Tribe Avonmouth House Ltd

DEMAND STUDY: PURPOSE BUILT ACCOMMODATION

Avonmouth House, London, SE1 6NX

DEMAND ASSESSMENT & MARKET ANALYSIS

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HIGHER EDUCATION	DEMAND	SUPPLY	OUTLOOK
London School of Economics is located just 15 minutes travel time from Avonmouth House and is currently ranked **8th** in the QS World University Rankings 2022. LSE has been ranked second in the world and top in Europe, in social science and management subjects for 7 consecutive years, by QS World University Rankings.	There are approximately **119,861** full-time students currently attending higher education courses, at universities with a main campus within a 30-minute travel time of the Avonmouth House site.	There are an estimated **94,764** PBSA bed spaces across London representing 28% of total full time students. The supply of Purpose Built Student Accommodation (PBSA) across London has increased by **30%** since 2012.	Approximately **72%** of full time students across London are required to find accommodation within private rented HMOs or by living with parents/other family members and would otherwise be unable to access university or private sector purpose-built accommodation.
University College London is the largest HEI provider to the Avonmouth House site, located within a 30-minute travel time. UCL is currently ranked **8th** in the world by QS World University Rankings 2022.	There are 42,842 full time students living within a 30-minute travel time of the Avonmouth House site. **20%** of these students are studying at King's College London and a further **12%** at Queen Mary University London and University College London, respectively. International students represent **41.4%** of total full time students within a 30-minute travel time of Avonmouth House.	Within a 30-minute travel time of Avonmouth House, there are approximately **34,597** PBSA bed spaces split across privately owned (59%) and university owned operators (41%).	Full time students living within a 30-minute travel time of Avonmouth House are projected to increase by **20%** during the next 5 years.
In total, there are **14** university main campuses within a 30-minute travel time of Avonmouth House and 13 London campuses.	The total number of full time undergraduates living within a 30-minute travel time, representing **67%** of the total student population, has increased by **7%** since 2015/16 – representing an additional 462 students per annum.	The supply of **11,101** PBSA bed spaces under construction, across London, looks set to meet the strategic requirement of **3,500** bed spaces per annum (as outlined in the London Plan) only once over the next three years, in 2022, when the majority, 52% (5,773 beds) are set to complete.	The current ratio of full time students to Purpose Built Student Accommodation bed spaces is **3.5** within a 30-minute travel time. If the consented development and planning pipeline of bed spaces is included within supply alongside the projected increase in student numbers, the estimated future full time student to bed space ratio will reduce marginally to **3.4.**

1. INTRODUCTION

Knight Frank Global Research and Knight Frank Student Property have been instructed by Tribe Avonmouth House Ltd to produce a bespoke analysis of the student housing market in Southwark, South East London. This is in support of a proposed purpose built student accommodation (PBSA) scheme the Avonmouth House site, 6 Avonmouth Street, SE1 6NX.

Specifically, the research assesses the demand for student accommodation across Southwark and specifically in relation to the proposed Avonmouth House scheme. The research also identifies the extent of competing supply, as well as analysing the rent profile of student housing in close proximity to Avonmouth House.

This report provides the following analysis:

- Demand side drivers - socio-economic profile, growth projections;
- Existing supply of student accommodation – existing PBSA, HMO accommodation within the mainstream rental market;
- Development pipeline – across London and within close proximity to the Avonmouth House scheme.
- Housing market profile - supply and demand balance, and pricing trends.

Catchment

We have assessed demand across Southwark (see Figure 1) and where applicable presented demand/supply metrics at lower levels of geography based on distance/travel times from the proposed Avonmouth House scheme. This reflects the location of the site and travel times to and from Higher Education Providers (HEPs) and other amenities.

A 30-minute travel time to/from Avonmouth House, SE1 6NX, captures the main campuses of the following institutions:

- University of Westminster
- City, University of London
- Birkbeck College
- King's College London
- London School of Economics and Political Science
- London School of Hygiene and Tropical Medicine
- SOAS University of London
- University College London
- University of London (Institutes and activities)
- Conservatoire for Dance and Drama
- Courtauld Institute of Art
- Guildhall School of Music and Drama
- The University College of Osteopathy
- Royal Academy of Dramatic Art

Figure 1 presents the scheme's location and local information relating to public transport service access and access to amenities. The proposed scheme is in a location that is readily accessible by cycle, public transport (train and tube) or on foot to the university and college campuses.

Avonmouth Street has a Public Transport Access Level (PTAL) rating of 6b and therefore demonstrates a strong level of connectivity (see figure 2). The PTAL rating combines information about how close public transport services are to a site and how frequent these services are. The highest level of connectivity has a PTAL of 6b and the lowest has a PTAL of 0. As per the London Plan, sites with better connectivity provide opportunities for development at higher densities and for sustainable development that reduces the need to travel by car.

Avonmouth House has a high level of connectivity, and as such, is likely to attract demand from a number of universities across London.

Southwark Borough Council, Core Strategy

The Core Strategy is a planning document that outlines how Southwark will change up to 2026. The vision for Southwark focuses on improving the existing infrastructure, including local facilities and transport links to support the fast pace of change in growth areas such as London Bridge, Elephant and Castle and Canada Water. The number of homes and office spaces are expected to increase by 10% and 30%, respectively.

The borough will work with its partners, local communities and developers to achieve the following goals:

- 80,000sqm net new shopping and leisure floorspace; 35,000sqm of additional shopping space and leisure in Canada Water
- 24,450 net new homes between 2011 and 2026; 2,500 net new homes in Canada Water
- 8,558 new affordable homes between 2011 and 2026
- 32,000 net new jobs; 2,000 net new jobs in Canada Water
- 425,000-530,000sqm additional business floorspace between 2011 and 2026.

Strategic Policy 8 – Student Homes

The development of new student housing will be balanced with other types of housing such as affordable and family housing, in order to support the needs of universities and colleges, whilst providing balance in communities.

The council has, through its Strategic Housing Land Availability Assessment, identified sites that need to be developed to meet its housing targets. The affordable housing targets of the London plan encourages boroughs to look at a range of sources of supply, including non-self-contained housing, such as student housing. Student housing will therefore be encouraged in areas with good public transport as these are the areas which can accommodate growth. The council will work with local universities to ensure student accommodation is focused where there is a need.

Elephant and Castle Opportunity Area

The plan comprises the regeneration of Elephant and Castle in to a more desirable place for both existing and new residents, who will be able to utilise excellent shopping, leisure facilities and cultural activities. The regeneration will offer 440,000sqm of new development comprising:

- Up to 45,000sqm of new shopping and leisure floor space and an additional 25,000-30,000sqm of business floor space.
- Meeting the target of 4,000 new homes and a minimum of 1,400 affordable housing units.
- Meeting the London plan target of 5,000 new jobs through promoting more offices, hotels, small businesses and developing the evening economy and cultural activities.
- Improved Northern line station with a new ticket hall and escalators under the shopping centre, alongside improved conditions for bus and rail users. Re-surfacing of pedestrian crossings and cyclist transport routes.

The London Plan

The new London Plan (The Spatial Development Strategy for Greater London) was published March 2021 following a 'rigorous process of consultation and an Examination in Public, in which 300 different organisations or individuals participated'. The Plan includes a policy on purpose-built student accommodation (Policy H15) which states that Boroughs 'should seek to ensure that local and strategic need for purpose-built student accommodation is addressed', provided that:

- The development contributes to a mixed and inclusive neighbourhood.
- At least 35% of the student accommodation is 'affordable'. 'Affordable is defined as 'the rental cost for the academic year is equal to or below 55% of the maximum income that a new full-time student studying in London and living away from home could receive from the government's maintenance loan for living costs for that academic year.'
- Majority of the rooms are secured through a nominations agreement by a higher education provider (unless all rooms quality as 'affordable').

- The scheme contributes to the London's housing need outlined in the 2017 London Strategic Housing Market Assessment (SMHA).

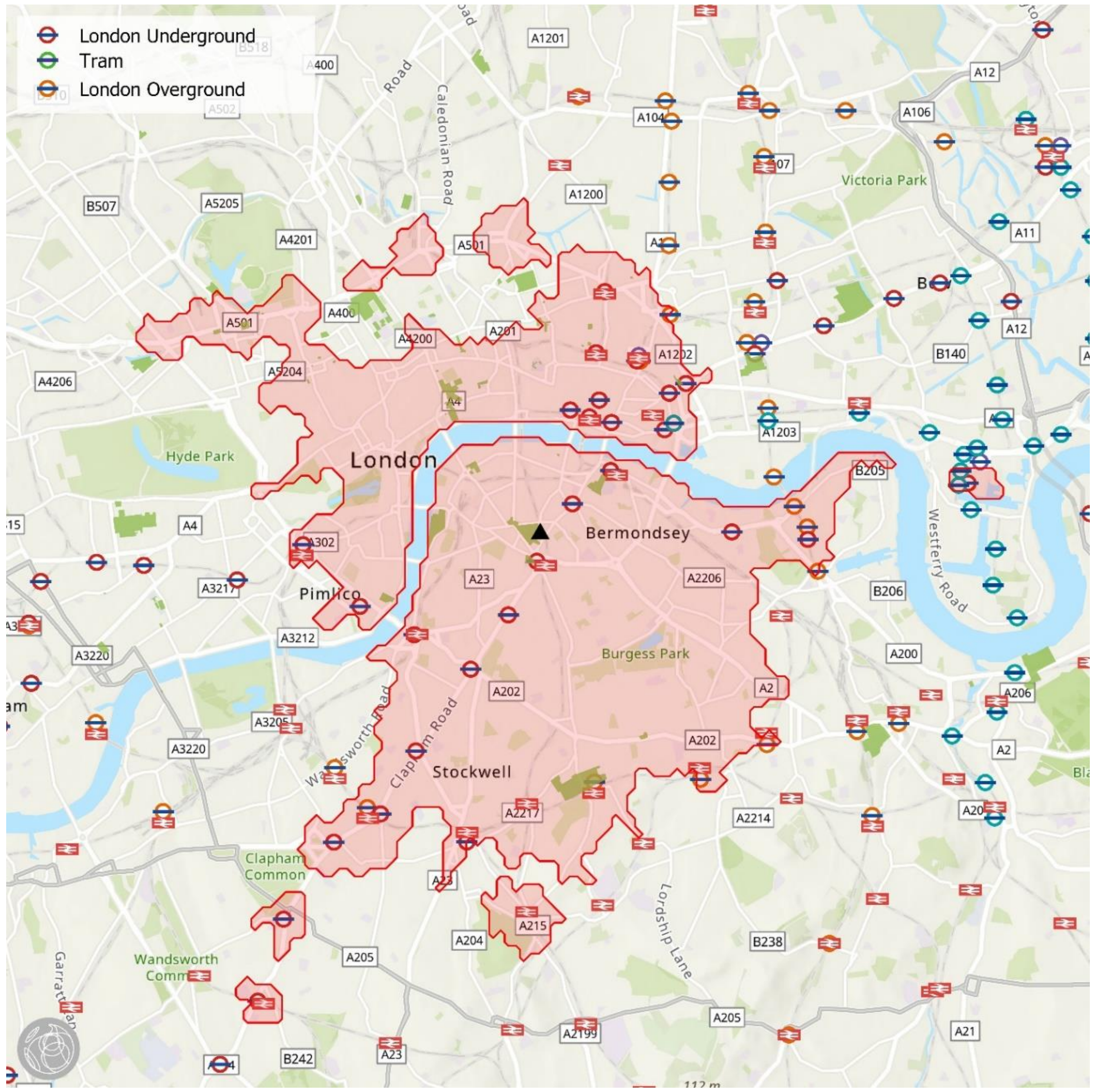
The Plan identifies a strategic requirement of 3,500 additional PBSA bed spaces per annum. The need for PBSA is not considered in terms of Borough, but in regard to higher education providers, growth and availability. The Policy also states that Boroughs should be 'encouraged to develop student accommodation in locations well-connected to local services by walking, cycling and public transport.'

Anaysis of completions data for PBSA schemes indicates that the average yearly delivery of PBSA beds totals approximately 2,100 bed spaces in the period 2016 to 2020 and short of the 3,500 per annum outlined as a strategic target.

New Southwark Plan

The council submitted the New Southwark Plan (NSP) to the Secretary of State on 16 January 2020. Once finalised and adopted, it will replace the current local plan and Core Strategy. The NSP will be a borough-wide planning and regeneration strategy up to 2033. The NSP will form part of Southwark's development plan along with the London Plan and area action plans, and will be used to make decisions on planning applications.

Figure 1: Location & connectivity – 30 minute public transport travel time from Avonmouth House site, 6 Avonmouth Street, SE1 6NX



Source: **Knight Frank Global Research**

Existing campuses accessible within 30-minutes by public transport

University College London

University College London is the largest HEI with a main campus within the 30-minute travel time. UCL is currently ranked 16th in the Times Higher Education World University Rankings 2021.

