

# The Changing Face of North West Leeds

a pullout guide



New research by housing experts Unipol and re'new shows that things are changing as student numbers in their traditional heartlands are declining. Smaller houses are now increasingly in competition with larger purpose-built student residences (developed by the universities and commercial providers) and city centre apartments.

Since 2006, as student numbers have flattened out, student rooms in large purpose-built complexes, mainly in and around the city centre, have increased from 12,500 to over 18,500. The number of students living in smaller houses over since 2006 has gone down by 5,911. The number of students living in city centre apartments has risen ten fold from 494 in 2007 to 4,791 in 2012.

Since 2006, within traditional student areas postcode data made available by universities shows that students numbers have declined in:

- in Headingley, with numbers down 57% in far Headingley and 19% in central Headingley
- Woodhouse, down 60%
- Kirkstall and Burley, down 54%.

In 2010 nearly 16 per cent of properties in the Headingley, Hyde Park and Woodhouse area advertised through Unipol remained empty. In the same year just under a third of properties were empty in the neighbouring areas.

Analysis of average local house prices and incomes shows that properties are out of the financial reach of an overwhelmingly large majority of would-be buyers. Estate agents surveyed report that demand from prospective owner-occupiers is low and property types and the locality were unattractive to families. The research concludes that it will not be easy to bring empty properties back into use.

## Update for the 2012-2013: the Missing Millions

### The research took place in early summer 2012, so what has happened since then?

This year there are around 2,500 fewer students in Leeds with residential requirements as both universities have recruited less students. This mean an estimated economic loss of at least £31.5 million this year (and close to £100 million across the three years it will effect) to the City.

In the coming year more student houses will remain vacant as the student house market downsizes from 31,500 bed spaces in 2006 to 23,000 in 2013 - a fall of 27%.

It is estimated that the 5,000 surplus bed spaces for students currently vacant in the city will increase to 6,500 next year as this decline in student numbers begins to bite.

Local traders are already noticing a decline in activity caused by the missing students. "We noticed it straight away" said one Headingley trader, "It just didn't seem as busy when students arrived and things are definitely quieter".

## The re'new Research

Over the past 10 years there have been a number of significant changes which have affected student residential patterns but the evidence base about these has been limited.

The re'new research that took place over the early summer of 2012 looked at:

- occupancy of properties in Inner North West Leeds
- housing market conditions
- future shape of tenure and occupancy
- the options for intervention to achieve what has been described as sustainable communities' and appropriate flexibility in planning and planning instruments.

The study looked specifically at developments over the last 5 years and involved the universities and colleges and Leeds City Council.

The report was launched in late September 2012 and can be downloaded on [www.unipol.leeds.ac.uk/Media/PDF/RenewFinalReportAugust2012.pdf](http://www.unipol.leeds.ac.uk/Media/PDF/RenewFinalReportAugust2012.pdf)

re'new is a regeneration charity helping to build communities that work. re'new works directly with communities through various projects and also works with agencies to develop strategic approaches to a range of regeneration issues. All of re'new's work is driven by a desire to help people realise their potential and to create the best environment for them to do this. For more information visit [www.renewleeds.co.uk](http://www.renewleeds.co.uk)

Unipol Student Homes is a charity working nationally to improve training, standards and professionalism in student housing. Unipol's head office is based in Leeds, where they also offer accommodation directly to over 3,100 students, including to 310 families in who are housed in affordable accommodation. Unipol have been working to raise the standard of student housing in Leeds since 1992 when the Unipol Code was founded, a voluntary accreditation scheme which covers 5,000 properties and 19,400 bed spaces in houses and flats in Leeds. For more information visit [www.unipol.org.uk](http://www.unipol.org.uk)

## Workshops on the Way Forward

Unipol Student Homes and re'new are holding two workshops between now and the end of January to talk about and explore policy options on this research. One will be targeted at local residents and students and the other at landlords and housing suppliers.

These events will be free of charge. The dates have not yet been set but if you want to register an interest then details can be sent to you in the near future.

To register your interest email [I.skyers@unipol.org.uk](mailto:I.skyers@unipol.org.uk)

## The Changing Face of North West Leeds

# Student Numbers - Going Up and Going Down

## 1998-2006

Until 2005 the numbers of students living in houses in North west Leeds was increasing. In 2005 the building of purpose built student accommodation (often in the city centre) began housing greater numbers, and from that point on student numbers living in smaller houses have declined.

