

## Student housing and housing targets

### Introduction

In recent years there have been a number of planning applications for bespoke student accommodation. These developments run from small-scale conversions providing schemes for as few as 15 bedrooms, to large-scale new tower blocks with 500-1000 bedrooms.

While the university itself has some involvement, many of the schemes currently being proposed are delivered by private investors, attracted by the perceived strong demand and secure returns offered. It is understood that in recent years Portsmouth University has not been able to offer all first year students a place in managed accommodation, though that is not the case from September 2017 due to increased supply.

Delivery of units has recently picked up significantly. According to the most recent figures available, some 280 bespoke units were delivered in the five years to 31 March 2016. However, sites with permission for an additional 3,600 units are currently under construction or with planning permission and are expected to be delivered in the next five years, with more likely to follow.

This rapid increase in bespoke student accommodation could have a number of implications for the city and the council. The focus of this note is to consider the correct treatment of new student housing in the council's monitoring process and in the consideration of the housing targets to be addressed in the new Local Plan.

### Units, bedrooms and eligibility

For the purposes of this note, student accommodation is defined as accommodation which has its occupancy limited by legal agreement with the Council to students attending full-time higher education courses. The vast majority are occupied by students at Portsmouth University, but it is understood that student of full-time language schools in the city may also be eligible to stay in this accommodation.

Units is used to denote the number of bedrooms delivered, whether as small studio units or bedrooms in a larger flat or communal hall.

Most providers are choosing to develop either cluster flats (which comprise study bedrooms grouped together in small flats with a shared kitchen / living room), and studio flats, rather than traditional halls of residence. Alongside the limiting by legal agreement of occupation by students, the accommodation would usually require significant remodelling before it would be suitable for occupancy by non-students.

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### Correct treatment of new student accommodation

In previous years, self-contained student accommodation (i.e. studio flats or cluster flats served by a shared kitchen/lounge) were recorded as "normal" housing completions in housing monitoring. This approach relied upon the following text in the Planning Practice Guidance -

#### ***How should local planning authorities deal with student housing?***

*All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market. Notwithstanding, local authorities should take steps to avoid double-counting.*

Paragraph: 038 Reference ID: 3-038-20140306

Revision date: 06 03 2014<sup>i</sup>

However, in 2015 an appeal in Exeter brought to light a number of points which called this approach into question. Key was the clause in the guidance *based on the amount of accommodation it releases onto the market*. In that appeal case, the Inspector did not have evidence from the Council that student housing would release accommodation back onto the housing market. The Inspector found that this meant she could not accept the Council's position that student accommodation should count towards delivery of the housing target<sup>ii</sup>. This decision was supported at a subsequent judicial review of the decision<sup>iii</sup>.

### Response

In response to this, the monitoring team has gone back and readjusted housing delivery figures for the period since 1 April 2011. They now record delivery of student accommodation separately and record the number of bedrooms delivered. The intention is for this to be reported separately in future monitoring reports to enable a clearer picture of the delivery of both bespoke student accommodation and other housing and provide greater certainty to reported progress against housing targets.

### Student needs

The most recent assessment of Objectively Assessed Housing Need for the city is the PUSH Strategic Housing Market Assessment. This was published in January 2014, with an update in March 2016. The SHMA<sup>iv</sup> considers in some detail issues surrounding the demand and delivery of student housing<sup>v</sup> and noted "*In managing growth in student populations moving forward, it will be important that growth in student numbers and delivery of new student bedspaces are monitored, as any imbalance between these will influence the impact on the wider housing market.*"

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### How many students are seeking accommodation each year?

First, we need to consider if the student population is expanding. If, say, the student population seeking accommodation increases at a greater rate than the delivery of any new accommodation, then overall there will not be a release of existing housing stock.

The best information available at this time indicates that the total student population at the University of Portsmouth has remained broadly stable over the past five years, with around 23,000 total students recorded in 2011/12<sup>vi</sup> and 2016/17<sup>vii</sup>.

On this basis, it is reasonable to conclude that if the current situation continues, and the number of full time students seeking accommodation in Portsmouth remains broadly stable, then the delivery of new student accommodation should release some of the existing housing stock back onto the market for occupation for other groups, and an appropriate contribution recorded against housing requirements.

### What accommodation is currently occupied by students?

We now need to consider what contribution should be recorded against overall housing need. To understand what accommodation may be released we need to consider the number of properties, and the type of accommodation currently occupied by students.

#### 1. Number of Properties

To give an indication of the total number of properties occupied by full-time students, Council tax records give the following figures for properties which benefit some form of reduction due to occupation by full-time students -

**Table 1: Council Tax Exemptions claimed by student occupation , 2011-2016**

	2011	2012	2013	2014	2015	2016
<b>Class N Exemption</b> Properties that are occupied by full time students only	3476	3637	3450	3270	3348	3477
<b>Class M Exemption</b> Halls of residence for students	355	355	386	386	387	379
<b>Student Disregards</b> 25% discount where full time student is in occupation	897	890	726	741	821	845

Source: PCC Council Tax records

Therefore there is a significant amount of properties (over 3,400 in 2016) which receive a full discount of council tax due to 100% occupation by students. This represents a pool of properties which may be released back into the general housing market should students be housed in other accommodation.

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### 2. Type of Property

There are clearly a significant number of properties currently occupied by students. To consider what proportion of those may be released back into the general housing market, we need to consider the type of property students currently occupy.