UCL has committed within its 2034 strategy, to become a world leader in the integration of education and research and within the top two in the UK for research income and Research Excellence Framework performance. Over the period of its Education Strategy, 2017-2021, UCL opened its East London campus on the site of the Queen Elizabeth Olympic Park. The university further highlighted in its education strategy the planned investment in to PGT programmes which have capacity to attract and retain the best students, improved support for masters students and ensuring the quality of the teaching estate supports great teaching in well-equipped spaces.

City, University of London

City joined the University of London as a constituent college in 2016. The City University of London's 2026 vision and strategy highlights three key strategic priorities: Build on the quality of research intensity and education quality; Achieve growth where possible; Leverage partnership whilst working internationally.

Growth at City will be achieved vertically where existing subjects have momentum, and horizontally where the university's strengths can best be utilised through new joint degrees and shared pathways. Growth in student numebrs will be supported by growth in research and enterprise income. At present, the university is focused towards undergraduate growth, with more modest increases in postgraduate taught numbers with growth opportunity most reflected in the Cass Business School, The City Law School and the School of Arts and Social Sciences.

Birkbeck College

Birkbeck College, part of the University of London, is currently London's only specialist provider of evening higher education. Birkbeck has several projects under development, in line with delivering its ambitious estats strategy, which looks to increase the provision of high quality teaching, study and research space. Recent, now complete, projects include:

- Library refurbishment – an increase in the number of study spaces from 440 to 520.
- ToddlerLab – the world's first purpose-built centre dedicated to studying brain development in toddlers. The new lab adjoins the existing Centre for Brain and Cognitive Development centre.
- Cambridge House – new state of the art teaching facility, hosting one of Birkbeck's largest lecture theatres.

The College has outlined six strategic prioirities in its 2021-2026 strategic plan, predominantly based around students' learning, student satisfaction and the quality of teaching and research. Birkbeck aims to provide flexible and part-time higher education courses which meet the changing educational needs of many students, in particular, those who work or live in London. This includes continuing to support and enhance the university's digital and online offering.

King's College London

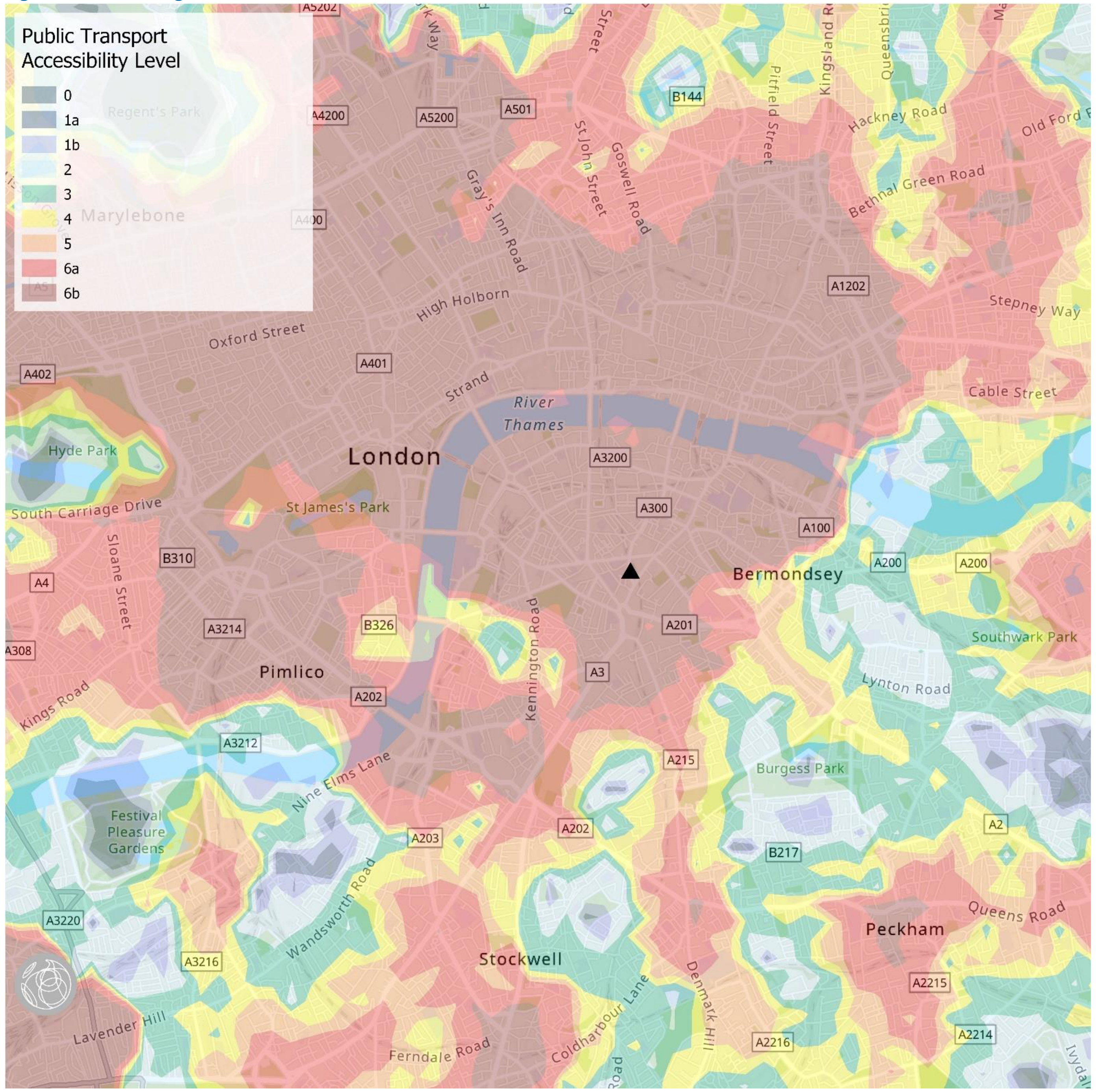
King's College London's Strategic Vision through to 2029 – will mark the 200th anniversary of the founding of King's. King's aims to become the leading UK Russell Group university for research-enhanced learning. To achieve this King's will strengthen its research base by investing in areas such as engineering, natural sciences, business and management.

King's is planning on developing a new engineering faculty with a 21st-century focus to meet the student demand for advanced technology education. Its aim is to create highly employable graduates. To achieve this, King's will make a significant investment on the Strand Campus to provide bench-based labs, project-based classrooms and makerspaces.

King's has invested in its student spaces and these include £40m on new student residences at its Denmark Hill Campus; £1m on a Learning Centre at the Strand Campus for its Widening Participation programme and £2m on King's College London Students' Union (KCLSU) recreational facilities at its Guy's Campus. Continuous investments are being made across all campuses and its student residences and we strive to improve the quality, usability and management of its existing spaces.

The main campuses of the *University of Westminster, London School of Economics and SOAS University of London* are also easily accessible from the Avonmouth House, located 18 minutes, 18 minutes and 25 minutes via the London Underground, respectively.

Figure 2: PTAL rating – Avonmouth House SE1 6NX



Source: **Knight Frank Global Research**

2. UK STUDENT MARKET

2.1 Higher Education

A record-breaking 37% of all 18 year olds in the UK submitted an application to start studying at UK universities in September 2020, according to data from UCAS. Applicants from outside of the UK also increased to their highest levels on record. Overall, a fifth of all applicants (20.7%) for study this year were from outside the UK.

UK student numbers

End of Cycle data from UCAS confirms that following three years of decreases, accepted applicants from the UK for the 2020/21 cycle are up 4.5%, to 485,360. When looking at 18 year olds specifically, 37% of all young people (347,140 students) were accepted on to courses to start in September of last year – a new record. The number of students accepted from outside the EU has risen by 17% to 52,705, while EU acceptances have also increased marginally by 1.9%, to 29,630. The final outturn of data from UCAS, following the most significant clearing process recorded in August/September 2020, is a massive turnaround on modelled scenarios earlier in that year. The British Council's baseline scenario in May/June 2020 suggested that enrolment of students from China and East Asia would be down 12%. This hasn't transpired.

Increasing acceptance rates have been supported by a lifting of the cap on student places at publicly-funded institutions in England since 2015, a policy which has provided institutions with greater flexibility in managing acceptances and controlling the number and distribution of places across different faculties.

Many universities for example, have now made participation in the 'Clearing' process, which matches applicants to university places that are yet to be filled, and unconditional offers a standard part of their admissions cycle. UCAS analysis shows that even those with the highest tariffs (those offering courses requiring higher grades), took part in 'Clearing'. Clearing may be replaced by a more sophisticated Post Qualification Admissions process but this is currently being debated across both Higher Education and the Government.

Student numbers by tariff group

Data from HESA indicates that while overall student numbers at lower tariff universities have remained flat since 2012, higher tariff universities have seen their numbers grow by 18% as students prioritise access to the highest quality courses available to them.

Lower tariff institutions within multi-university cities have been able to buck this trend, with larger, more populous student locations such as Leicester and Coventry maintaining their strong appeal. However, as the number of individuals turning 18 increases from 2021 onwards, lower tariff universities may have to work harder to attract a share of a potential increase in student numbers. This is especially relevant given the catchments of lower tariff universities tend to be narrower. The University of Salford, for example attracted 50% of full-time undergraduate students from within Greater Manchester in 2018920. The equivalent figure for the University of Manchester was 17%.

Postgraduate students

Demographic trends suggest that overall UK-domiciled undergraduate numbers are expected to remain flat until the 2021/22 academic cycle. However, the number of first-year students who are undertaking post-graduate courses increased in 2017/18, the third consecutive year they have risen.

Post-graduate numbers rose by 6.2% year-on-year with the number of postgraduate students currently enrolled on a university course in the UK at the highest level on record, according to data from HESA. Growth last year builds on the increases seen in the 2016/17 and 2017/18 cycles.

This coincides with the introduction of post-graduate loans for those students from England studying a master's course. Importantly, this level of growth is apparent in both higher and the lower tariff groups of universities.

The Augar Review – May 2019

The independent government-commissioned report highlights a number of recommendations for post-18 education which, if enacted, could have wide-ranging consequences for the higher education sector.

The headline undergraduate fee cut was widely speculated on ahead of its release and a recommendation that tuition fees are capped at £7,500 (down from £9,250 currently) dominated the headline recommendations, alongside more financial support for disadvantaged students. Whilst no specific recommendations were made with regard to the provision of accommodation, the cost of accommodation is raised within the review as a key concern.

It notes that the public subsidy of student maintenance, much of which is spent on accommodation, gives the government a legitimate stake in monitoring provision in terms of costs, rents, profitability and value for money – a task it indicates should be monitored by the Office for Students (OFS). In order to achieve this it suggests the OFS seeks to gain a clearer picture of private sector involvement in student accommodation, recommending it commissions a comprehensive financial analysis of private developers and operators of PBSA to understand the profits that businesses and investors are making from student rents.

In addition, the review links accommodation with wellbeing and indicates that universities retain a responsibility for overall student welfare and delivering value for money and that this extends to university accommodation, whether or not they are the direct provider. If the panel's recommendations are implemented in full, the higher education sector as a whole should receive the same total amount of funding, but it will be distributed differently.

Whilst tuition fee income will fall from £9,250 to £7,500 a year per student, the review indicates that the government would step in to top up the difference via direct teaching grants – an estimated £2bn.

However, under the recommendations the government would have discretion to adjust allocations dependent on course. Courses which are perceived to offer poor value for money may, as a result, receive less allocation at the expense of courses which the government believes are costlier, strategically more important for economic prosperity or of higher quality. The review also recommends an extension of the 2018/19 and 2019/20 freeze of the average per-student funding for a further three years.

This equates to a real terms reduction of 8% between 2019/20 and 2022/23, and a reduction of 11% compared to 2018/19 funding levels. This freeze aligns with the current plan for a government spending review covering the years in the current parliament, up to 2022/23. This does pose a significant challenge to the sector. However, the review believes that these pressures can be alleviated by a growth in the number of UK students. The review projects an increase from 2020 onwards, surpassing 2009 levels (6% higher than currently) by 2025.

2.2 UK Outlook for Purpose Built Student Accommodation

Historically, the rising number of full-time students in higher education (HE) has meant that traditional student halls of residence have been unable to accommodate the increase in demand for student bed space. Typically, students end up in shared accommodation in the private rented sector when they are unable to access traditional student accommodation, be it university halls or PBSA. They often reside in second hand housing stock or Houses of Multiple Occupation (HMOs) which present a cheaper housing alternative.

Following the rise in student fees, there are higher expectations for the entire university experience and student accommodation is increasingly being regarded as a crucial element of this experience. Accommodation now ranks alongside the course, the location and the reputation that the institution offers.

