The Student Accommodation Sector in Portsmouth

Market Report

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Contents

Summary

1 Executive Summary

1.1. Vail Williams is instructed by Portsmouth City Council to provide a student accommodation property market study to inform the Council's intention to seek planning permission to change from the existing student accommodation use to hostels for the homeless at Kingsway House, Elm Grove, Elm Grove Library, 155-157 Elm Grove and The Registry, 1-2 St Michael's Road.

1.2. Significant development of purpose-built student accommodation in recent years includes Greetham Halls (836 beds) delivered in 2016, Catherine House (1000 beds) delivered in 2017, Crown Place (576 beds) delivered in 2018, Stanhope House (256 beds) delivered in 2019 and Wingfield House (309 beds).

1.3. We are aware of the current pipeline of student accommodation in Portsmouth, which gives a total of 561 beds currently in the system that have been determined or are awaiting decision.

1.4. The Higher Education Statistics Agency (HESA) statistics show that the University of Portsmouth had a total of 25,515 higher education enrolments for the 2018/19 academic year.

1.5. We estimate that of the 25,515 students, 5,000 (19.57%) will be living at home or with a guardian, approximately 4,750 (18.67%) will be living in provider maintained property, 2,150 (8.53%) will be in private sector halls, 7,500 (29.25%) in private rented accommodation and 4,300 (16.8%) living in their own residence (HESA full-time and sandwich students by term-time accommodation).

1.6. We have been advised by the University of Portsmouth's housing team that there are currently 4,672 beds in university halls, 1,934 beds in private halls and a further 1,402 beds on StudentPad (accredited landlords). This provides a total supply of approximately 8,000 university accredited rooms.

1.7. Interpreting the national data therefore indicates that around 7,000 students will require accommodation in provider-maintained property, or in private sector halls in Portsmouth. Even allowing for a margin of 10%, this sits within the current estimated supply in the city.

1.8. It is important to recognise the limitations of this data and that our analysis can only provide an approximate guide. We therefore assess how this fits in with wider research carried out.

1.9. Savills PBSA development league table for 2019 places Portsmouth in the fourth tier of cities (out of five), based on a measure of the best locations in which to develop new stock. Putting this into context, in 2017, Portsmouth was placed in the second tier (of four).

1.10. The three buildings provide only 112 beds between them (under 1.5% of university accredited supply) and the Elm Grove buildings are at the lower end of the quality range, less well situated in relation to the university's main sites. Evidence suggests weaker demand for this sort of product and with new schemes recently delivered, and those in the pipeline, these buildings will become increasingly marginal.

1.11. Based on the estimated supply of student accommodation, as well as the relatively small number of bedrooms, we do not consider the loss of these properties to negatively impact the supply of student accommodation in Portsmouth.

2 Scope of Instruction

2.1. Vail Williams is instructed by Portsmouth City Council to provide a student accommodation property market study to inform the Council's intention to seek planning permission to change from the existing student accommodation use to hostels for the homeless at Kingsway House, Elm Grove, Elm Grove Library, 155-157 Elm Grove and The Registry, 1-2 St Michael's Road. This report first considers the national market context for student accommodation, following a review of published research, before considering what impact the loss of these properties in these localities would have on the supply of student housing in the city. The study will consider demand and supply, location and pricing.

3 Policy and Market Overview

3.1. **Defining Student Accommodation**

3.1.1. Student accommodation can generally be categorized as follows:

- University Halls of Residence: Self-catered and catered halls of residence.
- Private Halls of Residence/Communal Blocks: Privately owned and managed accommodation for students that varies in terms of price, size and location.
- Private Rented: House or flat share in a House of Multiple Occupancy (HMO), or individual let.
- Lodgings: Rooms rented in private houses where the landlord lives on the premises.

3.2. **Purpose Built Student Accommodation (PBSA)**

3.2.1. The expansion of university education during the last decade has resulted in significant increases in requirements for student accommodation of all types. PBSA is built specifically by private developers for students to live in. Typically, these are provided as a mix of cluster and studio flats, with all bills being inclusive of rent. Many of these developments incorporate communal areas including, but not limited to, gyms, lounges, cinema and games rooms.

