



# **Student Accommodation Strategy**

**2016-2020**

**June 2016**

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## 1. Executive Summary

The Estates Strategy adopted by the Board of Trustees in 2015 identified the development of a Student Accommodation Strategy as a priority undertaking. The objective within the Estates Strategy was that SOAS will determine the best approach to securing accommodation and determine effective management arrangements working with partners to provide accommodation. The objectives within the Estates Strategy were recognised as responding appropriately to the property considerations and that the work needed to be widened to address student wellbeing. This strategy draws these two aspects together in recognition that the availability and quality of accommodation will not only be a benefit in the recruitment process, but also the extent to which accommodation will contribute to retention and success.

The strategy has two major constituents, which are broadly the importance of access to accommodation within the student experience; and all aspects of the property itself including the relationships with existing providers and landlords as well as identifying new relationships and the opportunity for development of SOAS' own student accommodation. These constituents are arranged around six objectives<sup>1</sup>, which contribute to the leading objective of providing a guarantee of accommodation to all first year and new international students.

The strategy is time limited to July 2020. A number of themes were identified and developed throughout the year 2015-16 and in some cases these have already begun to be implemented whereas others will take longer to initiate. It is anticipated that the strategy will require a redrafting or update in the interim.

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<sup>1</sup> The objectives are summarised on page 4 of this Strategy.

## 2. Introduction

SOAS depends upon a mixture of third party provision (Sanctuary and UoL), some structured head lease arrangements (UoL) and the rental market both private providers such as UNITE and private landlords. A Redbrick report was commissioned in 2014 and this proved to be somewhat inconclusive in terms of the needs of students and the overall requirement for accommodation.

SOAS currently has access to 959 student bed spaces and the Redbrick report suggested that SOAS should seek to increase this to 1500 bed spaces that are directly provided on our behalf. A benchmark<sup>2</sup> would be the overall number of bed spaces required should be equal to the annual intake of first year undergraduate students and for newly arrived international students and a target of the provision of up to 3000 bed spaces has been established. The survey also underlined the preference for central London, Zone 1 accommodation, both for convenience and to lessen the impact of the cost of travel. The need to develop better partnerships or consider alternative models of accommodation is underlined by the fact that the current accommodation arrangement with our principal provider (Sanctuary) expires in 2030.

Provider	Accommodation	Type	Area	Number of bed spaces
Sanctuary Student Accommodation	Dinwiddy House	Ensuite Rooms in cluster flats	Islington (Zone 1)	510
Sanctuary Student Accommodation	Robeson House	Ensuite Rooms in cluster flats	Islington (Zone 1)	269
University of London	Various Halls of Residence	Individual Rooms with shared facilities	Camden (Zone1)	100
University of London	Head Lease scheme	Shared houses and flats	London Zone 1, 2 and 3	80

**Table 1: Current providers and the total of bed spaces**

Work to determine the level of cost and risk associated with a scheme to redevelop Vernon Square is underway together with a consideration of the financial and partnership arrangements that would be necessary to deliver such a scheme. The aim of this will be to maximise the number of student bed spaces available at Vernon Square.

Key to securing additional accommodation is ensuring that affordable accommodation is available to those students who require it, and a clear, centralised allocations policy and system will need to be put in place to ensure that a guarantee of accommodation can be delivered. The Redbrick report indicated that students wanted information to be in one place, and whilst work has been undertaken to provide additional information on the SOAS Accommodation webpages, further work is needed to expand the allocations process and streamline the application process.

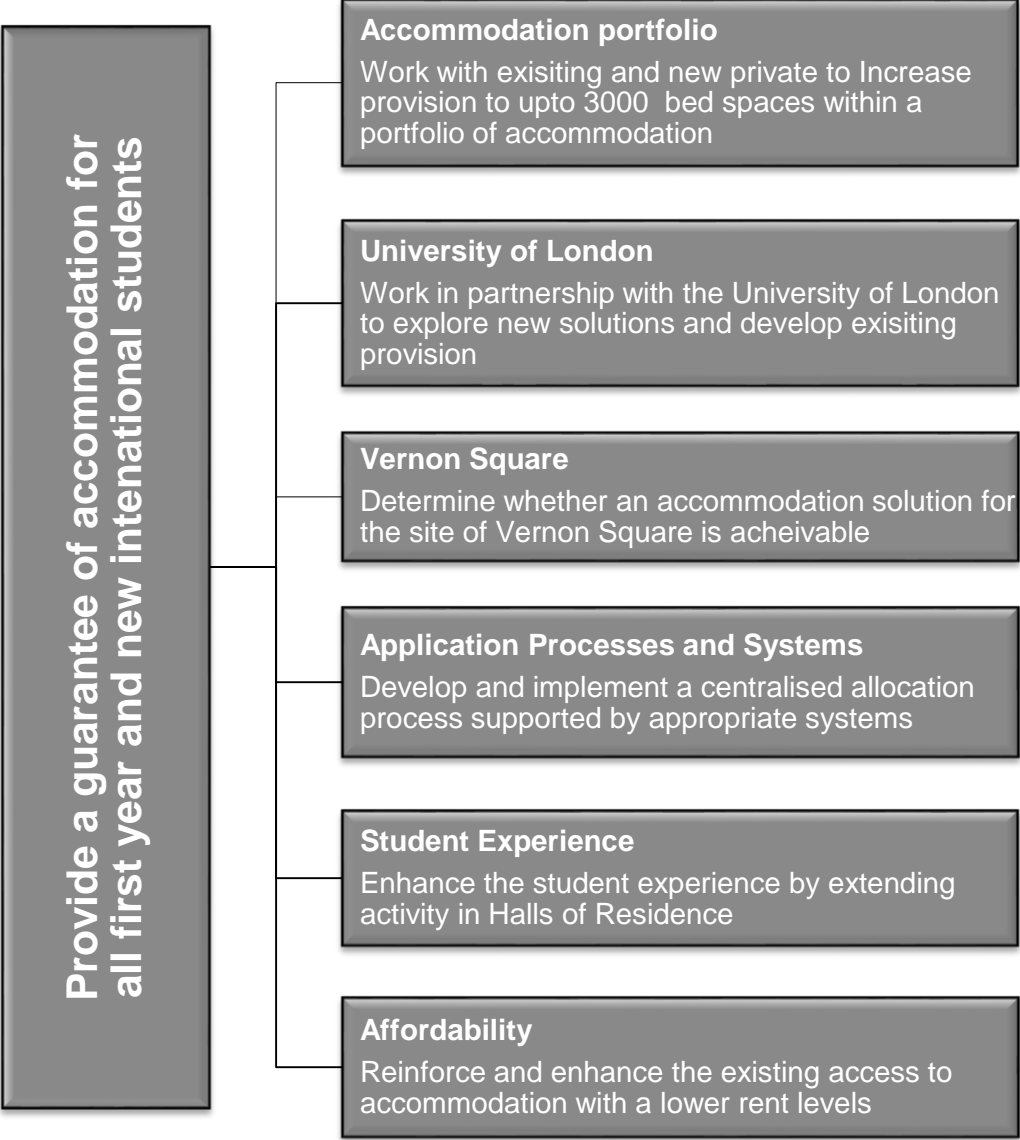
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<sup>2</sup> The planning aspiration for UCL and KCL is to guarantee bed spaces for the annual intake of first year undergraduate students and for newly arrived international students. For SOAS this would equate to 3000 bed spaces. While this may not be easily achievable in practice a clear reasoning and target number informs conversations with planners and illustrates the extent to which provision is outstripped by demand.

