

# Mayor's Academic Forum

Strategic planning issues for  
student housing in London

Recommendations

# 1 Background

- 1.1 London's universities make a significant contribution to its economy and labour market. The London Plan stresses that it is important that their attractiveness and potential growth are not compromised by inadequate provision of new student accommodation. The Mayor's Academic Forum was established to address these issues and ensure that London plans proactively for its future students.
- 1.2 Specialist student housing provision bears on two London Plan policies: 3.8.Bh dealing specifically with student accommodation and the more general Policy 3.3 dealing with this accommodation as one component of overall housing supply in the Plan's strategic provision targets. Indirectly, it also bears on implementation of Policy 1.1 on delivering the Mayor's long term strategic vision and objectives for London; Policy 3.18 on education facilities; 4.1 on developing London's economy; 4.10 on new and emerging economic sectors; and geographically targeted policies such as those dealing with the Central Activities Zone (2.10 – 2.12); inner London (2.9); outer London (2.6 – 2.8); opportunity and intensification areas (2.13); London's Olympic legacy (2.3) and town centres (2.15). Implementation of these policies in turn has a major bearing on achieving the Mayor's 2020 Vision for London.
- 1.2 The Mayor's Academic Forum was established through the 2011 London Plan particularly to support implementation of Policy 3.8 Bh above, which recognises that specialist student provision could give rise to concerns over:
- the loss of capacity for conventional homes, especially affordable family housing;
  - the need to secure mixed and balanced communities;
  - the scope for identifying land suitable for student accommodation; and,
  - the way these issues are expressed in parts of inner London "*where almost three quarters of the capacity for new student accommodation is concentrated*".
- 1.3 The Forum is composed of representatives from the boroughs, universities, private and voluntary sector accommodation providers and students (see Annex 1: Membership). It is chaired and serviced by the GLA. It has met on 5 occasions with a view to contributing to refinement of London Plan policy through the 2014 Further Alterations to the London Plan (FALP).
- 1.4 In its current session to inform FALP, the Forum agreed an agenda which focused on:
- future student numbers;
  - concentration/dispersal of student housing;
  - affordable student housing;
  - meeting strategic and local need;
  - quality of student housing; and
  - partnership working.

## 2 Context: 2011 London Plan

- 2.1 Compared with previous London Plans, the 2011 edition takes a more specific and positive approach to provision of specialist housing for students as part of its wider support for the capital's academic sector. The Plan indicates that London requires 1,800–2,700 accommodation places per year in the decade to 2021. Policy 3.8 B states generically that "*Taking account of housing requirements identified at regional, sub regional and local levels, boroughs should work with the Mayor and local communities to identify the range of needs likely to arise within their areas and ensure that (more specifically) .... strategic and local requirements for student housing meeting demonstrable need are addressed by working closely with stakeholders in higher and further education and without compromising the capacity for conventional homes*" (3.Bh).

- 2.2 The 2011 Plan shows capacity for some 1,700 student places pa – a not insignificant contribution to its 32,200 pa overall housing provision target (LP Policy 3.3). The student accommodation figure is based on adjusted trends in average historic provision rather than specifically identified capacity for future development. While it is reported separately from the other components of housing capacity as a monitoring benchmark, it does form part of each boroughs’ overall housing targets. This approach was originally developed when provision for students was made on land that was generally not considered suitable for conventional homes. It has been challenged more recently because student housing is now considered to be competing with conventional housing for a limited supply of sites and a trend based approach to setting targets may reinforce existing patterns of provision, potentially at the expense of capacity for conventional homes in these areas.
- 2.3 In recognition of the specialist nature of student housing, and to incentivise development, the 2011 Plan excluded it from the general requirement for mixed use and private housing development to contribute to affordable housing provision. In the consultation draft of the 2011 Plan this exemption was made subject to an agreement that secured its occupation only for students associated with specified academic institutions. This was opposed by some private providers who argued that the exemption should be broadened to include wider agreements that secured such housing for students in general rather than those associated with specific institutions. The Mayor accepted this proposal and the published Plan now contains both the university based and the more general ‘students only’ grounds for exemption from affordable housing requirements. Discussion within the Forum indicates that this remains an issue of contention between some of the constituencies of interest.

