

REPORT TO: PEOPLE SCRUTINY
Date of Meeting: 1 September 2016
Report of: Assistant Director City Development
Title: Student Accommodation Issues

Is this a Key Decision?

No.

Is this an Executive or Council Function?

Council

1. What is the report about?

On 2 June 2016, People Scrutiny Committee considered a report of the University Task and Finish Group. The Committee requested an update on student accommodation issues following deliberations by Planning Member Working Group. This report summarises and updates information provided to Planning Member Working Group on 21 June 2016. The data includes changes in the total number of students at the University of Exeter, in the present and future projected stock of purpose built student accommodation (PBSA) and in the number of Council Tax exemptions due to homes being entirely occupied by full time students.

2. Recommendations:

That the report be noted, in particular:-

- Student numbers in Exeter are likely to continue to increase.
- Imbalance in communities, that are popular student areas, caused by shared student houses is only likely to reduce if new PBSA is brought forward in excess of the total increase in student numbers.
- That even where new market private housing is provided in popular student areas (such as Central Station Yard) it tends to be occupied by a high proportion of students.
- The potential advantages of emerging proposals for significant amounts of additional PBSA at Streatham Campus.
- That students accommodation preferences to be close to the University, City Centre and other students mean that a more dispersed pattern of student accommodation is unlikely to be achievable.

3. Reasons for the recommendations:

To brief People Scrutiny Committee on the issue.

4. What are the resource implications including non financial resources:

While the form of student accommodation does have implications for Community Infrastructure Levy income, New Homes Bonus awards and Council Tax receipts, there are no direct resource implications from this report.

5. Section 151 Officer Comments

There are no additional financial implications contained in this report.

6. What are the legal aspects:

This report does not address the issue of treatment of student accommodation in five year housing supply at planning appeals that has been reported to Members at Planning Member Working Group and Planning Committee.

7. Monitoring Officer's Comments:

This report raises no issues for the Monitoring Officer.

Report Details:

8.1 Background

PMWG has received annual reports on student accommodation issues since 2010. The last report, on 19 January 2016, also included a research report 'The options and implications for accommodating the future growth of students in Exeter' by Professor Darren Smith of the University of Loughborough plus some additional analysis of the financial effects of the University of Exeter and analysis of student related complaints. The material reported to PMWG was also presented to the University Task and Finish Group that reported to People and Place Scrutiny committees in June.

8.2 Total University of Exeter student population in Exeter

The University provides data on the total past and projected future number of students (excluding Cornwall campuses). Assumptions based upon past information are made on the proportion of students who live at home either within or outside the City. The remaining full-time students are assumed to need accommodation either in PBSA or in the private housing market. Annual estimates of student numbers do fluctuate from year to year, the latest estimates are below.

Year	Student FTE (exc overseas)	Less Part Time	Less Live @ Home	Annual Increase	Cumulative Increase
06/07	10,923	10,298	8,908		
07/08	11,535	10,967	9,536	628	628
08/09	13,056	12,481	10,890	1,354	1,982
09/10	14,724	14,138	12,420	1,531	3,512
10/11	15,252	14,667	12,929	509	4,021
11/12	15,510	14,884	13,165	236	4,257
12/13	15,050	14,383	12,722	-443	3,814
13/14	16,026	15,318	13,572	850	4,664
14/15	16,964	16,215	14,366	795	5,459
15/16	17,399	16,609	14,740	374	5,833
16/17 EST	18,038	17,248	15,308	567	6,400
17/18 EST	18,325	17,535	15,562	255	6,655
18/19 EST	18,639	17,849	15,841	279	6,933
19/20 EST	18,841	18,051	16,020	179	7,112

There was an increase of 374 students expected to need accommodation between 2014/15 and 2015/16 academic years. During that period the only new accommodation coming forward was Library Lofts (44 bedspaces) so an increase in Council Tax exemptions was expected in 2015/16.

567 additional students are expected to need accommodation in 2016/17. New schemes for 345 bedspaces are expected to be available at the Cricket Ground and Kingfisher House, however, Moberly House (139 bedspaces) may close for redevelopment. The number of Council Tax exemptions may therefore further increase in 2016/17. The average number of additional students needing accommodation over the next four years is 320 per annum. There is no longer term forecast of the future number of students beyond 2019/20, the past long term growth rate of those needing accommodation has been about 250 pa.

8.3 Purpose Built student Accommodation

About 4,300 bedspaces of PBSA have been provided since April 2006 (the start of the period covered by the Council's development plan).

