The background of the slide is a photograph of a young man and a woman. The young man, on the left, is wearing a blue and white plaid shirt and is smiling while looking at a laptop. The woman, on the right, is wearing a patterned top and a red tie, and is looking down at the laptop. The image is partially obscured by a large blue circular overlay on the left side.

Purpose-Built Student Accommodation: More than bricks and mortar

January 2024

Contents

Background	2
Higher Education in the UK: an overview	3
ESG in PBSA – Planet, People and Places	4
- Planet	4
- People	7
- Places	9

Acknowledgements

This report has been composed with the help of the BPF's Student Accommodation Committee. Special thanks go to contributors Sarah Jones (Chair), Paddy Jackman (Vice Chair), Ian Fletcher (BPF), Theo Plowman (BPF), Mark Corea (BPF), Kate Butler (BPF), Michael Burt (Unite), Will Atkinson (Empiric), and Sam Scott (Fresh).

Background

For the majority of students, living away from home is a fundamental part of the student experience. Student accommodation is not just bricks and mortar, it is home, and a place for studying, relaxing, and socialising. Purpose-Built Student Accommodation (PBSA) now houses over 710,000 students and provides many benefits to the Higher Education system, as well as contributing to society and the economy.

PBSA is provided by universities and private providers, who often work together to provide for a university's community. PBSA takes pressure off local housing markets and supports students by providing accommodation and services that prioritise the wellbeing of students and ensures that a sense of community is built among residents. This is a growing sector, but one where supply has trouble keeping pace with ever growing demand.

PBSA faces several external challenges, from misconceptions about what it provides to difficulties with the planning process.

Accommodation, however, shapes students' experiences of university, and therefore their impressions of the UK Higher Education system. For UK Higher Education to retain its world-class reputation, the PBSA sector needs continuing support from universities, and local and national government.

At the BPF, our Student Accommodation Committee is made up of a range of PBSA stakeholders– investors, agents, operators, as well as representatives from university sector bodies. The committee works to facilitate conversations within the sector about best practice, as well as representing the sector to government. We hope that by illustrating the benefits that PBSA brings, we can attract the support and investment that our students and universities vitally need.



Higher Education in the UK: an Overview

Facts and figures

The UK's Higher Education (HE) sector boasts a number of world-leading universities and is an asset to UK society and the economy. Student admissions continue to rise for both domestic and international students.

Cushman and Wakefield data shows that a record 2.27m full-time students studied at UK universities in 2021/22, up 4.2% on the previous year, and setting a record for student accommodation demand. Across the UK, more than 1.6m students now need student accommodation to facilitate their course of study.

Coupled with demand from around 1 million UK students who move away from home for their studies the vast majority of 636,060 international students also require accommodation.

The following graph from the Higher Education Statistics Agency shows a decade of HE growth. PBSA has had a large part to play in accommodating these growing student numbers – and as numbers continue to grow, PBSA will continue to play this supporting role.