3.2.2. Historically, private rented houses in HMO have absorbed much of the growth in student numbers. However, there has been a drive towards higher quality purpose-built accommodation, particularly on the part of parents, who wish to have certainty about overall costs including utilities. Furthermore, overseas students, are hugely important to PBSA providers; according to the Knight Frank Student Accommodation Survey 2020, 93% are most likely to live in PBSA and are prepared to pay for a premium product and high levels of servicing.

3.2.3. The Survey identifies that across the UK, around 30% of full-time first year students live in private PBSA, up from 22% five years ago. A further 40% live in halls or accommodation provided by the university, this proportion having remained broadly unchanged over the same period. The remaining 30% of first-year students live either in the private rented sector or at home with parents/guardians.

3.3. COVID-19 and Student Demand

3.3.1. Due to the current COVID-19 pandemic, the sector is facing a set of unprecedented challenges. Indeed, according to research carried out by the Higher Education Policy Institute (based on a survey carried out by ANUK/Unipol National Codes in April 2020), providers housing a wide range of students and international postgraduates reported average occupancy of just 52% during the first national lockdown. There were, and still are, real concerns about this market sector and how it could fundamentally change going forward; for example, will the same numbers of students still want the 'student experience' given the associated costs, when the same quality of degree could be earned by distance learning.

3.3.2. However, more recent indications are that students have not been deterred; indeed, compared to 2019, there is increased demand from domestic students as well as a significant increase of students being accepted from outside the EU.

3.3.3. Analysis published by UCAS in September 2020 shows overall demand for higher education has increased during the coronavirus pandemic, and there are currently a record 515,650 students with a confirmed place – up 4% on last year. The proportion of students with a confirmed deferred place is similar to last year.

3.3.4. Following three years of decreases, accepted applicants from the UK are up 4%, to 441,720. When looking at 18-year olds specifically, 36.4% of all young people (253,890 students) are due to start a course – a new high for this point in the year (September).

3.3.5. The number of students accepted from outside the EU has risen by 9% to 44,300, whilst EU acceptances have decreased by 2%, to 29,630. The large increase in numbers from outside the EU bucks the predication earlier in the year of a collapse in overseas student numbers.

3.3.6. This picture contrasts with others English speaking countries. For example, the number of new international students at U.S. campuses fell by 43% (U.S. Department of State's Bureau of Educational and Cultural Affairs and the Institute of International Education) which commentators attribute to negative sentiment, with coronavirus rampant in many parts of the country, as well as shifting directives from the Trump administration. In addition, restrictions on student entry to New Zealand and Australia are believed to have had a positive impact on UK applications.

3.3.7. However, whilst the above are positive indicators, acceptance onto a course does not equate to enrollment. Data from an August 2020 British Council survey (currently unpublished) revealed that 26% of Chinese undergraduates and 27% of Chinese postgraduate respondents who had applied to study in the UK say they had either cancelled or delayed their plans, or were "somewhat likely" or "very likely" to do so. A further 31% of undergraduates and 27% of postgraduates from China were still uncertain, saying they were neither likely nor unlikely to cancel or delay plans.

3.3.8. Student sentiment appears to vary across regions, for example, students from India were reported as being much less likely to cancel their plans.

3.4. **Capital Markets**

3.4.1. Savills Spotlight on UK Student Housing predicts 2020 will represent a new high in terms of PBSA investment activity, primarily driven by one deal in May, where Blackstone acquired iQ Student Accommodation for a reported £4.66 billion. This transaction alone is worth more than all the PBSA stock traded in 2016, 2017 or 2018.

3.4.2. In 2019, the UK market for PBSA saw capital growth of 4.00% in the year to September 2019 giving a total return for the year of 9.40%. The sector also experienced 2.70% and 2.60% rental increases on a gross and net basis respectively (CBRE Research).

3.4.3. The investment market is dominated by a relatively small group of funds and institutional investors, with specialist developers providing large scale developments, typically in the form of halls of residence affiliated with universities or as private developments. As such, standards have been driven upwards and universities lacking in quality purpose-built accommodation will face barriers in attracting students.