It is noted that the PUSH Spatial Strategy Update of October 2012<sup>viii</sup> considered that student housing would release market housing at a rate of four bedrooms = one dwelling (para. 2.8). However, the approach to student housing set out in the Solent Recreation Management Plan interim strategy and this council's adopted Solent SPA SPD (para. 3.5)<sup>ix</sup> considered that five study bedrooms will be considered a unit of residential accommodation.

Research undertaken on various local student housing websites in March 2017<sup>x</sup> drew together the details of over 1,000 properties in Portsmouth available for occupation by students, excluding halls of residence and one bed properties that were not self-contained flats (i.e. rooms in shared properties) -

**Table 2: Survey Results - student properties by number of bedrooms**

No Beds	Total	%
1	87	9%
2	69	7%
3	88	9%
4	415	41%
5	256	25%
6	43	4%
7	25	2%
8+	31	3%

Source: Portsmouth Student Pad, Student House Finder, Rightmove Students

One bed properties were a relatively small proportion of the properties in the sample, with 9% of the total. This means that there is little justification at present for concluding that the delivery of each new one bed student flat will free up one existing one bed flat for wider use.

The average number of bedrooms in the properties in the surveyed sample was just over 4 per dwelling, in line with the work undertaken by PUSH detailed above.

On balance, given the evidence of student occupation of existing housing stock, it is considered that on average the delivery of new bespoke student accommodation will free up existing housing stock on the basis that four bedrooms of new student accommodation will free up one existing property for occupation by others.

If all the schemes currently under construction or with permission totalling over 3,600 bedrooms are delivered and occupied by students, this could release a total of approximately 900 dwellings back onto the general housing market. As a sense

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check, this represents less than a quarter of the dwellings currently receiving council tax exemption for sole occupation by students, so the capacity appears to be there in the existing housing stock to accommodate this change.

## Conclusions

Going forward it is proposed that the delivery of bespoke student housing is recorded and reported separately, and a contribution towards meeting overall housing delivery, based on the amount of accommodation it releases in the housing market, is made at the time each monitoring report is prepared and supply calculated.

The evidence set out in this paper indicates that on average, the delivery of four new student bedrooms will release one existing dwelling back onto the market, and so the contribution made by new bespoke student accommodation towards meeting housing requirements will be recorded on that basis.

It is thought likely that some of the released stock will be used as a House in Multiple Occupation, with some potentially reverting back to family housing. In both cases they are meeting wider housing needs and as such should be counted towards the general housing target.

This position will continue to be monitored and each monitoring report will consider whether that assumption remains appropriate.

## References

<sup>i</sup> Available at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

<sup>ii</sup> Decision available at

<https://pub.exeter.gov.uk/scripts/Acolnet/planning/acolnetcgi.gov?ACTION=UNWRAP&RIPSESSION=%7B%5B%2A%210C3C2037213D31212137372B272B7C0721202220273A2E3C3C766075202B22273C3A3D2B682A2E2D3A3E372B306B7408213C6F777179727C777F000C14000030A6E002A2B3A647C0A0335200021223D6A6117012B2D152F2D3F3760760B28281F3F332B2A272F290B3C3136617C04292A27162A273D647C0A0003090021223D6A61170C220828222A003B3F216B730B3C241F2C292B15373F36777701222F256A6117272D20203C36173D322A222E2F2B7F072B2D3F342B1B322022213A080A72666570747674766A61167471786D1D2A20212C2B20080A726660737C7B797977616074%21%2A%5D%7D>

<sup>iii</sup> Judgement available at [http://www.bailii.org/cgi-bin/markup.cgi?doc=/ew/cases/EWHC/Admin/2015/1663.html&query=title+\(+exeter+\)+and+title+\(+city+\)+and+title+\(+council+\)&method=boolean](http://www.bailii.org/cgi-bin/markup.cgi?doc=/ew/cases/EWHC/Admin/2015/1663.html&query=title+(+exeter+)+and+title+(+city+)+and+title+(+council+)&method=boolean)

<sup>iv</sup> South Hampshire Strategic Housing Market Assessment, January 2014, GL Hearn, available at [http://www.push.gov.uk/work/planning-and-infrastructure/push\\_spatial\\_position\\_statement\\_to\\_2034-2.htm](http://www.push.gov.uk/work/planning-and-infrastructure/push_spatial_position_statement_to_2034-2.htm)

<sup>v</sup> Available at <https://www.portsmouth.gov.uk/ext/development-and-planning/planning/solent-special-protection-areas.aspx> Paragraphs 10.76 to 10.85

<sup>vi</sup> Available at [http://www.push.gov.uk/south\\_hampshire\\_shma\\_final\\_report\\_16.1.14\\_.pdf](http://www.push.gov.uk/south_hampshire_shma_final_report_16.1.14_.pdf), figure 52

<sup>vii</sup> Available at <http://www.port.ac.uk/why-portsmouth/the-institution/#facts>

<sup>viii</sup> Available at [http://www.push.gov.uk/pjc-121002-amor03-app\\_e.pdf](http://www.push.gov.uk/pjc-121002-amor03-app_e.pdf)

<sup>ix</sup> Available at <https://www.portsmouth.gov.uk/ext/documents-external/pln-solentspas-spd-adoptionspd.pdf>

<sup>x</sup> Taken from [Portsmouth Student Pad](#), [Student House Finder](#), and [Rightmove Students](#) in March 2017.

Average number of bedrooms in 1014 properties - 4.06. Excludes 123 single rooms in shared properties.