments to tuition fee levels are an expression of a political consensus that the beneficiaries of higher education should directly bear increasingly more of the cost of providing it than the tax payer. The extent of the 2012 rise had to do with the urgent need, exacerbated by strong recessionary forces, to resolve funding pressures in the system and to deliver more degrees at a lower unit cost.

The mood of uncertainty evinced by the raising of the fee cap in 2012 was significantly compounded by the simultaneous introduction of a far-reaching package of reforms, in origin partly pragmatic (retrenchment) and partly ideological (marketization). In summary, these comprised:

- establishing a new student loans system to enable the transfer of funding from the public to the private purse by spreading the cost to consumers through graduate repayments to the Treasury, made over the course of each student's post-qualification career
- allowing universities to recruit as many high-graded students as they can (grades AAB+ for 2012/13 and ABB+ for 2013/14 and 2014/15)
- retaining an overall cap on the numbers of students in the system in order to manage the costs of the government-funded student loans book
- making available a 'flexible margin' of places (20,000 in 2012/13, and a reallocation of 5,000 in 2013/14) for lower-charging institutions in order to reward providers who offer good quality and value for money
- putting in place measures to encourage new providers (further education colleges and commercial operators) to enter the market in order to extend competition and choice and to help reduce the costs of provision
- empowering applicants to make better choices by requiring institutions to publish a range of detailed information, including course-level satisfaction amongst students and post-qualification employment rates and salary levels – and thereby bringing consumer pressure on HEIs to improve the quality of their services.

In student number terms, the immediate impact of these measures was a sharp drop in the intake in 2012 for England – 28,000, nine per cent below the anticipated level. There was much debate at the time about the specific causes of this contraction and whether it was likely to be a transitory or enduring effect. On the specific question of the fee hike, HEPI's assessment turned out to be right: the short-term impact of the rise in tuition fees was 'negligible' once ephemeral factors (e.g. deferments) had been filtered out. [13] The autumn 2013 recruitment round saw a return to growth, albeit more modest than the annual trend over the preceding decade. Questions remained, however, about the nature of the bounce and whether other drags on expansion had gone away or not. Prevailing headwinds identified by sceptics include:

- The 2011 Census confirms a major and sustained fall in the number of 18-20 year olds in the UK. Writing in 2008, the authors of *The future size and shape of higher education sector in the UK* forecast a drop of 70,000 (-4.6 per cent) student places on contemporaneous figures by 2020 as a result of demographic shrinkage for this age group, indicating that universities would have to 'seize new markets for older, part-time and overseas students', categories for which many institutions currently face significant recruitment challenges[14]
- In the June 2013 spending review the Department for Business, Innovation and Skills suffered a further six per cent cut for the 2015/16 with student grants frozen
- Science and research funding, whilst 'protected' by the Chancellor as held flat in cash terms, has been handed a real-terms cut of 8.7 per cent between 2010/11 and 2017/18[15]

13 *The impact on demand of the government's reforms of higher education*, HEPI, November 2012

14 *The future size and shape of higher education in the UK: threats and opportunities*, 2008, Nigel Brown, Brian Ramsden

A critical path: securing the future of higher education in England, IPPR Commission on the Future of Higher Education, June 2013, p115

- A major deficit in the accounts of the government's students loans system as a result of the Treasury's over-estimation of revenue from student loan repayments may be clawed back through further funding cuts in higher education[16]
- Decline in postgraduate and part-time student numbers is becoming an entrenched feature of the market following years of policy neglect. The most up-to-date figures available from the Higher Education Statistics Agency show that a total of 568,505 students were in postgraduate education in 2011/12 – more than 20,000 fewer than the 588,720 in 2010/11, which equates to a three per cent fall. The drop was steeper for UK students, whose numbers fell by four per cent overall, down from 375,030 in 2010/11 to 358,800
- There are strong indicators of a decade of lost growth, in which the family budgets of aspirational socio-economic groups are squeezed at the same time as the repository of professional jobs in the economy shrinks, making the returns on a high level of investment for a degree education less clear and less certain for many consumers[17]
- As global competition intensifies, there is a prospect of further decline in international student intakes following the drop experienced in 2012/13 from 311,800 to 307,205. Within this figure, there is particular concern about the recruiting grounds of India and Pakistan and the international postgraduate and EU undergraduate sub-markets. This is widely being ascribed to perceptions of hostile visa and immigration policy and, for EU intakes, to fee levels
- The rapid rise of mass open online courses (so-called MOOCS) may, in time, threaten traditional notions of a 'university' and disrupt demand for provision based on attendance in person.

The reality is that some of these factors continue to be material and some do not: further funding cuts remain a strong possibility; postgraduate and international student sub-markets are still a concern; and the impact of MOOCs will not become clear for some time. What is clear, however, is the surprising resilience of demand among home applicants for full-time undergraduate courses. In spite of recession, there is a strong and growing appetite among young people to enter higher education. This is largely driven by poor career/training alternatives and by a paradigm shift in life/study expectations and horizons for many young people, allied to a growing acceptance that higher education entails substantial financial investment by the consumer and a significant level of indebtedness.

Sustained market buoyancy for full-time home undergraduates is evidenced by UCAS's findings from the autumn 2013 recruitment round. The major headline was that 30,700 more people were placed in higher education in the 2013 cycle (up 6.6 per cent and the highest number recorded). This was as a result both of increased applications (3.6 per cent up) and of increased offers and acceptances. The report also identified a significant shortfall in places when applicants were set against the numbers accepted.[18] From the UCAS evidence base, the government concluded that, since the introduction of higher tuition fees in 2012/13, 60,000 who achieved the necessary grades missed out on a place because of an 'arbitrary cap' on student numbers. Accordingly, in his 2013 autumn statement, the Chancellor announced the lifting of the cap on student numbers for entry in 2015/16. Additionally, the autumn statement contained further policy changes:

- 30,000 additional places to be released in the sector for the 2014/15 round

16 *Op cit*, pp125-6
17 *University experiment likely to shrink higher education permanently*, *The Guardian*, 4 February 2013
18 *End of cycle report*, UCAS, December 2013

- For private HE providers, limitations to remain in place for 2014/15 – recruitment to be limited to the numbers taken in 2013/14 although it is worth noting that the level for 2013/14 was significantly higher than anticipated). From 2015/16, private providers will enjoy unfettered recruitment on the same terms as the 'public sector'
- Expansion to be funded by the sale of the student loan book
- Within the Science, Technology, Engineering and Maths initiative, there will be additional funding of STEM students (£50M) for the sector per academic year from 2015/16. The government calculates the extra cost of student grants and teaching grants as £720M in 2018/19.

Government thinking behind this new set of policy changes is that:

- growing the sector is essential to ensure the UK economy is economically sustainable and competitive.
- retaining a cap would represent a bar to aspiration
- removing the cap will increase competition in the sector, giving popular HEIs the scope to grow and forcing institutions to focus on quality, the student experience and the value of qualifications for graduate career prospects.

For 2014/15 HEFCE increased the upper margin of tolerance on student number controls from three to six per cent in order to allow institutions to go for growth more confidently with reduced fear of penalty in the event of over-recruitment.

Taken at face value, the UCAS findings and the government's response in removing the cap strongly suggest a recruiting bonanza for the sector as a whole. Caution is, however, being sounded amongst senior managers and pundits within higher education. There are two aspects to this: unsustainability in funding and strong variation within the market as stratification deepens.

There is broad-based scepticism that the expansion is affordable. The Institute for Fiscal Studies concludes from its analysis that the approach is not viable in the medium to long term[19]. Some parts of the sector have expressed concerns about the effects of laissez-faire on the quality of higher education. The Russell Group in particular remains unpersuaded by the Secretary of State's assurances of future state intervention if quality suffers. They have also asked for the additional STEM funding to be targeted at existing providers rather than it being used to develop new provision; and for reductions in BIS funding NOT to result in reductions in university research funding. As a group, therefore, they are holding to their existing planning projections on student numbers (although some opportunistic recruitment of higher-graded applicants is likely to go on and this may result in marginal growth in some, but substantial expansion in those that deviate from the line).

There is divided opinion about the likely effects of the cap removal on the size and shape of the sector. HEPI leads the sceptical view, which reads the move as part ideological, part electioneering and part experiment in full marketisation, and tends strongly to the position that, irrespective of the colour of the next government in 2015, the lid will close again from as early as 2016/17.[20]

[19] See for example: *Estimating the public cost of student loans*, Claire Crawford, Rowena Crawford, Wenchao Jin for Institute for Fiscal Studies, April 2014

[20] In the medium to long term squaring the circle on student loan debt may be resolved by getting individual institutions to hold the loans belonging to their own graduates. Although publicly aired by the BIS in July 2014, this is reportedly not likely to form part of any manifesto or to be put forward as prospective policy anytime soon, because existing systems capabilities would not adequately support such a set-up.

There will, in any case, be a 'soft cap' – somewhere in Whitehall there will be a budgetary bottom line. Just how the government plans to stick within this is unknown. However, it may have calculated that the places taken up in 2014/15 and 2015/16 will not reach the new levels it has set on the basis of unmet demand indicated in the UCAS end-of-cycle report. If this is the case – as seems likely – the government/HEFCE will be spared the logistical, political and ideological problem of having to make state intervention. The view that the government's quantification of unmet demand is too high has been expressed amongst vice-chancellors and commentators. As the position for the autumn 2014 recruitment round settles, it is becoming clear at the time of writing that students placed through UCAS will top 500,000. By how much exactly is not yet clear, but it is likely to represent a three to five per cent increase on last year – in numbers, that translates roughly as between 15,000 and 25,000 extra, comfortably within the government's growth parameters.

A comparison of institutional fortunes between 2011 and 2013[21] shows some stark differences already apparent after only two years of the new regime: the top five winners posted increases in UCAS-processed student numbers above 35 per cent; the bottom five suffered between 22 and 38 per cent declines. In the main, where gains were made, these tended to be by pre-1992 institutions and where losses were incurred, these tended to be by post-92 institutions, although there were exceptions to these patterns. (Neither of the Bradford institutions is in either the top or bottom group.)

In the even more marketised world, the emergence of winners and losers will be more pronounced still. The likely losers will be further education colleges and those higher education institutions that rely on picking up students from 'better' universities that have reached their limit. Student numbers at Russell Group institutions are unlikely to be exposed to any threat of stolen market share from elsewhere. But providers that have currently small amounts of student number control and so are reliant on growth from the unrestricted high grade market (i.e. institutions positioned just below the Russell Group) will have more freedom to set their growth targets and consequently may benefit from this change.

The lifting of the cap is less about meeting unmet demand and more about shaking up the sector and forcing HEIs to take a radical look at their approach in order to avoid merger or closure (i.e. to rid the sector of any so-called zombie universities in the medium to long term).

Unqualified optimism about growth across the board is therefore misplaced. Prospective student accommodation investors and providers need to look behind the headlines and make careful appraisal of the prospects within any specific locality that they are interested in.

3.2 Bradford

3.2.1 *The University of Bradford*

National figures for full-time student intakes for 2013/14 are not yet available from the Higher Education Statistics Agency. But on the basis of comparison with the UCAS data on UK-wide full-time acceptances as shown in Graph 2 in the previous section, it is immediately clear from Graph 2 that for 2013/14 the University did not share in the sector bounce-back from the national low point in 2012/13, and suffered a further, although much reduced, contraction.

Whereas nationally between 2009/10 and 2013/14 there was a 2.83 per cent increase in full-time acceptances, at the University of Bradford for the same period student numbers declined by 22.21 per cent.