3.5. **PBSA Supply**

3.5.1. We detail the findings from Cushman and Wakefield's UK Student Accommodation Report 2019/20:

- 32,000 new beds entered the student accommodation market for the 2019/20 academic year, now totaling 660,000 beds. 87% of these beds were delivered by the private sector.
- 52% of beds are in university provided accommodation and 48% in private PBSA.
- 114,000 student beds in the PBSA pipeline for 2020/21 and 29,500 beds projected to open in 2020.
- 6,859 beds left the market in 2019/20, lower than the 11,101 that left the sector in 2018. 25% of beds leaving the market were located in Liverpool and Newcastle. This research suggests there is clear evidence that product development in some locations is leading to obsolete stock exiting the market.

3.6. **PBSA Design Principles and the Student Experience**

Construction and Design – Modern methods of construction such as prefabrication and modular design when building at scale, implementing repetitive room design, can lower costs. On site facilities such as gyms, lounges, cinemas and games rooms are now standard features of PBSA. The ratio of communal space to bedrooms needs to be carefully balanced as use of the former is provided inclusive in the rent.

Location – Universities require accommodation that is well located close to campus to attract students.

Building Management/Student Wellbeing – An effective and proactive building management team is crucial to a positive student experience. The Student Accommodation

Survey 2020 highlights that organised groups or clubs to reduce loneliness and isolation were identified as being the most important element in support of student wellbeing, followed by good quality communal or social space to improve interaction within halls.

Value – The Survey also states the single most important factor influencing the choice students make about where they live is value for money. Some 98% of respondents rated this as being important to them.

3.7. Where do students live?

3.7.1. The Higher Education Statistics Agency (HESA) gives the following breakdown for full-time and sandwich students by term-time accommodation in the UK, as at the 2018/19 academic year:

Accommodation	Academic year 2018/19	%
Provider maintained property	351,605	18.67%
Private-sector halls	160,670	8.53%
Parental/guardian home	368,475	19.57%
Own residence	316,355	16.80%
Other rented accommodation	550,880	29.25%
Other	67,250	3.57%
Not in attendance at the provider	25,070	1.33%
Not known	42,845	2.28%
	1,883,150	**100.00%**

Source: HESA Full-time and sandwich students by term-time accommodation

4 Student Accommodation in Portsmouth

4.1. Strategic Context

- Portsmouth is a 'one-University' city.
- Portsmouth University has a population of over 25,000 students and 2,500 staff.
- According to the NatWest Student Living Index 2020, Portsmouth is the 16th ranked most affordable city in England for students.
- According to the Complete University Guide, Portsmouth University is ranked 61 out of 130 in the UK.

4.1.1. Portsmouth City Council Housing and Economic Land Availability Assessment (February 2019) sets out the strategic context for Student Accommodation, which is summarised below:

- 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 Rulebook. 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.

- The new Local Plan will replace the current planning policy framework. It is due to be adopted in towards the end of 2021 and will provide new support for developers under the NPPF guidance.

- 3,485 student bedroom completions have been built in the city since 2016, providing the equivalent to 994 dwellings. In addition, there are further schemes for student accommodation which have been permitted and some of which are currently under construction (see paragraph 3.3.2 below).

4.2. Portsmouth City Council Planning Policy

4.2.1. According to Portsmouth Council's Student Halls of Residence SPD, appropriate room sizes will vary depending on the type of accommodation but as a guide the council would expect single rooms to be 7m2 and single en suite rooms to be 10-15m2. In addition, in cluster flats where there are 6-10 students sharing, a kitchen/diner of 19.5m2 minimum should be provided.

4.2.2. The Student Halls of Residence SPD also requires new halls of residence to be located close to the University or other educational establishments. There is a preference for city centre locations.

4.2.3. There is no affordable housing required for student developments and they do not need to meet national space standards. In order to waive these requirements, the Council will require a developer to enter into a S106 agreement restricting the occupation to be used solely or principally by students.

4.2.4. New halls of residence should be located close to the University or other educational establishment in order to ensure that journeys are made by foot or cycle and therefore reduce the need for a car. The preferred location would be the city centre or locations within walking / cycling distance.

4.2.5. The Council require car and cycle parking standards for student development in the Parking Standards and Transport Assessments SPD.

4.3. Student Accommodation Supply & Pricing

4.3.1. There has been significant development of high rise student accommodation in and around the city centre in recent years with Greetham Halls (836 beds) delivered in 2016, Catherine House (1000 beds) delivered in 2017, Crown Place (576 beds) delivered in 2018, Stanhope

House (256 beds) delivered in 2019 and Wingfield House (309 beds) delivered in 2020 being notable examples.

