

Purpose-Built Student Accommodation Market Study

Coventry City Council

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01

INTRODUCTION

1.0 Introduction

Objectives of the Report

1. This Purpose-Built Student Accommodation Market Study has been commissioned by Coventry City Council (the City Council) at a time when the Local Plan is being reviewed since its adoption in December 2017 and the City Council is looking to deepen its understanding of the market.
2. Key to this study is the production of an 'evidence base' for the City Council relating to the demand and supply of student accommodation in Coventry. Whilst the City Council notes that "the rise in PBSA has many benefits and has helped to regenerate areas of the city centre and inner-city areas", there is "concern that oversupply could have an adverse effect on the City through issues such as overconcentration, unviable occupancy rates, application proposals to convert PBSA into substandard C3 residential accommodation, deterioration in the quality of older stock and a loss of population outside of term time". This study identifies whether **there is an oversupply and develops the City Council's understanding of the market**. In particular, it identifies:
 - Future levels of supply
 - Future levels of demand
 - Locational requirements and where PBSA should ideally be delivered.
3. The Market Study will also support the policies in Coventry's Local Plan. This will help to ensure that good quality PBSA is delivered, whilst allowing the City Council to meet its wider ambitions for the City and in particular, the City Centre Area.
4. Of course, crucial to the demand for student accommodation in Coventry is the City's two universities: Coventry University and the University of Warwick, the 10th and 24th largest institutions in the country¹. The universities play a key role in the local economy and the life of the city and wider sub-region. The input of the universities has been used to inform this Market Study.
5. The Market Study has considered a wide range of areas and outlines a range of recommendations as to future policy and the likely demand for bed spaces based on market conditions. In particular, the report focuses on:
 - Current planning policy relating to student accommodation;
 - The universities' publicly available information on Strategy, investment priorities and performance against its peers;
 - The nature of the student population at the two universities looking at historic trends and forecasts, as well as the campus student to bed ratio (current and looking forward);
 - The existing University and private sector accommodation (type and size of stock, rents and quality), the competitive supply context, examining the supply of student residential accommodation in detail on and off campus;

¹ Full-time students (HESA 2021/22)

- The development pipeline of accommodation in Coventry and its potential impacts on the market;
 - Demand for residences in the City;
 - Conclusions and recommendations relating to future policy.
6. Key datasets that have informed this study our national licenced HESA data collection and Cushman & Wakefield's own Student Accommodation Tracker.



EXECUTIVE SUMMARY

Executive Summary

- 1.1 The key findings and recommendations of the report are outlined below.

Current Policy

- 1.2 Coventry City Council's Local Plan contains a section which guides policy on student accommodation, with two sources used as evidence bases: the Student Accommodation Study (2005) and the Student Population Information Note (2015). However, the Study which was commissioned by the Council in 2005 was conducted in a different environment for Higher Education in the UK, when tuition fees were lower, and a smaller number of international students and a lower UK participation rate meant a smaller percentage of the UK population studied at Higher Education level.