Revealed: winners and losers in numbers game, Times Higher Education, 23 January 2014 (based on UCAS figures)

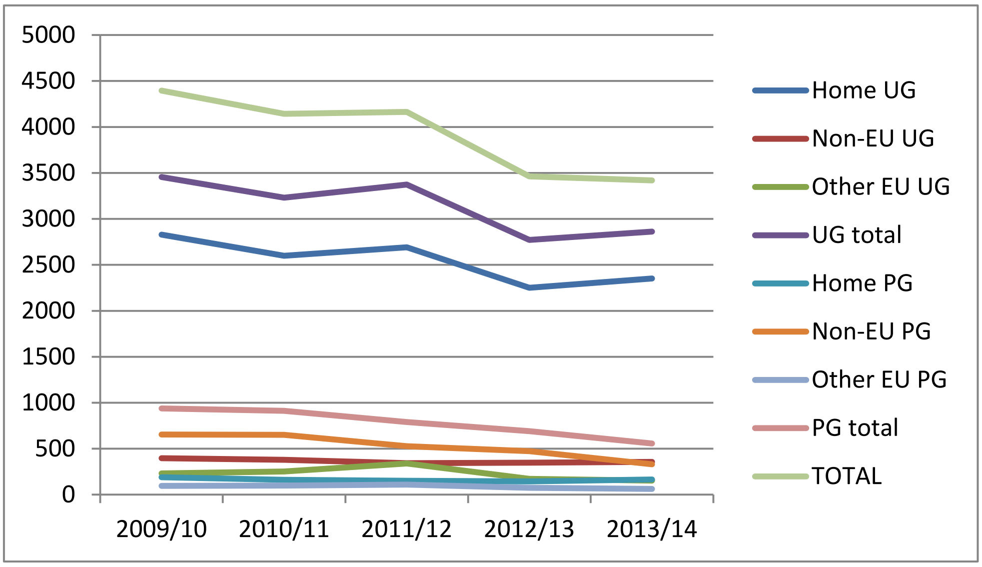
Within this overall figure, there was a reduction in numbers for all categories over the period. International (non-EU) students have shown a steady and particularly significant contraction. The size of this deterioration (29.15 per cent) contrasts with national growth of 3.9 per cent over the same period. For the postgraduate segment, the main point of national comparison available (HESA) is with the years 2010/11 and 2011/12 (see section above). Whereas the decline between these years was three per cent for the UK as a whole, it was 13.4 per cent for University of Bradford. For home postgraduates, the University saw a fall of 6.2 per cent compared to a drop of four per cent nationally for these years.

Table 16: University of Bradford: full-time student intakes 2009/10 – 2013/14

	2009/10	2010/11	2011/12	2012/13	2013/14
Home UG	2,829	2,599	2,691	2,251	2,351
Non-EU UG	396	379	342	348	357
Other EU UG	231	253	340	172	154
UG total	**3,456**	**3,231**	**3,373**	**2,771**	**2,862**
Home PG	189	162	152	144	165
Non-EU PG	654	651	528	473	330
Other EU PG	96	99	110	74	62
PG total	**939**	**912**	**790**	**691**	**557**
TOTAL	**4,395**	**4,143**	**4,163**	**3,462**	**3,419**

(*Source: University of Bradford*)

Graph 2: University of Bradford: full-time student intakes 2009/10 – 2013/14



(*Source: University of Bradford*)

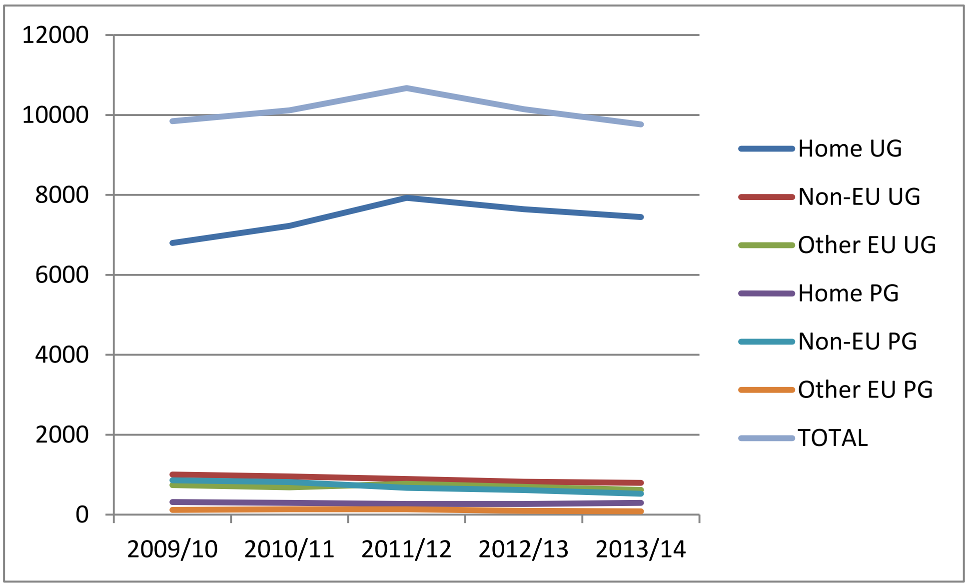
Table 17 and Graph 3 below show how student intake numbers have affected annual total student populations.

Table 17: University of Bradford: full-time total student populations 2009/10 – 2013/14

	2009/10	**2010/11**	**2011/12**	**2012/13**	**2013/14**
Home UG	6,799	7,228	7,928	7,643	7,447
Non-EU UG	1,006	956	893	824	798
Other EU UG	742	683	773	695	619
Home PG	317	295	269	270	295
Non-EU PG	860	817	674	617	524
Other EU PG	119	136	137	96	83
TOTAL	**9,843**	**10,115**	**10,674**	**10,145**	**9,766**

(*Source: University of Bradford*)

Graph 3: University of Bradford: full-time total student populations 2009/10 – 2013/14



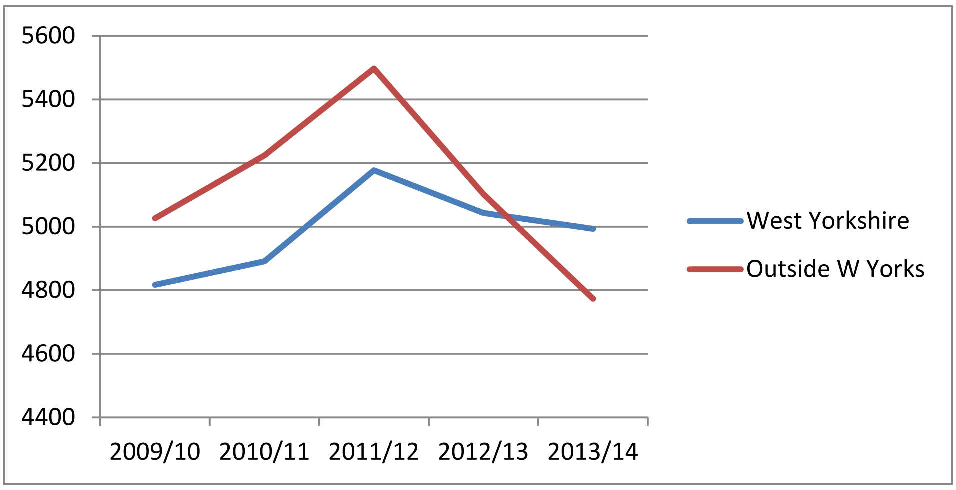
(*Source: University of Bradford*)

Higher numbers stored up in the system from earlier years' intakes create a residual growth effect for non-EU undergraduates and the total population until 2011/12, after which point the lag gives way to significant decline. On the question of residential demand, a disaggregation of the figures according to whether students were from addresses inside or outside West Yorkshire reveals a more acute decline among those needing to find housing in Bradford/West Yorkshire. Since 2011/12, as Table 18 and Graph 4 show, there has been material movement in the balance of students from inside and outside West Yorkshire.

Table 18: University of Bradford: full-time student populations 2009/10 – 2013/14: residence by West Yorkshire and non-West Yorkshire base

	2009/10	2010/11	2011/12	2012/13	2013/14
West Yorkshire	4,817	4,891	5,177	5,043	4,993
Outside West Yorkshire	5,026	5,224	5,497	5,102	4,773

Graph 4: University of Bradford: full-time student populations 2009/10 – 2013/14: residence by West Yorkshire and non-West Yorkshire base



(*Source: University of Bradford*)

This divide gives a broad indication of students with and without a residential need (although demand for accommodation will be slightly lower as there will be an element of full-time students choosing to commute to their studies from outside the county).

Table 18 and Graph 4 show two important things:

a) Student residential demand is low and the market consequently small
b) Demand for accommodation has dropped by 13.2 per cent since 2011/12. This represents a substantially compounded fall in the key constituency for the purposes of this study, ie student demand for local accommodation. (Section 4 provides more detail on attendance trends and address locations.)

What is not available from the University is data on how their projected full-time student numbers are anticipated to disaggregate to West Yorkshire residents and others, although our reading of the headlines available on the University's new strategic plan gives some pointers on which way this is likely to go (see below).

Looking to the future, for most categories the University is planning for further marginal contraction in 2014/15. Beyond this, the planned student intakes show incremental gains in volume for all categories. In an intensifying, more laissez-faire market, whether the University can meet these growth targets will depend on whether it has got its new strategy right.

Table 19: University of Bradford: projected full-time student intakes 2014/15 – 2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19
Home UG	2,302	2,349	2,396	2443	2490
Non-EU UG	388	428	468	508	548
Other EU UG	151	154	157	160	163
UG total	**2,841**	**2,931**	**3,021**	**3111**	**3201**
Home PG	204	227	249	272	294
Non-EU PG	484	525	565	606	648
Other EU PG	77	85	94	102	111
PG total	**765**	**837**	**908**	**980**	**1053**
TOTAL	**3,606**	**3,768**	**3,929**	**4,091**	**4,254**

(*Source: University of Bradford*)

Graph 5: University of Bradford: projected full-time intakes by domicile and level 2014/15 – 2018/19

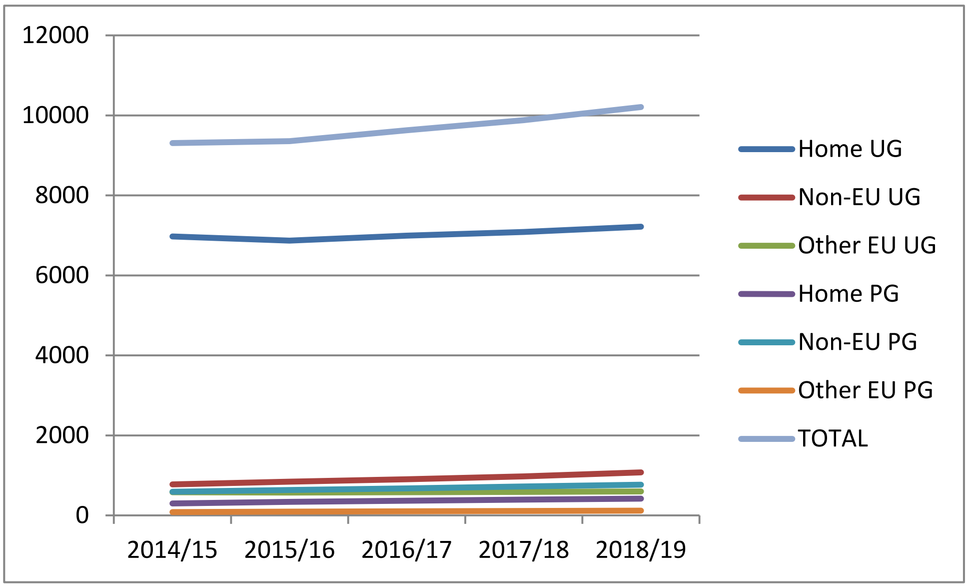


Table 20 shows how these intake projections convert to total student populations.

