



**Greater Norwich Housing Market
Assessment**

Interim Results – Student Housing

**The Housing Requirements of Students and the Impact
on Local Housing Markets**

February 2006

1 STUDENT ACCOMMODATION

1.1 Introduction and Conclusions

Introduction

The University of East Anglia (UEA) and to a far lesser extent Norwich City College, The Norwich School of Art and Design and Easton College have students that seek housing in Greater Norwich.

This report considers the impact of students on the local housing market. It looks at...

- The numbers and trends in the number of students.
- Current numbers seeking housing in the market.
- The impact of students on property prices.

The UEA and Norwich City College have similar numbers of students. But the university students are far more likely to live away from the family home. For this reason it is the university students that impact on the housing market.

We rely on information available from the UEA and City College websites and from information provided by the UEA student accommodation service and the City College. See appendix for detailed responses.

Conclusions

The UEA has 14,000 students. Of these 3,200 live in halls of residence, we estimate a further 3,400 live at the family home leaving 7,400 that seek housing locally. The UEA expects the number of students to continue to grow. Over the last seven years student numbers have grown at about 400 or 2.5% each year.

Most students seek accommodation near to the university. We assume most students rent in the private sector.

The average size of a student household is a little over four. So 7,400 students require about 1,800 rented properties. This represents nearly 20% of the private rented sector in the city of Norwich.

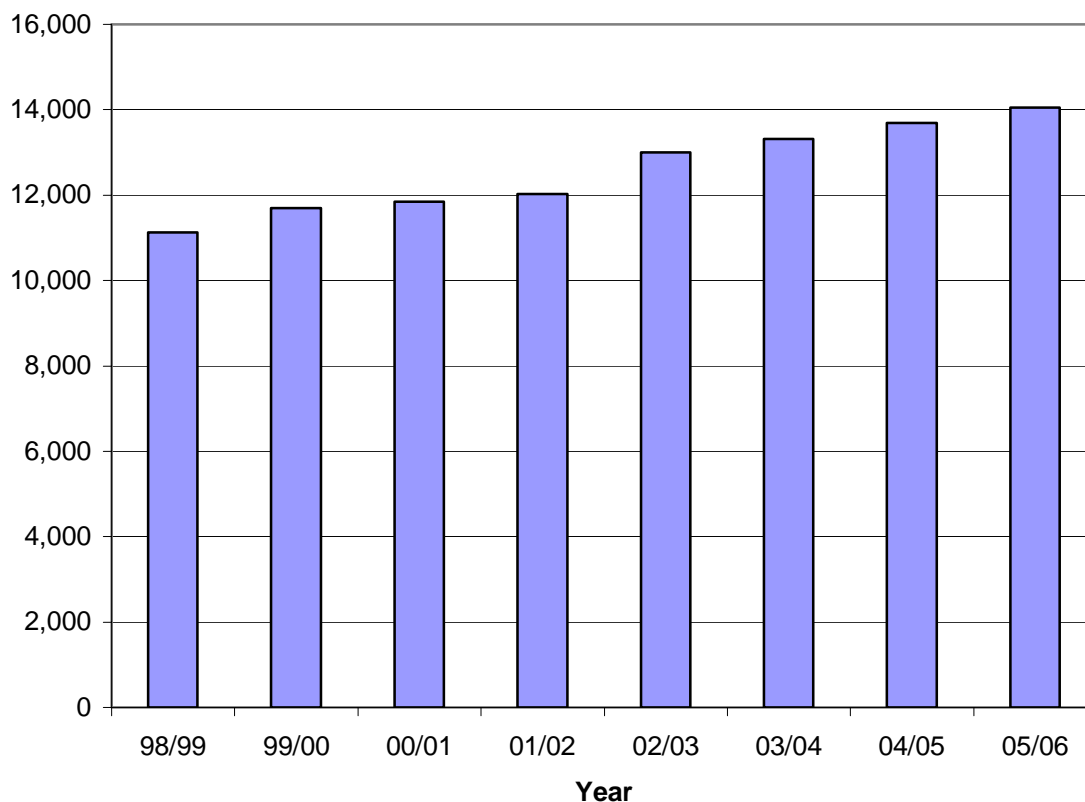
There is some evidence that large student numbers have an impact on property prices. Cities with large student numbers tend to have the highest priced terraced housing relative to overall property prices. Terraced housing is, arguably, the property type students are most likely to occupy. The relatively high price could be a result of demand from the large numbers of students.

