

Portsmouth Local Plan 2038

Student Housing and Housing Targets Update



Background Paper

July 2021

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1 Introduction

- 1.1.1 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.
- 1.1.2 While the university itself has some involvement, many of the schemes have been delivered by private investors, attracted by the perceived strong demand and secure returns offered. It is understood that previously Portsmouth University was not 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.
- 1.1.3 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.

1.2 Units, bedrooms and eligibility

- 1.2.1 For the purposes of this background paper, 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.
- 1.2.2 Units is used to denote the number of bedrooms delivered, whether as small studio units or bedrooms in a larger flat or communal hall.
- 1.2.3 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.

1.3 Correct treatment of new student accommodation

- 1.3.1 Student accommodation is counted against the City's Housing target in line with the proposals set out in paragraph 10 of the Housing Delivery Test Measurement Rulebook¹. This equates to every 2.5 student bedrooms providing the equivalent of 1 dwelling. It is anticipated that the provision of specialist student accommodation will have the potential to free up housing stock elsewhere in the city for others to live in.
- 1.3.2 Student Housing completions are counted as part of the Council's return for the housing delivery test, and have in recent years made up a substantial proportion of its supply. Between the periods of 2016 - 2020 a total of 3,904 Student beds were completed in the city providing the equivalent to 1,560 dwellings. Between 2016 and 2019 student completions made up the majority of the city's new housing supply providing the equivalent to 1,458 Dwellings, compared to 984 C3 dwellings.

2 Student Housing Need

- 2.1.1 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 considers in some detail issues surrounding the demand and delivery of student housing and noted "In managing growth in student populations moving forward, it will be important that growth in student numbers and delivery of new student bed spaces are monitored, as any imbalance between these will influence the impact on the wider housing market."
- 2.1.2 The City Council is currently in discussion with the university in order to ascertain if there is more up to date student needs information on the level of Purpose Built Student Accommodation (PBSA) required in the city.

2.2 How many students are seeking accommodation each year?

- 2.2.1 First, we need to consider if the student population is expanding. If 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.
- 2.2.2 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 eight years, with around 23,000 total students recorded in academic year 2011/12 with this number increasing significantly to 31,000 in the academic year 2019/20.
- 2.2.3 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 continues to increase, then the delivery of new student accommodation could release some of the existing housing stock back onto the market for occupation for other groups, and an appropriate contribution recorded against housing requirements.

2.3 What accommodation is currently occupied by students?

- 2.3.1 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.

¹Housing Delivery Test Measurement Rulebook-
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728523/HDT_Measurement_Rule_Book.pdf

1. Number of Properties

- 2.3.2 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 set out in Table 1 below. Council Tax use two Classes for student accommodation Exemption Class M is for halls of residence for students and Exemption Class N are properties occupied only by students, school or college leavers (until 31 October in the year of leaving), or non-British partners and dependants of students who are not allowed to work or claim benefit.

Table 1: Council Tax Exemptions claimed by student occupation , 2011-2020

Council Tax Class	Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Class N Exemption Properties that are occupied by full time students only	3476	3637	3450	3270	3348	3477	3558	3949	5043	7029
Class M Exemption Halls of Residence for students	355	355	386	386	387	379	619	724	724	724
Student Disregards 25% where full time student is in occupation	897	890	726	821	821	845	876	997	1267	1819

- 2.3.3 Therefore there is a significant amount of properties (over 7,000 in 2020) 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. The Council is working with the university to gain a better understanding of their future growth plans and needs.

2. Type of Property

- 2.3.4 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.
- 2.3.5 The Housing Delivery Test states that the national average number of students in student only households is 2.5. This has been calculated by dividing the total number of students living in student only households by the total number of student only households in England. The Government have sourced this data from the Census 2011 and is published by the Office for National Statistics. The ratio will be updated following each Census when the data is publicly available.

3 Student Housing Delivery

3.1 Past Delivery

- 3.1.1 This section sets out student accommodation delivered since 2014/15 in the city. As can be seen in Table 3 below there has been a steady increase in the number of student housing delivered in the city peaking in 2017/2018 contributing to the City's overall housing delivery. A majority of the more recent completions were from the private market rather than those completed by Portsmouth University this trend is reflected in other areas with universities across Hampshire.

Table 2: Student Housing Completions 2014 - 2020

Monitoring Year	No of Bedrooms	No of dwelling Units
2014/2015	41	16
2015/2016	88	35
2016/2017	1,101	440
2017/2018	1,384	465
2018/2019	1,163	553
2019/2020	256	102
Total	4033	1579

3.2 Future Delivery

- 3.2.1 As of 31st March 2020 there were eight schemes with planning permission totalling 550 bedrooms details of which are set out in Table 4 below. This is a slight drop in delivery compared to previous years. The Council have worked closely with Portsmouth University in the past and will continue to do so ensuring that the needs for Student Accommodation are met in the city.

Table 3: Student Housing Permissions as of 31st March 2020

Application No	Site Address	Proposal	Status	No of Bedrooms
17/00453/FUL	Catherine Booth House and Land to rear 1 Aylward Street, Portsmouth	Construction of Building to form Student Halls of Residence (Class C1) comprising 20 Study Bedrooms & Caretaker Flat	Not Yet Implemented	20
17/00482/FUL	32 Western Parade, Southsea	Change of Use from Student Halls of Residence to form 7 Flats	Not Yet Implemented	-42
16/02097/FUL	16 Edinburgh Road, Portsmouth	Change of Use to form Student Halls of Residence (136 Study Bedrooms), A4 Public House & A3 Cafe/Restaurant	Under Construction	47
16/01537/FUL	91 - 95 Commercial Road, Portsmouth	Demolition of existing building & construction of 256 Bed Student Accommodation & Retail on Ground Floor	Under Construction	0
16/01175/FUL	Wingfield House 316 Commercial Road, Portsmouth	Change of Use from Office (B1A) to 295 Bed Student Halls of Residence	Under Construction	295
16/01998/FUL	12 Victoria Road South, Southsea	Change of Use from Class D1 to 10 Bed Student Halls (Resubmission of 16/01545/FUL)	Not Yet Implemented	10
18/01424/FUL	Unity Hall Social Club Coburg Street	Construction of 11 Storey Student Halls of Residence comprising 123 Studio Flats (Class C1)	Not Yet Implemented	123
17/01051/FUL	Venture Tower 57-67 Fratton Road	Change of Use of Building (1st-8th Floor) to form a Student Halls comprising 97 Student Study Bedrooms & Managers Flat	Not Yet Implemented	97

4 Conclusions

- 4.1.1 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 in accordance with the governments housing Delivery Test, is made at the time each monitoring report is prepared and supply calculated.
- 4.1.2 The evidence set out in this paper and the HDT rulebook indicates that on average, the delivery of 2.5 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.
- 4.1.3 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.
- 4.1.4 This position will continue to be monitored and each monitoring report will consider whether that assumption remains appropriate.