Table 20: University of Bradford: projected full-time total student populations 2014/15 – 2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19
Home UG	6,972	6,868	6,992	7,087	7,220
Non-EU UG	775	843	906	977	1,078
Other EU UG	579	571	581	589	600
Home PG	301	340	368	395	422
Non-EU PG	594	638	678	723	768
Other EU PG	85	96	103	111	119
TOTAL	**9,306**	**9,356**	**9,628**	**9,882**	**10,207**

For 2014/15, a significant part of the drop in numbers from 2013/14 is accounted for by a number of particularly large cohorts recruited in 2011/12 feeding out of the system.

Mindful of the need for a radical approach, the University has formulated a new corporate strategy focused on strong self-redefinition towards a clearer identity, purpose and market position as a prerequisite for flourishing and indeed survival into the long term. The new set of strategic documentation will supersede the existing plan *Making knowledge work* and is currently out for internal consultation and therefore embargoed in its detail. However, discussions with senior management have given some insight into the broad shape of the new strategy for release into the public domain. Supported by a new Vice-Chancellor and senior management team, the new strategy will:

- realign the University's identity and vision to accord with its heritage as a provider of technology-focused higher education
- place strong emphasis on improving quality. In particular, this will involve building on academic and research strengths and ensuring that the academic portfolio is robust and attractive to prospective students
- give renewed attention to professional services. Specifically, in the context of student numbers, considerably greater emphasis will be placed on the institution's marketing function.

From this, we infer that the strategy is likely to produce a new focus on:

- the quality of applicants' academic achievements, which could result in a short-term dip in intake
- recruitment beyond Bradford (including internationally), shifting the balance of its intake and, in time, its total student population away from its local base towards a wider geographical pool (although this diversification may not depress actual numbers of local students recruited). Such a shift would increase the proportion of the student population with a residential need from its current base.

In support of expansion, a continuing upward trajectory in the numbers of young people in Bradford and surrounding areas bucks the national demographic trend. While, it is inferred, the University plans to diversify its geographic profile, this factor will nonetheless provide a sound basis for local recruitment which will remain a core market. On a similarly positive note, the recent drop nationally in international student numbers from the Indian sub-continent has only a limited impact on the University, for which parts of Africa provide a key recruiting ground and remain a buoyant sub-market. There are then some factors which might help reverse the decline in residential demand seen since 2011/12.

Beyond the success of the University's new strategy and its effective implementation, the strength of benchmark institutions and the future direction of national policy will be significant determinants of how the University fares in the newly marketised world. In what remains a highly uncertain environment, we conclude, cautiously, that it is very unlikely the institution will exceed projected intake levels within the planning horizon.

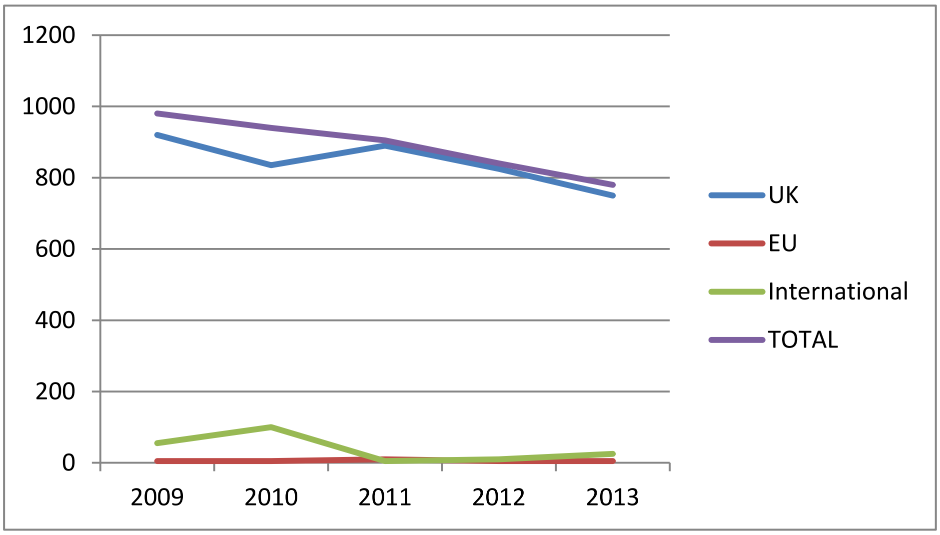
3.2.2 *Bradford College*

Bradford College has not provided data on historic student numbers or on student number plans for the next five years. This report therefore relies on data publicly available from UCAS on full-time higher education acceptances for the College. These, however, do not include 2014. It is likely that the figures slightly understate the true position on student numbers as some may have been admitted through alternative routes.

Table 21: Bradford College: full-time HE acceptances 2009-13

	2009	2010	2011	2012	2013
UK	920	835	890	825	750
Other EU	5	5	10	5	5
Non-EU	55	100	5	10	25
TOTAL	980	940	905	840	780

Graph 6: Bradford College: full-time HE acceptances 2009-13



(*Source: UCAS*)

If the University showed a limited recovery in student numbers from the 2012/13 low point, Bradford College has experienced a sustained overall decline over the 2009-13 period (18.5 per cent). In that time, student numbers from overseas (both EU and non-EU) have fallen away almost entirely. This masks a brief recovery in UK recruitment in 2011 (likely to have been driven by students getting in ahead of the higher fee regime), since when, however, decline in home numbers has been resumed.

In the College's draft strategy[22] there are explicit references to student number growth:

[22] *Bradford College Draft Strategy 2015 – 20*, June 2014

- ‘To be the first choice for education and training in the Bradford District, and a leading provider across the UK and overseas’
- [From a current full-time higher education population of 2,595] ‘we will aim to build our intake of students from within the Bradford District and Leeds City Region, as well as from across the UK. We will continue to welcome and build our intake of international students.’

To support its attractiveness to prospective applicants, the College aims to deliver an outstanding student experience by 2020; secure taught degree awarding powers; build on academic areas of strength; expand STEM provision and the College’s educational offer more widely; and invest in teaching and learning, employability, entrepreneurism, the estate, infrastructure and staffing base. Additionally, a critical theme running through the strategy is significantly extending partnership working with various agencies to support, and derive benefit from, economic and demographic growth forecasts for Bradford District and the Leeds City Region.

As for the University of Bradford, the College is faced with strong local and national headwinds and its future success depends in part on the robustness of its new strategy and its implementation and partly on what happens elsewhere within the HE environment, including further policy and market change. The College also has to contend with the added uncertainties of evolving government policy in further education, in particular:

- *New challenges, new chances*, the coalition’s 2011 strategy for colleges, which ‘liberates’ FECs to engage in more flexible and larger scale corporate and partnership arrangements to support their sustainability and expansion
- government encouragement of competition and choice, including through the creation of academy schools, new types of college and other initiatives, led by a wide and diverse range of commercial and voluntary and public sector providers
- the Whitehead Review, autumn 2013, which
- forms the central plank in the coalition’s new emphasis on increasing employer ownership of the further education and training curriculum
- a new government focus on traineeships, apprenticeships, standards and qualifications

Although Bradford College is one of the largest providers of higher education in England outside the university sector, the position of providing HE from within a ‘mixed’ setting remains challenging. As for the University, it would be a major achievement to secure growth in this competitive environment.

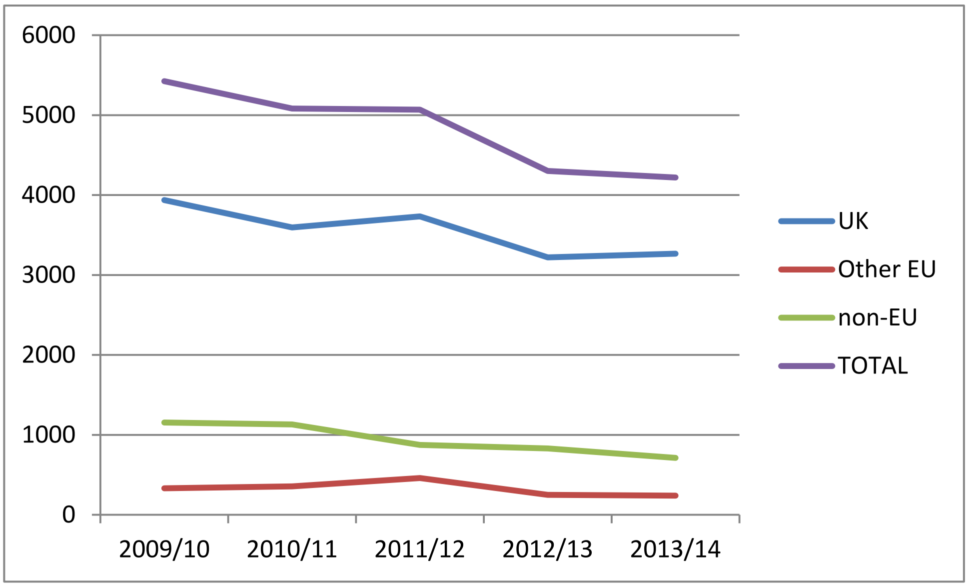
3.2.3 *Higher education in Bradford in context*

Taken together, the student intake information provided by the University and the acceptances figures available from UCAS for the College produce a composite picture of declining volume for the period 2009-13 (22.2 per cent), as shown in Table 22 and Graph 7.

Table 22: Composite picture for Bradford: combined student intakes (UoB) and acceptances (BC) 2009-13

	2009	**2010**	**2011**	**2012**	**2013**
UK	3,938	3,596	3,733	3,220	3,266
Other EU	332	357	460	251	241
Non-EU	1,155	1,130	875	831	712
TOTAL	5,425	5,083	5,068	4,302	4,219

Graph 7: Composite picture for Bradford: combined student intakes (UoB) and acceptances (BC) 2009-13



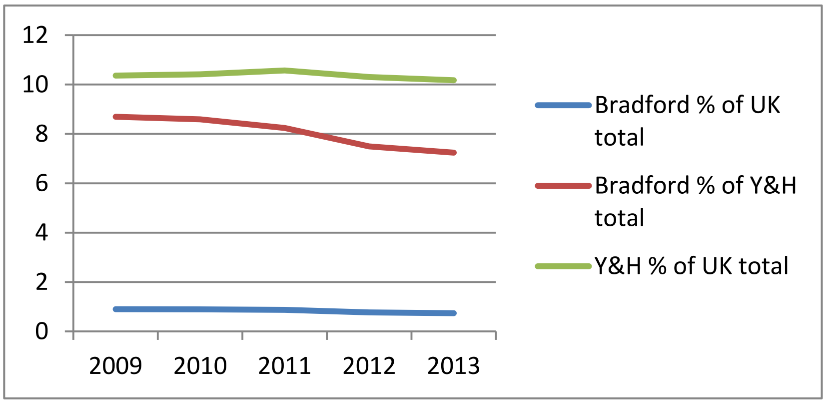
Publicly available information on the city's share of the higher education market confirms the picture of decline in volume at both institutions, as shown in the tables and graphs below.