4.3.2. We are aware of the current pipeline of student accommodation in Portsmouth, which gives a total of 561 beds currently in the system that have been determined or are awaiting decision:

Status	Reference	Address	Number of beds
Determined	16/02097/FUL	16 Edinburgh Road	136
Determined	16/01998/FUL	12 Victoria Road South	10
Determined	17/01051/FUL	Venture Tower	97
Determined	17/00453/FUL	Catherine Booth House	20
Determined	18/02096/MMA	10 Guildhall Walk	60
Determined	18/01424/FUL	Unity Hall, Social Club Coburg Street	123
Awaiting decision	18/01895/FUL	61A Osborne Road	6
Awaiting decision	18/01935/FUL	42 Kent Street	38
Awaiting decision	19/00747/OUT	Clock House Spur Road	44
Awaiting decision	19/01220/OUT	35-37 Fratton Road	22
Awaiting decision	19/01697/FUL	1 - 3 Warwick Crescent	5

4.3.3. HESA statistics show that the University of Portsmouth had a total of 25,515 higher education enrolments for the 2018/19 academic year.

4.3.4. We do not have data giving the breakdown in relation to Portsmouth University, but extrapolating the percentages given in the national data (2.7.1) as an average to provide approximate numbers, we can deduce that of the total 25,515 students, 5,000 (19.57%) will be living at home or with a guardian, approximately 4,750 (18.67%) will be living in provider maintained property, 2,150 (8.53%) will be in private sector halls, 7,500 (29.25%) in private rented accommodation and 4,300 (16.8%) living in their own residence.

4.3.5. In terms of existing stock, we have been advised by the University of Portsmouth's housing team that there are 4,672 beds in university halls, 1,934 beds in private halls and a further 1,402 beds on StudentPad. This provides a total supply of approximately 8,000 university accredited rooms, although this is very much a 'moving feast' and is likely to underestimate the supply somewhat in respect of the private accredited landlords. This does not include supply in private households and HMOs in the city. The vast majority of beds in halls are occupied by first year students and overseas students.

4.3.6. Interpreting the national data therefore indicates that around 7,000 students will be living in provider-maintained property, or in private sector halls in Portsmouth. Even allowing for a margin of 10%, this sits within the current estimated supply in the city.

4.3.7. It is important to recognise the limitations of this data and that our analysis can only provide an approximate guide. It is therefore crucial to assess how this fits in with wider research carried out.

4.3.8. Savills PBSA development league table for 2019 places Portsmouth in the fourth tier of cities (out of five), based on a measure of the best locations in which to develop new stock based on a range of factors such as student population growth, existing supply and development pipeline (July 2019). The first-tier cities being the best places in which to develop student accommodation.

4.3.9. To put this placing into context, in 2017, Portsmouth was placed in the second tier (of four). Although it is important to take into account the time lag in relation to the latest figures available, the data available and wider research suggests that Portsmouth is well supplied in terms of PBSA, with high levels of development in the past few years.

Savills 2019 purpose-built student accommodation development league table

First	Upper Second	Lower Second	Third	Pass
Bath	↑ Canterbury ˇ	Bangor	Aberdeen	Bolton
Birmingham	↑ Egham	Belfastˇ	Aberystwyth	Bradford
Brighton	Exeterˇ	Bournemouth	Cardiff	Carlisle
Bristol	Glasgowˆ	Buckingham	Chelmsford	Chesterˇ
Edinburgh	Leedsˇ	Cambridgeˇ	Cheltenham	Cirencester
Guildford	Leicesterˆ	Chichesterˇ	↓ Coventry	Hull
London	↑ Loughborough ˆ	Colchester	↓ Derby ˆ	Ipswich
Manchester	Norwichˆ	Durham	Dundee	Kingston-upon-Thamesˇ
Nottinghamˆ	St Andrewsˇ	Hatfield	Falmouth	Luton
Oxford	Stirlingˆ	↑ Lancaster	Farnham	Middlesbrough
Readingˆ	Winchester	↓ Northampton ˆ	High Wycombe	Newport
		Swansea	Huddersfield	Paisley
		York	Inverness	Plymouthˇ
			Lincoln	Pontypridd
			Liverpoolˆ	Preston
			Newcastle ˇ	Sunderland
			↓ Portsmouth ˇ	Wolverhampton
			Salford	Uxbridge
			↓ Sheffield	Worcester
			↓ Southampton	Wrexham
			Stoke on Trent	
			↓ Twickenham	