Given our limited accommodation supply, many new undergraduate students and international students newly arrived to London experience difficulties in finding accommodation, and can end up feeling disconnected from SOAS as a result of the accommodation they are able to secure. Prospective students have a clear preference for living with other students, and work undertaken thus far has been underpinned by the recognition of a need to feel part of a school-wide community. An expanded accommodation portfolio offers additional opportunities to develop programmes of social and support activities that reach beyond the campus.

**3. Strategic Aims 2015-20**

The overall aim of the strategy is to provide a guarantee of accommodation to all incoming first year and international students, thereby enhancing the student experience and improving the overall SOAS offer. Strengthening and developing the existing accommodation provision and exploring new opportunities to provide access to a range of accommodation options will meet the aim. The following objectives identify the tasks that need to be undertaken to meet this aim.



### 3.1 Accommodation Portfolio

#### The Current Situation

The Redbrick Accommodation report commissioned in 2014 highlighted the challenges faced by students in studying in London but did not conclusively identify a future approach. The lack of information and the difficulty in accessing information were shown to be particular issues and some quick wins to develop a better accommodation offer and service. In response, a second student welfare adviser was recruited within Student Advice and Wellbeing to improve the accommodation advice and support on offer to prospective and current students.

The report demonstrated that price and proximity were the most important factor for SOAS students, and SOAS was seen to be performing in line with the sector. It also identified a preference for self-catered en-suite accommodation in halls of residence, although the report noted that shared bathrooms were considered an acceptable compromise for lower rent. The report recommended that a range of contract lengths should be offered, and in response to the findings it is clear that a portfolio approach would be best to meet a range of needs and expectations.

Location	Number of bed spaces	Approximate Rental cost	Term
Dinwiddy House	510	£149	38 weeks
Robeson House	269	£149	38 weeks and 52 weeks
UoL	100	£130-£345	38 weeks and 50 weeks
Head Lease	80	£135-£200	51 weeks

**Table 2: Current provision of student accommodation**

#### Strategic Objectives

- Improve information about accommodation offers and the suitability for students.
- Develop a portfolio that meets the needs of students.

#### Next Steps

- Continue to develop information resources and marketing materials regarding accommodation options
- Quantify the premium available and determine the extent that it can be moderated against other factors such as the rent payable.

## Performance Indicators

Success will be determined by the overall provision of bed spaces and more general satisfaction with both the quantity and quality of provision. A general measure of the number of bed spaces per student FTE is presented below. This covers directly owned student accommodation and third party bed spaces.

Measure	SOAS	Comparator Group			Difference (from Lower Quartile)	Trend
		Upper Quartile	Median	Lower Quartile		
Bed spaces per student FTE	<b>0.19</b>	<b>0.2</b>	<b>0.18</b>	<b>0.18</b>	<b>+0.05</b>	<b>Stable</b>

### Performance Indicator 1: Bed spaces per student FTE

Target: To increase the quantity of bed spaces per student FTE

*2015: Commentary: We are at the median in the provision of bed spaces. Of our comparator group the lowest provision is the University of Westminster (0.12) and the highest LSE (0.39).*

Student satisfaction with accommodation provided through SOAS is measured by two questions in the Student Barometer. The questions ask students to rate the quality and cost of accommodation.