Knight Frank's own Student Accommodation Survey undertaken in 2019, alongside partners UCAS, demonstrated higher levels of satisfaction with purpose built student accommodation over mainstream rental accommodation. The market is at a juncture where large injections of investment will in time mean a new level of stock in the market, creating higher quality accommodation for students and a more vibrant investment market.

Whilst HMOs provide competition to PBSA at the lower end of the price and quality scale, many local authorities across the UK have noticed the impact this HMO based student housing is having on local property markets and local government revenues. As such, numerous consultations are underway to restrict the supply of new HMO stock in markets that already contain a high number of student households. If successful, local authorities will be faced with the need to provide alternative desirable student accommodation to counterbalance any displacement of student demand, which will find itself diverted to purpose-built student accommodation.

Both the market and policy environment for PBSA are positive for further growth in the sector. However, picking the correct location and type of units are critical to viability. There is also a firm limit on how much students can and will pay for rent on a weekly basis. Operators are now looking at creating a viable model taking into account the budget constraints of consumers through either 'rebranding' or price discrimination by offering different products at different price points. It is the view of Knight Frank's Student Property Team that the next evolution in the student market will be for an increasing focus on 'brand' and 'market segmentation'.

2.3 UK Student Market Projection

The demographic challenges facing universities are well known, but behind this are significant regional differences. In London, for example, the application rate of 18 year olds in 2019 stood at almost 50%, notably higher than in the North East, which was less than a third. Though application rates of young people have increased in each region this year, the varied picture across the country together with changes in type of course and provider that students are applying to, mean there are challenging circumstances for some institutions. Admissions and marketing are becoming ever closer, enabling universities to be more proactive in the fast moving market.

Where places remain open following the main application process, Clearing then represents a time when many universities need to secure more applicants to achieve recruitment targets. UCAS has seen Clearing accelerate with greater numbers of applicants placed in the days immediately following A-level results day. This has coincided with increased expenditure by universities on marketing. Clearing will continue to be a crucial recruitment channel as more students choose to apply later in the cycle than before.

It is our expectation that the growth in student numbers will be maintained over the longer-term, with Knight Frank analysis of ONS population projections, along with entry rates from UCAS, pointing to a 15% increase in full-time undergraduate numbers between now and 2030. This would represent an increase of 220,000 students. This is driven by continuing demand from international students for UK higher education and a growth in the UK 18 year old cohort from 2021/20222 onwards.

Covid 19 and the potential impacts on student numbers

A recent study indicated that only around a half of UK undergraduates are worried about returning to university despite most reporting that they felt safe from coronavirus on campus, according to a Higher Education Policy Institute (Hepi) poll. Some 54 per cent of full-time undergraduate students who responded to the survey say they are 'very' or 'quite concerned' about the return to campus, with just 19 per cent saying they are unconcerned about the potential risks. A further 22 per cent say they are neither concerned nor unconcerned about the matter.

English universities were told by the Westminster government to stagger the return of students to campuses after Christmas over five weeks, in a bid to limit the spread of Covid-19. However, the national lockdown announced on January 4th has changed this and the latest guidance is unclear on when students will be able to return to campuses that are fully open. Guidance published on January 4th indicated that medical students, those on placements or practical subjects (within a defined set of courses) would be able to return to take part in facet-to-face teaching throughout January (confirmed by the Office for Students). Other students are encouraged to "stay where they are".

Booking levels for purpose built student accommodation continue to pick-up despite the challenges facing students. Our November snapshot survey of six of the largest student accommodation operators in the UK, shows that 86.2% of available beds have now been booked for this cycle, up from 77% when the survey was first compiled in the week following A Level results day, in August. Occupancy in November 2020, pre the UK's third 'lockdown' stood at 76%. This is corroborated by JLL's November UK Student Housing Leasing Survey which indicates that 85% of all leased beds were occupied in October 2020. Current occupancy is however likely to be down on this significantly, given that students have not been able to return to university following the Christmas break.

Knight Frank's Student Accommodation Survey 2021, undertaken in partnership with UCAS, suggests that operators of purpose built student accommodation (PBSA) have dealt better with the challenges that the pandemic has created than landlords in the wider rental market. Some 69% of students living in purpose-built student accommodation (PBSA), either privately operated or university operated, were pleased with their provider's approach and handling of the pandemic. By comparison, just 25% of students living within house-shares rented from landlords in the wider private rented sector said the same. The full survey report can be accessed here.

Investors continue to be attracted to the fundamentals of the sector. Knight Frank's Residential Investment Survey for this year, shows that 70% of respondents who expect to be invested in student property in 2025 remain undeterred in their view of this, despite COVID.

The student sector was a key outperformer in the Global Financial Crisis and this was driven by counter cyclical demand. Applicants to higher education increased by 30% and an uptick in demand is expected as a result of the COVID related downturn. New data from UCAS on applications for the 2021 academic year indicates a 12% growth in applicants overall and a 20% growth in international student applicants. Sentiment survey data from UCAS indicates that 80% remain committed to going to university in 2021. These trends coupled with an ongoing demographic trend, which will see the absolute number of UK 18 year olds increase year on year for the next decade, should mean that student numbers increase.

3. DEMAND PROFILE

3.1 Student Population Profile

The Avonmouth House site is less than 20 minutes from King's College London, London School of Economics and University of Westminster by public transport. The site is also located within a 30-minute travel time to the London campuses of 13 additional HEI's, including University of the Arts London, Anglia Ruskin University and Coventry University.

30-minute travel time catchment area

- There are 42,842 full-time students living within a 30 minute travel time of Avonmouth House. Over 20% (8,719) are studying at King's College London. 5,392 full time students are studying at Queen Mary University of London (12.6%), with a further 5,139 at University College London (12%). The number of full time students living within a 30-minute travel time of Avonmouth House has increased by 10.9% over the period 2015/16 – 2019/20.
- The total number of full time undergraduates across the catchment, representing 67% of the total full time student population, has increased by 6.9% - approximately 462 additional students in this group per annum.
- During the same period, the number of full time postgraduates across the catchment has increased by 20.2%.
- Full time international, non-UK domiciled students represent over 58% of total full time students in the catchment and between 2015/16 and 2019/20 their numbers have increased by 25.6%.

University College London & other Higher Education Providers with a main campus, within a 30-minute travel time

- In total, there are fourteen higher education providers with a main campus within a 30-minute travel time of Avonmouth House, hosting 119,861 full time students. University College London is the largest university located within a 30-minute travel time of the site. In total the university accommodates over 34,900 full time students as of 2019/20. This total has increased by 17.6% since 2015/16.
- King's College London is the second largest university within a 30-minute travel time, hosting over 27,600 full time students. International students at King's represent over 40% of the total student population and since 2015/16, their numbers have increased by over 51%.
- International, non-UK domiciled students represent over 41% (the average across all UK HE providers is 18.4%) of total students studying at institutions within a main campus within a 30-minute travel time of Avonmouth House and between 2015/16 and 2019/20, their numbers increased by 21.6%. Across the UK as a whole, full time non-UK domiciled students have increased by 9.3% in the same period.

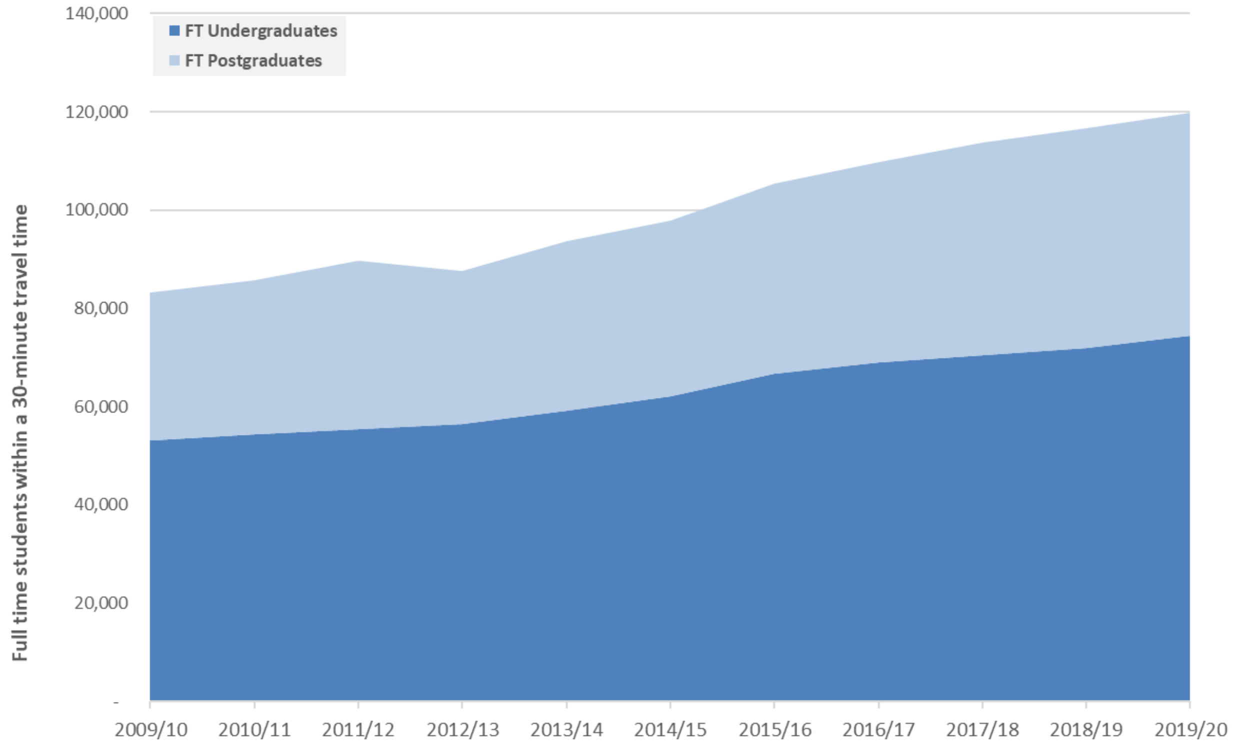
Table 1: Student Profile – 2019/20 academic cycle

HE Student Population	30 mins travel time	%	% change from 2015/16	London	%	% change from 2015/16
Undergraduate	82,394	55.8	3.6	252,717	65.0	3.2
UK	52,078	35.3	-6.3	184,879	47.6	-2.4
Non-UK	30,316	20.5	26.8	67,838	17.5	22.5
Postgraduate	65,232	44.2	11.2	136,038	35.0	13.9
UK	34,474	23.4	6.7	68,519	17.6	2.4
Non-UK	30,758	20.8	16.8	67,519	17.4	28.5
Total student population	147,626	100.0	6.9	388,755	100.0	6.7
Total international students	61,074	41.4	21.6	135,357	34.8	25.4
Total full time undergraduates	74,401	62.1	11.4	236,574	70.9	10.4
Full time students	119,861	81.2	13.8	333,777	85.9	15.2

*30-min travel time based on 14 HEI's with a main campus within the 30-minute travel time, including University College London, King's College London, City, University of London, University of Westminster, London School of Economics, SOAS University of London and Birkbeck College.