Coventry in a National context

- 1.3 Cushman & Wakefield has explored the composition of the Coventry PBSA market in comparison to 11 large comparable "peer group" markets in the UK, all home to over 18,000 PBSA beds. The following markets have been identified as comparators and included in the analysis: Liverpool, Manchester, Nottingham, Leeds, Birmingham, Newcastle, Glasgow, Edinburgh, Sheffield, and Leicester.
- 1.4 The demand pool is defined by the number of students likely to demand a student bed in a market (i.e., non-commuting students), while the student to bed ratio (SBR) represents the demand pool vs. the total number of student beds in a market.
- 1.5 The Coventry-Warwick demand pool stands at 41,835 students, a figure which has increased by 13% over the last five years. In comparison, the demand pool at comparable markets has grown at a faster rate over the same time period, up by 17% on average.
- 1.6 PBSA development has grown at a significantly faster pace than the demand pool in Coventry. Between 2019/20 and 2023/24, the number of beds increased by 71%, reaching a total of 25,590 bed spaces. Conversely, the number of beds in comparable markets increased by 46% over the same time period, on average.
- 1.7 Of all the comparable markets considered, Coventry has seen the largest number of new beds enter the market over this period. 9,716 new beds have been delivered since 2019, equivalent to 38% of the Coventry PBSA market. Much of the development has resulted from the universities' influx in student numbers, although there has arguably been a misreading of market conditions from a number of developers, with the market struggling to absorb the sheer scale of new development.
- 1.8 Of course, the growth in full-time student numbers does not necessarily correspond to an increase in the demand pool for student accommodation. The demand pool growth (i.e., students who require a bed) has predominantly been driven by students at the University of Warwick, which recruits from an extremely wide pool of international and UK demand. Between 2016/17 and 2021/22, the demand pool at the University grew by 23%, equivalent to 6,145 more students who require a bed space. Meanwhile, Coventry University saw more muted growth, with only an additional 1,380 students requiring a bed space since 2016/17 (up by 5%). However, much of the PBSA development has occurred more 'centrally', closer to Coventry University and within the city's ring road.

- 1.9 In markets where a significant proportion of beds are offered on a direct let basis, occupancy issues have been more prevalent (evident in markets such as Liverpool, Glasgow, Newcastle). With all nomination agreements ending in Coventry due to the universities' own accommodation developments, the direct let market has become even more competitive and encountered an increasing number of occupancy issues, particularly in schemes located on the periphery. This is reflected in rental growth across the private sector between 2022/23 and 2023/24; rents increased by 3% in Coventry, whilst comparable markets saw an increase of 10% on average.
- 1.10 Given the intensification of development in recent years, accommodation in Coventry can be considered relatively high-quality in context of the comparator markets, with just over half of all beds rated a 4/5 for room quality compared to 30% across the peer group. These beds typically consist of fitted furnishings, large storage spaces and modern and stylish décor. Coventry also has the third largest number of "premium", extremely high-quality beds of the peer group, behind Sheffield and Leeds. In terms of on-site amenities and facilities, Coventry offers a larger proportion at both the lower and higher end of the quality scale than the peer group. We can expect a number of operators with poorer facilities to incorporate more communal spaces into their developments to remain competitive, although it is inevitable that a number of beds will leave the market and indeed, this is already the case.
- 1.11 Coventry's rental profile remains less expensive than the comparator markets, with a larger availability of affordable rooms. 26% of all private sector beds in Coventry are priced under £6,000 per year (almost all of which are en-suite rooms) compared to 19% of beds within the peer group. This means just over a quarter of the private sector is priced at roughly 60% or less of the maximum maintenance loan amount.

Demand

- 1.12 The city's two major universities are amongst the top 20 institutions in the country for full-time and sandwich students. In total, there are a combined 56,596 full-time students in Coventry.
- 1.13 Coventry University was home to 31,910 students for 2021/22 – nearly tripling in size within 15 years and almost 50% growth between 2014/15 and 2019/20. The international population totals almost half of the student body (47%). There were a total of 24,685 students at the University of Warwick in 2021/22, an increase of 24% since 2016/17. Again, the Russell Group institution has a strong international presence. Both institutions have invested heavily into their estate in recent years and the University of Warwick, in particular, has ambitious plans for a new Science Precinct.

Supply

- 1.14 Coventry is home to a total of 25,590 bed spaces for the 2023/24 academic year, making it the eighth largest purpose-built student accommodation market in the UK. The market has experienced monumental growth since 2017/18 thanks to ongoing development in the private sector as well as investment by both universities into their accommodation portfolios. 58% of the entire market has been constructed within the last seven years, adding a total of 14,722 beds to the market. As a result, the private sector has become dominant and strongly established, providing 64% of total bed spaces in the city - equivalent to 16,377 beds - all of which are offered on a direct let basis. With all of the universities' nomination agreements ending in 2023/24, competition has increased, and the private sector now exerts a strong presence in Coventry.