Measure	Year	SOAS	Global ISB	UKISB	London ISB	Trend
Accommodation Cost	Autumn 2014	<b>39.2%</b>	<b>58.0%</b>	<b>59.3%</b>	<b>43.7%</b>	
	Summer 2015	<b>35.6%</b>	<b>57.8%</b>	<b>41.7%</b>	<b>41.7%</b>	
Accommodation Quality	Autumn 2014	<b>72.2%</b>	<b>81.9%</b>	<b>83.0%</b>	<b>77.1%</b>	
	Summer 2015	<b>64.5%</b>	<b>81.1%</b>	<b>81.2%</b>	<b>76.6%</b>	

### Performance Indicator 2: Student Satisfaction

Target: To improve satisfaction with accommodation quality

*2015: Commentary: We are at the bottom of the ranking both globally and nationally for both accommodation cost and quality. These survey findings took place in 2014/15 when there were extraordinary issues in the Sanctuary Students residences leading to a rent strike which likely had significant impact on both measures. Satisfaction with accommodation cost is low across London where cost of living is high however there is room for significant improvement in satisfaction with accommodation quality to bring us closer to the London mean.*



### 3.12 Sanctuary Student Homes

#### The Current Situation

Sanctuary Student Homes manage over 12,500 units of purpose built student accommodation throughout the UK. Sanctuary Student Homes is part of Sanctuary Group which is a not-for-profit organisation, with a multi-million pound turnover and staff numbers in excess of 10,900, Sanctuary provides a range of services across a group structure including general rented housing, retirement living, supported accommodation, student and key worker accommodation and care homes.

SOAS students have access to 769 rooms<sup>3</sup> at Dinwiddy House and Paul Robeson House. Of the total 10% of rooms are reserved for continuing students, with the remainder of rooms being allocated to new PG and UG students who live outside the M25. The sites are located on the Pentonville Road with good transport links to SOAS. The arrangement with Sanctuary is an exclusive nominations agreement for a period of thirty years from 2000, where the annual uplift in rent is set at the percentage increase in RPI. The accommodation rate of £149.64 for 2015-16 is low by market standards<sup>4</sup> and this has resulted in the accommodation being popular with students.

In recent years a number of problems have been experienced with Sanctuary that have been the result of the lack of investment in the building fabric and services. These were first experienced in 2007 when SOAS began to exercise step in rights to remedy a number of compliance issues and again during the course of 2014 when students concerns around hygiene and maintenance resulted in a rent strike<sup>5</sup>. Sanctuary has reported that the low rent levels have affected their ability to invest in the buildings although much of the facility has now been overhauled and brought up-to a consistent standard. Internal changes at SOAS have meant that the liaison and management arrangements have also improved and it is envisaged that this will mitigate against a reoccurrence of these issues.

As Sanctuary currently provide the majority of SOAS accommodation, it is important that we continue to work closely with them to develop and improve the student experience within their halls of residence. Sanctuary is not obliged to SOAS beyond the expiration of the current arrangements in 2030. The Redbrick survey indicated that this type of accommodation was undoubtedly popular, but stated

*“the impact of losing it may not be as great as previously estimated, provided applicants are adequately informed and there is sufficient supply of alternatives; with access to enough low-cost intercollegiate and head-leased private accommodation, the direct impact of losing Option A on uptake of places is likely to be significantly less than 0.5%”*

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<sup>3</sup> The allocation is spread across two locations with 510 rooms at Dinwiddy House and 259 rooms at Paul Robeson House. The allocation at Paul Robeson House includes 7 double rooms. Dinwiddy House is Postgraduate only accommodation. The accommodation consists of ensuite bedrooms arranged in clusters with shared kitchen facilities. An additional 13 rooms have been developed on the Dinwiddy Site which are available to SOAS students but remain outside of the nominations agreement, and are charged at higher rent levels..

<sup>4</sup> This is the result of the mechanism used to determine the annual percentage increase being very low in comparison to the value of rental increases experienced in London. In comparison the average rental levels for 2014 was £162.66 per week for University PBSA and £233 per week for Direct Let PBSA.

<sup>5</sup> SOAS students were not alone in expressing dissatisfaction at the quality of their accommodation with similar issues being reported at City UoA, LSE, UCL and Westminster during the academic session 2014-15.

Nevertheless, SOAS should maintain an interest in the future development of this site within the broader strategy of developing an accommodation portfolio. Initial conversations on the future of the site were held in early 2015, whereby interest was expressed in redeveloping the site before the end of the current agreement.

### **Strategic Objectives**

- Develop and improve the management and liaison mechanisms between SOAS and Sanctuary Students.
- Open conversation with Sanctuary Students about the financial mechanism to ensure that the halls remain good value for students and represent a reasonable return for Sanctuary.
- Consider a future relationship with Sanctuary Student Housing within a broader approach that considers a range of options.

### **Next Steps**

- The Student Adviser (Housing) is co-ordinating the relationship with Sanctuary Student Housing and involving other SOAS stakeholders as appropriate.
- Further engagement with Sanctuary Student Housing to determine opportunities for the longer term.

### 3.14 Private Providers

#### The Current Situation

There are some 182 independent halls located within the London region. A range of providers that include charities and specialised private operators operates these. The halls are spread across London with the most significant concentration being in Central London<sup>6</sup>. Independent operators now manage 43% of the estimated 70,000 bed spaces in Purpose Built Student Accommodation<sup>7</sup>. SOAS students are observed to rent rooms from a wide range of these providers<sup>8</sup>. For the 2014-15 academic session 6% of SOAS students were living at 58 different independent halls<sup>9</sup>.

There are wider concerns about the proliferation of PBSA in five central London Boroughs with a planning policy consideration being the dispersal of these sites across the London region. The argument considered that the economic benefit of students will be spread, development sites will be available and be more economical and as a consequence the rental levels will be lower. To counter this concerns about the cost and capacity of transport infrastructure to support outlying developments remain.