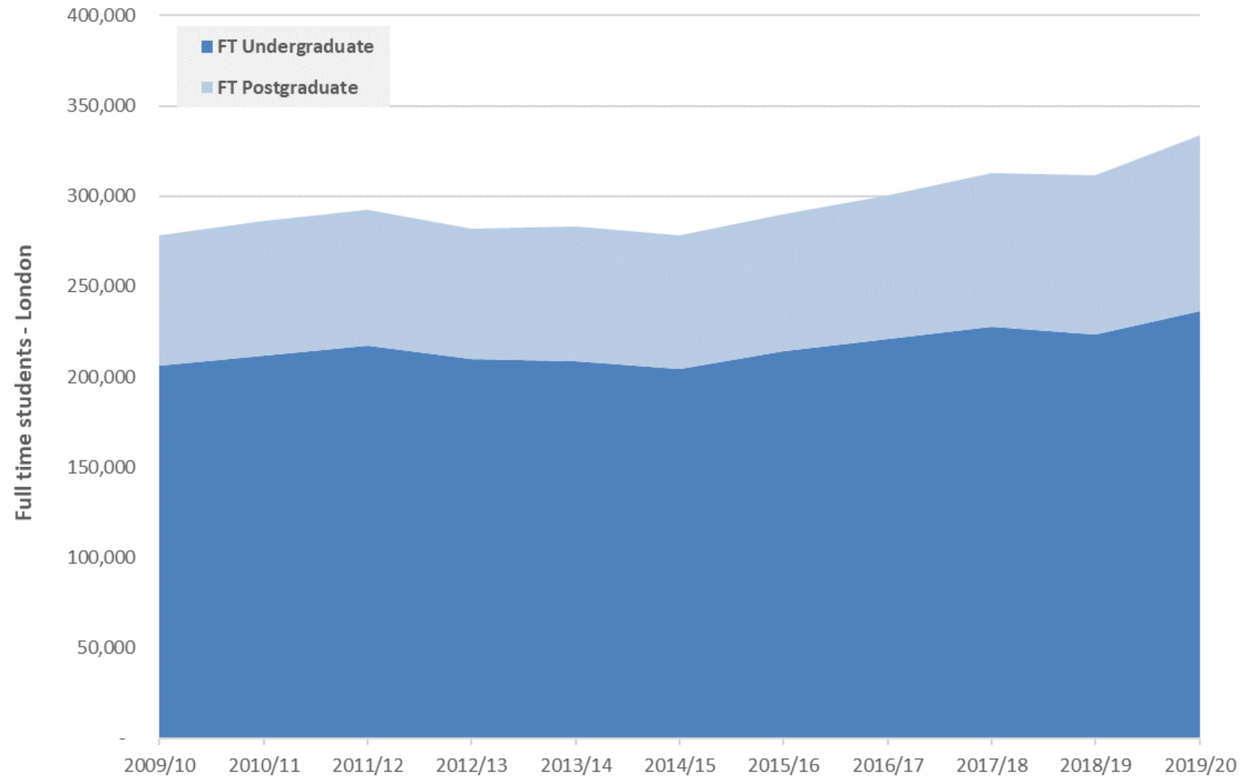
Source: **HESA, Knight Frank Residential Research**

Figure 3: Full time students – HEP's within a 30 minutes travel time of Avonmouth House (SE1 6NX)



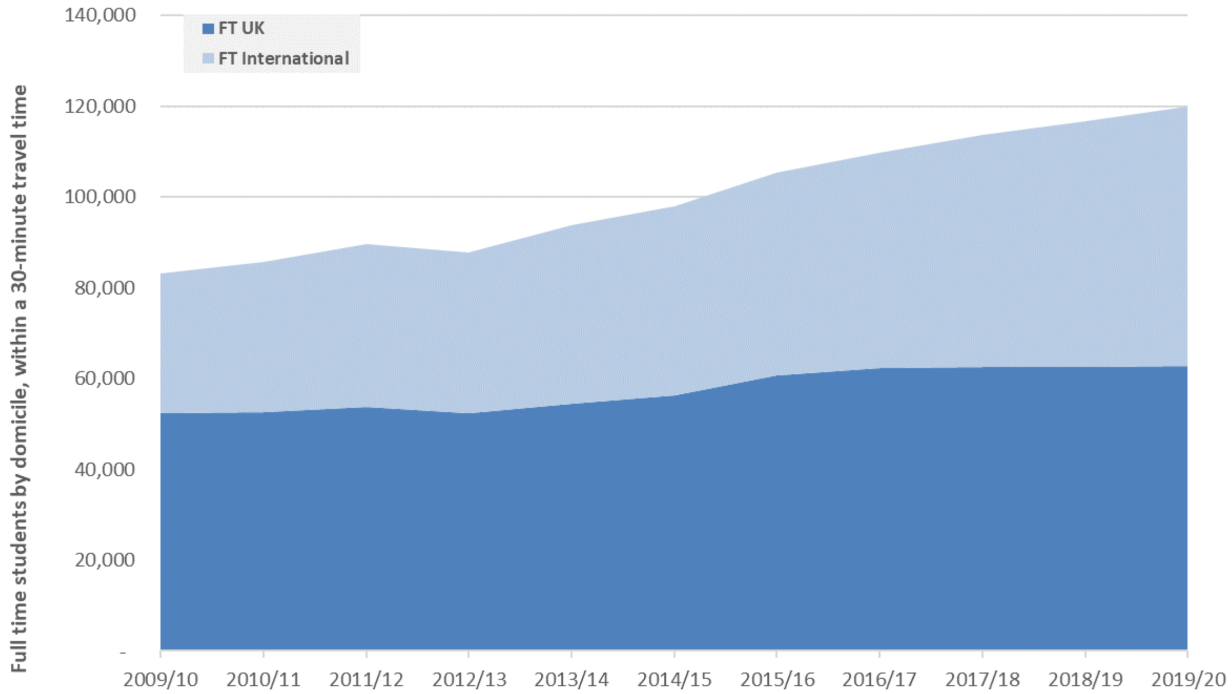
Source: HESA, Knight Frank Residential Research

Figure 4: Full time students – London



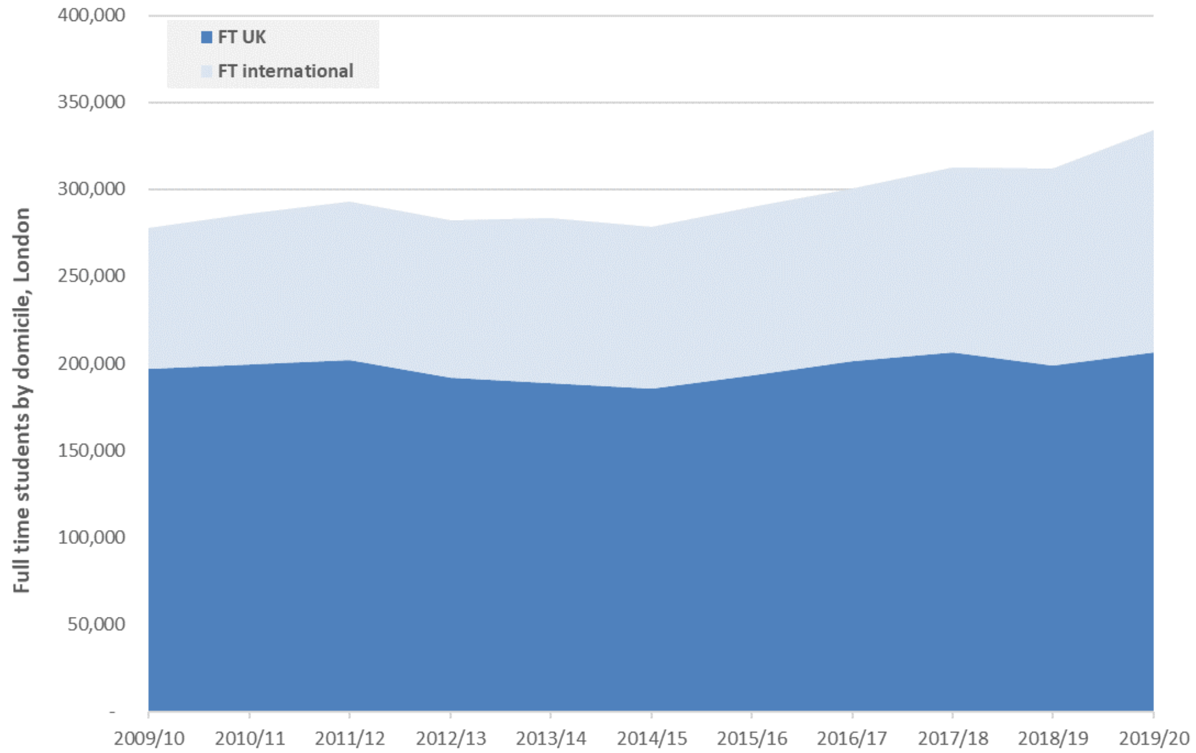
Source: HESA, Knight Frank Residential Research

Figure 5: Full time students, by domicile – HEP's within a 30 minutes travel time of Avonmouth House (SE1 6NX)



Source: HESA, Knight Frank Residential Research

Figure 6: Full time students, by domicile – London



Source: HESA, Knight Frank Residential Research

3.2 Applications & Acceptances

- In 2020, higher education providers (HEPs) within a 30-minute travel time Avonmouth House received 201,830 applications for places, an increase of 5.4% on the volume of applications in 2019. In 2020, there were 6.2 applications for every accepted place at HEPs within a 30-minute travel time. This ratio has fluctuated over the previous five years.
- University College London received the largest number of applications within a 30-minute travel time, with over 58,600 applications for places in 2020, an increase of 6.9% compared to 2019, whilst King's College London received 57,470 applications for places in 2020, an increase of 10.3% on the volume of applications received in 2019.
- In 2020, there were 97,900 international applications across HEPs within a 30-minute travel time, representing an increase of 45% since 2015. International applications have increased consistently for the past five years.
- Acceptances of places within a 30-minute travel time of Avonmouth House have increased by 35.1% since 2015.

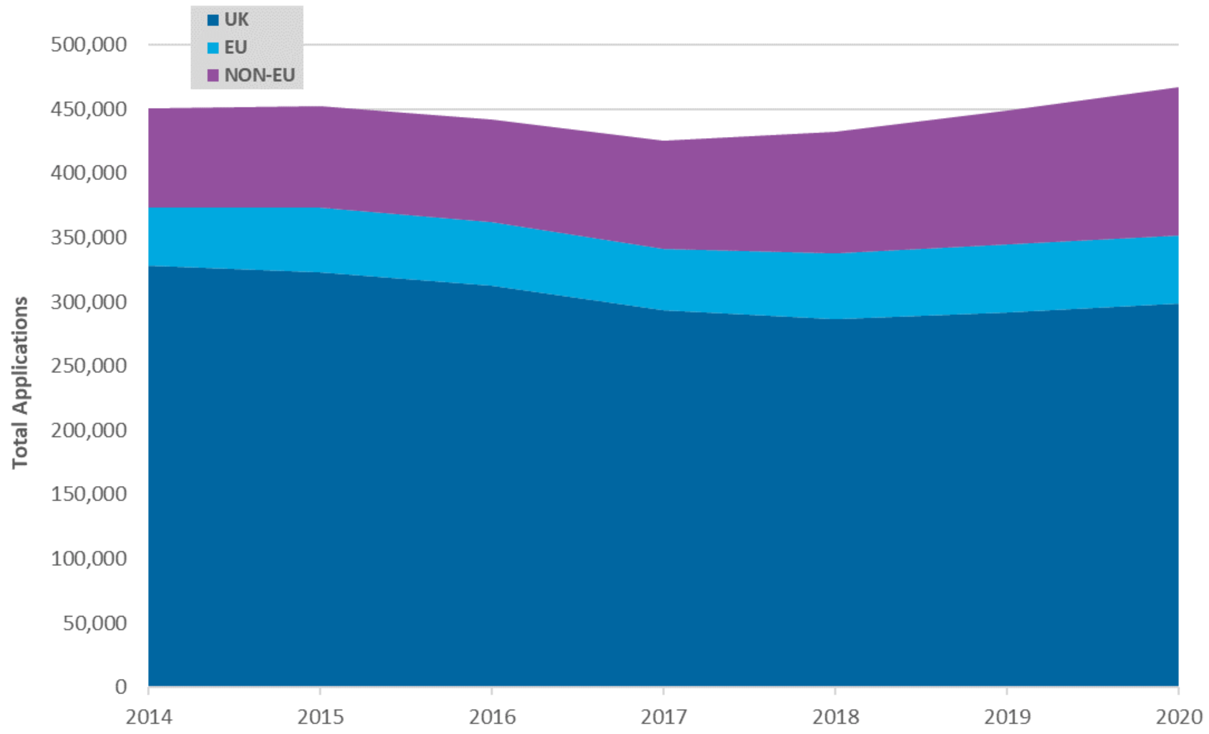
Table 2: Applications & Acceptances – Ratios

Year	30-minute travel time			London		
	Applications	Acceptances	Ratio	Applications	Acceptances	Ratio
2015	167,045	24,065	6.9	452,395	71,975	6.3
2016	164,325	23,820	6.9	441,515	71,775	6.2
2017	165,790	24,660	6.7	425,645	70,365	6.0
2018	177,105	24,645	7.2	432,345	70,695	6.1
2019	191,570	26,985	7.1	448,320	74,925	6.0
2020	201,830	32,520	6.2	466,780	82,405	5.7
% change 2015 - 2020	20.8%	35.1%		3.2%	14.5%	

*30-min travel time based on University of Westminster, City University of London, London School of Economics, SOAS University of London, University College London, Birkbeck College, King's College London, Courtauld Institute of Art and The University College of Osteopathy.