↑: promoted in 2019 ˆ previously promoted in 2018
↓: demoted in 2019 ˇ previously demoted in 2018

4.3.10. It is important to note that secondary accommodation, for example, older converted office buildings, is not directly competing with PBSA. This typically offers a very different budget product, and with overall cost cited as being very high on the list of students' reasons for choosing where to live (96%, along with 97% citing value for money as the primary concern - Knight Frank/UCAS Student Accommodation Survey 2020), this will have an important part to play in the wider accommodation provision.

4.3.11. Potentially therefore, it is those properties that occupy the middle ground, those that do not offer a premium product, or a cost effective one, or those that are poorly located in fringe locations, that are likely to be squeezed as new options come to market. Although there will be natural churn as older buildings become obsolete.

4.3.12. Buildings that have a viable alternative use, such as relatively straightforward change of use or conversion to more standard private rented accommodation will remain popular with developers.

4.4. **Pricing**

4.4.1. We have considered how the subject properties sit within the wider student rental market. We detail some of the main comparables below:

Chaucer House – Unite student hall of residence building in a city centre location within 10 minutes' walk of the University. Prices currently advertised are from £160 pw for an en-suite room in a shared cluster flat to £189 pw for a studio, with kitchen and en-suite bathrooms and prices are inclusive of utility bills. Prices based on 51 weeks. This scheme is considered to be a premium student offering, well located with good communal facilities.

Bateson Hall – Self-catered hall with 282 rooms arranged in self-contained flats of five students with shared bathrooms in each. Standard rooms priced at £99 pw and larger rooms at £111 pw. Budget student hall offering.

Greetham Street - Unite student hall of residence building in a city centre location within 10 minutes' walk of the University. 761 rooms arranged in self-contained flats of up to 10 students, all with en suite bathrooms. Standard rooms priced from £145 pw.

Crown Place – CRM Students building in a city centre location within 10 minutes' walk of the University, offering 13 different accommodation types with studio prices ranging from £159 pw up to £225 pw for larger, higher specified accommodation and prices are inclusive of utility bills. Prices are typically based on 43 to 51-week years.

3 St Michaels Road – Nexa Properties shared house. We understand from the agent that 6 of the 13 rooms so far have been let for 2020/21 at rents of between £600 and £750 per calendar month based on 11-month tenancies. Typically, rooms have achieved towards the upper end of this range for the last 3 years. The remaining rooms are due to be advertised at £500 per calendar month. All bills included.

Europa House, Portsmouth Harbour – Empiric Student Property shared flats available from £153 to £166 pw and studios available from £169 to £197 pw, based on 51-week tenancies. Shared facilities include a gym, lounge, cinema room and games room. Rent is inclusive of bills. 1960s multi-storey office block converted within the last 5 years. Well located next to Gunwharf Quays.

Margaret Rule Hall – Unite managed student building, 342 city centre rooms in self-contained cluster flats for 4 to 8 students each and studios with own kitchen. Located in the city centre, near Portsmouth and Southsea train stations, this hall was refurbished 2018. En-suite rooms available at £130 pw and studio rooms at £159 pw, inclusive of all utility bills. Both based on 51-week tenancies.

Harry Law Hall - 286 city centre rooms arranged along corridors, with kitchens shared between 5 to 7 students. £137 pw self-catered for standard rooms and £153 to £160 pw for studio rooms, inclusive of all utility bills. Based on September to June tenancy.

Rosalind Franklin Halls – Unite managed student building, 710 beds in self-contained cluster flats for 4 to 6 students each. £131 pw self-catered with studio rooms at £153 pw inclusive of all utility bills.

4.4.2. The Halls of Residence, such as Margaret Rule Hall, Harry Law Hall and Rosalind Franklin Hall tend to be larger buildings which are older and therefore outdated in terms of facilities. They do tend to offer a more 'budget' student offering and can be a louder and less peaceful living environment, which is reflected in the rental levels being asked and achieved.