### **3 Background: trends in student housing provision**

- 3.1 In the period 2000–2007 student housing output was varied but averaged 1,630 bedspaces pa. Since then output has been more consistent and averaged 2,420 bedspaces pa ie above the mid-point of the London Plan requirements range 1,800 - 2,700 pa. In the period 2000-2012, some 26,000 new places were completed and 45,600 were approved (see Annex 2).
- 3.2 Since 1999, 57% of completions have taken place in 4 boroughs, which have made particularly high and consistent average contributions towards pan London provision: Islington 334 pa; Tower Hamlets 301 pa; Southwark 215pa and Camden 203 pa. Others have made significant but smaller, and generally less consistent, contributions eg Hillingdon 170 pa; Westminster 82 pa; Haringey 77 pa and Greenwich 76 pa (see Annex 2).
- 3.3 For the period 2008-2012 approvals (rather than completions alone) provide stronger evidence of a trend towards dispersal with the emergence of new boroughs as significant contributors towards future provision eg Brent 660 pa, Lambeth 520 pa, Hackney 390 pa, Ealing 380 pa, Newham 356 pa, and Hammersmith & Fulham 270 pa. However, there is still considerable pressure on the more established providers of student accommodation such as Camden 740 pa, Tower Hamlets 650 pa, Southwark 640 pa and Islington 590 pa (see Annex 2).
- 3.4 Though most of the existing stock of student housing is still owned by universities, new provision is increasingly being brought forward by private sector providers.

## 4 Key issues addressed by the Academic Forum

- 4.1 **Future full-time student numbers:** data which informed the student housing requirements range in the 2011 Plan (see above) showed that the London student population at HESA registered London institutions had grown by some 6,000 pa since 1995/96. Research for the Forum suggests that in 2011/12 there were some 295,000 students at these institutions and that in recent years the average rate of growth has accelerated to 6,500 pa. It also showed that there were an additional 49,000 students in other higher education institutions<sup>1</sup>. Over the last five years these were thought to have grown by some 5% pa.
- 4.2 There is uncertainty as to the levels of future growth in student numbers because of:
- the impact of fees and visas;
  - relative growth in domestic and overseas students;
  - international and national competition from other academic centres;
  - the relative cost of going to university in London;
  - political and 'fashion' trends in different academic centres, including improvements in universities in countries which hitherto have 'exported' students to London;
  - relative growth in undergraduates/post graduates;
  - trends in the establishment of 'new' universities in London; and
  - the strategic objective to develop London's status as an international centre of academic excellence.
- 4.3 The Forum considered different models for projecting student numbers. It concluded that the GLA's established methodology provided a transparent, simple and robust approach. A combination of rolling average increase (which implies 'exponential' growth); constant average growth; and the midpoint between these, coupled with a range of demographic trends among the UK 18 - 20 year olds and British Council's growth assumptions for overseas students suggest that, at most, full-time student numbers might increase to 458,000 – 486,000 by 2026/7. The full range of scenarios is set out in Annex 3.

**Recommendation 1:** the Forum suggests that the long term student growth assumptions set out in Annex 3 should inform assessments of future accommodation requirements.

- 4.4 **Student specialist accommodation requirements:** discussion covered the relative roles of the universities and private providers in addressing different elements of demand. While there was considerable debate as to how these roles should/could be reconciled (see below), the initial consensus was that with some refinement to take account of the issues set out in 4.2 above, and using the established GLA methodology, there could be a requirement for up to 2,000 – 2,500<sup>2</sup> student accommodation places pa. This assumes that 26% of the growth in full time students will require purpose built accommodation (see Annex 3 table 4). This is close to the range indicated in the 2011 London Plan. However, following further discussing of unmet demand for purpose built student bed spaces, and the potential for freeing up conventional homes if more purpose built accommodation is delivered, it was suggested that the range should be extended to include the numbers of bed spaces needed to meet the housing requirements of 33% of the growth in full time student population in purpose built accommodation; giving a requirement of between 2,000 and 3,100 student bed spaces a year.

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<sup>1</sup> Other institutions includes those at London campus branches of non-london universities (which maybe HESA registered, but not reflected in London's HESA figures), alternative providers and international exchange students from study abroad and Erasmus.