Anecdotally students have expressed some satisfaction with the facilities offered by the independent operators and in particular this is focussed on being part of a student community and the level of facility provided. The operators themselves report healthy interest in the accommodation and clearly focus on resident satisfaction and repeat bookings as well as structured arrangements with universities in order to reduce the void risk. In taking places in independent halls students are clearly taking account of the levels of facility and other additions that are included within the quoted rates. Even with these costs considered rates for accommodation in this area remains high and beyond the means of many students.

In the longer run the lack of new developments gaining planning consent or under construction is a concern, suggesting that demand will continually outstrip supply resulting in relatively little competition and high rents. As it is clear that a proportion of students regard this as a preferred accommodation option it is important that engagement with PBSA providers continues if we are to secure the best rates and access to bed spaces.

#### Strategic Objectives

- Improve and develop relationships with suppliers of PBSA.
- Improve access to a variety of PBSA accommodation.
- Target the provision of 500 bed spaces via nominations arrangements.

#### Next Steps

- Develop a portfolio of accommodation using a range of different PBSA providers.

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<sup>6</sup> ANUK registered independent Halls are spread across London with 31 being located in Central London, 13 being located in East London, 12 in North London, 5 in South East London and 13 in West London.

<sup>7</sup> Some 19% of students living in London are accommodated in PBSA. Some 21% of SOAS students live in PBSA.

<sup>8</sup> In 2014-15 SOAS students were observed living in 31 different independent halls of residence.

<sup>9</sup> The independent sector has the capacity to accommodate 8% of all students living in London.

- Investigate longer-term opportunities for collaboration with PBSA providers.

## 3.2 University of London

### The Current Situation

SOAS students have access to the University of London (UoL) that provides a range of accommodation options. These include the allocation of spaces in the intercollegiate halls, private rented accommodation managed by the UoL Property Management Unit (PMU), Student Homes and a conduit to the private rental market provided through the University of London Housing Services.

- **Intercollegiate Halls:** The nature of these varies depending upon the time of refurbishment. Those more recently refurbished are generally ensuite rooms arranged in clusters with shared kitchen facilities. The older halls consist of individual rooms with shared bathrooms and communal kitchens. The majority of rooms are catered, however Garden Halls (re-opening 2016/17) provides a mix of catered and self-catered accommodation. SOAS currently has access to 105<sup>10</sup> standard rooms through this arrangement. Family accommodation is allocated outside of this quota - 56 family flats are available to students from across the University of London. Rental levels vary between £139.91 (twin room) and £281.85 per week.
- **Managed Private Accommodation:** UoL manage a number of properties through the Student Homes head lease schemes. These properties are subject to basic survey and agreed standards, rental arrangements and tenancy conditions. In return colleges within the University guarantee the rent to the landlord via an arrangement with ULHS. SOAS currently guarantee 77 rooms through this scheme.
- **Other accommodation:** The Property management Unit at UoL manage Clendon House in Finchley, which offers budget accommodation in self-contained flats from £81 per week, and 19 flats in Gower Street from £346.50 - £455.30 per week.
- **Private Rental Market:** UoLHS advertises private accommodation through a registered landlord scheme. The arrangements between the student and the landlord are private and ULHS ensures that a minimum standard of accommodation and compliance is met. The properties are not inspected.

The UoL has identified the modernisation and expansion of student residences as a strategic objective<sup>11</sup> for the 2015-2020. It is noted that affordability is a key component and indications are that this will be below the rates stated by private providers but higher than at present<sup>12</sup>. The role of the University in redeveloping existing sites will be of supreme importance in the current planning climate. Fully collaborating with the UoL will be desirable in the immediate future as the plans for the estate become clearer.

The managed private accommodation options have so far worked well and it is envisaged that the take up may be strengthened as the scheme beds in. It has proved difficult to identify properties with which to extend the scheme and the current advertising arrangements mean that many were taken up very late. Prior to extending the scheme it is desirable that the mechanism of advertising these rooms is improved to mitigate against the risk of underwriting voids.

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<sup>10</sup> This quota is allocated by UoL based on the size of the college, previous uptake and a bid made by the college each year. The void risk of rooms within this allocation at the start of the academic year is shared 50/50 between the college and UoL. From 2017/18 The Garden Halls will be included in the quota, a likely increase of 70-90 bed spaces.

<sup>11</sup> Estate Strategy 2015-2020, University of London p8.

<sup>12</sup> Indications are that a cost of £180-£200 per week at the current rate is being considered.

## Financial risk

### Intercollegiate Halls

Since 2015/16, the void risk at the start of the academic year for rooms within each college's allocation is shared 50/50 between SOAS and the University of London. As demand is high for these rooms the risk is very low.

### Student Homes

SOAS guarantees the rent on 80 rooms managed by the Student Homes team, covering voids at the start of tenancy and guaranteeing the students' rental payments. UoL invoices SOAS for any outstanding rental payments<sup>13</sup>, and SOAS seeks to recoup these through its normal debt recovery processes. The risk of voids at the start of the tenancy has lessened as the scheme has become more widely publicised.

The performance of the Student Homes scheme is shown in the table below<sup>14</sup>.