Before 2005 the rapid growth in the amount of shared student housing was significantly caused by

- the expansion of both universities
- rising house prices offering high returns in capital growth and a good rental income
- the “buy to let boom”
- cheap and easily obtained finance.

Families and first-time buyers looking to buy in the area were up against professional landlords able to make cash purchases and exchange contracts within a day or so. Over the period many families sold up and left.

Looking back it can be seen these conditions created a “perfect storm” in changing housing in North West Leeds.

## Changing Times 2007-2012

From 2007 there were signs of change. The Strategy for Housing Students in Leeds (2007) noted that

“the student housing market has undergone a significant shift over the last two years or so. There has recently been substantial private sector investment in purpose-built accommodation blocks for students that are complementing new purpose-built accommodation provided by the two universities. This will add a significant amount of new accommodation for students over the coming years and has implications for the amount of viable housing for students, given the expected ‘smoothing out’ of applications from students and the prospects of a surplus of housing for students. This, along with the licensing of HMOs and the



requirements of compliance with the Housing Health and Safety Rating System may have an impact on the supply of private rented shared housing in the Leeds 6 area.”

Change was taking place:

- a rise in purpose build accommodation
- some students turned their backs on properties with a lower amenity level



- the boom in city centre apartment developments saw students move in there
- a restriction on cheap credit and buy to let
- static, and declining, student numbers.

The drivers of change had all gone into reverse and student numbers in North West Leeds started, and continue, to go down. Just as students had arrived quickly, they were now leaving quickly.

## The Future

There are big changes taking place in the housing market. A decline in traditional families, difficulties in purchasing housing and an increase in non student renting and a structural change taking place in the student market. Coupled with this are changes in housing benefit and difficulties in borrowing and employment.

There are really two housing policy options available: either leave the market to correct itself or develop selective interventions in areas of transition.

In terms interventions, these could be:

- encouraging first time buyers to purchase in targeted areas
- increasing the positive profile of the area by positive marketing
- encouraging student landlords to re-convert and let to other renters
- lease to housing associations (if they were interested in doing that)
- encouraging conversion to flats and helping with clearer planning policies for that.

There are also options such as encouraging empty properties to be acquired by intermediary bodies such as the Headingley Development Trust, although so far these initiatives have not been successful.

Improvements could be made by refurbishing back-to-backs to make them more attractive, or by improving the streetscape and neighbourhood management.

## The Big Buildings - Purpose Built Student Accommodation

Big buildings now house 18,672 students in Leeds (with just over 5,000 of those being owned by the private sector and the rest by educational institutions), up from 12,534 in 2006.

This sector is getting bigger with new buildings coming on line this year (the Downing Central Village) and 3,323 additional bed spaces in planning in the City.

What is more is that the bigger buildings are getting cheaper. 2 years ago shared student houses were the cheapest cost accommodation in the City, but this year 16 purpose built developments are cheaper and have attracted more returning students into them.

More students are looking at renting flats in purpose built buildings attracted by the security, technology and lower price.