<sup>2</sup> The best fit assumption is based on 26% share of growth in full-time students (see Annex 3, Table 4b).

**Recommendation 2:** the Forum suggests that the long term student housing provision monitoring benchmarks set out in Annex 3 should inform preparation of the Further Alterations to the London Plan, with between 2,000-3,100 additional bed spaces a year the suggested target for the plan.

- 4.5 **Affordable student housing:** the universities and students consider affordability to be the key issue in student housing provision in London. Some suggest that private providers which benefit from London's academic 'brand' by catering for wealthier, often overseas students should be required through the planning system to make some provision for those students who are unable to pay these rents (usually but not exclusively those who are UK domiciled). It was indicated these higher rents could be £300/week or more in central locations. In contrast the universities suggest a figure of £150/week is reasonable for an 'affordable' rent given the UK student loan of £7,500 pa. To support this, the universities suggested that London Plan policy should revert to the approach in the consultation draft of the 2011 Plan ie private provision should not be exempt from an affordable housing contribution unless it is secured for occupation by students through an agreement with a university/ies. Universities also consider that such a constraint might enable them to compete with private providers for scarce land to build their own accommodation.
- 4.6 Some private providers disputed this, while others indicated that they are in fact willing to enter into long term nomination agreements with universities (perhaps at rents somewhat higher than £150/week). There was a suggestion that some universities may not be in a financial position to reciprocate in these long term arrangements. More generally, there appears to be some scope for marginal reduction in the cost of such private accommodation which might make it more affordable eg by combining nomination arrangements with a different range of facilities, and importantly for the planning system, developing in new locations with lower land costs ie through dispersal (see below). It was also suggested that a more consistent and proactive approach should be taken by boroughs in recognising the potential for exemptions from CIL for student housing provided by charitable bodies such as universities.
- 4.7 It was suggested by the universities, NUS and some boroughs that if a private provider does not enter into an agreement with a university to demonstrate that he/she is providing bona fide student accommodation then, when the provider agrees that the development will be used only for students he/she should also agree, subject to viability, to provide an element of the accommodation which is affordable to the student body as a whole. Guidelines on the proportion of accommodation to be affordable in these terms should be set out in the Housing SPG/Annual Monitoring Report and the level of affordable rent could be benchmarked against comparable accommodation provided by universities. Private providers pointed out that it was very difficult to find comparable benchmarks because of differences in the quality and location of provision and that, in any case, some providers were happy to enter into agreements with universities over nomination rights outside the planning system.

**Recommendation 3:** that in light of the concerns raised above, the Mayor reconsiders his policy on application of affordable housing requirements to specialised student housing and introduces a new clause which, subject to viability, requires those providers who have not entered into an undertaking with a specific academic institution(s), to deliver an element of student accommodation that is affordable for students in the context of average student incomes and rents for broadly comparable accommodation provided by London universities.

- 4.8 **Dispersal of student housing from areas of current concentration:** some, but not all the private providers are content with the current concentration of recent development in a few central London boroughs, and the universities and students would prefer for provision to be made close to university teaching facilities, which currently are focused mainly on these locations, providing it is 'affordable' (which appears likely to be increasingly problematic). Some but not all central Boroughs (and some outer London Boroughs) are strongly concerned that 'they have done their

bit' in accommodating student housing and that, in equity, the pressure for new provision should now be shared more widely across London (see para 3.2 above, and Annex 2). Some boroughs which hitherto have been subject to limited pressure for student housing would be happy to accommodate more providing it is in the right locations and/or contributes to the local economy/provides faculty based jobs.