4.4.3. The Unite student hall buildings such as Chaucer House and Crown Place offer a premium type of service, often with on-site maintenance teams and communal areas which tend to be well maintained. As a general rule, prices include all utility bills and occupy prime positions for the student body. As a result, the prices are towards the top end of the range.

4.5. Subject Properties

The Registry

- Understood to have been constructed in the mid-late Victorian Period of cavity brick elevations beneath pitched and hipped slate-covered roof structures.
- Converted and extended at roof level in 2014/2015 to provide 41 self-contained studio bedrooms. Arranged over basement, ground and two upper floors.
- Each room is finished to a good standard with timber-effect laminate flooring, LED spotlighting, bespoke fitted furniture and modern bathroom fixtures and fittings, with vinyl floor coverings and Perspex splash-backs to the en-suite accommodation.
- The rooms are not uniform in shape and each is different. They can be described as quirky in style and often unusual in shape.
- The basement accommodation is arranged to provide a communal cycle storage area with street level access via a scissor lift, small gym area and a laundry room.
- In addition to student bedrooms, the ground floor provides a common room, manager's office, bin storage area and storeroom.
- Well located close to main university buildings. This is considered a more premium option although the accommodation suffers from its irregular layout and lack of facilities in comparison to PBSA. Pricing is similar to Chaucer House, Europa House and Crown Place but in our opinion offers a slightly inferior product.

Elm Grove Library

- Former library building estimated to date from the mid-20th Century of brick construction beneath a gable roof design. To the front, there is a single storey protrusion beneath a flat roof.
- Converted in 2012 to provide 19 bedrooms arranged in 5 cluster flats, over ground and first floor. There are 3 flats at ground floor and 2 on the first floor.
- Each flat has a communal kitchen and living area, one or two WC/shower units and a laundry cupboard.
- The rooms are of a fairly modest standard with carpeted floors and plastered and painted walls. Communal areas again are of a modest standard. Kitchens provide wall mounted timber units beneath a composite work surface with inset stainless-steel sink and drainer. There is space for white goods.
- The rooms are generally uniform in shape.
- Located a 20-minute walk from the main university buildings. Although located close to amenities popular with students on Elm Grove, the position is considered to be fringe when compared to other student accommodation located closer to the city centre. This would be considered a budget option.

Kingsway House

- 1970s office building of concrete frame construction with brick elevations and composite cladding/synthetic timber boarding to the front and rear elevations.
- Converted in 2014/15 to provide 52 bedrooms arranged in 10 cluster flats, over ground and four upper floors.
- Access is via individual flat entrances at ground floor level and a separate entrance to the upper floors via either a single internal steel staircase or lift. An external concrete staircase to the rear provides a fire escape.
- Each flat has a communal kitchen and living area, one or two WC/shower units and a laundry cupboard.
- The bedrooms generally are well presented with carpeted floors plastered and painted walls. The communal areas were also well presented, with communal kitchens comprising timber wall mounted units beneath a wood effect work surface and inset stainless-steel sink and drainer, white ceramic splashback wall tiling and either 2no. integral 4-point induction hobs with ovens below or a standalone range style double oven. There is space for white goods.
- The rooms are generally uniform in shape and the upper floors have a consistent layout.
- Located a 20-minute walk from the main university buildings. Although located close to amenities popular with students on Elm Grove, the position is considered to be fringe when compared to other student accommodation located closer to the city centre. This would be considered a budget option although the quality of accommodation is superior to Elm Grove Library.

4.6. Rental Analysis and Demand

4.6.1. We have been advised by Empiric Student Property that the rental ranges for the Academic Year 2019/20 (51 week) were as follows:

- Kingsway - £130 - £145 per week, per room
- Elm Grove - £130 - £140 per week, per room
- The Registry - £160 - £215 per week, per room

4.6.2. [redacted]

[redacted]

[redacted]

4.6.5. We understand from the letting agent at 3 St Michael's Place, located immediately adjacent to The Registry and of a similar standard, that 6 of the 13 rooms so far have been let for 2020/21 at rents of between £600 and £750 per calendar month based on 11-month tenancies. Typically, rooms have achieved towards the upper end of this range for the last 3 years and have let well. The remaining rooms are due to be advertised at £500 per calendar month.