## Empty Places and Empty Houses

### Surplus bed spaces

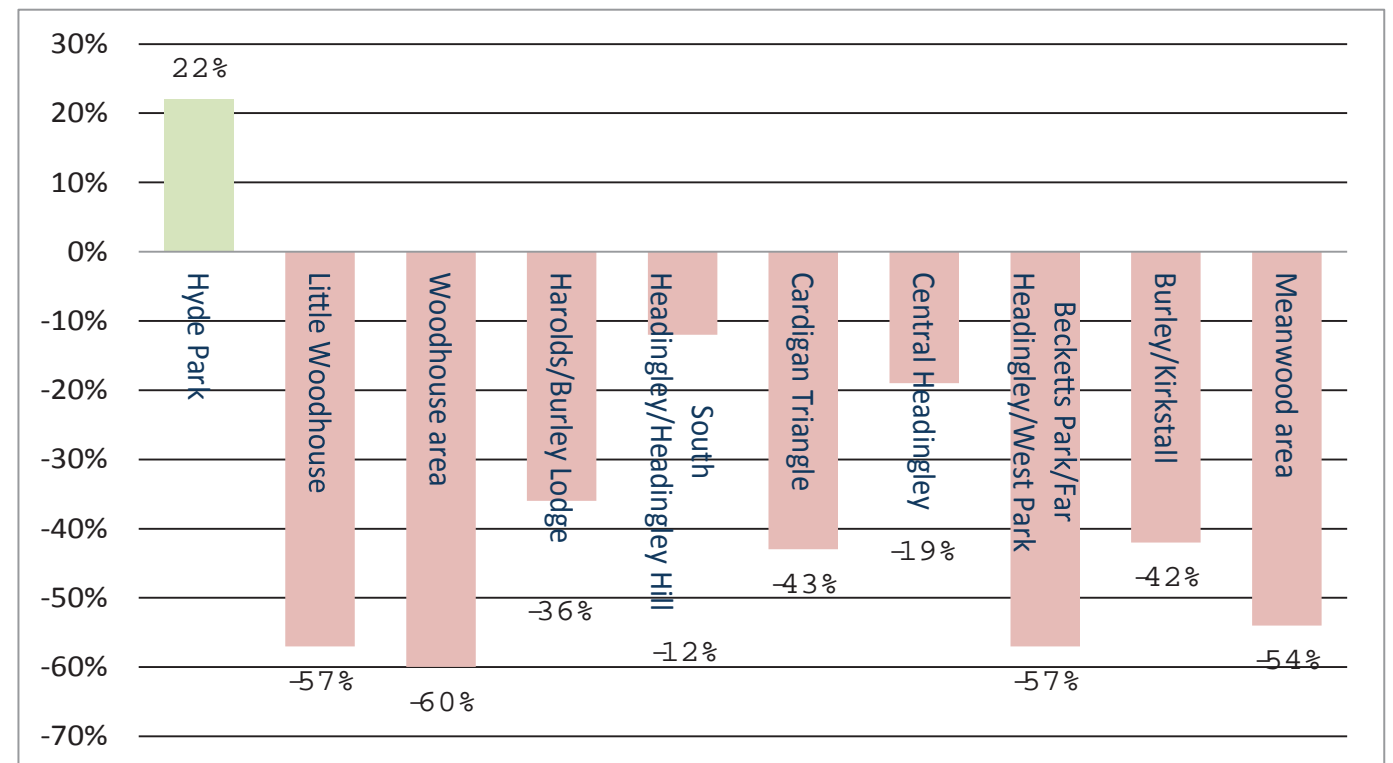
In 2011 there were 3,127 empty places on the Unipol database. In 2012, even with some selling of properties, there are over 2,000.

Looking at Leeds City Council's list of wards with the highest percentage of properties empty for over six months, Headingley ward, Hyde Park, Woodhouse, Weetwood and Kirkstall are all among the highest 10 wards.

Ward	% of properties empty for over six months (March 2012)
Headingley	6.28%
City and Hunslet	5.84%
Hyde Park and Woodhouse	4.57%
Beeston and Holbeck	4.05%
Burmantofts and Richmond Hill	3.85%
Gipton and Harehills	3.36%
Chapel Allerton	3.32%
Roundhay	2.67%
Weetwood	2.67%
Kirkstall	2.53%
<b>City average</b>	<b>2.44%</b>

The number of students living in commercial purpose-built accommodation has more than doubled from 5,298 in 2006/07 to 12,672 in 2011/12. The largest increases in areas accommodating students in purpose-built accommodation have been in Little Woodhouse (300 in 2006/07 to 3,922 in 2011/12) and Woodhouse/Little London/Buslingthorpe (196 in 2006/07 to 2,905 in 2011/12), the University area (1,825 in 2006/07 to 2,891 in 2011/12) and Leeds city centre.

The proportion of students living in shared houses in off-street properties has changed. Over the last five years in Hyde Park it has increased - up 22.4% but the number of students living in off-street properties in central Headingley has reduced by 19% and in Woodhouse by 60%. Looking round these areas it is easy to see empty properties, and the scale of the problem is masked by landlords letting larger properties to only a couple of students: the number of empty rooms is large and getting larger.