- 4.9 The Forum considered whether the established, trend based methodology used in the Strategic Housing Land Availability Assessment (SHLAA) for assessing provision might still address some of these concerns if it was kept in place to 'bed down' further. It was recognised that this approach has taken place in parallel with an increase in market provision, and while this increase has placed significant pressure on a small number of central boroughs, incrementally it has been associated with some wider dispersal (see para 3.3 above and Annex 2); a tendency which may be reinforced with proposed dispersal of some teaching/research facilities. Some boroughs suggested that this tendency should be accelerated by more explicit guidance to boroughs where demand is currently concentrated to help them resist proposals for student housing. However, given negative perception of students in other parts of London, there was concern that such guidance might also encourage boroughs there to limit the number of sites they identify specifically for student accommodation and thus constrain overall growth.
- 4.10 There was a more fundamental concern among several boroughs that the 'historic trend' approach is no longer tenable in terms of land use. New student housing is no longer accommodated largely on sites considered unsuitable for conventional housing. Rentals for student accommodation, especially that let at £300/week or more, mean that it can compete with conventional housing for scarce land, even in central London and the scale of development in parts of this area is said to be putting pressure on land which boroughs wish to reserve for conventional housing. More specifically, accounting future student provision on the basis of historic trend when it will generally be built on land already identified in the SHLAA for conventional housing is effectively 'double counting' provision and is no longer tenable methodologically.
- 4.11 It was noted that similar concerns to those summarised in para 4.10 above were raised over the 'historic trend' approach at the last EIP. However, at that EIP (during the onset of the recession), the Inspector accepted the Mayor's case that the approach was realistic – the Mayor argued that while future student provision was based on historic trend, and might take land which in future could be developed for housing, in practice this loss tended to take place at times of a down turn in the housing market, and as the Mayor had committed to refresh the SHLAA as soon as possible, the new Assessment would identify further housing capacity. It was noted that these circumstances no longer apply and that the Mayor should consider revising the 'historic trend' approach used in previous SHLAAs to identify provision for students.
- 4.12 As an alternative, it was suggested that the Mayor should replace the historic trend approach with individual, needs based, borough targets to address the charge of 'double counting' and achieve a wider dispersal (though it was acknowledged that derivation of such targets would be problematic). The Forum explored the possibility of using 'reasonable journey times' as a basis for setting targets but found that these isochrones coincided largely with the current distribution of accommodation. It also considered whether the strategic bedspace requirement should simply be divided by 33 and that boroughs who achieve this should then be supported in refusing subsequent proposals for student housing. This was opposed by the universities, students, charitable and private providers and some central and non-central boroughs on a variety of grounds including lack of realism, cost to students and improper use of planning targets to constrain supply. The Forum also noted that the Mayor did not support the principle of targets unless they could be soundly justified. It concluded that borough targets would not provide a robust mechanism for encouraging dispersal.

- 4.13 Another approach might be to treat provision for students in the same way as that for conventional housing. That is, identify that which has already been approved or allocated specifically for students; include this within the overall housing provision target in the same way as approvals and allocations for conventional housing; and, for longer term capacity, rely on the SHLAA's universe of 'potential' housing sites for future growth (for which it is increasingly competing anyway). Because part of future provision would be drawn from general 'potential' housing capacity it would no longer be appropriate to identify it separately as a specific, 'non-self contained' monitoring benchmark in Annex 4 to the Plan. However, there is concern that relative to the 'historic trend' approach, this could lead to a lower, identifiable contribution to the overall housing target, especially in the longer term as existing allocations are 'used up'.

**Recommendation 4** That the Mayor encourages a more dispersed pattern of provision which will provide scope to extend the potential market area for student housing; reduce its land costs; potentially improve affordability; enhance the contribution of universities to local economies through co-location of student housing with teaching, research and other facilities as well as indirectly through increased student footfall/spend; contribute to town centre regeneration and renewal including through high density redevelopment; and reduce pressures on boroughs where demand for student housing is demonstrably compromising provision of conventional homes.

To support and sustain longer term provision, the Plan should provide encouragement for development in 'new' areas with good transport accessibility, and supporting more positive partnership working between boroughs, developers and universities to identify need and allocate capacity to address this. The Mayor should also consider how publically owned land might be released for student housing to support his broader regeneration objectives as well as reducing pressure on conventional private rented accommodation.

- 4.14 **Meeting strategic and local need:** universities and some private providers are concerned that, contrary to London Plan policy, some boroughs are considering, or have introduced, policy to restrict provision to that required by universities located within their boundaries. Some boroughs have suggested that the Mayor should clarify what is meant by 'strategic'.

**Recommendation 5** That in order to address his broad strategic responsibilities and his more specific student housing targets, and to encourage dispersal of provision, the Mayor should retain London Plan policy requiring boroughs to meet strategic as well as local need for student accommodation, and if necessary make clear in guidance that 'strategic' means need generated by institutions located beyond the boundaries of boroughs where development is proposed.