Academic year	Rooms	Voids total	%	Outstanding rent	%	Total	%	Recovered debts
2013/14		£ 1,524.75	0.49	£ 4,299.44	1.38	£ 1,524.75	0.49	£ 0
2014/15	66	£ 4,881.40		£ 10,097.26				£ 0
2015/16	80	£ 869.57	0.13	£ 8,594.77	1.33	£ 9,464.34	1.46	£ 0

**Table 3: The performance of the Student Homes scheme**

### Strategic Objectives

- Liaise and collaborate with the UoL on the future development of student accommodation, particularly in Central London sites.
- Liaise and collaborate with ULHS over the development of the Student Homes properties

### Next Steps

- The UoL is set to publish a development plan and following this the Registrar, Director of Estates and Student Advisor (Housing) should engage at the appropriate levels and determine future options. Engagement through the University of London also offers the opportunity to input into the wider planning scenario.<sup>15</sup>
- The Director of Estates and Student Advisor (Housing) have regular meetings with ULHS with the view to improve and develop the service

<sup>13</sup> SOAS seeks to recoup any unpaid rent, damage costs and any associated legal costs, however voids associated with circumstances out of a students' control (e.g. leave of absence, visa refusal, etc.) are covered by SOAS.

<sup>14</sup> Percentages given are of total rent exposure.

<sup>15</sup> The Mayor of London's Draft Interim Housing SPG considers future Mayoral policy on Purpose Built Student Accommodation in London. A response from the AUDE London region was coordinated by the Director of Estates (as chair of AUDE London). The London Assembly has also commented. UoLHS were involved in both these exercises and would look to be well placed to feature in any future consultation.

### **3.3 Vernon Square**

#### **The Current Situation**

The future use of Vernon Square as a site for student accommodation is well established but remains difficult to achieve. There are six problems, which need to be overcome

- Change of use: The site is designated as planning Part D1<sup>16</sup>. To use the site for another purpose SOAS would need to obtain a planning consent to change the use. In order to obtain this we would need to demonstrate that there is no further requirement for a D1 use.
- Islington's Local Plan: The Core Strategy restricts development of student accommodation to identified locations around City University and London Metropolitan University.
- Size and configuration of the existing building: The existing building cannot be easily converted into units of student accommodation.
- Local opposition: Previous planning applications for student accommodation were vigorously opposed.
- Conservation area: The building is not listed but is listed as a contributor of a conservation area. This places some restriction on its treatment.
- Unite have a development with a long lease on part of the site.

The key to unlocking the potential of the site rests with SOAS being able to make a case to Islington and SOAS have been advised this will be very unlikely to happen through a purely formal route. Public Relations consultants have been appointed and we have begun a process of determining whether our long-term aspirations for the site could be aligned with the wider objectives of Islington's Local Plan.

#### **Strategic Objectives**

- Improve and develop relationships with the London Borough of Islington.
- Align our long-term aspirations with the objectives of Islington's Local Plan.
- Target the provision of 200 to 300 bed spaces on the site.
- Assess current relationship with Unite and determine its future.

#### **Next Steps**

- Appoint public relation consultants to develop relationships with the London Borough of Islington.
- Develop a feasibility study considering the potential options for the site of Vernon Square.

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<sup>16</sup> There are four classifications Parts A, B C and D. These are broadly Part A retail uses, B Business uses, Part C Hotels and hostels and Part D Non-residential institutions.

### **3.4 Application Processes and Systems**

#### **The current situation**

In order to meet the aim of providing an accommodation guarantee to a specific group of students, application to and allocation of bed spaces needs to be centrally managed to ensure that accommodation offers are made that meet the needs of different groups of students. Currently SOAS has a 30 year agreement with the Sanctuary Students accommodation office to manage applications for Dinwiddy House, Paul Robeson House and the Intercollegiate Halls. The arrangement costs around £28,000 per annum. The Admissions team send a unique serial number to all applicants, who then use this to access SOAS bookings through the online booking system. This system also handles bookings for Sanctuary Students' direct let properties. Prospective students and parents have reported difficulties with this system and frustration with the time lag between choosing to come to SOAS and receiving their accommodation serial number. The Redbrick Review indicated that prospective students would prefer to see all the information on accommodation options in one place.

As SOAS develops a broader accommodation portfolio, there is a need to review the applications procedure and the systems that support it with the view to developing a single applications portal. There is also a need to centrally manage applications to ensure all first year UG and new international applicants are offered a room. The system and supporting processes will ensure that certain groups, such as WP students or students from developing countries could be prioritised for rooms in lower cost accommodation.

#### **Strategic objectives**

- Review current application and allocation procedures.
- Develop a single accommodation application process, which has the flexibility to support additional nominations agreements and manage priority groups.

#### **Next Steps**

- Research application and allocation procedures undertaken by other HEIs.
- Research and review software resources.
- Assess the other resources required to manage an accommodation application process.



## 3.5 Student Experience

### The current situation

SOAS is currently ranked at the bottom International Student Barometer for accommodation cost and accommodation quality. This survey was undertaken in the academic year 2014/15, during which there were serious operational issues at Dinwiddy House and Paul Robeson House. These issues resulted in a rent strike and compensation being paid to all residents. These issues have now been resolved and the Student Adviser (Housing) is working with the Residents' Team to improve conditions at these Halls of Residence. There remain opportunities to develop activities with our accommodation providers to support students making the transition to university life and to enhance the student experience.

Accommodation plays an important part in the student experience. Many universities<sup>17</sup> have well-established 'Residence Life' programs, which are both proactive and reactive, and aim at positively developing the community within the halls of residence. This has been recognised by private providers of purpose built student accommodation and increased the competition for the provision of social and study space as standard in student accommodation, as well as the development of varied social programmes. The 2014 Unite Students Matter Survey<sup>18</sup> highlighted the importance placed on social life by university applicants, who place 'having a good time' as one of the top motivations for going to university. Respondents to this survey considered making friends and socialising to be amongst the main benefits of living in a hall of residence<sup>19</sup>, and the sense of community was also valued. This is particularly relevant in the context of an urban campus, where halls of residence provide students additional space for activities, social events and study, creating a sense of belonging beyond the campus environment.