1.2 University of East Anglia (UEA)

Number of Students Seeking Housing

The UEA has seen continued growth in student numbers.

UEA Student Numbers



Source: UEA Registry Planning Office.

The UEA had 14,000 students in 2005/06. Quite a large proportion (38%) of these students already lived in Norfolk at the time they commenced their course. Students commencing part-time courses and postgraduates are more likely to already live in Norfolk.

University Student Numbers 2005/06

	Full-time students	Part-time Students	All Students
Number	10,635	3,412	14,047
Living in Norfolk before start of course	2,878 (27%)	2,450 (72%)	5,328 (38%)

Source: UEA Registry Planning Office.

We can use this information to estimate the demand for student housing. Here we use student housing to mean all forms of housing occupied by students including halls of residence and private rented housing.

1. It is reasonable to assume that nearly all of the students who lived outside of Norfolk will move to Norwich to start their courses. This is 8,719 (62%).

Assumption - all 8,700 will require student housing.

2. In the absence of further information we must make assumptions about those already living in Norfolk.

- Part-time students are more likely to choose the UEA because it fits with work and/or family commitments. For this reason it seems likely that relatively few part-time students already living in Norfolk will need or want to move before starting their course.

Assumption – 20% or 500 will require student housing.

- Full-time students living in Norfolk before starting their course may create demand for student housing...
 - Many undergraduates from outside of Norwich (but from Norfolk) will choose to move to the city. First year students are eligible for the University halls of residence if they live 12 or more miles from the campus.
 - Many postgraduates were previously undergraduates at the UEA and already occupied student accommodation at the start of their postgraduate studies.

Assumption – 50% of the full time students already resident in Norfolk are postgraduates and 50% undergraduates. Half of undergraduates will seek student housing in the city. Half of postgraduates will already occupy student housing in the city. This is equivalent to 1,400 students in total.

On our assumptions 10,600 UEA students (8,700+500+1,400) require student housing.

The UEA has 3,350 spaces in halls of residence. A rolling programme of maintenance means that the UEA has about 3,200 spaces available. These are nearly all occupied.

So, of the 10,600 students seeking housing, 3,200 live in halls of residence and 7,400 live elsewhere.

Average Student Household Size

The UEA provided information about the number of bedrooms in properties available to rent by students in 2006/07.

Number of Bedrooms	Number of Properties
Three	87
Four	132
Five	64
Six	25
Seven	4
Total	312
Average No Bedrooms	4.125

We assume the household size is the same as the bedroom size.

Emerging Issues

The University does not intend to increase the number of spaces in its halls of residence. But it does expect student numbers to continue to rise. This in turn will place increased demands on housing in the private rented sector.

The University Accommodation manager says that the price they charge tend to set the market price for student accommodation in the private sector. The University sets its rents by reference to other Universities.

1.3 Other Centres of Higher and Further Education

Norwich City College has 15,000 students but only about 300 live away from home and about 100 of these live in halls of residence. We have no figures available for the Easton College.

The Norwich School of Art and Design has 1,200 students. We have no information on the accommodation needs of students at the School of Art and Design.