- 4.15 **Quality of provision:** there was some borough concern over the internal quality of new provision eg that it is not up to London Plan standards for small conventional homes, and some criticism of the quality of external design of some developments. However, both providers and universities report few complaints from students over the quality of accommodation, though there was a suggestion that the GLA should prepare design guidance for student accommodation. It was noted that concerns over quality raise tensions with those over affordability.

- 4.16 The universities and private providers are concerned at the application to student housing of the London Plan requirement that 10% of conventional homes be wheelchair accessible. They provided evidence indicating that demand from student wheelchair users was limited and that 'specialist' accommodation as currently provided was not attractive for occupation by other students. It was however noted that this was essentially a design issue which could be addressed by ensuring that provision could be readily adapted to accommodate wheelchairs should the need arise. It was also noted that it is for boroughs to determine the % of wheelchair accessible units over and above the Building Regulations 5% requirement, in light of their local circumstances - the Housing SPG

explicitly excludes student housing from the London Plan housing standards and to avoid duplication of standards it does not refer to the Building Regulations requirement.

**Recommendation 6:** that the Mayor support sector based arrangements for securing appropriate, good quality accommodation, including suitable management.

4.17 **Partnership working:** attendees at the Forum consider that it provided a valued opportunity for the different constituencies of interest to exchange views, and that in the past constructive partnership working on individual proposals may have been the exception rather than the rule. All interests agree that the Plan should provide greater support and encouragement for such working.

4.18 More specifically, there is a role for a small working group of universities and providers to engage with individual boroughs to support them in identifying strategic and local accommodation needs; in identifying ways in which these can be addressed including through site allocations and in demonstrating to the Mayor that their DPDs are in general conformity with the London Plan in addressing its policy on this matter.

**Recommendation 7:** that, as with the Outer London Commission, the Mayor reconvenes the Academic Forum when necessary to address specific strategic issues and to support boroughs in identifying and addressing strategic and local need for student housing.

## Annex 1 Membership of the Mayor's Academic Forum

Stakeholder Category	Number of Representatives	Name	Position	Organisation
<i>London Higher Education Sector</i>	6	Julia Bond	Director, Estates Development	Kingston University
		Hamish Clifton	Commercial Director	University of the Arts London
		Chris Cobb	Chief Operation Officer and University Secretary	University of London
		Melanie Loizou	Director, Campus Services	Royal Holloway
		Colin Plank	Head of Property	UCL
		Roland Shanks	Information and Project Manager	University of London Housing Services
		Gareth Smith	Director of Student Life	University of East London
		William Wilson	Director of Student Accommodation	UCL
<i>London Higher</i>	2	Paresh Shah	Research Manager	London Higher
<i>Association of University Directors of Estates (AUDE) London Region</i>	2	Warren Forsyth	Pro Vice-Chancellor: Director Estate & Facilities Management Service	Middlesex University
		Trevor Wills	Director of Estates and Facilities	University of Westminster
<i>London Boroughs of Central London, Inner London and Outer London</i>	12	Robert Farnsworth	Principal Town Planner	LB Camden
		Peter Shadbolt	Assistant Director (Planning Policy)	City of London Corporation
		Sakiba Gurda	Planning Policy Manager	LB Islington
		Simon Bevan	Acting Director of Planning	LB Southwark
		Simone Williams	Strategic Planner	LB Tower hamlets
		Carroll Dave	Head of New Initiatives (Regeneration & Major Projects)	LB Brent