The survey indicated that applicants have high expectations for integration with students on their courses, the students that they live with and the wider academic community; however the reality does not always meet this expectation. This mis-match is reflected in conversations with students who approach the Student Advice and Wellbeing service at SOAS. Isolation is considered to be a factor in the increase in anxiety that has been reported by the team in recent years.

### Strategic Objectives

- Work with key stakeholders to develop a plan for delivering additional support and activities across the halls of residence
- Maintain regular, open communication with all private accommodation providers

### Next Steps

- Establish an accommodation working group to support the development of the accommodation portfolio
- Identify additional resources required to develop activities in this area

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<sup>17</sup> 71.4% of 42 UK HEIs that responded to a recent survey by the University of Essex have residence life provision, offering a range of activities and support such as help in welcoming students on arrival day, planning and implementing social events within the accommodation, regular meetings with residents, as well as day to day management of the halls of residence.

<sup>18</sup> The 2014 survey was carried out by NUS of behalf of Unite and was completed by 1084 applicants, 1760 undergraduates and 810 postgraduates from across the UK.

<sup>19</sup> When asked to pick the main benefits of living in student accommodation the majority chose making friends (89%) and socialising (87%)

## 3.6 Affordability

### The Current Situation

As noted in the NUS/Unipol 2015 Accommodation Costs Survey, 'the challenge of affordability is a long-standing one'. The average weekly rent in London for 2015/16 was £225.83<sup>20</sup>, or £9,033.20 per year on a 40 week contract. The maximum grant and loan available to Undergraduate students in the same period was £9703. Under our current agreement with Sanctuary Students, the majority of SOAS bed spaces fall well below the London average at £149.64 per week for 2014/15. Through the University of London SOAS students also have access to Clandon House in Finchley which offers rooms from £81.20-£94.85 per week.

Nevertheless, it is clear from the International Student Barometer that accommodation costs and the cost of living in London remains a concern for many students. Supporting access to affordable accommodation forms a key part of developing an accommodation portfolio, which offers choice and value for money across a range of lower and mid-level rents. However, recent negotiations with private providers of student accommodation have made clear that there are limits on influencing rent levels, particularly under short term agreements for smaller numbers of bed spaces. More encouragingly there are signs that the providers themselves are recognising that rent levels are unaffordable and as a consequence are developing models that operate with lower rent levels. Unfortunately these developments are frequently in outer London resulting in higher transport costs and other issues of general accessibility and community.

### Strategic objectives

- Reinforce and enhance the existing access to accommodation with a lower rent levels.
- Identify further opportunities for securing lower rent levels.
- Ensure that prospective students are well informed on the costs of living in London.

### Next Steps

- Maximise and target low cost accommodation provision to those in most need
- Develop existing partnerships to obtain more affordable accommodation options.
- Assess the other resources required to manage an accommodation application process

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<sup>20</sup> NUS/Unipol Accommodation Costs Survey 2015

#### 4. Risk Management

Strategic Aim	Risk	Impact	Mitigating Actions
<b>Accommodation portfolio</b>	<p>Failure to provide or to provide access sufficient affordable accommodation for students</p> <p>No or reduced access to PBSA</p>	<p>Negative impact on student experience</p> <p>Difficulty in recruiting students</p> <p>Lack of a more affordable accommodation option</p>	<p>Developing stronger partnerships with providers</p> <p>Develop student accommodation</p>
<b>University of London</b>	<p>Reduced options for more affordable accommodation in central London and Bloomsbury</p> <p>Failure to provide or to provide access sufficient affordable accommodation for students</p>	<p>Lack of a more affordable accommodation option</p> <p>Difficulty in recruiting students</p> <p>Negative impact on student experience</p>	<p>Continue to engage with the University of London</p>
<b>Vernon Square</b>	<p>Failure to develop relationship with Islington</p> <p>Failure to develop appropriate scheme</p> <p>Inability to deal with Unite.</p>	<p>Lack of a more affordable accommodation option</p> <p>Difficulty in recruiting students</p> <p>Negative impact on student experience</p>	<p>Successful relationship with a PR consultancy</p>
<b>Application processes and systems</b>	<p>Failure to deliver a guarantee of accommodation</p> <p>Failure to amend or end current accommodation agreement with Sanctuary Students</p>	<p>Difficulty recruiting students</p> <p>Negative impact on student experience</p>	<p>Develop and deliver a centralised allocations system that meets our needs</p>
<b>Student experience</b>	<p>Failure to resource activities and support</p>	<p>Negative impact on student experience</p> <p>Negative impact on retention</p> <p>Negative impact on student wellbeing</p>	<p>Develop a plan for providing additional activities and support</p>
<b>Affordability</b>	<p>Failure to find providers who offer affordable rents</p> <p>Failure to develop Vernon Square</p>	<p>Difficulty recruiting students</p> <p>Increased reliance on hardship funds</p> <p>Negative impact on recruiting students from WP/non-traditional backgrounds</p>	<p>Develop relationships with affordable providers</p> <p>Seek discounted rates where possible</p>

**Table 4: Risk register**

## **Annex 1: Purpose Built Student Accommodation in London**

The HESA data for the academic session 2013-14 indicates that there were approximately 367,000 students studying in London of which 77% were studying full time and 28% were from overseas. The majority of full-time students (75%) lived either at home or in the private rented sector. This figure was down on the previous academic year (378,000) but by a similar percentage to student numbers across the UK (-1.7%).