Table 23: Market share: Bradford; Yorkshire & Humberside; and the UK (percentages, based on acceptances)

	2009	**2010**	**2011**	**2012**	**2013**
Bradford as % of UK total	0.9007	0.8947	0.8709	0.7722	0.7365
Bradford as % of Y&H total	8.6944	8.5896	8.2374	7.4942	7.2385
Y&H as % of UK total	10.3594	10.4158	10.5723	10.3039	10.1746

(*Compiled from UCAS data*)

Graph 8: Market share: Bradford; Yorkshire & Humberside; and the UK (percentages, based on acceptances)



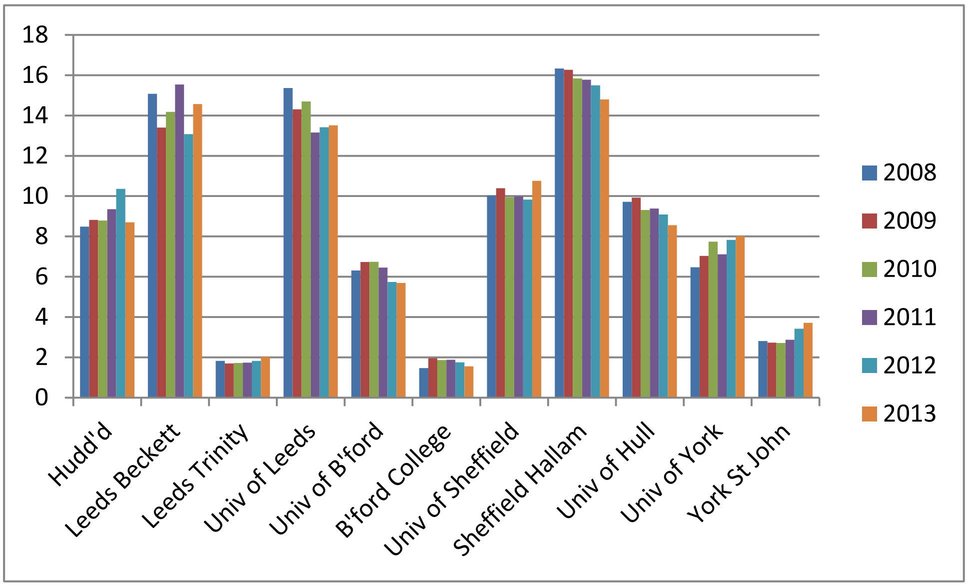
(*Source data: UCAS*)

Table 24: Regional competitor institutions: market share in Yorkshire and the Humber 2008-13 (percentages, based on acceptances)

	2008	2009	2010	2011	2012	2013
Hudd'd	8.49	8.82	8.79	9.35	10.36	8.7
Leeds Beckett	15.08	13.4	14.18	15.54	13.08	14.57
Leeds Trinity	1.82	1.7	1.72	1.74	1.82	2.02
Univ of Leeds	15.36	14.31	14.7	13.16	13.42	13.51
Univ of B'ford	6.31	6.73	6.74	6.45	5.74	5.69
B'ford College	1.47	1.96	1.86	1.88	1.75	1.55
Univ of Sheffield	10.03	10.39	9.95	9.99	9.83	10.76
Sheffield Hallam	16.33	16.27	15.84	15.78	15.5	14.8
Univ of Hull	9.72	9.92	9.31	9.38	9.09	8.56
Univ of York	6.47	7.03	7.74	7.11	7.83	8.02
York St John	2.81	2.73	2.71	2.87	3.42	3.71

(*Source: derived from UCAS data*)

Graph 9: Regional competitor institutions: market share in Yorkshire and the Humber 2008-13 (percentages, based on acceptances)



(*Compiled from UCAS data*)

In the context of the landscape described above, the University of Bradford and Bradford College are in a relatively vulnerable position. In the short term at least, it is unlikely that either provider in Bradford will be one of the beneficiaries of the extension of the SNC margin of tolerance and the cap removal. On the contrary, these moves may present additional recruitment challenges to both institutions, as they seek to protect market share from some aggressive competitors who, currently at least, occupy a more clearly defined market position, some in more favourable settings. These challenges could be significantly compounded in the event that the cap is not reapplied sometime during the next government, as is here suggested.

The host town or city for a higher education institution is often an important factor in attracting applicants. In Bradford this cannot pass without comment. Unlike some of its neighbours (notably in Leeds and Manchester), Bradford does not enjoy a reputation as a centre that excites young people with what it has to offer. The local authority and a host of supporting agencies are energetically pursuing major improvements to the city centre and to the quality of urban cultural life. Although the fruits of this activity are becoming evident, realising them fully will take time. Until improvements have translated positively into reputational value across the region and further afield, the marketing efforts of the local HEIs will not be able to draw constructively on the city factor. While this is not as significant for the locally recruited market segment (unusually high in Bradford – itself possibly a function of extra-Bradford perceptions and/or, historically, of limited marketing by the institutions beyond the Bradford area), it will be of increasing importance if either institution is to succeed in diversifying its recruitment base and reducing reliance on students from the city itself.

Inter-institutional competition within Bradford is limited, as there is only a small degree of portfolio convergence (which includes business, law and social work). For the purposes of this study, the issue is purely academic, because it is the aggregate of student numbers in Bradford that is of consequence for the residential market, not the weighting of numbers between the institutions in contested areas.

3.3 Residential demand on the basis of student number trends

Commercial Services at the University of Bradford report that they plan supply on the basis of 48 per cent demand for institutional accommodation among new full-time students. They also report a consistent pattern of around 100 re-bookers of institutional accommodation each year. Table 25 and Graph 10 reflect this formula. What was not available from Commercial Services was information on the number of students in institutional accommodation who fell into neither of these categories, i.e. returning students not re-booking University accommodation. This is intelligence which emerged through the part of the research concerned with student address data analysis (see Section 4).

Table 25: University of Bradford: demand for institutional accommodation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Y1 demand	2,110	1,989	1,998	1,662	1,641	1,731	1,809	1,886	1,964	2,042
Rebookers	100	100	100	100	100	100	100	100	100	100

(*Source: University of Bradford*)

3.4 Changing student preferences

Parents like purpose-built accommodation, its facilities and safety, but cannot afford it for the full student lifecycle. Features popular with students and their parents include ensuite facilities, internet access, security, on-site gyms and proximity to the city centre and the universities.

Students tend to prefer and to expect to live in purpose-built accommodation in their first year but more often than not move out for their remaining studies. Some research has indicated a significant proportion of students with a strong preference for private rented accommodation, and it has been widely established that the option of a private rented house/flat becomes more attractive to students, the more they progress through their study career. (Research in Nottingham has found that a move from halls/larger developments into off-street housing within the private rented sector in the second or subsequent year of the course was viewed as a 'natural progression' and a desirable step in gaining personal independence and maturity.[23])

In cities like Nottingham and Leeds, the attractiveness of the off-street sector has been reinforced by the increasing influence of accreditation. In addition to the ANUK/Unipol National Codes for large developments, Unipol operates an accreditation scheme for off-street properties in Leeds, Nottingham, and of course in Bradford.

However, against the long-standing 'progression' model in the student lifecycle, research in Nottingham by Unipol has shown that there is evidence of an increasing proportion of returning students choosing to remain in, or move back into, purpose-built accommodation.[24] Those opting for purpose-built provision tend to mention the more functional aspects associated with this accommodation type, such as on-site management, new facilities and value for money/inclusive bills but also refer to the social opportunities that larger developments have to offer.

There has also been evidence in both Nottingham[25] and Leeds[26] of a movement of students from housing in areas further away from their places of study to PBSA and off-street shared housing in

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23 *Housing preferences for students at Nottingham's universities*, 2008, Survey Unit, University of Nottingham

24 *Assessment of student residence and housing market conditions in Nottingham*, re'new and Unipol, 2013

25 *Ibid*

26 *Assessment of housing market conditions and demands in Inner North-West Leeds*, re'new and Unipol, 2012

areas close to the city centre and the universities. The research found that there were a number of reasons for this:

- a continuing movement of post-Year 1 students from purpose-built accommodation into off-street housing in the immediate surrounding areas
- high student awareness of travel costs/time from areas farthest from the universities/city centre
- increasing evidence of ‘friends following friends’ over recent years, partly as a result of the use of social media
- growing demand from larger groups of students seeking larger properties close to the universities.

Section 4: Student housing locational and housing patterns in Bradford

4.0 This section presents data on the residential location and accommodation types chosen by students at the University of Bradford and at Bradford College. It considers the balance between students living in and studying in Bradford and students living outside Bradford but studying at the two institutions. It also considers the balance between accommodation types and trends in residence over the period from 2009 to 2014.

4.1 Residential location of University of Bradford students

4.1.1 The address records from the University of Bradford show that there were 10,375 students studying at the University.

Table 26: Residential location of University of Bradford students

Location of term-time residence	**No**	**%**
Within Bradford	7,271	70.0%
In other parts of West Yorkshire	2,130	20.5%
Leeds	*957*	*9.2%*
Kirklees	*657*	*6.3%*
Calderdale	*391*	*3.8%*
Wakefield	*125*	*1.3%*
In other parts of the Leeds City Region	111	1.2%
In other parts of the UK	787	7.6%
Outside the UK	75	0.7%

(*Source: University of Bradford 2014*)

Table 26 above shows that a significant minority of students at the University live outside Bradford (30 per cent), and a large proportion (21.6 per cent) are living at an address in West Yorkshire, or in other parts of the Leeds City Region.

This points to West Yorkshire being a significant source of demand for places at the University. Between 2009 and 2014, the number of students living in the Bradford district reduced by 73 and the number living outside Bradford reduced by 246 (mostly those studying in Bradford but living outside the UK, slightly offset by an increase of 31 in the number living in West Yorkshire or other parts of the Leeds City Region).

4.1.2 *Locations of student residence within Bradford*

Analysis above shows that 30 per cent of students at the University live outside of Bradford and 70 per cent of students live within the boundaries of Bradford district.

Table 27: Neighbourhoods within the Bradford district with the highest number of students

Neighbourhood	Ward	No	%
University campus	City	1,900	26.1%
Shearbridge	City	1,209	16.6%
City Centre/Little Germany	City	1,119	15.4%
Heaton	Heaton	307	4.2%
Lidgett Green	City	303	4.2%
Barkerend/Laisterdyke	Bowling and Barkerend	249	3.4%
Manningham	Manningham	235	3.2%
Keighley	Keighley Central	209	2.9%
West Bowling	Little Horton	118	1.6%
Frizinghall	Heaton	118	1.6%
Great Horton	Great Horton	117	1.6%
Girlington	Toller	117	1.6%
Undercliffe	Bolton and Undercliffe	112	1.5%
Shipley	Shipley	102	1.4%

(*Source University of Bradford 2014*)

Table 27 above shows neighbourhoods with more than 100 students resident and the ward in which they are located. It shows that over 4,100 students (57 per cent of all students living in Bradford) live on the campus itself, in the city centre or in Shearbridge – all of which are in City Ward. Areas with over 200 students in residence include Heaton, Lidgett Green, the Laisterdyke/Barkerend area, Manningham and central Keighley.

4.1.3 *Types of accommodation*

Table 28a shows that the 7,271 students living and studying in Bradford are spread across different living situations.

Table 28a: Type of accommodation of students living and studying in Bradford

Residential location while studying	No	%
Living independently in their own homes	922	8.9%
Living in their parents' home	2,229	21.5%
Living in purpose-built student accommodation	2,690	25.9%
Living in private rented off-street shared housing	1,127	10.9%
Living in private rented city centre apartments	286	2.8%
Living outside of Bradford	3,104	29.9%

(Source University of Bradford 2014)

Thirty per cent of students live outside Bradford and attend from home: just over a fifth of students live in their parents' home and nine per cent live independently in their own home in Bradford. Twenty-six per cent live in purpose-built accommodation, either University halls (The Green) or privately run halls. Only 13.7 per cent live in private rented housing, either in off-street shared housing or in city centre apartments. This is a much lower level than in Leeds and many other university cities.