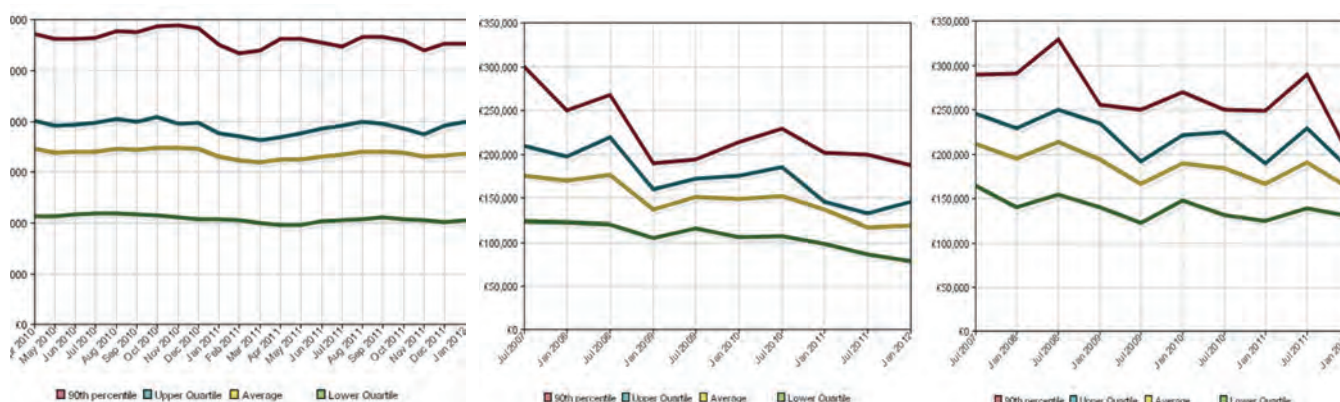
(Source: Leeds City Council, Council Tax records 2012)

Percentage change in students living in street properties 2006/07 - 2011/12

## What About House Prices?

House prices reflect supply and demand. The Leeds average graph (left) shows a relatively consistent level of house prices from April 2010 to January 2012. In Hyde Park and Woodhouse (centre) and Headingley Ward (right) house prices are much more volatile with the upper range of prices (almost certainly shared student houses) reflecting serious drops.

The average price for a semi detached house: in Hyde Park and Woodhouse has gone down 38% since 2006 from £122,500 to £76,000 in Headingley has gone down 19% since 2006 from £184,500 to £150,000 in Weetwood the fall has been less with a 9% drop from £134,950 to £123,000.



Reducing prices will improve the affordability of housing - if people, are able to buy and move in. Will they?

### Top Landlord Sells Properties

Research is all very well, but when a top landlord, Pickard Properties, starts selling properties it is clear something is happening. Pickard Properties have recently marketed 25 of their properties for sale in key

student areas. This downsizing is particularly surprising because Pickard Properties won Leeds University Union's Best Large Landlord category in their Landlord Awards for 2012.

Do they know something we don't?

## Good News on Crime

Crimes and crime levels have fallen substantially over the last year. Burglary numbers have fallen by 51% over the last year; anti-social behaviour has fallen by 43%; robbery by 63% and vehicle crime by 43%. The figures tend to challenge the portrayal of North West Leeds as one 'riddled' by crime.

The Table below presents comparative data on burglary rates in Inner North West Leeds relative to other parts of the city.

Area	Burglary rate 2012 (Burglaries per 1,000 households)
Inner North West Leeds	1.22
Gipton and Harehills	1.32
Killingbeck and Seacroft	1.55
City and Holbeck	1.55
Burmantofts and Richmond Hill	2.42

(Source: West Yorkshire Police/ www.crimestats.com)

Burglary rates in Inner North West Leeds are lower than in the areas with the highest burglary rates, and half the rate in Burmantofts and Harehills, which has the highest burglary rate.

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# The \$64,000 Question: As Students have Left - Who is Moving In?

This depends on:

- property type
- cost and affordability
- other renting groups.

## Property Types

Properties without gardens are not attractive to returning owner occupiers and the research showed that many students areas have a negative image - deterring those from Leeds from buying there and also deterring non student renting groups.

The survey looked dispassionately at a number of areas and house types to see what was happening and what might happen in the future. Much more detail is available in the full report.