The prognosis is that London will continue to be an attractive city for students from across the UK and around the world. The pressure on London's housing stock is particularly acute and there is the risk that prospective students will be put off both by the cost and the availability of good quality accommodation. The supply of new housing has failed to meet required levels and so the pressure on living costs has continued to increase. The Office of National Statistics indicates that house prices have risen by 46% and private sector rents by 19% since 2010.

With increased competition in the private rented sector from other household groups, purpose built student housing plays an important and growing role in London's housing market. With 70,000 purpose built beds in the capital (40,000 university managed and 30,000 privately managed), the sector houses around a quarter of London's full-time students. With the pressure on London's housing market expected to continue and student numbers likely to increase, the sector should be well placed to expand further.

The current future supply pipeline contains over 20,000 beds with 10,000 currently under construction and expected to be completed this year and next. However, the number of beds expected to be completed post 2016 is much lower and it remains to be seen whether this reflects a lack of new development or a lag in sites coming through the planning system.

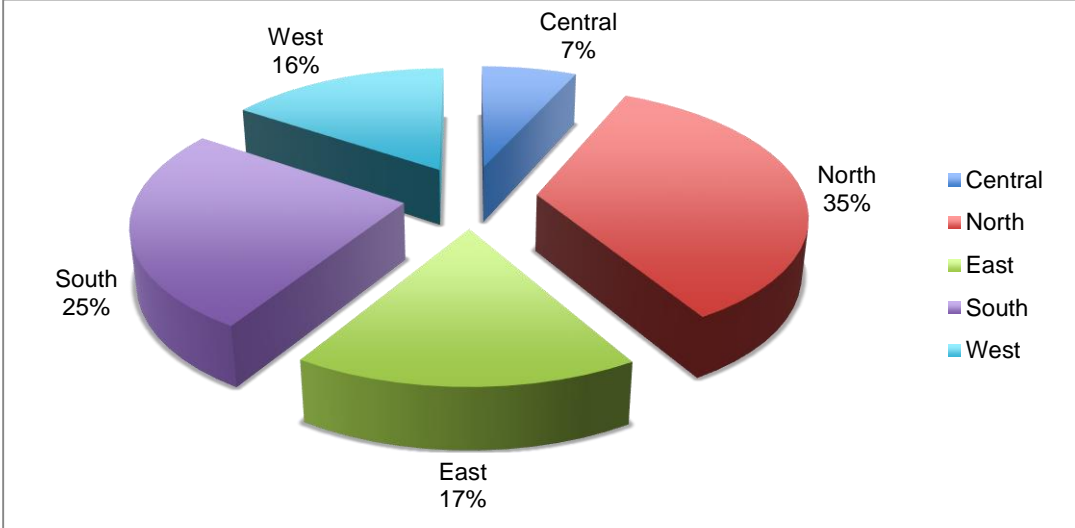
Perhaps the biggest challenge for the sector in London is its capacity to expand beyond its current market. It predominately caters for first year and overseas students. Many recent developments have targeted premium rents. There is an opportunity for the sector to expand into lower value markets and compete against the HMO sector. However, it will be an uphill struggle given the current values required to viably compete against other use classes.

**Annex 2: Accommodation Data**

The following charts are based on analysis of postcode data for student residential addresses in 2014-15. It is evident that the dataset was not totally accurate and as such it is indicative of current behavior.

The data set comprised 4794 students of whom 4429 lived in Greater London. The data comprised Undergraduate, Postgraduate and Postgraduate taught students.

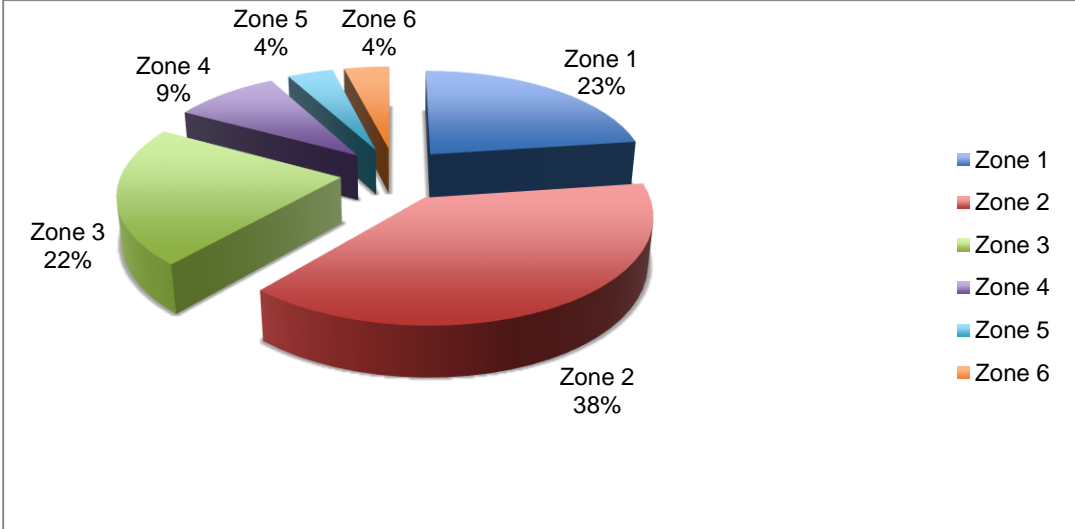
**2.1 Area**



**Chart 1: Area**

Although North London is a clearly a preference there is otherwise a fairly even distribution of students around London. The broad distribution of students across London is note-worthy when we consider future accommodation options, particularly given that the London Boroughs of Camden and Islington have significant planning restrictions and high property and land values. The North London and Central London boroughs are the most resistant to further student residential development.