1.4 Property Prices - The Student Impact

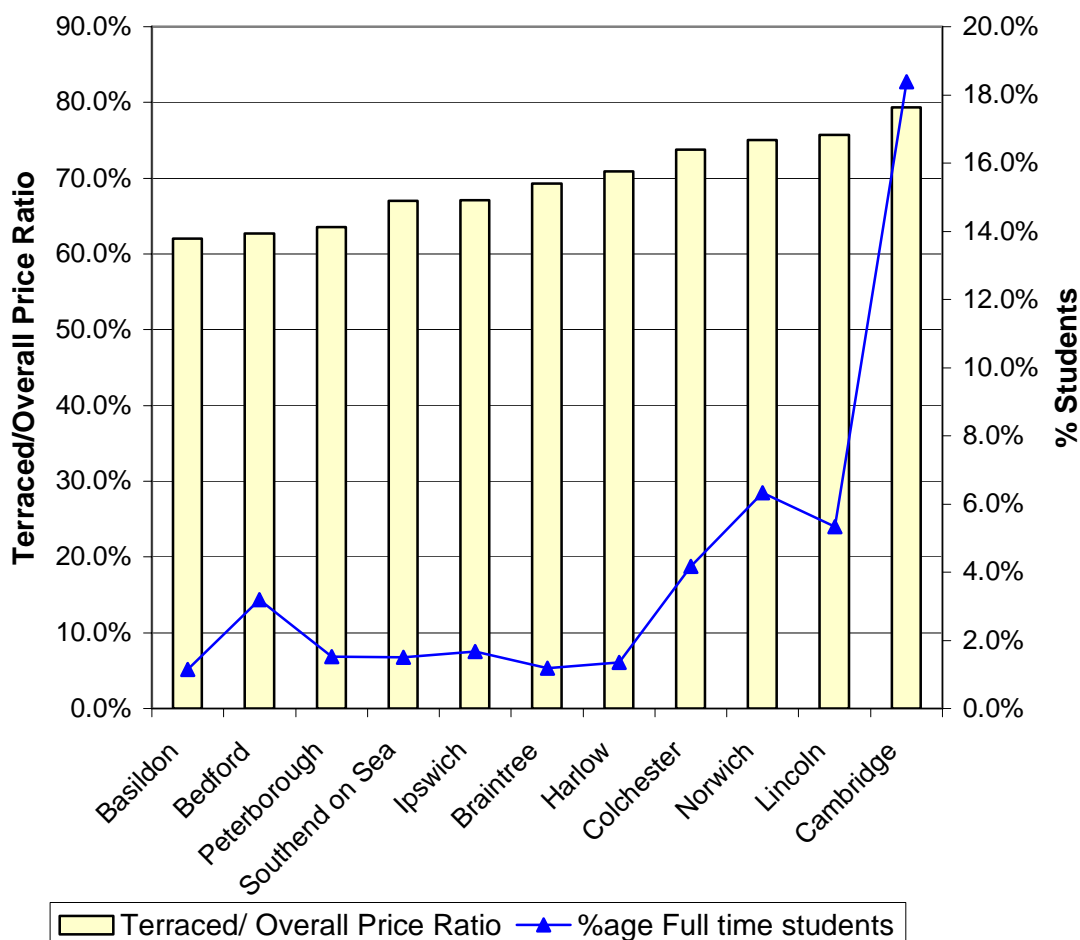
We seek to test whether the high numbers of students in Norwich have an impact on property prices.

Our test is to compare the average price of terraced housing with overall average prices. Students are likely to seek the cheapest available housing and this tends to be shared terraced housing. If there were a student impact on house prices then we would expect this to be reflected in the price of terraced housing. The price of terraced housing would be relatively high in cities with large student numbers.

We looked at several cities in the East of England. We looked at student numbers as recorded in the 2001 census. We also looked at the ratio of terraced house prices to the adjusted average house price in the same cities.

For consistency with the census we looked at prices in the April – June quarter of 2001.

The overall average house price depends on the composition of the housing stock. To isolate this effect we adjusted the average house prices by using common proportions of each property type. For this exercise we used the proportions for the East of England Region.



The Land Registry supplied information about property prices and number of sales for each city. It also provided the number of sales by property type for the East of England. We used these figures to adjust the overall average prices.

The graph suggests there may be a correlation between student numbers and the ratio of terraced house prices to overall average prices. The Cities with the highest proportions of students – Cambridge, Colchester, Lincoln and Norwich – also have the highest terraced house prices as a percentage of the overall average price.

The evidence is not overwhelming. We may need to refine the analysis. For example we may want to take account of students housed in university halls of residence.

The census data appears to understate the number of students at the UEA. The census records 8,256 students aged 18 or over in full time education. This will include students from other colleges. The UEA had 12,000 students in 2001/02 although not all were full time and not all would have lived in the City of Norwich.