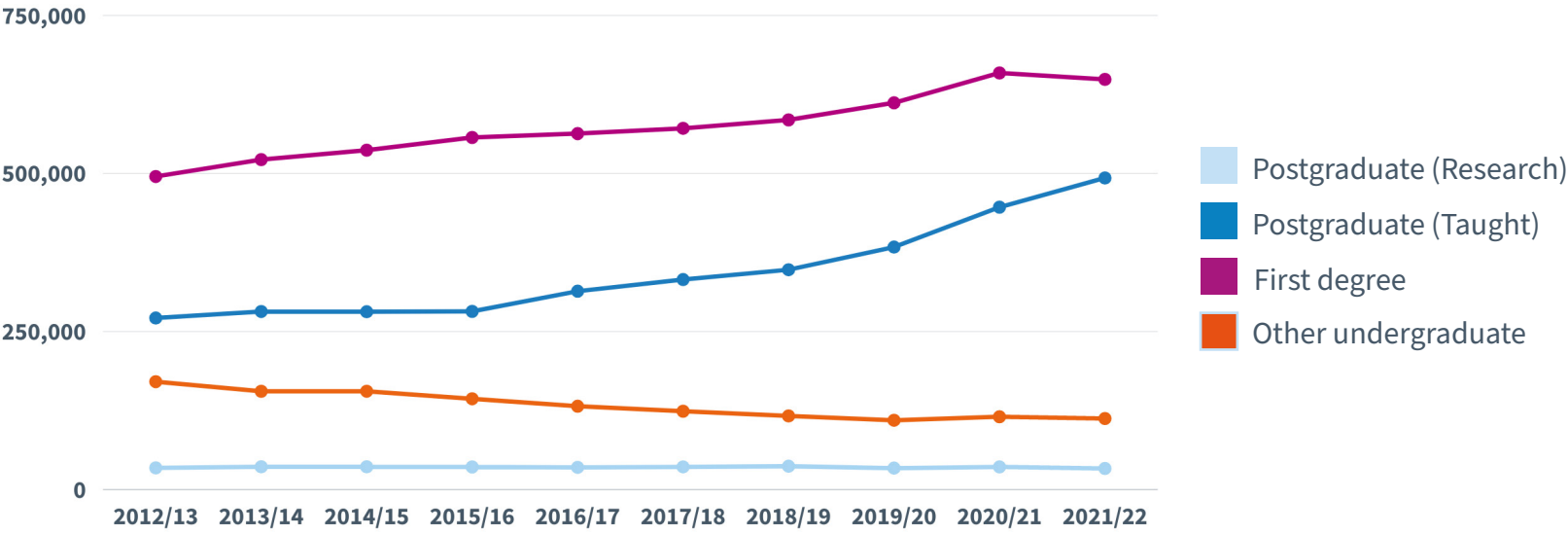


Figure 1 - First year higher education (HE) student enrolments by level of study. Academic years 2012/13 to 2021/22.



ESG in PBSA: Planet, People and Places

The PBSA sector places a heavy emphasis on environmental, social, and economic outcomes. In a world where there is increasing focus on ESG this makes the model attractive to both investors and residents. In this section we highlight some case studies from selected PBSA providers.

Planet

Most students are part of a generation which cares passionately about the future of our planet, and PBSA providers understand their role in the long-term stewardship of the environment. Three providers – Unite, Empiric and Fresh – provide examples of how the sector is increasingly environmentally conscious.

Case study: Unite

Unite, the UK's largest PBSA provider, is acutely aware of the role it has to play in encouraging environmentally friendly practice. Unite is working towards becoming a net zero carbon business by 2030, finding ways to use fewer resources, and future-proofing buildings through investments in energy initiatives and sourcing 100% renewable energy.

Unite has:

- Science Based Targets initiative validated 1.5°C carbon target of a 56% cut in scope 1 and 2 emissions by 2030, CRREM-based operational energy efficiency target for a 28% cut in energy intensity by 2030, RIBA 2030 Climate Challenge-aligned targets for new-build embodied carbon and energy, RE100 commitment to buy 100% renewable electricity by 2030.
- Invested c.£20 million in energy initiatives in the past two years, achieving a 6.5% cut in absolute energy consumption since 2019.
- £7 million of capital investment in energy efficiency planned for 2023, including LED lighting, air source heat pumps, and improved heating control.
- 80% of properties by value are already EPC A-C rated, with property-level asset transition plans to improve the remaining properties.



Case Study: Empiric

Empiric has pledged to become net zero carbon in their operations, developments, property portfolio and energy consumption by 2033 – well ahead of the government’s target of 2050. Their Net Zero strategy sets out how this will be achieved, including:

- Refurbishing and repurposing existing stock, allowing Empiric to continue to create high quality PBSA assets with a low environmental impact associated with embodied carbon through the reuse of existing buildings, and to retain the architectural legacy of local communities.
- Engaging with sector colleagues, customers, and other stakeholders as an example of climate conscious redevelopment, operations, and asset management
- Procure 100% zero emissions electricity, measure whole life carbon of new development projects and achieving EPC B or better on all buildings by 2030.

Case study: Fresh

Fresh conducted the Global Student Living Index (GSLI) survey, which gives an insight into the

environmental strengths of PBSA and student’s attitudes. The 2022 Q2 edition revealed that two in five students say that since living in their student accommodation, their lifestyle/behaviour has been better for the environment. Furthermore, 62% agree that they find it easy to recycle in their accommodation with half agreeing that most of their flatmates recycle.

Fresh also regularly promotes environmentally friendly practices, including charity shop drives as part of #LoveLocal, using it to reduce their carbon footprint. Fresh’s ESG agenda ‘Future Foundations’ focuses on ‘People, Places and Planet’, ensuring the company always has the environment at the forefront of everything they do.

By including environmental initiatives to developments and promoting climate-friendly practices, to developments and promoting climate-friendly practices, PBSA enables more sustainable living, and reduces the overall climate impact of the HE sector.





People

The student experience is fundamental to the PBSA model. During university education PBSA can be a student's home and community, typically for between one and four years, and therefore providers have a duty to maintain high levels of student wellbeing and satisfaction with their accommodation.

Fresh's GSLI survey again points to the social contributions of PBSA:

- 74% of Fresh residents felt the Residents' Teams cared about their wellbeing
- 69% of residents thought their accommodation had a positive impact on their wellbeing
- 84% rate the learning environment positively

“It's our mission to make students feel like they belong.”