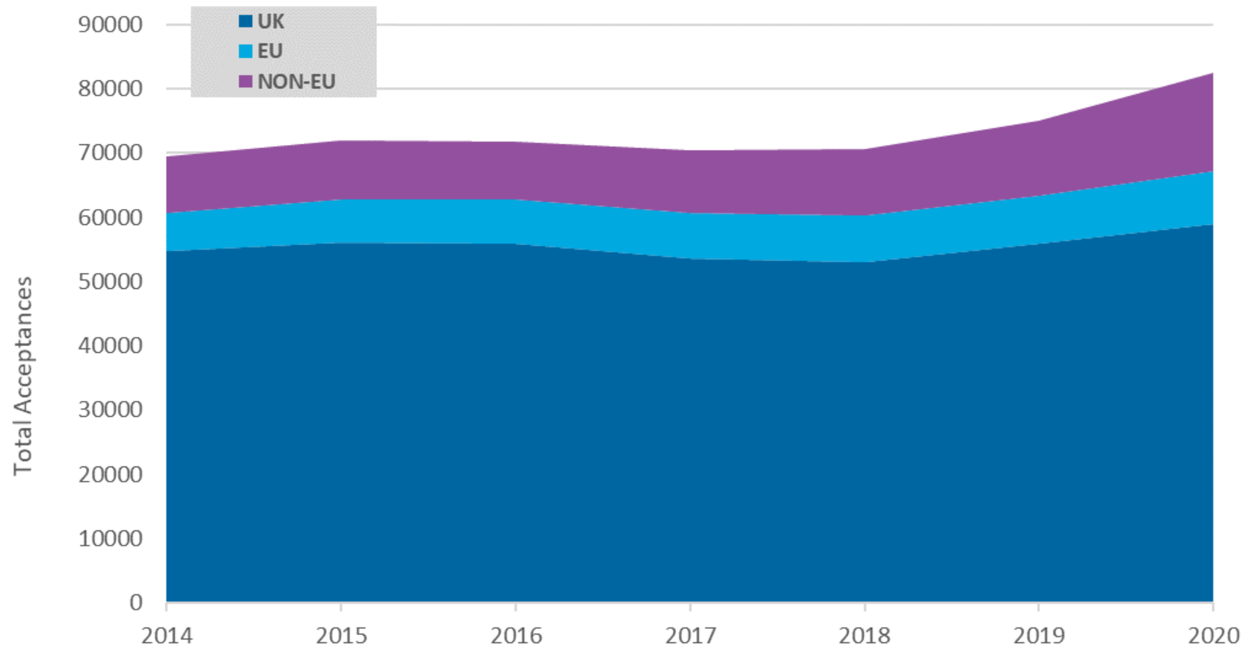
Source: **UCAS, Knight Frank Residential Research**

Figure 7: Applications by domicile – HEPs within a 30-minute travel time of Avonmouth House (SE1 6NX)



Source: **UCAS, Knight Frank Residential Research**

Figure 8: Acceptances by domicile - HEPs within a 30-minute travel time of Avonmouth House (SE1 6NX)



Source: **UCAS, Knight Frank Residential Research**

Catchment Demographics

Using the postcode of full time UK domiciled students, it is also possible to map the home address for students living within a 30-minute travel time of the Avonmouth House site. Table 3 presents the top ten LA origins of full time UK domiciled students living within a 30-minute travel time.

At 54.7%, the highest proportion of students originate from boroughs within London, with the next largest population originating from Birmingham (1.3%).

52.6% of students living within a 30-minute travel time of the site, also study at universities within a 30-minute travel time of Avonmouth House, suggesting the location of the site is well connected and favoured by students studying across the whole of London. Overall, approximately 64.7% of higher education students that study within a 30-minute travel time of Avonmouth House are within the top ten locations (including London).

Table 3: Origin of UK full time students studying within a 30-minute travel time of Avonmouth House – Top 10 locations

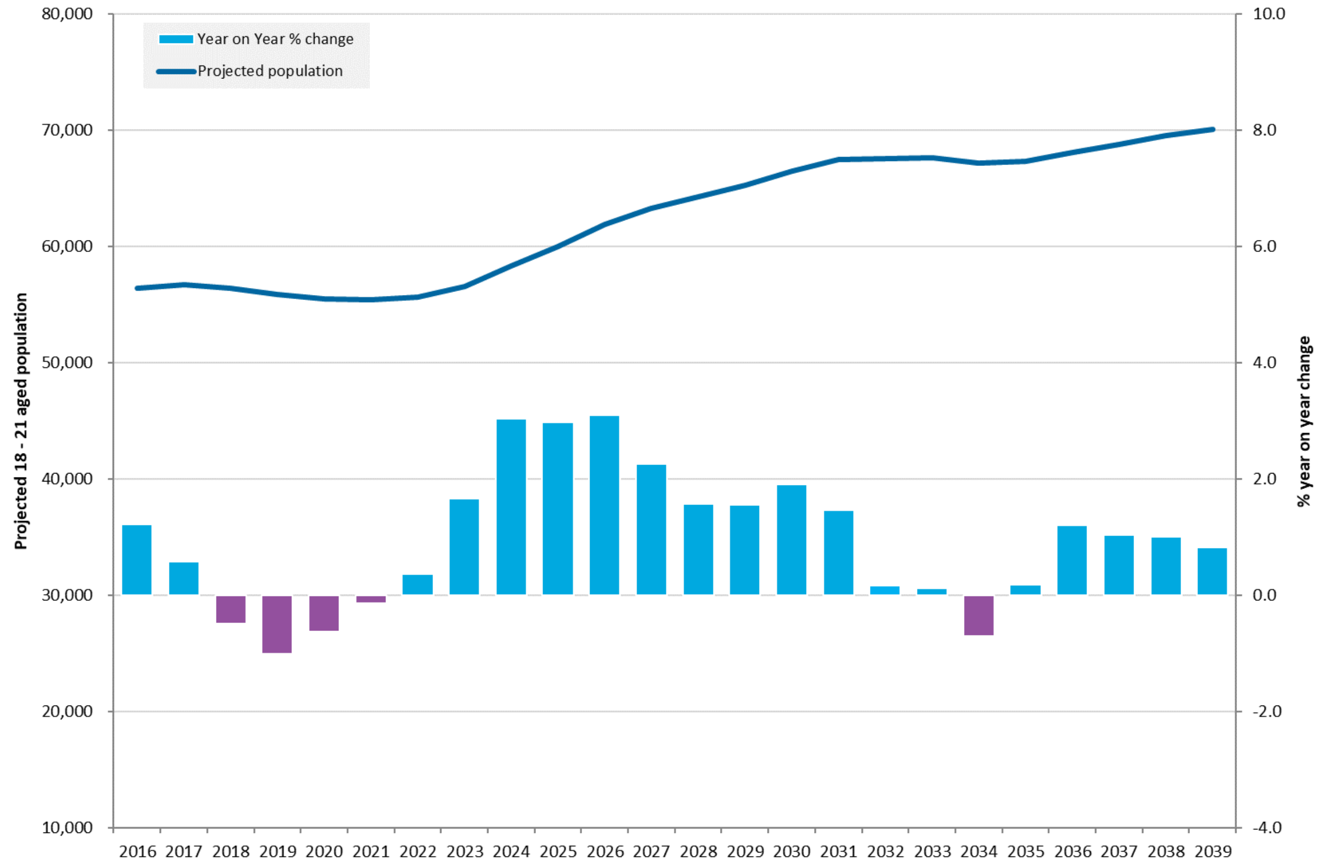
Full time undergraduates	Number of students	%	Cumulative %
London	16,233	54.7%	54.7%
Birmingham	400	1.3%	56.0%
Brighton	373	1.3%	57.3%
Tonbridge	372	1.3%	58.5%
Harrow	333	1.1%	59.7%
Guildford	322	1.1%	60.7%
Reading	319	1.1%	61.8%
Oxford	292	1.0%	62.8%
Kingston Upon Thames	290	1.0%	63.8%
Bristol	271	0.9%	64.7%

Source: **HESA, Knight Frank Residential Research**

3.3 Regional population projections

Regional population growth is integral to demand for undergraduate places at the institutions within a 30-minute travel time of the Avonmouth House site. Figure 9 presents ONS population projection data for 18 – 21 year olds across the Boroughs of Southwark, Lambeth, Lewisham, and Tower Hamlets. The 18 – 21 year old population within these Boroughs is projected to continue to rise until 2033, spiking in 2024, for four years. The population is predicted to dip in 2034, before rising again in 2035, where growth looks to remain stable for the coming years. The expected total population of 18 – 21s within these Boroughs is set to increase by 24% in 2039 compared to 2016.

Figure 9: Population Projection – 18 – 21 year olds in Southwark and surrounding Boroughs



Source: **ONS, Knight Frank Residential Research**
***NOTE: ONS data includes the Boroughs of Southwark, Lambeth, Lewisham and Tower Hamlets.**

4. SUPPLY

4.1 Aggregate supply of Purpose Built Student Accommodation (PBSA)

University operated accommodation

There are 187 halls of residence operated by universities across the whole of London and 52 within a 30-minute travel time of SE1 6NX. University operated PBSA provides 14,139 bed spaces within a 30-minute travel time of Avonmouth House and the accommodation is split largely between non-ensuite rooms (47.6%) and standard ensuite rooms (46.9%). Studios account for just 5.5% of university operated accommodation within a 30-minute travel time. Universities across London provide 46% of total PBSA, and 41% within a 30-minite travel time of Avonmouth House.

Table 4: Summary of University Operated Accommodation – London, 30-minute travel time of SE1 6NX

	All London		30-minute travel time	
Bed space type	# bed spaces	%	# bed spaces	%
Non-ensuite	14,383	33.1	6,731	47.6
Ensuite	27,675	63.6	6,628	46.9
Studio	1,422	3.3	780	5.5
Total	43,480	100	14,139	100

NOTE: 30-minute travel time based on a 2.5 mile radius around site
Source: **Knight Frank Residential Research**

Private Direct Let Purpose Built Student Accommodation (PBSA)

There are 187 privately owned PBSA schemes across the whole of London, all of which are operated on a direct let basis. Collectively, these schemes provide 51,284 bed spaces for students (54% of the total). The accommodation comprises ensuite rooms (42.9%), studios (36.5%) and standard rooms with shared bathrooms (20.5%).

There are 64 privately owned, direct let PBSA schemes within a 30-minute travel time, providing 20,458 bed spaces. Private PBSA within a 30-minute travel time is comprised of 36% standard ensuite rooms, 35.9% studio rooms and 28% non-ensuite rooms. Collectively, the private direct let accommodation provides 59% of total PBSA within a 30-minute travel time of Avonmouth House.

Table 5: Summary of Direct-let Accommodation – London, 30-minute travel time of SE1 6NX

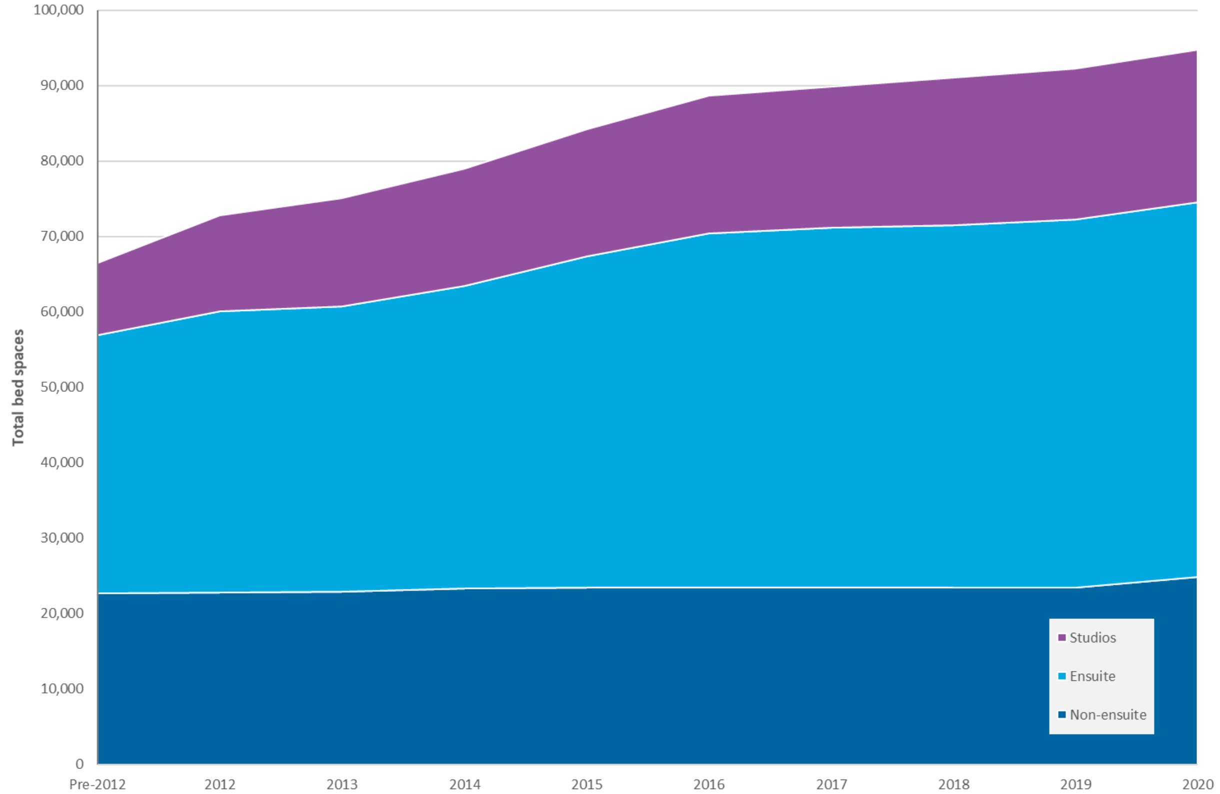
	All London		30-minute travel time	
Bed space type	# bed spaces	%	# bed spaces	%
Non-ensuite	10,538	20.5	5734	28.0
Ensuite	22,007	42.9	7,370	36.0
Studio	18,739	36.5	7,354	35.9
Total	51,284	100	20,458	100

NOTE: 30-minute travel time based on a 2.5 mile radius around site (SE1 6NX).
Source: **Knight Frank Residential Research**

Changing composition of PBSA

The supply of Purpose Built Student Accommodation (PBSA) across London has increased by approximately 30% since 2012. New PBSA has been delivered each year since 2012, with the largest amount of stock delivered in 2015. The majority of new stock has been delivered by private operators, comprising predominantly studio and ensuite rooms.