Table 28b: Type of accommodation of students living and studying in Bradford compared to Leeds and Nottingham

	Bradford	**Leeds**	**Nottingham**
LIVING IN……	**70.1%**	**96.0%**	**87.3%**
Private halls	15.8%	25.0%	17.7%
University/College halls	10.1%	21.7%	10.1%
ALL PBSA	**25.9%**	**46.7%**	**27.8%**
City centre private rented	2.8%	4.8%	7.6%
Off-street private rented	10.9%	44.4%	45.4%
ALL PRIVATE RENTED	**13.6%**	**49.2%**	**53.0%**
Own home	8.9%	1.6%	2.9%
Parents' home	21.5%	2.4%	3.6%
ALL IN PARENTS' OR OWN HOME	**30.4%**	**4.0%**	**6.5%**
LIVING OUTSIDE………	**29.9%**	**4.0%**	**12.7%**

(*Source: University of Bradford 2014 and Unipol 2012 and 2013*)

Table 28b shows the breakdown of where students in Bradford live in comparison to Leeds and Nottingham, based on the findings from the two Unipol research projects in those cities. It shows that the proportion of students:

- living in PBSA as a whole in Bradford (and in private sector and institutional PBSA also) is similar to Nottingham but much lower than in Leeds
- living in private rented off-street or city centre housing is significantly lower than in Leeds and Nottingham.
  - The proportion of students living in off-street private rented housing is a quarter of the proportions in Leeds and Nottingham. This means that landlords in the off-street market in Bradford may not be under the same competitive pressure to raise standards of condition and amenity/facilities as those in Leeds and Nottingham. It also means that the issues of student concentration that are at play in Leeds, and to a lesser extent in Nottingham, are not in evidence in Bradford
  - The proportion of students living in city centre rented housing is also significantly lower in Bradford than in Leeds or Nottingham
- living in their parents' home, however, is very nearly ten times higher in Bradford than in Leeds, and six times higher than in Nottingham
- living in their own home is four times higher than in Leeds, and three times higher than in Nottingham
- living outside Bradford and studying at the University of Bradford is seven times higher than is the case in Leeds, and two-and-a-half times in Nottingham.

4.1.4 *Trends in student accommodation choices*

There has been a shift in student locational and living choices between 2009 and 2014. This can, in part, be attributed to the reduction in numbers, but mostly to the University opening The Green

Student Village. Table 29 below shows the change in the numbers of students living in various residential settings between these years.

Table 29: Changes in the residential location of students at Bradford University: 2009-14

	2009		2014		Difference 2009-14
Address in Bradford	**7,344**	**68.7%**	**7,271**	**70.1%**	**-73**
Private halls	2,059	19.3%	1,643	15.8%	-416
University/College halls	205	1.9%	1,047	10.1%	842
ALL PBSA	**2,264**	**21.2%**	**2,690**	**25.9%**	**426**
City centre private rented	338	3.2%	286	2.8%	-52
Off-street private rented	1,545	14.4%	1,127	10.9%	-418
ALL PRIVATE RENTED	**1,883**	**17.6%**	**1,413**	**13.6%**	**-470**
Own home	**1,028**	**9.6%**	**922**	**8.9%**	**-106**
Parents' home	**2,113**	**19.8%**	**2,229**	**21.5%**	**116**
Address outside of Bradford	**3,350**	**31.3%**	**3,104**	**29.9%**	**-246**
In the Leeds City Region area	2,213	20.7%	2,244	21.6%	31
Elsewhere in UK	876	8.2%	787	7.6%	-89
Outside UK	261	2.4%	73	0.7%	-188
ALL	**10,694**	**100.0%**	**10,375**	**100.0%**	**-319**

(*Source University of Bradford 2014*)

Table 29 above shows that there are 426 more students living in PBSA than in 2009, but 416 fewer students living in off-street shared private rented housing. It also shows that there are 842 more students living in University or College PBSA than in 2009. This reflects The Green Student Village coming into commission. Significantly fewer student (416) are living in privately run PBSA.

Continuing wage stagnation following the credit crunch may be affecting the accommodation choices of students not wanting to live in University or private rented accommodation: 116 more students live in their parents' home, but 106 fewer students live in their own home.

<u>Students living in PBSA</u>

Table 30a below shows the schemes with the biggest increases and reductions in the number of resident students over the five years between 2009 and 2014. It shows the impact of the opening of The Green. The provisions managed by CRM and USL have both seen significant reductions in student demand, while demand and occupancy appear to have increased in the residences run by Campus Limited (which opened between these years) and by Sanctuary Housing at Wardley House and Malik Halls.

Table 30a: Number of students resident in PBSA schemes in 2014 in comparison to 2009

PBSA Scheme	Provider	2009		2014		Difference
Bradford halls		195	8.6%	0	0.0%	-195
Laisteredge Lane, Dennis Bellamy Hall	USL	157	6.9%	16	0.6%	-141
Laisteredge Lane, Trinity Hall	USL	181	8.0%	47	1.7%	-134
Haria Halls/Tower	TigerLime Ltd	233	10.3%	169	5.1%	-96
Arkwright Hall	Prodigy House	639	28.2%	548	21.6%	-59
Laisteredge Lane, Charles Morris Hall	USL	45	2.0%	16	0.6%	-29
Laisteredge Lane, International Hall	USL	27	1.2%	8	0.3%	-19
Forster Hall	CRM	328	14.5%	312	11.6%	-16
Kexgill House/Edmund Street	Kexgill	83	1.5%	68	0.8%	-15
Laiteredge Lane, Revis Barber	USL	85	3.8%	77	2.9%	-8
Malik and Trigg Halls	Malik Halls	143	2.0%	143	1.7%	0
Doris Birdsall	University	0	0.0%	3	0.1%	3
Laisteredge Lane, All Saints Halls	USL	6	0.3%	10	0.4%	4
Campus House	Campus	0	0.0%	27	1.0%	27
Vernon Barnby	University	0	0.0%	32	1.2%	32
Wardley House	Sanctuary	152	6.7%	206	7.7%	54
The Green	University	10	0.4%	1,012	37.6%	1,002

(*Source: University of Bradford 2014*)

Table 30b: Occupancy rates in PBSA provision 2014

Accommodation	Provider	Location	Bed spaces		Occupancy		Surplus spaces
			No	%	No	%	
Code of Standards accommodation			**3,799**	**85.0%**	**2545**	**67.0%**	
The Green	University of Bradford	Campus	1,026	22.9%	1,012	98.6%	14
Vernon Barnby Hall	University of Bradford	Frizinghall	34	0.8%	32	94.1%	2
Kexgill House/Edmund St	Kexgill	City centre	74	1.7%	64	86.5%	10
Arkwright Hall	Prodigy House	Campus	754	16.9%	580	76.9%	174
Wardley House	Sanctuary Students	City centre	290	6.5%	206	71.0%	84
Forster Hall	UNITE	Shearbridge	504	11.3%	312	61.9%	192
Campus House	Campus House Ltd	Campus	52	1.2%	27	51.9%	25
Haria House/Tower	TigerLime Ltd	Campus	325	7.3%	137	42.2%	188
Laisteridge Lane	USL	Shearbridge	490	11.0%	158	32.2%	332
Grattan Residence	Grattan Studios	City centre	35	0.8%	9	25.7%	26
Doris Birdsall Halls **(b)**	Bradford College	Campus	55	1.2%	8	14.5%	47
Appleton Point **(a)**	South Street IM Ltd	City centre	160	3.6%	NA		
Accommodation not in the Code of Standards			**673**	**15.0%**	**187**	**27.8%**	486
Malik and Trigg Halls	Malik Halls	Campus	219	4.9%	143	65.3%	76
Castle - Elm Field Villas	Castle Ltd	Heaton	34	0.8%	21	61.8%	13
Hockney Court	Priestley & Co	City centre	19	0.4%	10	52.6%	9
SummerBerry	Absolute Living	City centre	160	3.6%	12	7.5%	148
Castle-ChallowField Court	Castle Ltd	Heaton	21	0.5%	1	4.8%	20
Sunbridge Halls **(a)**	Proudfoot	City centre	220	4.9%	NA		220
All purpose-built			**4,472**	**100.0%**	**2,732**	**61.1%**	1,740

(*Source: University of Bradford 2014 and Unipol 2014. Occupancy is derived from the numbers of students living at each PBSA provision listed in address records supplied by University of Bradford and Bradford College compared to known capacity figures for each provision.*)

Table 30b above shows, where information is known, that 61 per cent of PBSA provision is let and occupied leaving a potential surplus of 39 per cent of bed spaces, or almost 1,740 actual bed spaces. This includes 380 new bed spaces currently available but not yet let. Given student numbers and levels of demand, it is likely that take-up of those new bed spaces will be matched by a reduction in occupancy in other PBSA provision. Two thirds of PBSA covered by the ANUK/Unipol Code of Standards is let and occupied, compared to only 28 per cent of non-Code provision, although some of this is not let solely to students and bed spaces could be occupied by other demand groups. The University run accommodation at The Green and Vernon Barnby is virtually full, but private sector providers are experiencing occupancy rates as low as 26 per cent.

Students living in private rented housing

The off-street private rented student housing market is, as Table 28b shows, much smaller than in other university cities, and appears to be shrinking further. Table 31 shows an overall reduction of 25 per cent in the number of students in areas of the city with a recognised supply of private rented housing. There has been a fall of approaching 10 per cent in Listerhills and Shearbridge; of 23 per cent in the city centre; of around 40 per cent in Little Horton and Lidgett Green to over 45 per cent in Great Horton, Manningham and other areas with smaller numbers of students.

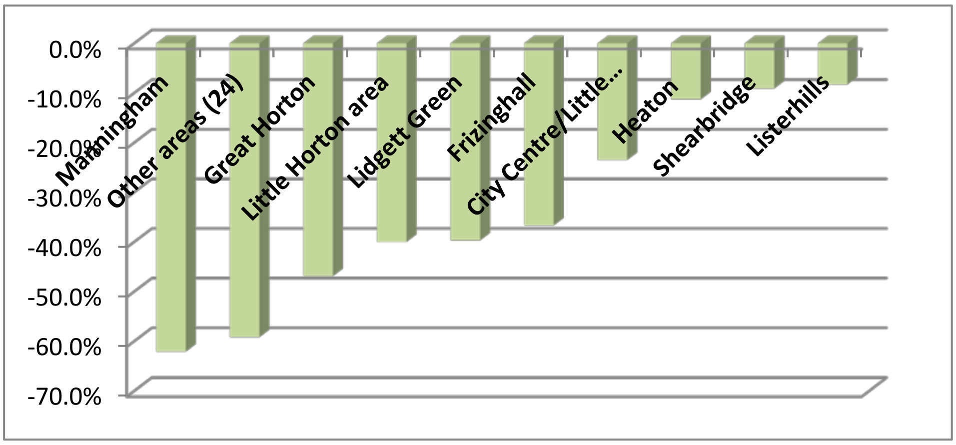
Table 31: Students living in private rented accommodation 2009-14

	2009		**2014**		**Difference 2009-14**	
Neighbourhood	**No**	**%**	**No**	**%**		
Shearbridge	701	37.2%	637	45.1%	-64	-9.1%
City centre/Little Germany	459	24.4%	351	24.8%	-108	-23.5%
Lidgett Green	184	9.8%	111	7.9%	-73	-39.7%
Heaton	62	3.3%	55	3.9%	-7	-11.3%
Listerhills	60	3.2%	55	3.9%	-5	-8.3%
Little Horton area	85	4.5%	51	3.6%	-34	-40.0%
Frizinghall	60	3.2%	38	2.7%	-22	-36.7%
Great Horton	49	2.6%	26	1.8%	-23	-46.9%
Manningham	66	3.5%	25	1.8%	-41	-62.1%
Other areas (24)	157	8.3%	64	4.5%	-93	-59.2%
	1,883	**100.0%**	**1,413**	**100.0%**	**-470**	**-25.0%**

(*Source: University of Bradford 2014*)

In general, students choosing to live in private rented shared housing tend to want to live within close proximity to the University campus. It would appear likely that as competitive pressure increases on the off-street sector, those properties located further from the University, or with poorer facilities and conditions, or where problems with the landlord have been reported, will become difficult to let.