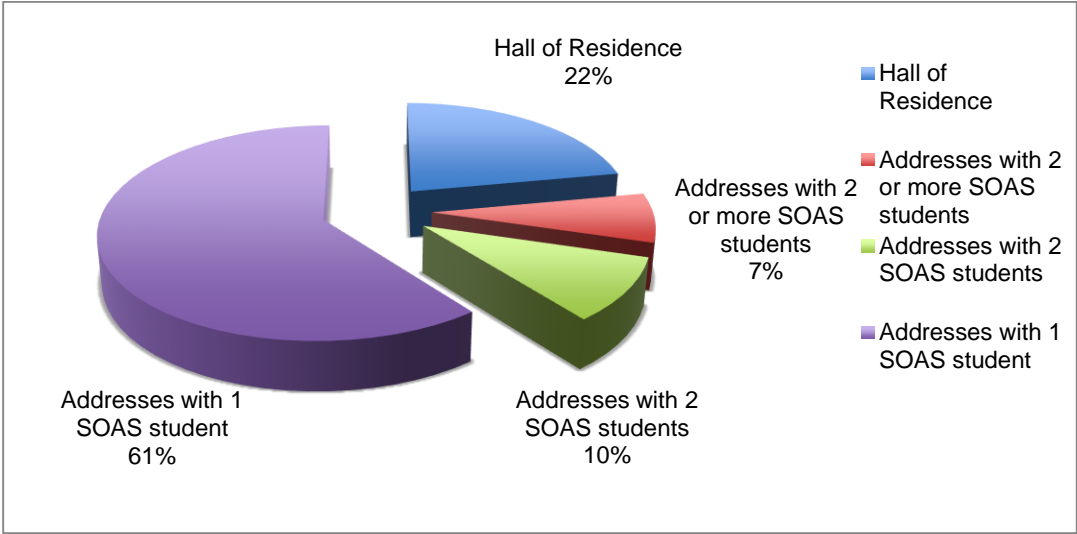
**2.2 Transport Zone**



**Chart 2: Transport Zone**

The central transport zones are a clear preference for students.

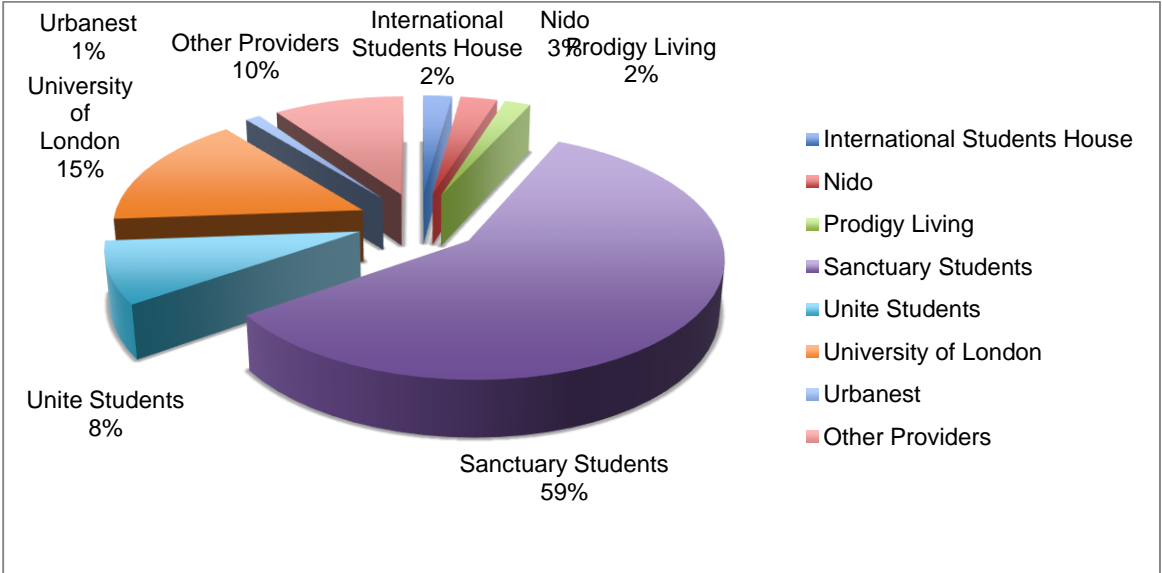
**2.3 Types of Accommodation**



**Chart 3: Type of accommodation**

The data reveals that comparatively few (17%) SOAS students (excluding those living in the Sanctuary Halls of Residence) live other SOAS students. The largest proportion of SOAS students (78%) live at a private address with 61% living at an address at which only one SOAS student is resident. The next largest proportion of students (22%) lives in some form of PBSA.

**2.4 Purpose Built Student Accommodation (PBSA)**



**Chart 4: PBSA providers**

SOAS students are living in a range of accommodation, which is provided by a number of different providers. This includes those taking rooms from specialist student accommodation providers such as Unite, the University of London, and other social and charitable providers including Sanctuary.

The different providers offer very different terms but from the data possessed it can be determined that SOAS students are paying a rent of anywhere between £355 and £140 per week for a single room.

The highest proportion are in Sanctuary accommodation paying £149 for a single room.

The providers offered a variety of terms the most prevalent being either 40 or 51 weeks. In most cases the rental price for 40 weeks is higher than that for 51 weeks.

SOAS students live in 58 different halls operated by 32 different providers. While they are some concentrations of SOAS students it has been assumed that this is largely coincidental, as the students have approached the providers through the direct let route.