This compares with a growth in students projected to need accommodation of 5,833 between the 2006/7 and 2015/16 academic years. This broadly meets the target that the Council set back in 2007 that about 75% of any increase in students should be accommodated in PBSA, however, that target does leave about 25% of extra students competing in the private housing market and has resulted in the continued growth in Council Tax exemptions.

Appendix One lists PBSA schemes that either have planning permission or have been subject to a pre application discussion. About 1,600 bedspaces of PBSA have planning consent. There are current planning applications and pre-application proposals for about a further 2,100 bedspaces that may get consent mainly at the Bus Depot and on Streatham Campus.

There may be potential for the University to also deliver further PBSA on Streatham campus through redevelopment of Clydesdale Rd area, and Birks Central plus conversion of Birks Grange.

The total potential future stock of PBSA that may be deliverable by 2019/20 comprises the following:

	Bedspaces
Planning consents	1,600
Current applications	700
Pre applications	1,650
Other schemes	c100
Total	4,050

A discount should be applied on the basis that some of these may not come forward due to planning, market or other problems. It may be reasonable to expect over 3,000 bedspaces could be delivered.

If over 3,000 additional bedspaces could be delivered by 2019/20, in a period when students in need of accommodation is expected to rise by about 1,300, then it may be possible to achieve a significant fall in Council Tax exemptions. At 2019/20 the total stock of PBSA would then be in excess of 11,300 bedspaces and the proportion of students in PBSA would have risen from about 44% in 2006 to about 72%, despite a similar 70% increase in the size of the total student population.

8.4 Council Tax exemptions

Council Tax exemption 'Class M' is properties where an exemption is claimed due to entire occupation by full time students. It is a proxy indicator for students who are in the private housing market such as in shared student houses. It will include many houses in multiple occupation (either Class C4 or sui generis uses) but also many privately rented or owned flats occupied by one or two students (Class C3 use). It does not include students who may share with people who are not full time students and therefore there is no claimed exemption, or students in lodgings with families. Data is usually presented for around 31 May utilising a regular return to Government. The list of exemptions also includes PBSA so this is separately identified in the analysis (Appendix Two). It does not include catered or other student accommodation that does not constitute a separate home.

Year	Conventional Housing Stock Exemptions	PBSA Exemptions	Total Exemptions
2006			1,184
2007			1,422
2008			1,526
2009			1,657
2010			1,930
31 May 2011	2,120	297	2,417
31 May 2012	2,194	530	2,724
31 May 2013	2,074	637	2,711
31 May 2014	1,888	1,096	2,984
01 April 2015	1,853	1,419	3,272
08 June 2016	2,032	1,493	3,525

In 2010, Government created a new use Class C4 for small houses in multiple occupation by 3-6 persons. The following Government then made changes of use from Class C3 ('family homes') to Class C4 Permitted Development not requiring planning permission. Exeter City Council made an Article 4 Direction covering about 7,200 homes in the City that removed that Permitted Development right bringing changes of use back within planning control. That was followed by a Class C4 uses supplementary planning document that sought to restrict any new Class C4 uses in the area where the Article 4 Direction applies. The Council's planning policies continue to treat PBSA developments on their merits.

The number of non-PBSA exemptions has increased in 2016 by about 180 (9.7%) halting the downward trend since 2012. This will be a result of the increase in university students needing accommodation (374) exceeding the new PBSA that has become available.

8.5 Issues

The University of Exeter is very successful and continues to expand. More students are expected to come to Exeter. This is good news for the City's economy and culture. It does pose a dilemma, Should they live in PBSA or in more shared student houses? Students in PBSA are less integrated into the wider community, however, they have less direct adverse impacts than more students occupying

shared houses in the traditional student areas. The Council's past policy approach has been to encourage 75% of any additional students to be accommodated in PBSA, however, that does leave the remaining 25% increasing pressures for shared student houses in popular student areas. A target of 100% or more of additional students in PBSA may be more appropriate.

A number of commentators suggest that student accommodation should be more evenly dispersed around the City. Most of the City's 13 wards have a negligible student population. Students could presently choose to rent shared houses outside popular areas, however, they choose not to do so, students prefer to congregate in areas where other students live. Improvements in transport such as cycle lanes and bus services are unlikely to significantly influence student behaviour and lead to greater dispersal. Developers of PBSA are also reluctant to build new accommodation outside traditional student areas due to the reduced demand.

If the imbalance in communities from high proportions of shared houses is to be addressed then there will be a need to change the traditional student undergraduate culture that you occupy PBSA in your first year then live out in a friendship group in a shared house in subsequent years. PBSA is also available to friendship groups.