### In Far Headingley/Beckett Park and the Cardigan Triangle

- between 2005-2007 not one house was sold to a family. Many landlords would now like to sell back into that market, but with prices 15% down and with borrowings still high, many are unable to do so. Overall, however, the property type is attractive to owner occupation or professional letting and, over time, a transition is likely to take place.

**Headingley Hill** - here many properties are too large and too expensive for first time buyers. Many have been converted into flats and these will be let to an increasing number of professionals.

**Hyde Park** - there remains high demand from students. Levels of owner occupation are low and most properties are straight off the street. Student occupation is likely to level out but the area is unlikely to change.



**South Headingley** - property types here are unattractive to many incoming families and those that are there are often transitory. Student demand is holding up in these areas which are likely to see some change towards owner occupation if capital values continue to fall.

**Harolds and Burley Lodge** - this areas is clearly in transition. Smaller properties (including back to backs) are declining in popularity with students and may not be attractive to incoming families and much of the area has little green space. Back to backs are, however, lower cost and at around £80,000 to £110,000 a mortgage would cost around £400 a month - less than renting a whole house at around £600 a month (although that might be fully furnished).The deposit required would be around £20,000 which might put these out of reach of many buyers.

**Meanwood, Burley and Kirkstall** - these areas are in transition as students leave them. The area has a higher than average proportion of properties that have been empty for over 6 months. Meanwood is seen as "an up and coming" area and there is demand for young workers in



shared houses and benefit claimants.

**Little Woodhouse** - the area is in transition but is moving towards professional letting, particularly around the Hanover Square area.

**Woodhouse** - this area is in transition with students leaving for purpose built complexes. Demand from other groups for housing in this area has been uncertain and many landlords are trying to sell in this area. There are a lot of empty houses. In this area there could be real problems because it is unclear whether, as students leave and landlords sell, whether there is any demand from single occupancy households.

**Central Headingley** - there has been a clear movement of students out of this area with a high number of empty bed spaces and properties. There is also uncertain family demand limited by prices and mortgage restrictions. Larger properties, such as those in the Estcourts and Headingley are far too large for owner occupation and often have no, or very small, gardens.

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## Article 4 - Unintended Consequences

Leeds City Council acquired Article 4 powers with the main intention of restricting the growth of houses in multiple occupation in student areas. As the re'new research has highlighted, the problem is no longer increasing numbers of students, but decreasing numbers of students and what to do next.

The research concludes that for some areas it will be important that rented housing moves from student groups to other renters because there is no other likelihood of these houses being occupied by other groups. There is a growing demand for shared houses from young workers unable to access social housing or afford their own house.

Using Article 4 powers, particularly in a "blanket" manner, could have unintended consequences. Any setting of quotas on HMOs (Houses in Multiple Occupation) may prove to be both very difficult and could have potentially damaging impacts on the housing markets in the Article 4 area, and on the ability of homeowners to sell their properties and move where they want or need to.

- 10% threshold - if this were to be applied across the Article 4 area, then all sub-areas in Inner North West Leeds would be likely to be affected. Some areas

probably have concentrations of HMOs at 70% or more. Presumption against HMOs may 'trap' family sellers if there is no demand from single occupancy households

- 20% threshold - the same issues may apply as for a 10% threshold. However, it could work in areas with fewer HMOs or where markets are reverting to single residential occupancy
- Three-tier threshold - this could be set to reflect current market characteristics. There could be:
  - A 20% threshold set in areas with few HMOs or where markets are reverting to single residential occupancy
  - A 40% threshold could be set in areas in transition and potential use as HMOs could be agreed if properties were empty for more than six months
  - A 70% threshold could be set in areas with high existing concentrations (i.e. if over the threshold, no application of Article 4) and potential use as HMOs could be agreed if properties were empty for more than six months

There will be issues of how to identify when change of use happens. Also, given current financial constrictions on Leeds City Council, it is questionable whether there could be sufficient enforcement resources.

### Importantly, the report concludes:

"The policy (Article 4) and the views of some organisations on its implementation also assume that there would be a ready demand from families/ single occupancy to purchase properties becoming available. There are also assumptions that landlords will let to single occupancy households should they be unable to let as HMOs. There is little evidence to support this."