Graph 11: Changes in the proportion of students living in private rented accommodation 2009-14



(*Source University of Bradford 2014*)

The relatively small size of the off-street sector in Bradford has also meant, however, that the issues with student concentration at play in cities such as Leeds and Nottingham, have not been in evidence in Bradford (see Table 23).

4.1.5 *Residence by year of study*

The data supplied by the University of Bradford shows that there is a spread of accommodation type taken up according to year of study that is very different from the distribution in university cities like Leeds. Table 32a below shows that the accommodation choices of returning students are greatly affected by the large proportion of students studying at the University but living outside Bradford, and the high proportion of students remaining in their parents' or their own home while studying.

Table 32a: Type of accommodation by type and year of study 2014

% of type of student/year of study	Undergraduate					Postgraduate			ALL
	1st	2nd	3rd	4th+	ALL	1st	2nd	ALL	
Private halls	12.9%	15.3%	16.4%	17.3%	**15.0%**	22.4%	8.2%	**21.9%**	**15.8%**
University halls	19.3%	4.8%	3.3%	1.0%	**9.0%**	19.0%	2.1%	**18.2%**	**10.1%**
ALL PBSA	***32.2%***	***20.2%***	***19.7%***	***19.4%***	***24.0%***	***41.5%***	**10.3%**	***39.1%***	***25.9%***
Off-street rented (Bradford)	2.4%	11.9%	12.1%	12.3%	**8.8%**	20.2%	11.3%	**20.1%**	**10.1%**
Off-street rented (out of Bradford)	1.7%	5.8%	3.2%	2.5%	**3.4%**	3.6%	2.1%	**3.6%**	**3.4%**
Private rented (Bradford city centre)	1.5%	2.5%	2.7%	2.3%	**2.2%**	7.0%	0.0%	**6.6%**	**2.8%**
All rented	***5.6%***	***20.2%***	***18.0%***	***18.2%***	***14.4%***	***30.9%***	**13.4%**	***29.6%***	***16.3%***
Parents' home (in Bradford)	24.6%	23.3%	21.0%	13.3%	**22.4%**	5.3%	9.3%	**5.8%**	**20.4%**
Parents' home (Out of Bradford)	21.8%	17.7%	21.7%	31.3%	**21.2%**	5.7%	12.4%	**6.4%**	**19.4%**
Own home (in Bradford)	2.6%	8.7%	11.1%	7.7%	**7.4%**	8.9%	15.5%	**9.6%**	**7.7%**
Own home (out of Bradford)	12.6%	9.5%	7.8%	6.0%	**9.8%**	6.2%	37.1%	**8.8%**	**9.6%**
All in parents' or own home	***61.6%***	***59.2%***	***61.6%***	***58.3%***	***60.8%***	***23.1%***	**83.3%**	***30.6%***	***57.6%***
Living abroad	0.6%	0.4%	0.7%	0.4%	**0.6%**	1.4%	2.1%	**1.5%**	**0.7%**

(

(*Source: University of Bradford 2014*)

It shows that, in all, 61 per cent of students across years of study are likely to undertake their studies while living in their parents' or their own home. A quarter of students are likely to choose to live in PBSA with a consistent level of demand across the years of study. While the proportion of students living in private rented accommodation increased as they entered their second, third or fourth years of study, the proportion overall living in off-street shared housing is very low – around a quarter of the proportion of returning students in Leeds living in such accommodation.

- Sixty per cent of new undergraduate students choose to live in their parents' home or in their own home, (either in or out of Bradford), almost twice as many as chose to live in PBSA in Bradford. Very few new students chose to live in off-street shared or city centre private rented housing
- Slightly fewer (57 per cent) Year 2 students remained in their parents' or their own home after their first year, and those that did not were as likely to choose to live in PBSA as in private rented housing, either in off-street or city centre tenancies
- Sixty-one per cent of Year 3 students and 58 per cent of Year 4 students, remained in their parents' or their own home, and those that did not were also more likely to choose to live in PBSA rather than in private rented accommodation.

Table 32b: Change in the type of accommodation chosen by students 2009-14

%s are of type of accommodation	**New students**		**Returning students**		**Postgraduates**	
	2009	**2014**	**2009**	**2014**	**2009**	**2014**
Private sector halls	35.8%	24.3%	44.1%	59.0%	20.1%	16.7%
University halls	70.7%	56.8%	22.0%	21.5%	7.3%	21.7%
ALL PBSA	38.8%	37.0%	42.3%	44.4%	19.0%	18.6%
Private rented (off-street Bradford)	10.4%	7.1%	47.0%	69.0%	42.6%	23.8%
Private rented (off-street out of Bradford)	27.1%	14.5%	43.0%	72.6%	29.8%	12.8%
Private rented (Bradford city centre)	17.6%	16.4%	63.5%	54.5%	18.8%	29.0%
All private rented	15.2%	10.2%	47.9%	67.3%	36.9%	22.4%
Parents' home (in Bradford)	44.4%	35.9%	51.5%	60.7%	4.1%	3.4%
Own home (in Bradford)	29.1%	10.1%	58.3%	74.8%	12.6%	15.1%
Parents' home (outside Bradford)	44.3%	33.4%	50.2%	62.6%	5.5%	4.0%
Own home (outside Bradford)	39.2%	39.0%	48.7%	50.0%	12.1%	11.0%

All living in parents' or own home	40.6%	32.1%	51.9%	61.4%	7.5%	6.4%
Living abroad	5.9%	26.0%	16.4%	47.9%	77.7%	26.0%

(*Source: University of Bradford 2014*)

Table 32b shows the proportions of new, returning and postgraduate students living in each type of accommodation in 2014 compared to 2009. It shows that:

- the proportion of new students living in PBSA has increased from a quarter to a third. However, the proportion of new students living in private sector halls has reduced substantially from 22 to 13 per cent, but the proportion living in University run accommodation has increased from four to 19 per cent, reflecting the impact of the opening of The Green Student Village. The proportion living in off-street rented housing has reduced by almost half, but from a very low base

- the proportion of returning students living in private halls has stayed the same but the proportion living in private halls has also reduced from 19 to 16 per cent and the proportion living in University run accommodation has increased from 0.9 to 3.7 per cent. The proportion living in private rented housing has reduced slightly. The proportion of returning students living outside Bradford has increased substantially from 14 to 21 per cent

- the proportion of postgraduate students living in PBSA has increased substantially from 24 to 39 per cent with a corresponding reduction in the proportion living in off-street private rented housing from 44 to 30 per cent. The proportion of postgraduates living at their parents' home or in their own home also increased from 22 to 30 per cent.

Table 33: Type of accommodation chosen by different types of student in Bradford and Nottingham

%s of types of student	**New students**	**Returning students**	**Postgraduates**	**ALL students**
PBSA				
Bradford	32.2%	19.9%	39.1%	25.9%
Nottingham	74.7%	11.0%	8.9%	27.8%
Off-street shared rented				
Bradford	2.4%	12.1%	19.6%	10.1%
Nottingham	11.5%	60.0%	45.7%	45.4%
City centre rented				
Bradford	1.5%	2.6%	6.5%	2.8%
Nottingham	2.3%	9.7%	8.4%	7.6%
Own/parents' home				
Bradford	27.2%	29.9%	16.3%	28.8%
Nottingham	4.0%	6.8%	10.7%	6.5%
Living outside the city of study				
Bradford	35.0%	35.5%	18.3%	29.7%
Nottingham	7.5%	12.4%	26.3%	12.7%

(*Source: University of Bradford 2014 and Unipol 2013*)

Table 33 and Graph 12 show the very different composition of the University of Bradford's student population from other university cities, such as Nottingham. Research by Unipol in 2013 established that:

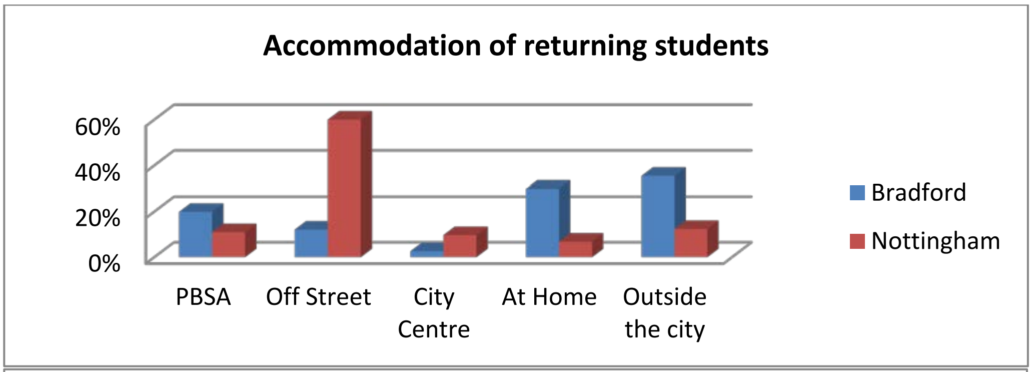
- the vast majority of new students live in PBSA, and most move out after their first year

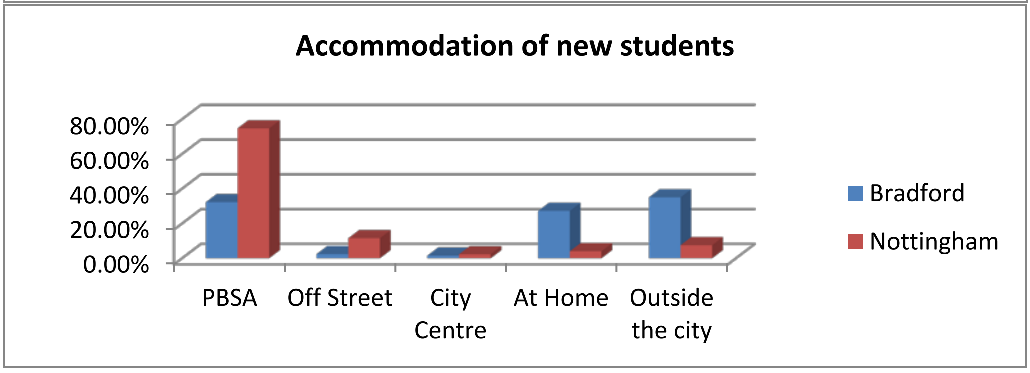
- the vast majority of returning students and the majority of postgraduates live in off-street or city centre located rented housing, mostly shared
- very few students study from their own or their parents' home
- relatively few students (excepting postgraduates) live outside Nottingham during their studies.

This is in stark contrast to Bradford, where:

- only a third of new students live in PBSA, but a significant proportion clearly stay in PBSA for Years 2, 3 and 4
- a relatively small proportion of students across the years of study live in off-street or city centre rented housing
- a relatively large proportion live in their own or their parents' home while studying
- a relatively large proportion live outside Bradford but commute in to study.

Graph 12: Type of accommodation chosen by different types of student in Bradford and Nottingham





4.1.6 *Residential location of Bradford College students*

Data received from Bradford College shows that there are 3,368 higher education students currently studying at Bradford College, compared to 3,456 students in 2009, a reduction of 90 or 2.6 per cent.