1.5 Appendix – Information from the UEA and Norwich City College

UEA

Information from the UEA Student Union Accommodation Service

1. How many students live off campus (not in University accommodation)?

There are approximately 10,750 students living off campus.

2. How many of these rent housing in private sector? Are these all within the city of Norwich? If not how many live outside the city and where?

I cannot answer this question precisely but I can tell you that since our housing event in March 2006 1372 bed-spaces in private rental properties that we advertise have been filled by students, 99% most of which are in and around Norwich. For a more precise figure you would have to apply under the FOIA to UEA who would have a listing by postcode of all students registered.

3. How many already live in the area - and therefore do not need to find housing?

44 percent of home students (i.e., non-international or EU) are from the Norfolk area.

4. How many find other housing solutions - types and approximate numbers. For example do many buy property (or parents on behalf of their children)?

I do know that some parents will buy properties on behalf of their children but I do not have a figure. We also direct students to a number of letting agents in Norwich.

5. Do you have information about average weekly rents - per property or per student? Is there much variation? Do the rents include utilities?

There is quite a broad range of rents on our property list. The average rent for a typical room in a student property is approximately £220 - £230 plus bills per calendar month. Rents can also go as low as £185 pppcm or as high as £280 or £300 pppcm. Local agents have tended to charge less per person in the last couple of years. Landlords usually quote an exclusive rent and utilities are on top. Students are exempt from paying Council Tax.

6. How would you describe the situation for students seeking somewhere to live?

The situation is positive for students at the UEA as we have a good supply of bed-spaces on our housing list to meet the high demand. Supply in the last 3 years has marginally outstripped demand. There are also several local student letting agents in the NR2 area.

7. For example, is there enough available?

Yes and in recent years, the number of properties on our database has increased significantly.

8. Is it close to campus?

Most rooms are in and around Norwich specifically in the NR2, NR4 and NR5 post code areas either within walking or cycling distance and/or serviced by bus routes, but we do have some rooms at a further distance which are also let, for example, Dereham.

9. Are particular locations or types of property popular?

The Golden Triangle is the most popular area, as is the area surrounding UEA campus – The Avenues, Bluebell Road down to Eaton and up to and past Five ways, the area in between campus and the Golden triangle but areas of Bowthorpe are also becoming popular. Students are looking for safe, affordable and good quality accommodation in a convenient location.

10. Are the rents reasonable?

There is a broad range of rents and students are aware of levels of rent before they sign a tenancy agreement, so they can judge whether they are reasonable. In relation to the non-student market, rents are significantly higher for students

11. Are the properties in good condition?

All our landlords have to adhere to a set of Minimum Standards and if students have problems with properties they can come and talk to one of our Advice Workers. We strive to make sure that landlords fulfil their obligations and will only register properties that have a valid CORGI Gas safety Certificate and a NICEIC Electrical certificate. However; we do not inspect properties either to consider their size, amenities or condition.

We do not receive large numbers of complaints about the standard.

12. Are landlords flexible - for example do they offer tenancies that match academic terms?

Generally speaking, landlords' tenancies last for a year, from 1 July, 1 August, or 1 Sept through to the following year. Some will charge a reduced rent for the summer months others will run their contracts for the duration of the academic year. It depends on the individual landlord. Some students end up paying full rent on a property that they do not occupy till mid September, whose contract may have begun, for example, on 1 July. (This year the Academic year runs 25th Sept to June 15th 2007)

Norwich City College

Information from Norwich City College.

How many students do you have?

We have 15,000 students currently, full and part time.

How many students move to take up their course at City College?

We estimate that approximately 2% of these move home to take up a place here.

Where do the students who move home live?

They live in a mixture of B&B, private rented and halls of residence. Our halls have 80 students in them at present.

Supplementary Question - We are looking at the needs for student housing across the city. The UEA has many students seeking accommodation. Are you aware of any differences between the housing needs of UEA students and your students?

The main difference between City College Norwich and UEA students is that we are mostly Further Education with a little Higher Education, and UEA are mainly all Higher Education. HE students can apply for funding to help them with their living costs, whereas further education students over 19 have to pay for themselves. This is mostly through part time work whilst studying. They find it very hard to study and work enough to cover their living costs. They are probably looking for the cheapest form of accommodation, therefore.