Figure 10: Student bed spaces by type, London – time series *

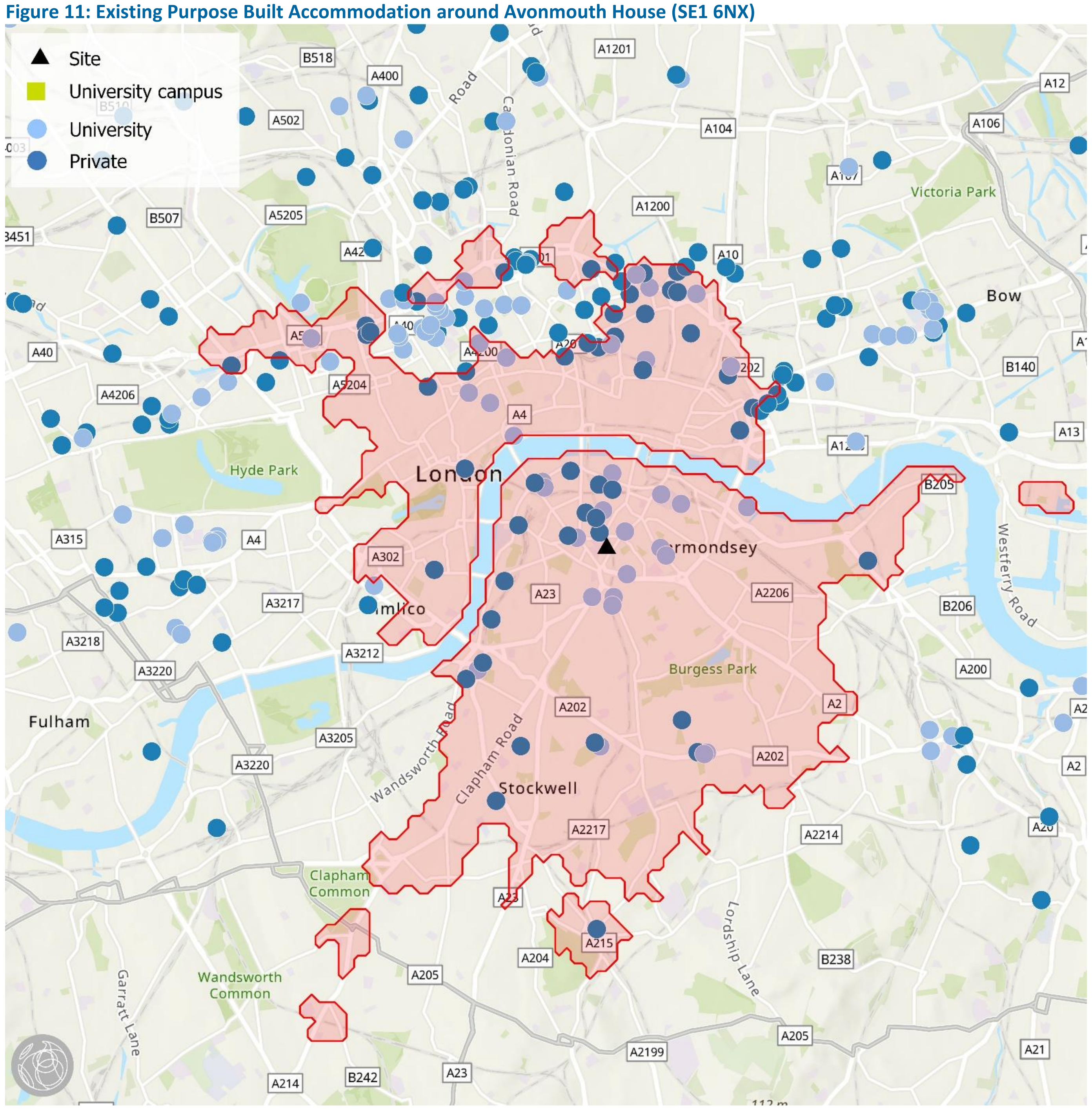


* NOTE: It is not possible to estimate the construction date of every scheme in the market and so the total does not sum to Knight Frank's estimate for total bed spaces as of 2020/21 letting cycle.
Source: **Knight Frank Student Property**

Since 2012 there have been around 22,000 PBSA bed spaces delivered in London, predominantly located within South East postcodes. Of this number, 5,645 (26%) PBSA bed spaces have been developed within a 30-minute travel time of SE1 6NX.

Anaysis of completions data for PBSA schemes indicates that the average yearly delivery of PBSA beds totals approximately 2,100 bed spaces in the period 2016 to 2020. Over the last three years just 4,880 bed spaces have been delivered in London, 47% of the 3,500 bed spaces per annum target outlined in the London Plan.

Figure 11: Existing Purpose Built Accommodation around Avonmouth House (SE1 6NX)



* A reference table is provided in Appendix 1.
Source: **Knight Frank Residential Research**

4.2 Satisfaction with PBSA & Student Preferences

Student Accommodation Survey 2019/2020

The Knight Frank/UCAS Student Accommodation Survey was undertaken in the period between February and November 2019 and comprises both applicants, current students and new students who started university in the 2019/2020 academic year. The survey received a response from 30,850 applicants and 30,995 current or new students.

Students living in private purpose-built student accommodation, or university run halls are the most satisfied with their accommodation, according to the results of the Knight Frank/UCAS Student Accommodation Survey 2019, with some 78% of such respondents indicating that this was the case. Whilst those living in the private rented sector were satisfied overall, a lower proportion (71%) said this was the case. Looking specifically at property types, across the UK, those living in a cluster flat, or in a shared house, said they were happier with their accommodation than those living in a single-occupancy studio or alone.

Overall, more than 80% of students living in shared PBSA accommodation, e.g. a twodio - a two bedroom flat with shared kitchen and bathroom - a shared house operated by the university, or in a cluster flat (with en suite) within either private or university operated accommodation said they were happy with their living arrangements.
While still positive, levels of happiness were slightly lower for students living in privately rented house shares, with 75% saying they were happy with their accommodation.

Despite these differences, a clear majority of students said they are happy with their accommodation choice. Where students were dissatisfied, the most cited reasons among students living in privately operated PBSA related to a lack of value for money and problems with the building whilst for those in university operated accommodation it was a lack of value for money and noise problems.

For students living in privately rented house-shares the most commonly cited reasons for dissatisfaction were problems with the building and having problems with the landlord/agent.

The survey shows that, in addition to property type, other key drivers of happiness with private PBSA are location, the option to live with friends and the quality of accommodation. Looking specifically at private PBSA, efforts to create a community were also highlighted as being important, with the atmosphere and social scene provided within their accommodation rated positively by 48% and 30% of respondents respectively.

In total, 75% of students who lived in private PBSA said that they would recommend their accommodation to new first-year students, up from 69% in 2018's survey. Some 79% of those in university-run accommodation said the same, up from 77% in 2018. The survey also asked second year students living in private PBSA if they would recommend their accommodation to first year students with 78% indicating that they would do so.

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, with just under half (49%) rating it as "extremely important". Across the UK just under half (49%) of students indicated that their current accommodation represented 'extremely good' or 'good' value for money.

Overall, the survey suggests a preference for high-quality accommodation that provides clear and obvious elements that add value. Other factors identified by students as "extremely important" included the cleanliness of the bedroom (96%), the quality of the accommodation (95%) and the facilities offered (91%).

More subjective factors include reviews of the accommodation by other students, and the level of daylight in the bedroom. Indeed, these two factors were particularly important to first-year students, with over 80% saying it helped them decide on their accommodation. Second and third-year students also sought value for money but were equally influenced by the absolute cost of accommodation, with 92% rating this as either "very" or "extremely important".

This compared with 88% of new students. Second and third-year students deemed being able to maintain friendship groups as important when looking for accommodation, with over 65% of this group identifying the number of bedrooms available in a property, and the effect this had on being able to live either with friends or alone, as influencing their choice. This is up from 60% of the response in last year's survey.

Generation 'Z' students

The perspective of Generation Z students is significantly different to Generation X and Millennials. New students are less likely to go out, get drunk, and miss lectures and are more likely than ever to workout, have a part time job, and be 'online'. They are more self-aware, self-reliant, innovative and goal orientated than millennials and are more outcome and experience driven.

Generation Z students are looking for more certainty and stability. They have trouble seeing a stable financial future and are more risk averse than previous generations as a result. This impacts on their behaviour and their preferences with regards to accommodation.

Being able to live in high quality accommodation is more important to Generation Z students than millennials. Accommodation is rated as the single most important factor influencing student wellbeing across the UK. Students in all markets name it as their number one concern, ahead of student pastoral support or a good campus atmosphere.

A student's whole experience of university is built around where they live, regardless of which year they are in. The ability of accommodation to create a community of individuals, often leaving home for the first-time, is a key measure of success.

4.3 Private rented housing

The majority of the private-sector accommodation is in the form of HMOs let through the private rental market. Private rented supply to students living within a 30-minute travel time of Avonmouth House, consists predominantly flats/apartments in the SE1, E1, SE17 and SE15 postcodes.

Accommodation within a 30-minute travel time of SE1 6NX, predominantly consists of 2 and 3 bed flats/apartments, with single/double rooms, often with shared bathrooms and kitchen amenities. Larger shared houses within the same radius tend to be upwards of five bedrooms, similarly, consisting of single/double rooms, with shared kitchen and bathroom facilities. Houses with five or more bedrooms represent just 6.5% of total PRS stock within the radius.

Southwark Borough Council has granted HMO licenses against 695 properties (Local Authority Housing Statistics, 2019-20), however estimates that there are approximately 900 HMO's within the Borough. Analysis of online listing data indicates that approximately 10,036 private rented sector (PRS) properties explicitly marketed at students came up for rent within a 30-minute travel time of SE1 6NX in 2020/21. Most of these rentals were two and three bedroom flats/apartments. Approximately 56% of the total PRS supply consists of studio and one- and two-bedroom flats/apartments, whilst larger five or more-bedroom properties represented only 6.5%. Collectively these PRS properties supplied approximately 27,112 bed spaces within a 30-minute travel time of Avonmouth House, SE1 6NX.

Table 6: Student PRS supply 2020/21 – 30-minute travel time of Avonmouth House (SE1 6NX)

	30-minute travel time		
Accommodation type	#	%	Imputed bed spaces
Studio	0	0	0
One bedroom	1,559	15.5	1,559
Two bedrooms	3,194	31.8	6,388
Three bedrooms	2,739	27.3	8,217
Four bedrooms	1,888	18.8	7,552
Five bedrooms	540	5.4	2,700
Six or more bedrooms	116	1.2	696
Total	10,036	100	27,112

Source: **Knight Frank Residential Research**

HMO supply is thought to have increased across the catchment in the previous four years. Since 2015/16, the number of HMO licenses against properties in Southwark, has increased by 252%. It must be acknowledged that only a proportion of all HMOs will be marketed at and occupied by students. Shared houses are also popular with graduates and young professionals.

Total existing supply

The universities within a 30-minute travel time of the Avonmouth House site, provide accommodation for approximately 14,139 students, which represents only 11.8% of the total full-time student population within a 30-minute travel time (119,861 students). There are currently a further 64 additional private purpose-built student accommodation (PBSA) schemes within a 30-minute travel time of Avonmouth House, providing approximately 20,458 bed spaces on a direct let basis. In total, there are 34,597 PBSA bed spaces within a 30-minute travel time and 94,764 across the whole of London. This represents 28.9% and 28.4% of total full-time students respectively.

According to HESA, there are 333,777 full times students studying across London, of which 74,851 (22%) live at home with parents. As illustrated in Tables 4 and 5, there are c. 95,000 PBSA beds in London which may indicate that up to 49% of full-time students live in non-PBSA accommodation/HMO stock within the private rented sector. If student numbers increase across London, and indeed within a 30-minute travel time of the Avonmouth House site, and the development pipeline is unable to match this, then the number of students living in HMO accommodation is likely to increase.