4.6.6. CRM Students advise, with regard to Crown Place, that of the 576 beds in the building, approximately 50 are empty. However, they are expecting a big January intake, with many courses having deferred start dates of January/February 2021 due to the COVID-19 pandemic. This is a premium student offering in the city and we would expect this to be fully let in typical market conditions.

4.6.7. Wingfield House, the conversion/refurbishment of which completed in September 2020, incorporates 309 self-contained studio rooms. The agent advises approximately a third of rooms are currently let for 2020/21.

5 Conclusions

5.1. Nationally, non-EU student accepted applicants are up 9% nationally compared to 2019. Accepted applications from EU students are down 2% and accepted applications from domestic based students are up by 4%.

5.2. However, what is less clear is how many students, particularly from overseas, have actually enrolled in UK universities. There is currently a lack of data available in this regard but there appears to be negative sentiment from the key Chinese student market, with an August 2020 survey finding that fairly large numbers of students are highly likely to cancel their plans.

5.3. It is too early to evaluate the impact the COVID-19 pandemic will have on where students choose to live in the future. i.e. will more students decide to live in private self-contained accommodation or live at home, rather than in large communal halls. Foreign students overwhelmingly live in PBSA when compared to domestic students. Unite Students, who operate the largest portfolio of university affiliated purpose-built accommodation in Portsmouth, advise they are fully booked for 2020/21. However, this does not present the full picture, as Unite have long-term nominations agreements with Portsmouth University, effectively guaranteeing 100% occupancy.

5.4. There has been a significant amount of PBSA delivered in Portsmouth in recent years. Portsmouth's ranking in the 4th tier (of 5) in Savills 2019 purpose-built student accommodation development league table, coupled with the current estimated supply of 8,000+ University accredited beds and further development in the pipeline suggests the student accommodation market is well supplied in Portsmouth, based on where students choose to live.

5.5. Research suggests that older style accommodation will fall away from the market as newer better-quality accommodation is delivered.

5.6. In terms of saleability, secondary accommodation with viable alternative uses will remain popular with investors and developers.

5.7. The three buildings provide only 112 beds between them (under 1.5% of university accredited supply) and the Elm Grove buildings are at the lower end of the quality range, less well situated in relation to the university's main sites. Evidence suggests weaker demand for this sort of product and with new schemes recently delivered, and those in the pipeline, these buildings will become increasingly marginal.

5.8. Based on the above factors, principally, the delivery of a significant amount of PBSA in recent years and current estimated supply, the location, quality and pricing of the accommodation, as well as the relatively small number of bedrooms, we do not consider the loss of these properties to negatively impact the supply of student accommodation in Portsmouth.

Description		Address
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Date	20 November 2020	

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Dispute Resolution
Representing your interests to bring commercial property disputes to the best possible conclusion.

Facilities Management
Improving efficiency to make sure your building provides the environment and services that will satisfy the business requirements of the occupiers whilst reducing costs and ensuring full compliance with regulations.

Property Investment
Using our market knowledge and network of contacts to help you find investment or selling opportunities.

Lease Advisory
Commercially astute and detailed strategic advice on all aspects of commercial property leases for both landlords and tenants.

LPA Receivership
Our highly specialist service for when the secured property assets of lenders have become compromised by mortgage arrears.

Marine & Leisure
Covering all aspects from valuation, acquisition & disposal through to lease advisory work.

Property Valuations
Providing accurate assessments across different sectors through highly experienced surveyors.

Project Management and Monitoring
Our job is to plan, budget, oversee and document all aspects of your project ensuring that each element is on schedule and meets all necessary regulations and standards. We will also help you select and manage the contractors and monitor their progress.

Planning Consultancy
Expert advice for negotiating the complexities of the town planning process.

Property Asset Management
An extension of your team, providing the reassurance that your property portfolio is being well managed from a landlord's perspective.

Service Charge
Providing advice that can lead to valuable cost savings in this often overlooked area.

Treasury Management
Ensuring your property portfolio delivers maximum value through tight credit control and management of supplier relationships.

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Our services:

- Building Consultancy
- Business Rates Consultancy
- Commercial Property Investment
- Lease Advisory
- LPA Receivership
- Marine and Leisure
- Occupier Advisory
- Property Acquisition and Disposal
- Property Asset Management
- Property Development Consultancy
- Property Planning Consultancy
- Property Valuation

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