<b>Stakeholder Category</b>	<b>Number of Representatives</b>	<b>Name</b>	<b>Position</b>	<b>Organisation</b>
		Randall Macdonald	Head of Strategic Projects and Spatial Planning	LB Hackney
		Sophie Donaldson	Principle Planner	LB Newham
		Kimberley Hopkins	Principal Planning Officer (housing)	LB Westminster
		Naomi Pomfret	Planning Policy Manager	LB Barking and Dageham
		Richard Johns	Planning Policy Consultant	LB Ealing
		Claire Gray	Planning Policy Officer	LB Lewisham
<i>Student Accommodation Providers (commercial)</i>	5	Jagdeep Bhogal	Design and Planning Director	Unite-group
		Paul Watson	Operational Policy Manager	Liberty Living plc
		Brian Welsh	Director	Knightsbridge Student Housing Company
		Alan Artus	Director	Generation Estates
		Ciaran Little	Investment Manager	Berkeley Group
<i>Student Accommodation Providers (non-profit)</i>	1	Allan Hilton	Chief Executive	Cass and Claredale Halls of Residence Association Limited
<i>Multi-professional consultant</i>	1	Michael Meadows	Assistant Director	Deloitte
<i>London First</i>	1	Jonathan Seager	Programme Director, Housing and Olympic Legacy	London First
<i>London and Partners (Higher Education and Overseas Students)</i>	1	Kevin McCarthy	Head of Study	London & Partners
<i>National Union of Students (NUS)</i>	1	Joanna Goodman	Research and Policy Officer (Welfare)	NUS

<b>Stakeholder Category</b>	<b>Number of Representatives</b>	<b>Name</b>	<b>Position</b>	<b>Organisation</b>
<i>Mayor of London (Greater London Authority)</i>	3	John Lett	Strategic Planning Manager	GLA
		Jennifer Peters	Senior Strategic Planner (Housing)	GLA
		Zhuoya Ling	Strategic Planner	GLA

## Annex 2

**Table one: Student accommodation C1/SG bedrooms annual approvals 1999 – 2012/13**

Sum of Net Student Bedrooms	Permission Financial Year															
	FY 1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Grand Total
Barking and Dagenham										-378						-378
Barnet		15		40		9		8						59		131
Bexley												24	16			40
Brent	48					150				445	21	660	1,542	633		3,499
Bromley					15			15	-96	-28						-94
Camden	31	83	211	624		523	232	315		600	123	936	1,664	373		5,715
City of London											178		27			205
Croydon						-9	-16						-42			-67
Ealing												718	507	659		1,884
Enfield														-347		-347
Greenwich	38	230		948								-118	385	1,121		2,604
Hackney			22					35	734	419	255	673	612			2,750
Hammersmith and Fulham			158									606	442	318		1,524
Haringey					227		-325		687	28	-30	524		64		1,175
Harrow														220		220
Hillingdon						674	603	716								1,993
Hounslow						849			-21							828
Islington	282		93	552	69	324	1,183	562	659	612	560	801	317	662		6,676
Kensington and Chelsea			-10			-15	26	-9	-10	50	283		-83			232
Kingston upon Thames	104		112		9	214	-20			-85	130		194	187	115	960
Lambeth									12			92	352	2,147	359	2,962
Lewisham	142		270													412
Merton	24											18				42
Newham		284				7	819			-12	1	262	440	1089	50	2,940
Redbridge							-50	-611								-661
Richmond upon Thames						178	-15		40							203
Southwark	48		93	132	226		123			515	20	2,320	356			3,833
Tower Hamlets	30			1,169	610	320	91	1,333	775	394	203	2,239		412		7,576
Wandsworth				599	-254		0	-232		-367	481	114	-52	-15		274
Westminster	177					169	732			67				85		1,230
Grand Total	924	612	949	4,064	902	3,393	3,383	2,132	2,780	2,260	2,225	9,607	6,677	6,578	474	46,960

Note: Permissions superseded by a subsequent permission have been excluded.

**Table two: Student accommodation C1/SG bedrooms net completions 1999 – 2011/12**

Sum of Net Student Bedrooms	Completed Financial Year														
	Borough Name	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Barnet				15		617				9					641
Bexley										8				16	24
Brent		236						150				21			407
Camden	39		356		835		182	232	341	603	54	110	96		2,848
City of London														205	205
Croydon							-9								-9
Ealing														718	718
Greenwich			230			948							-118		1,060
Hackney										514			475		989
Hammersmith and Fulham					158										158
Haringey						227	-325						657	524	1,083
Hillingdon	380							1,277		716					2,373
Hounslow								849							849
Islington	122	12	240	27		69		397	1,268	420	702	809	207	400	4,673
Kensington and Chelsea									-15	-19	50	272			288
Kingston upon Thames					112		-20	9		214		130	-85	64	424
Lambeth	-179								12						-167
Lewisham		94	48	270											412
Merton	24												18		42
Newham											816		-8		808
Redbridge								-50				-611			-661
Richmond upon Thames							178		40		-15				203
Southwark	469	546		101		358				123		233	251	934	3,015
Tower Hamlets		30			461	1,000	244		386	420	426	1,192		54	4,213
Wandsworth						140	317	26	-188		-111		76		260
Westminster			32		145			407			494		67		1,145
Grand Total	855	918	906	413	1,711	3,359	567	3,297	1,861	2,991	2,416	2,156	1,652	2,899	26,001