Table 34:

	2009		2014	
In Bradford	***2,080***	***60.2%***	***2,001***	***59.4%***
Private rented (city centre)	107	3.1%	121	3.6%
Private sector halls	38	1.1%	48	1.4%
University accommodation	2	0.1%	4	0.1%
Off-street private rented housing	100	2.9%	120	3.6%
Own home/parents' home in Bradford	1,833	53.0%	1,708	50.7%
Outside Bradford	***1,376***	***39.8%***	***1,367***	***40.6%***
West Yorkshire	947	27.4%	982	29.2%
Leeds	456	13.2%	423	12.6%
Kirklees	236	6.8%	258	7.7%
Calderdale	210	6.1%	243	7.2%
Wakefield	45	1.3%	58	1.7%
Other parts of the Leeds City Region	46	1.3%	31	0.9%
Elsewhere in the UK (within 50 miles of Bradford)	177	5.0%	121	3.6%%
Elsewhere in the UK (over 50 miles from Bradford)	202	6.0%	227	6.7%
Outside the UK	4	0.1%	6	0.2%
All students	**3,456**	**100.0%**	**3,368**	**100.0%**

(*Source: Bradford College 2014*)

Table 34 shows that only 1.5 per cent of students live in PBSA and just over seven per cent live in private rented accommodation in the city centre or in off-street shared housing (mostly international students); almost 51 per cent of students live in their parents' home or own independent home in Bradford while studying; and just over 40 per cent of students studying at the College live outside Bradford, mostly in West Yorkshire or other parts of the Leeds City Region. A breakdown of areas of residence is provided at Annexe 1.

<u>Distribution across Bradford</u>

The distribution of Bradford College students is not dissimilar to the University with most students living in the areas surrounding the city centre and some key towns outside Bradford, including Bingley and Keighley.

Table 35: Distribution of Bradford College students living and studying in Bradford 2014

Postcode	Neighbourhoods	No	%
BD7	Shearbridge, Lidgett Green, Great Horton, University campus	232	11.6%
BD6	Odsal, Wibsey, Buttershaw, Clayton Heights	198	9.9%
BD8	Manningham, Fairweather Green, Girlington, Allerton	198	9.9%
BD9	Heaton, Frizinghall, Daisy Hill, Queensbury	190	9.5%
BD5	Little Horton, Horton Banktop, West Bowling, Marshfields	151	7.5%
BD20/21	Keighley area	137	6.8%
BD16/13	Bingley area	136	6.8%
BD1/BD5	City centre	131	6.5%
BD2	Eccleshill, Fagley, Five Lane Ends	97	4.8%
BD4	Holmewood, Bierley, East Bowling, Tyersal	93	4.6%
BD3	Barkerend, Bradford Moor, Laisterdyke, Undercliffe	82	4.1%
BD18	Shipley area	73	3.6%
BD10	Apperley Bridge, Greengates, Eccleshill, Idle, Thackley	56	2.8%
BD15	Wilsden	55	2.7%
BD21	Haworth area	42	2.1%
BD12	Low Moor, Oakenshaw, Wyke	41	2.0%
BD17	Baildon	27	1.3%
LS29	Ilkley	26	1.3%
BD14	Clayton	21	1.0%
BD22	Skipton	20	1.0%
TOTAL		**2,006**	**100.0%**

(*Source; Bradford College 2014*)

4.1.7 *Students with a residential need*

Analysis of address records shows that at the start of 2013/14, there are 4,394 students who required accommodation either in PBSA or in the private rented sector. This compares to a supply of approximately 6,128 bed spaces – 4,350 in PBSA and 1,778 in the private rented sector. This leaves a surplus of approximately 1,734 bed spaces.

Table 36a: Accommodation choices of students with a residential need 2009-14

	2009		2014	
Private halls	2,251	35.04%	1,689	26.35%
University/College halls	207	3.22%	1,051	16.40%
ALL PBSA	**2,458**	**38.26%**	**2,740**	**42.75%**
City centre private rented	362	5.63%	407	6.35%
Off-street private rented	1,595	24.82%	1,247	19.46%
ALL PRIVATE RENTED	**1,957**	**30.46%**	**1,654**	**25.81%**
ALL WITH A RESIDENTIAL NEED	**4,415**	**100.00%**	**4,394**	**100.00%**

(*Source: University of Bradford/Bradford College and Unipol 2014*)

Table 36a shows changes in the accommodation of students with an accommodation need unmet by their ability to live in their own home or with their parents. It shows that the University of Bradford accommodation houses just over 16 per cent of students – five times more than in 2009. The proportion of students accommodated by private sector halls has reduced from 35 to 26 per cent and the proportion of students housed in the off-street private rented sector reduced from 25 to under 20 per cent.

Table 36b: Students with a residential need in Bradford 2013/14

	1st year students		Returning students		Postgraduates		ALL students	
Private halls	415	34.7%	1000	42.3%	274	32.8%	**1689**	**38.4%**
The Green/Vernon Barnby	597	50.0%	227	9.6%	227	27.2%	**1051**	**23.9%**
ALL PBSA	**1012**	**84.7%**	**1227**	**51.9%**	**501**	**60.0%**	**2740**	**62.4%**
Private rented (off-street Bradford)	136	11.4%	860	36.4%	251	30.1%	**1247**	**28.4%**
Private rented (Bradford city centre)	47	3.9%	277	11.7%	83	9.9%	**407**	**9.3%**
All private rented	**183**	**15.3%**	**1137**	**48.1%**	**334**	**40.0%**	**1654**	**37.6%**
All students with a residential need	**1195**	**100.0%**	**2364**	**100.0%**	**835**	**100.0%**	**4394**	**100.0%**

(Source: University of Bradford 2014)

Table 36b shows a breakdown of the residential choices for students with a residential need in Bradford, i.e. those students not living in their own or their parents' home in Bradford or outside. It shows that:

- 24 per cent of all students with a residential need, 50 per cent of first-year students, and 10 per cent of returning students were housed in The Green and Vernon Barnby
- 38 per cent of all students with a residential need, 35 per cent of new students and (interestingly) 42 per cent of returning students were housed in the various private sector PBSA schemes

- 28 per cent of all students with a residential need, 36 per cent of returning students, but only 11 per cent of new students were accommodated in off-street shared private rented housing.

Section 5: Issues arising

5.0 This section provides a commentary on issues arising from the research findings and suggests options for intervention for consideration by the University, Bradford College, Bradford Metropolitan District Council, PBSA providers, off-street landlords, Unipol and students and their representatives.

5.1 Changes in the student residential market

5.1.1 The findings presented above and information contained in Unipol's recent briefing to property owners suggest that there are some building pressures on existing and planned PBSA and on the off-street rental market in Bradford within the context of changing demand from students. In off-street properties the poorer quality, poorly located developments will be unlet, and there will be increasing competition between PBSA providers for returning students, with the prospect of some failing.

5.1.2 There looks to be a growing supply of PBSA combined with falling levels of demand from students. Given a likely fall in student numbers up to 2017 before any increase, there is likely to be increasing competition for the students available, and the business environment will be more demanding on product and services. The PBSA market in Bradford has seen two significant new investors as a result of portfolio sales[27], but it is unclear whether these investments will remain within those organisations' main portfolios (since they were acquired as part of a larger and national portfolio purchase) or whether they are shed soon by being sold on. At Forster Halls, Unite have retained CRM as managers and have chosen not to take on this function themselves. In the short term, these investments are important because they will assure continued investment in the buildings concerned. This may reflect a lack of local housing management capacity or it may make it easier to dispose of later. In the longer term, if individual disposals take place, this will reflect that even the big players do not see Bradford as a viable market in the future and may seek to cut their losses.

5.1.3 The level of off-street housing is probably now at its bedrock level. The off-street market has been driven mainly by returning students renting in groups. The data presented above indicates that some returning students are finding PBSA more attractive, in terms of quality and management and are willing to pay higher rents. The off-street sector is likely to face further competition for their core market from existing and new PBSA providers.

5.2 Residential need arising from projected student numbers

5.2.1 The findings presented above suggest that there is enough accommodation provided to cater for the residential needs of students. The erosion of student populations in recent years, allied to the growing proportion that attend their studies from home, has meant that residential need for students in Bradford has declined. Student number plans for the next five years set out low-level growth, which will be difficult to fulfil given how competition in an increasingly marketised environment is intensifying. Any increase in residential demand arising from fulfilment of student number plans will be marginal and may be fully offset if the proportion of students attending from home increases further. This eventuality is more likely to materialise if current economic conditions and depressed income levels persist.

5.2.2 The University has a vision to develop a specialist reputation and brand for technology provision and research and should attract more students from other parts of the UK and abroad as a consequence.

27 Arkwright Hall was sold by the Opal administrators to Graystar and Forster Hall was bought by UNITE from the Cordea Savills Fund.

Ensuring a robust and high quality student accommodation offer is highly important in enabling the University and the College to attract new demand, especially from its competitor HEIs.

5.2.3 It is clear that the quality of provision offered by The Green has had a significant impact on private sector PBSA in the city. Combined with the strong presence in the market of the option to attend studies from home, this factor may create a structural surplus of accommodation, requiring rationalisation of the PBSA and the off-street housing sector.

5.2.4 Table 37 below shows that if student numbers continue on the trajectory described in Section 2, and if the residence patterns outlined elsewhere in this report continue, there could be a substantial and lasting surplus of accommodation for students in Bradford, expanding from the current surplus of 1,920 bed spaces to just over 3,111 bed spaces next year, before falling to just over 2,200 in 2018/19.

Table 37: Possible surplus or shortage of accommodation for students in Bradford 2013-19

Year	Housing demand (full-time students) (1)	Parents'/ Own home (2)	Outside Bradford (2)	Residential need	Existing/ planned PBSA (2)	Off-street shared PRS housing (3)	City centre private rented flats (3)	Total surplus/ shortage
2013/14	11,155	3,428	3,333	4,394	4,350	1,419	359	1,734
2014/15	10,086	3,224	3,099	3,763	4,472	1,419	359	2,487
2015/16	10,136	3,239	3,114	3,783	4,472	1,419	359	2,467
2016/17	10,408	3,322	3,088	3,998	4,472	1,419	359	2,252
2017/18	10,662	3,399	3,272	3,991	4,472	1,419	359	2,259
2108/19	10,987	3,498	3,389	4,100	4,472	1,419	359	2,150

(*Source: University of Bradford student numbers and student address data 2014; Bradford College address data 2014*)

(1) Based on actual HE students at Bradford College for 2013/14, then assumed constant for next five years, plus projected students at University of Bradford
(2) Based on address records for University of Bradford and Bradford College students
(3) Includes 365 empty bed spaces as recorded on Unipol database, split 80 per cent off-street and 20 per cent city centre

5.2.5 It is likely that this level of surplus cannot be sustained and some provision may fail completely or get close to being unviable. The University (and the College) may need to drive this process more proactively in order to ensure that there is an accommodation offer in place offering quality and choice to prospective students that will help the University and the College to compete from a position of strength in the student market.

5.3 Implications of residential patterns for private providers of PBSA

5.3.1 The findings above show variable fortunes for private providers of student accommodation. They still accommodate 40 per cent of all students in Bradford, but that demand has reduced from over a half in 2009 and is spread across almost 20 different provisions. Some providers are achieving reasonably high occupancy rates (Kexgill, Arkwright Hall, Wardsley House and Forster Hall), but others are running at occupancy rates of under, and sometimes well under, 50 per cent (Laisteridge Lane, Haria House/Tower and some of the new city centre studio/pod developments).

5.3.2 Given that student numbers overall in Bradford are unlikely in the medium term to increase materially, and certainly not at a rate that would take up all the slack in the system currently, it is highly likely that competition among providers will intensify.

5.3.3 Currently just over 60 per cent of Year 1 students attend their studies from home (either in or outside Bradford) and a growing proportion are choosing to take up accommodation in The Green Student Village. These trends have left a reducing proportion of new students opting for accommodation offered by private providers. Increasing competition for returning students is a consequence of this. While returning students in Bradford are as likely to study from home, or seek independently rented accommodation in off-street shared private rented housing, it is still the case that 44 per cent of returning students decide to live in private sector PBSA compared to a third choosing to live in off-street shared housing.

