

# Tenure Reform and Student Accommodation

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## Introduction

1. This working paper is the third in our series and considers how student accommodation might be treated in any reform of the assured shorthold tenancy regime. There is reasonably strong stakeholder recognition that student accommodation is different and therefore warrants a different treatment. There are disagreements though over which parts of the sector should be treated differently and how those should be defined.

## How to treat student accommodation?

### Approach 1.1

2. In earlier proposals for reform, the Government of Theresa May was going to seek to change the law relatively quickly and therefore within the existing 1988 legislation. That would have meant no exemption for student accommodation, but making tweaks to the existing ground 4 for possession in the 1988 Act:

*Ground 4 – Lets to students by educational institutions (prior notice ground)*

*Two weeks' notice of proceedings required.*

*The tenancy is for a fixed term of not more than 12 months, and during the 12 months prior to the start of the tenancy, the accommodation must have been a student letting excluded from assured tenancy status.*

3. The Government had indicated the main change they would make was to apply this ground also to the private sector. It was not clear, however, whether this would be limited to purpose-built student accommodation, or applied to the wider PRS.

### Approach 2.1

4. A second way of approaching student accommodation in reform would be an exemption. In the negotiations made with the May Government the case was made by the sector that an exemption should apply to all student lets, and that a student could be defined in the same way as for council tax:

*A full-time student on a course that:*

- *lasts at least one calendar or academic year for at least 24 weeks out of the year, and*
- *normally involves at least 21 hours of study, tuition or work experience per week during term time.*

5. The system could then work in the same way as council tax, with landlords relying on certificates from a student's university or college.

## Approach 2.2

6. A more limited form of exemption was recognised by the GLA in its proposals for a [London Model Tenancy](#):
  - i. Purpose-built student accommodation: such schemes are built for a very specific purpose and have specific planning conditions attached in relation to their use as student dwellings. It is important that a new regime of open-ended tenancies would not negatively impact on the supply of student accommodation. It is therefore proposed that purpose-built student accommodation should be exempt from the Model. More detail on this is provided in paragraphs 5.33-5.34. We have discussed this proposal with the NUS and the University of London, who agree it is the correct approach. Both organisations believe that purpose-built student accommodation should be subject to tenancy management accreditation schemes.
7. It should be noted that the exemption proposed by the GLA is limited to Purpose-Built Student Accommodation, as defined by membership of the UUK or ANUK codes, and not the wider PRS.
8. The primary reason that wider student lets are not exempt in the GLA's work is lobbying by the National Union of Students, who believe that a fixed -term tenancy provides students with less leverage over standards of accommodation:

*GLA discussions with the National Union of Students (NUS) and the University of London during the formulation of the London Model make clear that student representatives believe students living in shared housing should have access to open-ended tenancies. A wide range of other stakeholders the GLA met with whilst researching this report shared this view, including members of the London Assembly housing committee who were especially clear on this point. The NUS have also set out their concerns about current shared tenancies where students are joint and severally liable for things like utilities payments, arguing that they infringe students' consumer rights by making them responsible for the behaviour of other people. Those stakeholders who expressed their support for the inclusion of the student HMOs in the London Model were also clear that the supply of student rental accommodation is extremely important to London's universities and student population. It is therefore important that the London Model should not make renting to students less attractive or more difficult for those landlords who currently do, or would consider doing, so.*

## Approach 2.3

9. A third way to exempt student accommodation is to follow the Scottish legislation (Schedule 1). We lobbied successfully for this in the 2016 Act. We would have preferred to have gained exemption for all student lets, but the Scottish Government were not going to accept that, and therefore we settled for only an exemption for Purpose-Built Student Accommodation. We suggested an exemption based on the UUK and ANUK codes, which are recognised under the UK Government's 2004 Housing Act. Instead, however, the Scottish Government decided to define exemption in the following terms, based on a building's planning status and size:

*This sub-paragraph (exemption) applies to a tenancy if—*

- a. *planning permission for the construction, conversion or change of use of the building (or part of the building) of which the let property forms part was given on the basis that the let property would be used predominantly for housing students, and*

*b. the landlord is an institutional provider of student accommodation.*

*(4) For the purposes of sub-paragraph (3), a landlord is an institutional provider of student accommodation if—*

*a. the landlord lets, or is entitled to let, other properties in the same building or complex as the let property,*

*b. the let property and the other properties together include at least 30 bedrooms, and*

*c. the landlord uses, or intends to use, the other properties predominantly for the purpose of housing students.*

4. Exemption was not welcomed by the National Union of Students in Scotland, who continue to raise questions about it.

## A further consideration

11. One further thought on any exemption is that it requires the perpetuation of some other form of agreement, whether that is an AST, fixed term tenancy or license.

## The BPF's current position

12. As explained, in previous negotiations we have expressed our preference for exempting all student lets, and to base this on definition of a student, with certification from a student's Higher Education Institution (Approach 2.1). If that is not acceptable to the Government then our fallback position has been to seek exemption for Purpose-Built Student Accommodation (PBSA) based on framing a definition around the student codes (Approach 2.2).

13. The contrary view is likely to focus on the perspective that an indefinite tenancy provides a 'safer' environment in which to raise complaints than a fixed-term tenancy or license. Also, that some of the alternatives, such as a license offer too little security of tenure.

### Questions

1. Is our current position one that members support?
2. If not, what other options should we pursue?
3. What issues or arguments are we missing for and against tenure reform in student accommodation?