If the number of Council Tax exemptions in private shared houses is to be reduced then the Council must continue to allow significant amounts of additional PBSA to be delivered that exceed the growth rate of the University. The sites continuing to come forward in the City and at Streatham should enable it to do this if planning permission is granted and they are implemented.

9.0 How does the decision contribute to the Council's Corporate Plan?

Information report only.

10.0 What risks are there and how can they be reduced?

The risks are outlined in the report. If PBSA comes forward at a slower rate than the University expands then Council Tax exemptions are likely to rise in popular student areas.

11.0 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No decision, no impact.

12.0 Are there any other options?

Options related to the quantum of future PBSA that may be provided and the degree of dispersal of future student accommodation.

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Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-

Contact for enquiries
Democratic Services (Committees)
Room 2.3
01392 265275

COMMITTED AND POTENTIAL PBSA SCHEMES

Address	Cluster Flats	Studios	Total Dwellings	Total Bedspaces	Available
UNDER CONSTRUCTION					
Kingfisher House	0	203	203	203	Sept 16
Cricket Ground	22	44	66	159	Sept 16
PLANNING APPROVAL					
30-32 Longbrook Street	0	25	25	25	
Clifton Garage, Bonhay Rd	32	30	62	150	
Eagle Yard, Tudor Street	0	27	27	27	
Radmore & Tucker	98	0	98	98	
ECFC / Yeo & Davey	31	133	164	315	
Rougement Tel exc Queen St		132	132	132	
Renslade House prior approval		130	130	130	
Renslade House podia		247	247	247	
Quintana Gate, Barth'w St	6	115	120	127	
TOTAL COMMITMENT	189	1086	1274	1613	
CURRENT APPLICATIONS					
Bus Depot	58	164	222	587 inc dbl	
9 Verney Street	0	28	28	28	
OH Building, Heavitree Road	8	17	25	81	
TOTAL CURRENT APPLICATIONS	66	209	275	696	
PRE APPLICATION					
BHF, Cheeke Street	0	174	174	174	
East Park, Streatham Camp.	?	?	?	1318	
Spreytonway, St Germans	9	0	9	89	
Moberly, Glenthorne Rd (4)	20	0	20	77	
TOTAL PRE APP	29+	174+	203+	1658	
ECC ASSESSMENT OF REMAINING STREATHAM POTENTIAL					
Clydesdale Road area (1)				70	
Birks Central Est (3)	14	0	14	100	
Birks Grange Est (2)	?	0	40	-72	
Total possible schemes	109	383	532	2,452	
Total commitment/possibles	298	1,463	1800	4,059	

Excludes proposed Exeter College accommodation

- (1) Redevelopment potential mentioned in 2010 masterplan.
- (2) 360 catered rooms in clusters up to 9 assume 20% of rooms lost in conversion to 40 self-contained cluster flats.
- (3) Redevelopment of catered Birks Grange and Moberley would allow redevelopment of eating facilities at Birks Central Assume 100 rooms, 14 flats.
- (4) 139 catered rooms in clusters of up to 14. Assume redevelopment for notional 216 rooms in 20 clusters, net +77 rooms.

APPENDIX TWO

Council Tax Exemptions Due To Entire Occupation By Students 2015 & 2016

Purpose Built Student Accommodation Schemes	Exemptions 9 April 2015	Exemptions 31 May 2016
Exeter Trust House, Blackboy Road	35	35
Point Exe, Bonhay Road	-	-
Library Lofts, Rougement Place	-	44
Mansion Exeter One, Cowley Bridge Road	129	129
Artful Dodger House, Cowley Bridge Road/Taddiforde Road (1/5)	6	6
William Tarrant (12) & Coldridge House (10), Cowley Bridge Road (Red Cow)	-	22
Isca Lofts, 58-64 Longbrook Street	14	14
Portland House, Longbrook Street	157	156
71 Looe Road	33	33
Bovey/Creedy/Exe House, Lower Argyll Road	6	5
Iron Bridge Studios, Lower North Street	120	122
Birks Hall, New North Road	322	324
Molly Hayes Apartments, 41A New North Road	8	8
Northfield, New North Road	97	97
70-82 Pennsylvania Road	17	17
Kilmorie Mews, Pennsylvania Road	6	6
Bishops Blackall School, Pennsylvania Road	22	22
Picture House, Apartments, 69-73 Sidwell Street	85	85
Dean Clarke Lofts, Southernhay Gardens	30	30
Thornton Court, Thornton Hill	9	9
Various, St Germans Road	111	114
Holland Hall, Clydesdale Road	13	14
Northernhay House, Northernhay Place	46	46
The Tannery, Well Street	4	4
The Printworks, Western Way	151	151
	1,421	1,493