5.3.4 Against a background of intensifying competition from other PBSA providers (not least the University) and the off-street rented sector, and in the context of an established trend of many students attending from home, it is likely that it will become extremely difficult to let accommodation which:

- is older
- has an amenity level below students' expectations (especially provision of WiFi, living rooms and larger beds) or
- is located in neighbourhoods that students consider too far from the University/College or from other amenities.

5.3.5 Private providers may, therefore, have to consider what to do with their assets in the context of variable and likely falling demand. This will mean taking decisions on whether:

- to stand the costs of refitting and refurbishment and set against likely income streams
- mothball provisions pending any increase in demand or service reconfiguration
- dispose of surplus buildings or
- enter into partnerships with the University to take on surplus stock.

5.4 Implications of current patterns of residence for private landlords

5.4.1 The findings presented above show that demand from students for accommodation in off-street private rented shared housing, and therefore the size of the sector itself, is much smaller than in other host cities and towns. Thirteen per cent of all students in Bradford and 25 per cent of students with a residential need in the city live in off-street shared private rented housing, as compared to a figure of around 45 per cent for Leeds and Nottingham.

5.4.2 The off-street market has been driven in the past mainly by returning students renting in groups, but the data presented above indicates that many students remain in their own or their parents' home during their course of study and that a higher proportion of returning students apparently choose to live in University or private PBSA in preference to off-street shared housing in the private rented sector.

5.4.3 The opening of The Green Student Village and competition from private sector PBSA providers have drawn student demand away from the off-street sector to the extent that it looks likely that the level of off-street housing is probably now at its bedrock level and is likely to face further competition for its core market in the future.

5.4.4 Landlords will almost certainly lose competitive edge if the location, quality or management of their homes is seen by students to be poor. In these conditions the role of accreditation will become vital in identifying what ought to be let, and is very important in a big surplus market where demand may be so low for certain 'products' that viability is at issue.

5.4.5 The location of off-street shared private rented housing also appears to be an important determinant of student demand. Most students in off-street rented housing tend to live within two miles of the University/College campus. Landlords trying to let properties located too far from the University/College may find them becoming more difficult to let as competition grows from other types of accommodation and from off-street housing situated closer to the University/College.

5.4.6 New University and private PBSA offers newer accommodation with amenity levels often of higher quality than off-street shared housing. Research by Unipol shows that standards of amenity in off-street shared housing in Bradford lag behind the levels of quality in the off-street sector in Leeds, where a larger sector and the presence of larger (and possibly more professional) landlords has resulted in competition to improve standards in order to meet increasingly demanding student (and student parent) expectations and requirements.[28]

5.4.7 Because of the competitive pressures at play in Bradford, private landlords will need to consider what to do with their properties in the context of demand remaining (at best) at current core levels:

- enhancing provision of amenities to improve levels of comparability to similar off-street shared housing in Leeds)
- embrace accreditation and UNIPOL Code membership to give assurance to students of quality of provision and amenity
- implement improved management regimes in line with those encouraged through the Unipol Code (accreditation scheme).

5.5 Implications for local housing markets of likely trends in student accommodation provision

5.5.1 With student demand for accommodation largely focused on living at home or in PBSA provisions, it is possible that the core of students living in shared off-street housing is further eroded, potentially affecting housing demand in areas surrounding the University where students tend to live. At the moment there are about 354 unlet bed spaces on the Unipol database, and there may be other properties not let through Unipol, where demand is insufficient. However, given the relatively small size of the off-street sector in Bradford, it is unlikely that changing demand will result in the prospect of significant numbers of empty or underlet homes becoming an issue as is the case in Leeds and Nottingham. But it is important to consider potential sources of alternative demand for properties no longer wanted by students.

5.5.2 <u>Home purchase</u>, especially by first-time buyers, would be one option. Average house prices in the areas surrounding the University are substantially lower than the average for Bradford as a whole. Since 2009 there has been an overall drop in house prices for Bradford and within the areas surrounding the University they have fallen by around six per cent. However, there is evidence of stabilisation and even a slight increase in prices over the last year. While housing in the area surrounding the University is relatively affordable to buy (especially for average earners), properties may still be out of the reach of low earners. First-time buyers may be hindered by the scale of deposits required and more rigorous and cautious lending policies adopted since April of this year. Deposits required to secure a mortgage are around £15,000 for an entry level one- or two-bed property and between £26,000 and £40000 for a three- or four-bed property.

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28 *Bradford owners' briefing*, Unipol, 22 January 2014

Average earners may be able to afford mortgage payments at these price levels, but it may still take them almost four years to accumulate the deposit. For those on low incomes it could take between eight and 17 years to accumulate the deposit required.

5.5.3 There is some anecdotal evidence that a number of landlords in the areas where students live are letting as a temporary measure, pending properties being gifted to sons or daughters upon marriage. It may be, therefore, that unwanted properties may revert to use within the local Asian community or may be purchased by others within the Asian community.

5.5.4 It may be that there are alternative rental markets for unwanted student properties. The difficulties faced by younger households in securing mortgages and accumulating deposits have led to a boom in rental demand, and there could be demand for rented properties unwanted by students among young couples and starter households seeking their first home. This may be especially true for young couples from the BME communities who live in many of the areas where students live. However, again this may be of benefit only to average earners. Analysis of market rental costs contained in Section 1 shows that an income of around £17,000 to £20,000 is needed to afford market rents.

5.5.5 Some property owners may consider disposal of unwanted properties to housing associations with a stock base in the areas where students currently live in shared rented housing.

5.6 Implications of current patterns of residence for the University of Bradford and Bradford College

5.6.1 The findings above show that residence patterns in Bradford differ greatly from other university cities and towns:

- a significantly higher number of students live in their own or their parents' home while they study
- fewer students choose to live in purpose-built accommodation
- a significantly higher number of students live in neighbouring cities and towns and commute to Bradford to study.

Given current and likely future economic constraints, it is possible that the proportion of students attending from home will increase further.

5.6.2 However, in the context of this large constituency of locally/regionally-based students, the residential need that has to be met in Bradford will be significantly smaller than in other university cities and towns. The number of students recruited locally and regionally is set to grow further as the young populations in Bradford and the wider Leeds City Region feed through as young adults. Even if the HEIs in Bradford manage to diversify their geographical profile more towards students from further afield, this is not likely to boost student residential need other than on a marginal scale.

5.6.3 The opening of The Green Student Village has quite clearly been a 'game changer' and has had a considerable adverse impact on demand both for private sector PBSA and for off-street shared housing. The University could seek to develop further PBSA (possibly through partnerships with existing providers to re-provide – or redevelop – provisions that are in low demand).

5.6.4 In keeping with its origins, the University is now seeking to realise its vision of establishing and branding itself as a specialist centre for the provision of technology-based courses and research. As such, it would be operating in a competitive national sub-sector for technology provision and would be in the marketplace to recruit more students from other parts of the UK. In this niche but national market, it is an integral part of making the University attractive to prospective applicants that the

University is able to offer accommodation which provides quality and amenity at an affordable cost, which consumers can have confidence in, and which is at least as good as what is available in benchmark institutions and their host towns and cities.

5.6.5 In order to assure the quality of accommodation for students with a residential need, the University may need to take a more proactive approach via a mix of:

- continuing direct provision through The Green Student Village and Vernon Barnby
- developing arrangements with private providers with low occupancy levels to manage or re-provide some facilities
- developing, in partnership with Unipol, an Accreditation Plus approach to establish a guaranteed quality of amenity and management in PBSA and off-street shared private rented housing for students.

5.6.5 This could serve to drive poor quality landlords and PBSA providers from the market and give existing and prospective students a high level of assurance.

5.7 Implications for Bradford Metropolitan District Council

5.7.1 Possibly reducing student demand may have an impact on the size of the PBSA and off-street shared housing for students in the private rented sector.

5.7.2 While there has clearly been a reduction in the number of students living in shared housing in some neighbourhoods, analysis of housing market conditions and trends in those neighbourhoods suggests that there may be alternative demand for housing no longer wanted by students, especially from starter households in local south Asian communities, and from young workers unable to afford self-contained rented housing or access home ownership. That said, there will be some slack arising from changing demand among students and a risk of an increase in empty properties resulting from those changes and from any failure of the off-street sector to keep pace with shifting expectations and requirements. Therefore, the future sustainability of off-street housing and of some neighbourhoods may depend on improvements in the quality of provision and management of private rented housing. This will mean that:

a) reviewing policy and practice in relation to accreditation to ensure that a concerted effort by the Council, the University and Unipol achieves more accredited landlords and properties
b) ensuring effective enforcement action on licensing, disrepair and poor management
c) reviewing resources to ensure that effective accreditation and enforcement of standards can take place.

5.7.3 Investment in PBSA is an issue for the Council and the University. With current levels of demand, it is likely that for every additional purpose-built bed space that is constructed over that period, a bed space will remain unlet elsewhere in the city. Increasing incidence of empty and or derelict PBSA buildings could arise if existing PBSA continues to lose demand as a consequence of poor location, quality or management; or if potential new-build PBSA is based on unfeasible expectations of demand. In Leeds, the Council has been trying to develop planning policy to guide the development of new PBSA in the light of changing demand from students and increasingly speculative investment by developers. The Council wants its elected members to be assured that proposed developments in the city, including PBSA developments, meet known and likely future needs and add value to the city. It is felt that the presumption towards sustainable development in the National Planning Policy

Framework should not, on its own, be sufficient justification for new development, and that local priorities set out in LDF Core Strategy should take precedence.

5.7.4 The Council could therefore consider:

- commissioning a regular (six-monthly) review of all available evidence on student housing demand and the supply needed
- how best to ensure that Councillors are in a position to make fully informed decisions on the quality of planning applications for new PBSA, fully equipped with evidence on supply and demand for student accommodation, along with specialist knowledge that Council officers have on planning law and regulation relating to student housing and the Council's wider planning policies.

This information and advice should enable Councillors to judge planning applications against criteria other than the 'presumption towards development' from the National Planning Policy Framework, and assess:

a) whether the proposed development is either the subject of any formal agreement with the university/college, or has their active support, and offers a clear benefit to the city.

b) whether the proposed development caters for unmet need/demand, where that demand may come from, and whether it offers a clear 'added value' to the city

c) whether there is a clear and demonstrable requirement for additional bed spaces for new students that would justify any proposed development targeted at first-year students alone

d) whether the development provides a configuration of housing and provision of facilities that returning students would be looking for, and which are not provided by other existing accommodation (e.g. university or private PBSA, off-street shared housing or city centre apartments)

e) whether the proposed development could claim to be providing a 'product' which is different to what is currently available, which may be more attractive to students and their parents than existing accommodation, or which could be re-orientated towards meeting demand from alternative sources such as young working people

f) whether there are any potentially negative impacts of new developments on the amenity of residents in the immediate area and whether there may be any potential impact, positive or negative, on existing older university maintained accommodation or on off-street shared housing in the private rented market, or any risk of an increased number of empty properties, resulting from a switch in demand to the proposed development from provisions.

5.8 Implications for Unipol

5.8.1 Unipol could examine developing, in partnership with the University and off-street landlords, an initiative where an Accreditation Plus badge is granted to off-street houses as appropriate, underpinned possibly by an annual inspection regime to ensure that these properties and their amenities and management meet a prescribed set of standards. Unipol could help landlords seeking to meet higher standards (particularly in the organisation of a managed WiFi service) and could facilitate utility-inclusive rents by assisting in the bulk purchase of energy.

5.8.2 The Accreditation Plus properties would then be in the forefront of lettings in the off-street market. The scheme would seek to identify a specific number of high quality properties that would meet the needs of those students wanting to leave PBSA and make the transition into a smaller house without suffering a material loss of amenity.

5.8.3 The scheme would sit on top of the existing Unipol Code and Unipol would be looking to enter into a closer partner relationship with these special providers.