### Annex 3: Student projections and demand for purpose built student accommodation

Students form an important part of the population of London and while population projections implicitly include students, they do not allow us to distinguish the number of future students from the overall population growth. The Academic Forum has therefore developed a projection methodology to show the numbers of full time students in London until 2026 and the corresponding requirement for additional purpose build student accommodation

Table 1 below shows the actual number of full time students in 2011/2012. 'London University HESA students' refer to those students accounted in the Higher Education Statistics Agency data for London Universities<sup>3</sup>. The 'Other students' category includes those at London campus branches of non-London universities, alternative providers and international exchange students from Study Abroad and Erasmus.

**Table 1: London Full-time student numbers in 2011/12**

<b>Academic year 2011/12</b>	<b>London University HESA students</b>	<b>Other students estimate</b>	<b>ALL students</b>	<b>London University HESA students as a proportion of all students</b>
<b>Undergraduate students</b>	219,735	24,461	244,196	91%
<b>Postgraduate students</b>	74,820	24,107	98,927	76%
<b>Total student numbers</b>	<b>294,555</b>	<b>48,569</b>	<b>343,124</b>	<b>86%</b>

The student population in London is growing; however, the extent of that growth can be affected by various factors, such as rising fees, visa restrictions, the exchange rate, the increase in non-traditional facilities and demographic changes. To provide projections that reflect these factors, the Academic Forum have run a number of scenarios to produce a population projection range (see also main report para 4.3). All the scenarios are based on full time students only.

These scenarios are:

- High growth - The high growth projection is based on the 'rolling average' of the historic HESA data (from 1995/96 to 2011/12) for UK domiciled students and the 4.7% annual growth rate recommended by the British Councils growth assumptions<sup>4</sup> for international students. As this approach uses a proportional growth rate, the amount of change in the actual number grows larger with every passing year, and is therefore considered to be the 'high' range of the GLA projection.
- Low growth –The low growth assumption is based on a 'constant' growth approach, assuming that the student population will grow at a constant amount per year from 2012/13 to 2026/27. To provide a more nuanced understanding of the low growth assumption on potential student numbers, three variants have been run using the low growth assumptions (see below). As the baseline student projection is based on the HESA student numbers, which only accounts for HESA

<sup>3</sup> London HESA students are those that attend London universities funded by HEFCE<sup>3</sup> (non-London campuses may be HESA funded, but are not captured in London's HESA data).

<sup>4</sup> British Council, Universities UK, IDP, Education UK. Vision 2020: Forecasting international student mobility: a UK perspective. British Council, 2004.

registered full-time students in London Universities, the low growth assumptions also take account of the number of 'Other students' (see above). This entails applying the proportion of 'Other students' to HESA students in 2011/12 to the calculation of the total full-time student numbers in London under the low growth assumption. The three variants are:

1. The baseline (based on the HESA student data (from 1995/96 to 2011/12), plus the 'other students' estimate);
2. This variant uses the same baseline as 1, but factors in the impacts of the 18-20 age group reduction in the UK population (using the average reduction pattern of 3 year period of 2009/10, 2010/11, 2011/12) on the total number of UK domiciled students (postgraduates and undergraduates) in London, plus the 'other students' estimate;
3. This variant starts from the same baseline as 1, but using the 18-20 age group reduction pattern in 2011/12, plus the 'other student' estimate. The population data used in the projection is the 'National Population Projections 2010-based projections', from the Office for National Statistics (ONS).

In order to provide a robust estimate between the high and the low scenario, a medium growth projection has been developed which is a midpoint between the high and low growth scenarios and provides a "best fit". As detailed above, the three variants only apply to the low growth scenarios, therefore the high growth remains constant across the scenarios, but the medium growth assumption changes along with the low growth assumption.