Jane Crouch, Chief Operating Officer, Fresh

Student wellbeing is not just one person's responsibility - it takes a real team effort from particularly onsite staff. To ensure that they know best how to support students the sector has taken action to provide wellbeing guidance through the British Property Federation's Student Accommodation Committee.

The [Student Wellbeing Guide](#), published in 2019 and endorsed by the Department for Education, sets out guidance on PBSA providers' legal duties, as well as ways that providers can provide effective wellbeing support for students.

Covid-19

The Covid-19 pandemic presented unique challenges to students, universities, and PBSA providers. Students, many of whom were staying in PBSA homes, were unable to see families due to lockdown regulations and had restrictions on their ability to socialise and engage with fellow students.

PBSA providers understood this and took quick action to ensure that student wellbeing was maintained through the public health crisis.

Unite were the first PBSA provider to have their Covid secure status accredited by the British Safety Council and achieved this by:

- Providing over £100m financial support to students during the Covid-19 pandemic.
- Forwent rents for students who chose to return home.
- Offered further flexibility and rental concessions for the 2020/21 year, including a 10-week 50% discount for students not living in their accommodation and a complimentary tenancy extension of four-weeks during the summer.
- Remained open and operational throughout the period in compliance with public health guidance,

recognising that for many students, accommodation is their only home.

Similarly, Fresh took actions to protect students.

- Ensuring compliance with the Health Protection (Covid-19) Act 2020.
- Regularly reviewing their own Covid-safety policy, and creating action plans for every property.
- Introducing property WhatsApp numbers to allow easy communication with Residents' Teams and avoiding congestion in reception areas.
- Implementing a self-isolation reporting system using QR codes.
- Immediately introducing additional welfare support for isolating students including support with shopping/welfare gift packs/waste management/regular check-ins.
- The creation of the 'Be Wellbeing' programme which seeks to improve physical and mental wellbeing.

For their efforts, Fresh won the award for best Covid response at the Property Week's Student Property Awards.

Places

PBSA schemes have a positive impact on local areas and communities and are designed in ways that are well thought-out to suit the places in which they are built.

Individual students bring benefits to the areas they live in for the duration of their study. A joint report between the New Economics Foundation and the National Union of Students found that £80bn is contributed to UK economic output by student spending, and this supports over 830,000 jobs across the UK.

International students also play a large role in this. A Higher Education Policy Institute study from May 2023 found that, for students from the 2021/22 cohort, the net economic impact per EU student was £125,000 and £96,000 for non-EU students. Therefore, '£1m is generated for every 9 EU students and every 11 non-EU students.'

Economy

The national economy and local economies benefit extensively from the HE system, with 2.86 million students at higher education institutions across the length and breadth of the UK in 2021/22.

Students provide a constant flow of income to an area, by shopping in local businesses and visiting a variety of leisure venues. There is also an initial investment which

has renovated run-down properties, such as Unite's St Vincent's, Sheffield. The property incorporates a 19th century chapel which, after being left derelict for over 20 years, was restored as part of the development in 2016.

Watkin Jones' development Grove Crescent Road in Stratford, London, was granted planning permission in 2022 and is an example of how PBSA can benefit the surrounding economy. Watkin Jones estimates that £3.65m per annum of expenditure by the new student population will be spent, strongly boosting the economy in Newham.

The project will create local employment opportunities and provide continuous income for the local economy:

- 2,172 sqm of high-quality employment space will provide opportunities for local businesses, artists, makers and craftsmen who are in need of space to create and work.
- Potentially create over 90 jobs within the proposed employment space, and eight jobs on-site within the PBSA section of the development.
- 114 construction jobs, and training and apprenticeship opportunities for local people generated through the construction process.

Communities and placemaking

The PBSA sector also plays an important role in contributing to surrounding communities and integrating its student residents in the local area.

Fresh's GSLI survey from 2022 showed that 54% of residents felt there was a strong sense of community where they lived. It is important for students to feel a sense of belonging and community during their time in student accommodation, and PBSA providers also recognise that developments must contribute to the surrounding place and to promote community cohesion.

To this end many PBSA providers encourage and host local community initiatives and charities. A Unite Students development in London, The Stapleton, hosts Maha Devi, a yoga therapy charity providing heavily subsidised therapy to children and adults with special needs. As a result of this partnership, Maha Devi has seen a 52% increase on the number of sessions delivered last year and the number of users increasing by 30% on last year.





Get in Touch

If you would like to learn more about the PBSA sector, or the work of the BPF's Student Accommodation Committee, please contact the Secretariat:

- **Ian Fletcher, Director of Policy**
ifletcher@bpf.org.uk
- **Theo Plowman, Assistant Director of Policy**
tplowman@bpf.org.uk

Contact

British Property Federation
St Albans House
57-59 Haymarket
London
SW1Y 4QX

www.bpf.org.uk
info@bpf.org.uk