- 1.15 The key areas of development have been the City Centre and around Coventry University, with a combined total of 8,305 new bed spaces being delivered in these areas over the time period. With the exception of the University of Warwick area, all areas have seen more bed spaces delivered over the last five years than existing supply.
- 1.16 The Coventry market, in particular the city centre, has been subject to heavy discounting, indicative of the struggles for providers to fill all of their rooms. Cushman & Wakefield has identified a total of 16 schemes in the market offering cashback between £100 and £500 per booking. Six schemes of these schemes offer the choice of cashback or a free bus pass for the University of Warwick. Additionally, twelve schemes offer referrals between £150 and £350, with a further five schemes offering group booking discounts. These trends are indicative of “oversupply” and difficulties in delivering high levels of occupancy.
- 1.17 As of March 2024, there are a total of 2,970 purpose-built student beds in the development pipeline, of which 2,612 have received planning consent. The number of beds in the pipeline has decreased from previous years. There are no anticipated deliveries for 2024/25, although Singer Hall is set to re-enter the market following refurbishment.
- 1.18 The findings of this Study have identified a number of schemes that will be at risk of continued occupancy issues and these occupancy issues may ultimately lead to owners seeking to change the use of the property from PBSA. At risk schemes fall into two categories; low-quality stock which has not been maintained or refurbished and is therefore unable to compete with newer accommodation in terms of offering students ‘value for money’; and secondly poorly located schemes which are unattractive to students due to the high number of bed spaces available in the city within a 10-minute walk of campus.

Private Rented Sector

- 1.19 Consultations with the two universities have revealed that the Leamington Spa market has decreased in popularity in recent years, reflecting Cushman & Wakefield’s own market experience, and there is evidence of University of Warwick students shifting closer to the City Centre. Data for 2021/22 highlights this shift, with a total of five four-digit postcodes seeing the largest decline in students located in Leamington Spa.
- 1.20 This trend broadly corresponds to advertisements for private rented accommodation. Having considered the number of adverts targeted to students aged between 18-30 for a furnished room with bills included, there is a much higher concentration of accommodation available in Coventry surrounding Coventry University’s main campus. As of March 2024, there is also a larger HMO presence around the University of Warwick with 48 properties shown on the map, compared to Leamington Spa with 19 rooms advertised.
- 1.21 The move towards the City Centre is indicative of a trend Cushman & Wakefield has observed in other cities, such as Manchester, where the development of well-located and competitively priced ‘Build to Rent’ (BTR) products has seen students who would usually demand a traditional private rented bed opting to live in a similarly appointed two-bedroom flat in the private rented sector. The data above shows a similar trend is potentially starting to emerge in Coventry, with students moving away from traditional HMO areas into refurbished high-end HMO style living properties with high quality fixtures and fittings located in and around the City Centre.

- 1.22 Weekly rents in the market vary from £63 per week for a single room to £208 per week for a double room, both located in Leamington Spa. This results in a gross annual rent range of £3,300 to £10,800 assuming an average contract length of 52 weeks. There is not a considerable price difference between HMOs and PBSA given the relative affordability of the PBSA sector in Coventry.
- 1.23 Overall, the Council has received 15 applications for temporary change of use since 2016, and a further 25 applications for permanent change of use. The permanent changes have led to 180 bed spaces leaving or set to leave the student HMO market, whilst 17 beds have also converted (or are due to be converted) from PBSA into other uses.
- 1.24 Most of the HMOs which are due to permanently change use class are located on the periphery of the City Centre. This includes a particularly large concentration of properties located north-west of the City Centre. Arguably, these changes can be attributed to lower demand for student accommodation in peripheral locations in line with wider trends in the sector, with the availability of better value for money HMO and PBSA products located closer to the centre.
- 1.25 While most first year students live in purpose-built accommodation, returning students have shown a tendency to live in shared houses (at least for one year of their studies). According to HESA 2021/22, 13,870 students studying in Coventry reside in 'other accommodation', largely private rented Houses in Multiple Occupation (HMOs). Over time this figure has grown in line with the increasing demand pool, with the exception of a drop in students in 2020/21 (presumably as a result of the impact of the COVID-19 pandemic).