**Table 2: Projected full-time student numbers in 2026/27**

<b>Academic year 2026/27</b>	<b>Variant 1:</b>	<b>Variant 2:</b>	<b>Variant 3:</b>
<b>High growth</b>	487,317	487,317	487,317
<b>Medium growth (mid-point between the high and low growth assumptions)</b>	485,916	457,521	458,354
<b>Low growth</b>	484,515	427,724	429,391

Table three translates the projected fulltime student figures in 2026/27 to annual increments between 2011/2012 and 2026/2026.

**Table 3: Annual increment to full-time student numbers between 2011/12 and 2026/2027**

	<b>Variant 1:</b>	<b>Variant 2:</b>	<b>Variant 3:</b>
<b>High growth</b>	9,613	9,613	9,613
<b>Medium growth (mid-point between the high and low growth assumptions)</b>	9,519	7,626	7,682
<b>Low growth</b>	9,426	5,640	5,751

The Forum then translated these annual growth figures into requirement/demand for purpose built student housing. Not all full time students require purpose build accommodation, some will be domestic students living at home and others will live in other private accommodation, often shared flats and houses rather than purpose built accommodation. The actual level of need for purpose built accommodation was a subject of significant debate by the Forum. The university and private sectors believe that there is significant demand for purpose built accommodation that is not being met at the moment and this could have implications for the attractiveness of London as an academic centre, whereas some boroughs feel that delivering purpose built accommodation can prevent them from meeting conventional need and that conventional homes can more flexibly meet a range of needs. The Forum therefore estimated the requirement for additional purpose built accommodation based on a range of proportions applied to the growth in total student numbers. These were;

- a) Current proportion: 21% of full time London students (HESA students only) are currently living in purpose built accommodation.
- b) Manchester proportion: Manchester has the second largest student population after London and 26% of its population live in purpose built accommodation.
- c) Charitable providers: suggest that using 33% would more effectively help meet the unmet demand for student accommodation. Also it is suggested if a greater proportion of purpose built accommodation is delivered than just meeting the growth in student population, the increased bed spaces could take the student pressure off conventional housing.
- d) Private sector: suggested that as much as 40% of student need could be met in purpose built accommodation.

**Table 4: Annual requirement for student accommodation**

	<b>Variant 1:</b>	<b>Variant 2:</b>	<b>Variant 3:</b>
<b>a) Based on 21% share of full-time student growth</b>			
<b>High growth</b>	2,019	2,019	2,019
<b>Medium growth</b>	1,999	1,602	1,613
<b>Low growth</b>	1,979	1,184	1,208
<b>b) Based on 26% share of total full-time student growth</b>			
<b>High growth</b>	2,499	2,499	2,499
<b>Medium growth</b>	2,475	1,983	1,997
<b>Low growth</b>	2,451	1,466	1,495
<b>c) Based on 33% share of full-time student growth</b>			
<b>High growth</b>	3,172	3,172	3,172
<b>Medium growth</b>	3,141	2,517	2,535
<b>Low Growth</b>	3,111	1,861	1,898
<b>d) Based on 40% share of full-time student growth</b>			
<b>High growth</b>	3,845	3,845	3,845
<b>Medium growth</b>	3,808	3,051	3,073
<b>Low growth</b>	3,770	2,256	2,300

## **FALP figure**

Table 4 shows the proportions applied to the student growth population scenarios and variants discussed above (a-d). Taking the medium growth as the best estimate of future student growth, the need for student accommodation ranges from 1,602 to 3,808 bed spaces a year depending on the proportion of student growth expected to require purpose built accommodation. Initially, the Academic Forum identified b, 1,983 -2,475, as the target range for the Plan, which assumes that 26% of full time students require purpose built accommodation. This is close to the range indicated in the 2011 London Plan. However, following further discussions of unmet demand for purpose built student bed spaces, the potential for freeing up conventional homes if more purpose built accommodation is delivered, and the need to ensure that lack of student housing does not constrain the attractiveness of London's universities, it was suggested that the top end of the range should be extended to include the numbers of bed spaces needed to meet the housing requirements of 33% of the growth in the full time student population in purpose built accommodation; giving a requirement of between 2,000 and 3,100 student bed spaces a year.