4.4 Pipeline supply

The supply pipeline has been compiled by collecting all residential accommodation records from Egi planning data and data from the planning departments across London Boroughs. This data has been combined and sorted dependent on planning and construction status.

As of May 2021, 17 schemes across London totalling 11,101 bed spaces are currently under construction, 12 schemes totalling 2,925 beds have consent (not under construction), and a further 18 schemes totalling 7,449 beds with planning have been submitted (a potential pipeline totalling 21,475 beds).

Table 7: Development Pipeline – London

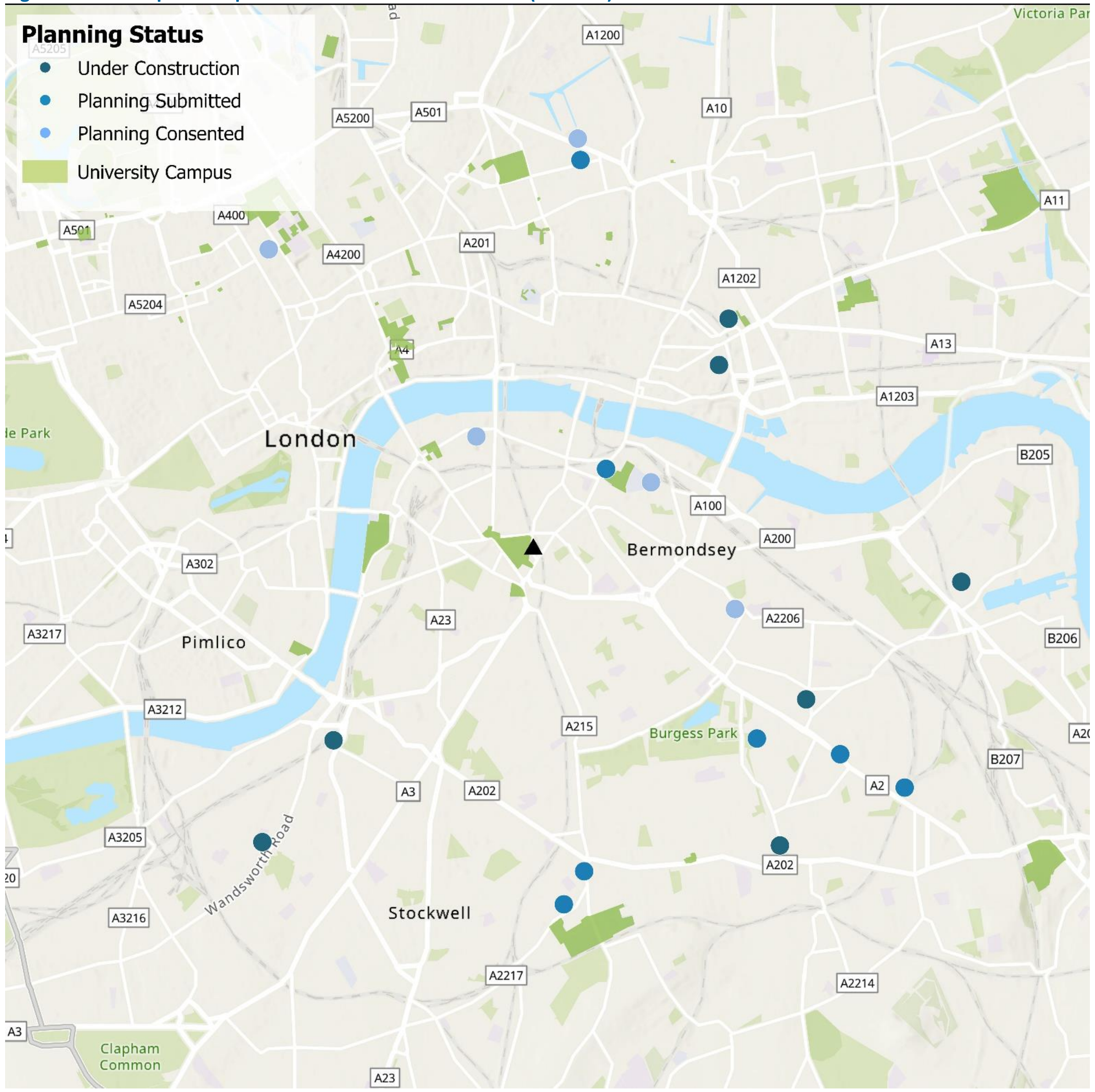
	30-minute travel time		All London	
Planning Status	# bed spaces	%	# bed spaces	%
Under Construction	4,140	56.2	11,101	51.7
Consented (not under construction)	1,302	17.7	2,925	13.6
Submitted	1,924	26.1	7,449	34.7
Total development pipeline	7,366	100	21,475	100

Source: **Knight Frank Student Property**

Timeline

We have assessed the delivery timeline of assets under construction, using estimated construction start dates and estimated construction project duration lengths. Where time information was unavailable, we have assumed that the project will complete 2022, at the earliest. The supply of PBSA bed spaces under construction, across London, looks set to meet the strategic requirement of 3,500 bed spaces per annum, as outlined in the London Plan, only once over the next three years; 18% (2,011 bed spaces) of the pipeline is estimated to complete by the end of 2021 with the majority, 52% (5,773 bed spaces), estimated for 2022. The remaining 30% (3,317 bed spaces) has been estimated to complete 2023 and beyond.

Figure 12: Development Pipeline around Avonmouth House (SE1 6NX)



Source: **Knight Frank Student Property Team**

Demand/Supply ratios

- There are an estimated 94,764 PBSA bed spaces across London, representing 28% of total full time students. This equates to a gross ratio of 3.5 students per bed space (0.28 bed spaces per student). If the current potential pipeline (19,432 bed spaces with planning) is included the gross ratio decreases to 2.9 students per bed space (0.35 bed spaces per student).
- HESA estimate that the number of full time students living at home with parents across London is 22% (74,851). If this figure is subtracted from total full time students to create a net student number requiring accommodation – the current ratio reduces to 2.7 full time students to each PBSA bed space.
- Within a 30-minute travel time, there are 34,597 PBSA bed spaces, producing a current ratio of students per bed space of 3.5. If the current pipeline within a 30-minute travel time (7,366) is included within supply, this ratio falls to 2.9 students per bed space.

Table 8: Existing and Potential Total Supply of Bed Spaces & Total Student Numbers

University City	FT students	Existing PBSA bed spaces	Estimated % of students in PBSA	Potential supply PBSA bed space	Total potential future bed spaces	Current number of bed spaces per student	Future number of bed spaces per student*
Leicester	39,935	22,950	57	3,532	26,482	0.57	0.66
York	24,250	9,778	40	1,887	11,665	0.40	0.48
Bristol	49,990	16,763	34	6,051	22,814	0.34	0.46
Cardiff	36,520	16,657	46	2,717	19,374	0.46	0.53
Sheffield	52,540	26,955	51	5,656	32,611	0.51	0.62
Exeter	24,425	9,188	38	3,098	12,286	0.38	0.50
Edinburgh	58,105	18,553	32	4,853	23,406	0.32	0.40
Birmingham	72,505	25,096	35	7,548	32,644	0.35	0.45
Nottingham	63,905	27,031	42	6,659	33,690	0.42	0.53
Oxford	33,430	8,380	25	2,807	11,187	0.25	0.33
Cambridge	41,145	4,213	10	1,203	5,416	0.10	0.13
London	333,777	94,764	28	19,432	114,196	0.28	0.34
Manchester	66,160	28,748	43	3,855	32,603	0.43	0.49
Glasgow	64,550	19,003	29	6,281	25,284	0.29	0.39
Liverpool	53,100	28,117	53	3,743	31,860	0.53	0.60
Brighton	33,390	8,436	25	2,244	10,680	0.25	0.32
Leeds	59,255	23,310	39	7,575	30,885	0.39	0.52
Bournemouth	18,920	7,163	38	1,106	8,269	0.38	0.44
Loughborough	17,115	7,661	45	681	8,342	0.45	0.49
Aberdeen	22,140	8,036	36	2,602	10,638	0.36	0.48
Bath	24,130	7,524	31	1,116	8,640	0.31	0.36
Newcastle	50,760	22,390	44	1,524	23,914	0.44	0.47
Southampton	30,650	13,711	45	1,177	14,888	0.45	0.49
Coventry	55,575	18,974	34	6,517	25,491	0.34	0.46
UK	2,015,185	670,000	33	149,225	749,225	0.33	0.37

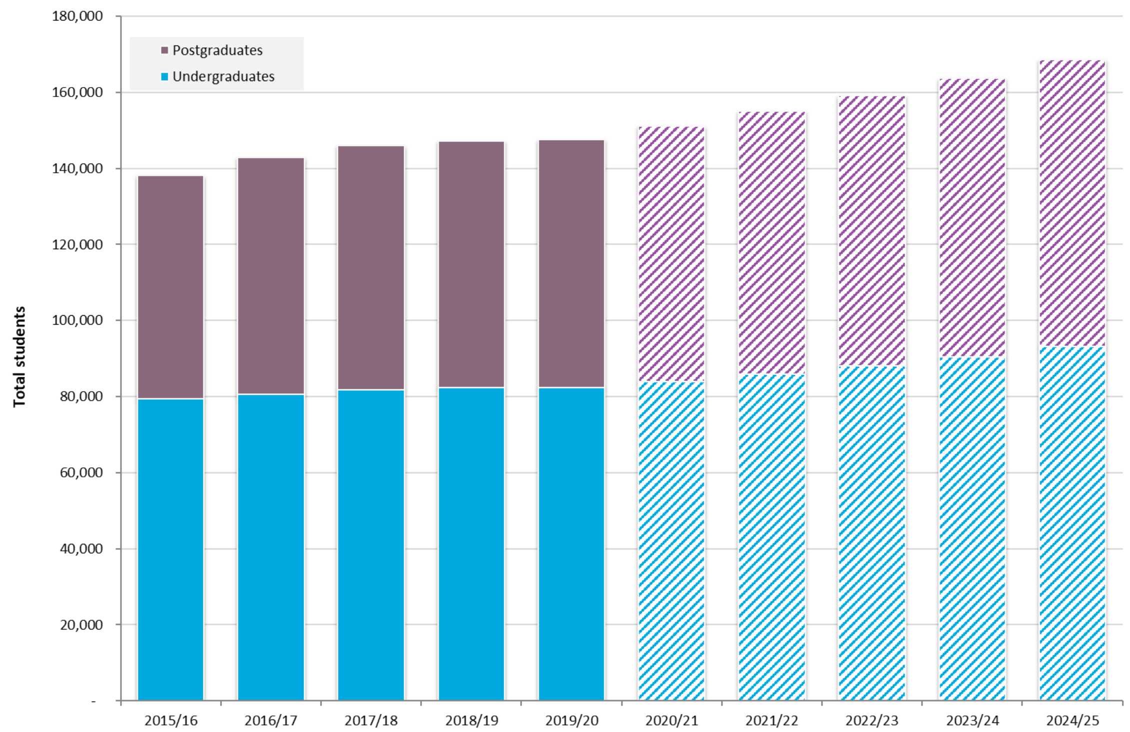
* assuming no change in student numbers

Source: Knight Frank Residential Research, Knight Frank Student Property, GLENIGAN, HESA

Projected student numbers – 30-minute travel time of Avonmouth House

- Based on previous trends for key student groups, the total number of full time students at HEI's with a main campus within a 30-minute travel time of Avonmouth House is projected to increase by 20% over the next five years. This represents an increase of approximately 4,785 full time students per annum.
- Within a 30-minute travel time of Avonmouth House, there are 7,366 PBSA beds in the pipeline. If the potential development and planning pipeline within a 30-minute travel time is included within current supply, alongside the projected five-year increase in full time student numbers, the future student to bed space ratio decreases marginally to 3.4 students per bed space (0.29 bed spaces per student).

Figure 13: Projected student numbers – 30-minute travel time of Avonmouth House (SE1 6NX) *



*30-min travel time based on 14 HEI's with a main campus within the 30-minute travel time, including University College London, King's College London, City, University of London, University of Westminster, London School of Economics, SOAS University of London and Birkbeck College.

Source: HESA, Knight Frank Residential Research

Table 9: Projected student numbers – 30-minute travel time of Avonmouth House (SE1 6NX)

Academic cycle	Undergraduate	Postgraduate	ALL	Full-time students
2015/16	79,506	58,636	138,142	105,354
2016/17	80,683	62,252	142,935	109,836
2017/18	81,838	64,116	145,954	113,705
2018/19	82,378	64,824	147,202	116,733
2019/20	82,394	65,232	147,626	119,861
2020/21	84,018	67,113	151,131	124,080
2021/22	85,891	69,083	154,973	128,563
2022/23	88,020	71,144	159,163	133,328
2023/24	90,414	73,301	163,714	138,396
2024/25	93,084	75,557	168,641	143,787
% Growth 2015/16 - 2019/20	3.6	11.2	6.9	13.8
% Projected 5 yr. growth	13.0	15.8	14.2	20.0

Source: HESA, Knight Frank Residential Research

*The projected student numbers in figure 13 and table 9 illustrate strong growth over the next five years, however, the model used to produce this projection is based on recent trends and does not take into account other limiting factors such university capacity and university student number growth plans.

5. PRICING ANALYSIS

- Knight Frank's Student Property Index indicates headline rental growth for purpose built student accommodation (PBSA) across London of +2.62% for the 2020/21 academic year. This is higher than performance across the UK (+1.65%).
- University rents for a standard room with a shared bathroom, range from around £108per week through to £295 for a premium studio room (at a letting term of 51 weeks).
- Private direct let rents range from around £173 per week for standard non-ensuite accommodation through to £417 per week at 51 weeks for a premium studio.

Table 10: 6 year price performance by accommodation type – London

Academic year	Room Type: Non en-suite	En-suite	Studio	Market
2020/21	1.33%	2.25%	3.27%	2.62%
2019/20	2.50%	2.74%	2.44%	2.61%
2018/19	2.49%	2.42%	2.76%	2.51%
2017/18	2.53%	2.45%	2.59%	2.46%
2016/17	2.41%	3.01%	2.77%	2.78%
2015/16	3.48%	4.11%	2.63%	3.46%

Source: **HESA, Knight Frank Residential Research**

Table 11: University & Private Direct Let Accommodation (51 week letting term) – 2020/21

Type	University				Private				Total			
	Lower Quartile	Median	Upper Quartile	Mean	Lower Quartile	Median	Upper Quartile	Mean	Lower Quartile	Median	Upper Quartile	Mean
Standard	£108	£140	£192	£155	£173	£197	£245	£218	£124	£170	£209	£178
Ensuite	£139	£179	£224	£188	£211	£246	£295	£253	£161	£210	£250	£212
Studio	£217	£260	£295	£269	£276	£341	£417	£355	£260	£318	£390	£332

Source: **HESA, Knight Frank Residential Research**

6. SUMMARY

6.1 Key market drivers

Based on our analysis the key demand and supply-side factors for the student market relating to the proposed scheme at Avonmouth House, SE1 6NX, are as follows:

Key demand side factors

- 2019/20 data from the Higher Education Statistics Authority (HESA) indicates that there are 42,842 full-time students living within a 30 minute travel time of Avonmouth House. Over 20% (8,719) are studying at King's College London. 5,392 full time students are studying at Queen Mary University of London (12.6%), with a further 5,139 at University College London (12%). The number of full time students living within a 30-minute travel time of Avonmouth House has increased by 10.9% over the period 2015/16 – 2019/20.
- Full time international, non-UK domiciled students represent over 58% of total full time students living within the catchment and between 2015/16 and 2019/20 their numbers have increased by 25.6%.
- There are approximately 119,861 full time students currently attending higher education providers with a main campus located within a 30-minute travel time of Avonmouth House as of 2019/20. This total has increased by 13.8% over the period 2015/16 – 2019/20.
- Projected student numbers within a 30 minute travel time are projected to increase by 20% over the next five years, representing an additional 4,785 students per annum.
- International, non-UK domiciled students represent over 41% (the average across all UK HE providers is 18.4%) of total students studying at institutions within a 30-minute travel time of Avonmouth House and between 2015/16 and 2019/20, their numbers have increased by 21.6%.
- Over 201,000 applications were made to universities within a 30 minute travel time of the Avonmouth House site for the 2020/21 academic cycle, of which 32,520 students accepted places. Applications are at their highest point in over five years, having increased by 20.8% since 2015, whilst acceptances have increased by 35.1% over the same period.
- The 18-21 year old population within Southwark and the surrounding boroughs is projected to steadily rise from 2021 until 2033, spiking in 2024. The population is predicted to dip in 2034, before rising again in 2035, where growth looks to remain stable for the coming years. The expected total population of 18 – 21s within these Boroughs is set to increase by 24% to 2039 compared to 2016.

Key supply side factors

- The current supply of student bed spaces within London and within a 30 minute travel time of Avonmouth House, largely comprises non-PBSA accommodation/HMO's within the private rented sector. There are currently 94,764 PBSA beds across London, representing just 28% of full time students, whilst PBSA supply within a 30 minute travel time similarly represents just 28% of total full-time students.
- Within a 30 minute travel time of Avonmouth House there are approximately 34,597 PBSA bed spaces split across private operators (59%) and universities (41%).
- Approximately 74,851 (22%) of full-time students across London live at home with parents, which may indicate that up to 49% of full-time students live in non-PBSA accommodation/HMO within the private rented sector.
- If student numbers increase across London and the development pipeline is unable to match this, then the number of students living in non-purpose built/HMO accommodation will increase.
- The supply of PBSA bed spaces under construction, across London, looks set to meet the strategic requirement of 3,500 bed spaces as outlined in the London Plan over the next two years. 9% (2,011 bed spaces) of the pipeline is estimated to complete by the end of 2021 with a further 38% (8,162 bed spaces), estimated for 2022. The remaining 52% (11,242 bed spaces) has been estimated to complete post 2023/24.

Concluding statement

Our study confirms that the location of the proposed PBSA development in Southwark is preferable as a location to live for students, and in particular those studying locally at King's College London, Queen Mary University of London and University of London. The data presented above indicates that there is an existing market for both PBSA and conventional rented housing within both the immediate area itself and within a wider 30 minute travel time.

Currently, up to 72% of full time Higher Education students across London are required to find accommodation within private rented HMOs or by living with parents/other family members and would otherwise be unable to access university or private sector purpose-built accommodation. Across a 30 minute travel time to Avonmouth House this also equates to 72% of full-time students.

There are currently 3.5 students per available purpose built bed space (0.28 students per bed) across London and similarly 3.5 students per bed space within a 30-minute travel time of Avonmouth House. Full time student numbers within a 30-minute travel time are projected to rise by 20% (4,785 students per annum) to 2024/25, whilst the development pipeline of student accommodation over the same period will not meet this increase in demand (assuming all 7,366 bed spaces are built). The student housing supply/demand imbalance within the 30-minute travel time is expected to decrease marginally to 3.4 students per bed space (0.29 students per bed) and therefore will not significantly reduce the current demand/supply imbalance and will continue to place unwanted pressure on the local private rented market.

APPENDIX 1

Table 12: Existing PBSA – 30-minute travel time of Avonmouth House (SE1 6NX)

Scheme	Operator	Post code	Total bed spaces
Great Dover Street Apartments	King's College London	SE1 4XA	769
Moonraker Point	Unite	SE1 0FN	674
Bankside House	London School of Economics and Political Science (LSE)	SE1 9JA	617
McLaren House	London South Bank University	SE1 0AP	600
William Goodenough House & London House	Goodenough College	WC1N 2AN	576
Atlas	Downing Students	SW8 1DN	570
Stamford Street Apartments	King's College London	SE1 9NQ	552
Ramsay Hall	University College London	W1T 5HB	468
The Garden Halls	City, University of London	WC1H 9EN	450
High Holborn Residence	London School of Economics and Political Science (LSE)	WC1V 7AA	448
Sidney Webb House	Unite	SE1 4WW	446
Dante Road	London South Bank University	SE11 4RX	414
Lilian Knowles House	Sanctuary Students	E1 6HQ	365
College Hall	Institute of Education, University of London	WC1E 7HZ	357
Northumberland House	London School of Economics and Political Science (LSE)	WC2N 5BY	339
Rosebery Hall	London School of Economics and Political Science (LSE)	EC1R 4TY	339
Iris Brook & Orchard Lisle	King's College London	SE1 1XT	290
David Bomberg House	London South Bank University	SE1 1JJ	289
Butler's Wharf Residence	London School of Economics and Political Science (LSE)	SE1 2NE	280
Langton Close	University College London	WC1X 0HD	270
Gardens House	University of the Arts London	SE5 8UH	264
Astor College	University College London	W1T 4QB	250
Wolfson House	King's College London	SE1 3RB	248
Julian Markham House	Unite	SE17 1JL	232
Connaught Hall	Institute of Education, University of London	WC1H 9EX	230
Grosvenor House	London School of Economics and Political Science (LSE)	WC2B 5TB	227
Passfield Hall	London School of Economics and Political Science (LSE)	WC1H 0PW	227
Campbell House East and West	University College London	WC1H 0BX	225
Highline Building	University of the Arts London	SE17 3AF	217
Frances Gardner House	University College London	WC1X 0HD	215
John Dodgson House	University College London	WC1H 9BL	207
James Lighthill House	University College London	WC1X 9EN	206
Alexander Fleming	University of Westminster	N1 6HG	186
Sundial Court	Guildhall School of Music & Drama	EC2Y 8DT	177
Dawson Hall	Queen Mary University of London	EC1M 6BQ	170
Xenia	Imperial College London	SE1 8UF	166
Goldsmid House, Wilton Plaza	University College London	SW1V 1HU	158
Willen House	EC1 Residences	EC1V 9DX	157
Carr-Saunders Hall	London School of Economics and Political Science (LSE)	W1T 4BN	156
Floyer House	Queen Mary University of London	E1 2DP	152
Portland House	University of the Arts London	SE5 8FE	144
Quantum Court	Unite	E1 0DY	133
Arthur Tattersall House	University College London	WC1E 6AP	129
Brooke Hall	University of the Arts London	SE5 9LH	104
Ian Baker House	University College London	W1T 5HB	91
New Kent Road	London South Bank University	SE1 6RD	81
Handel Mansions	University of London	WC1N 1PA	72
Duchy House	Courtauld Institute of Art	WC2R 0RN	64
John Tovell House	University College London	WC1E 6AA	41
Thoresby House	Arcadia University	N1 7TQ	35
Conway Hall	London School of Economics and Political Science (LSE)	WC1R 4RL	32
Gower Street	Institute of Education, University of London	WC1E 6BT	30

Source: **Knight Frank Student Property**

APPENDIX 2

Table 13: Planning pipeline - 30-minute travel time of Avonmouth House (SE1 6NX)

Address	Owner	Status	Total Beds
4-6 & 16-22 Middlesex Street Development, E1 7AA	Unite	Under Construction	960
Capital House Development / 40 Weston Street, London, SE1 3QD	Greystar	Planning Consented	905
Rudolf Place, 1-18 Miles Street, London, SW8 1RP	Downing Developments	Under Construction	841
Former Mulberry Business Park, Canada Str, Rot, Quebec Way , SE16 7LL	Scape	Under Construction	770
Bianca Warehouse, 43 Glengall Road, Southwark, SE15 6NF	London School of Economics	Planning Submitted	676
35 Vine Street, & 1-2 Crustched Friars, City of London, EC3N 2HT	Urbanest	Under Construction	654
Land Rear of, 89 - 111 Borough High Street, Southwark, London, SE1 1NL	Kings College London	Planning Submitted	417
Eagle Wharf, Peckham Hill Street, Southwark, SE15 5JT	University of the Arts London	Under Construction	393
Vauxhall Centre, Wandsworth Road, Belmore Street, Lambeth, London, SW8 2	London South Bank University / Lambeth College	Under Construction	272
671-679 Old Kent Road London Southwark SE15 1JS	Tribe Student Housing Limited	Planning Submitted	267
272 St James's Road, SE1 5JX	Tide Construction Ltd	Under Construction	250
313-349 Ilderton Road London Southwark	Tribe Student Housing Limited	Planning Submitted	250
77-89 Alscot Road, SE1 3AW	Alumno	Planning Consented	143
Thoresby House, 1 Thoresby Street, Hackney, London , N1 7TQ	Arcadia University	Planning Consented	140
Royal Academy of Dramatic Art, 16-18 Chenies Street, WC1E 7PA	Royal Academy of Dramatic Art	Planning Consented	60
Paris Gardens (Extension) / 20 Hatfields, London, SE1 8DJ	iQ Students	Planning Consented	54
56 Denmark Hill, Southwark, SE5 8RZ	Candy Investments Limited	Planning Submitted	42
Willen House, Bath Street, London, EC1V 9DX	Infrastructure Investments	Planning Submitted	212
Brook Hall, 17 Flodden Road, Southwark, London, SE5 9LH	University of Arts	Planning Submitted	60
TOTAL PLANNING PIPELINE			*7,366*

Source: **Knight Frank Student Property**

Any queries please contact:

Sarah Jones
Partner – Student Property

Knight Frank
55 Baker Street
London
W1U 8AN
United Kingdom

T - +44 (0)20 7861 1277
M - +44 (0)7918 560 941
E - sarah.jones@knightfrank.com

Ben Serle
Associate – Global Research

Knight Frank
55 Baker Street
London
W1U 8AN
United Kingdom

T - +44 (0)20 3909 6813
M - +44 (0)7564 646 071
E – ben.serle@knightfrank.com

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