Student to Bed Ratios

- 1.26 Key to this study and to future City Council policy relating to student accommodation is a true assessment of demand for bed spaces in Coventry both now and in the future.

All Year Student to Bed Ratio

- 1.27 Analysis shows that the student to bed ratio city-wide in 2021/22 stood at 1.70:1, marginally below the 1.81:1 recorded in 2020/21 and below Cushman & Wakefield's nationally-observed average ratio of 2.12:1. Under the Baseline Demand Pool where there is no growth in student numbers to 2030/31 and 2,612 pipeline beds are delivered to the market, the student to bed ratio would stand at 1.46:1 – significantly below both the current national average ratio of 2.12:1 and the peer group average of 2.05:1. Such a ratio would be almost unprecedented for a major UK market. If no pipeline beds were delivered over the period examined, the Baseline student to bed ratio would stand at 1.65:1, marginally below the 2021/22 level, and a level still far below peer and national averages.
- 1.28 Given the different locations of the universities and the distance between each campus, the areas in which the universities are based should also be considered as sub-markets. Therefore, Cushman & Wakefield has considered each area separately.

All Year Student to Bed Ratio, University of Warwick Area Only

- 1.29 Due to the majority of development being concentrated near the City Centre, the University of Warwick area can be considered "undersupplied" thanks to a significant proportion of the city's demand pool based here. In 2021/22, the ratio stood at 2.6:1, significantly above the national and peer ratios. The ratio is set to marginally fall to 2.5:1 by 2030/31 in line with forecasted growth. Under the Baseline scenario, the ratio would fall to 2.0:1, remaining at a healthy level, broadly in line with the peer group

average. Overall, this is indicative of scope for additional development to address unmet demand in the area.

All Year Student to Bed Ratio, Coventry University Area Only

- 1.30 The second scenario considers Coventry University and beds located in and around the city centre in isolation. In 2021/22 the ratio stood at 1.2:1, a dangerously low level far below that of any other major market in the UK. Under a scenario where Coventry University grows over the coming years, the ratio is set to rise to 1.5:1 by 2030/31 in line with all approved beds delivered, remaining significantly below the national and peer average. Under the baseline scenario, the ratio would fall to 1.1:1 by 2030/31, significantly below any ratio observed in major markets. This is indicative of surplus accommodation in area and these findings will form a key part of the recommendations now being considered by Cushman & Wakefield.

Key Report Recommendations

Recommendation	Summary
"Zoned" or locational approach to future development	Highlighting areas of the city centre in which PBSA development should be encouraged. While discouraging further development in inappropriate peripheral locations.
A need to demonstrate demand as part of the planning process	The recent scale of development in the City proves that some developers have not fully considered the demand-supply dynamics of the student market in Coventry, and this should be addressed in future policy.
Presumption against all-studio developments	The scale of studio bed spaces in Coventry has now risen above the national average and the long-term sustainability of this quantum of studios is questionable.
Design guide	Encouragement of product innovation to shape the development of rooms in the market, as well as allowing for future adaptation
University engagement	The City Council should engage the City's universities in a more active role in the planning process
Houses in Multiple Occupation	Little evidence that intensive levels of PBSA development are making inroads into the HMO market
Change of use applications	Pressure on occupancy will lead to an increase in applications for change of use from PBSA

Ongoing monitoring	Given regularly changing market conditions and current recruitment uncertainties, an up-to-date evidence base is crucial to informed City Council decision making
Car parking policy	Coventry City Council should consider implementing parking policies similar to those of Runnymede Council to reduce student car usage, alleviate overspill parking in residential areas, and promote sustainable transportation practices.



02

POLICY

2.0 Policy Relating to Student Accommodation

Introduction

- 2.1 Coventry City Council adopted its Local Plan² and accompanying Area Action Plan in December 2017. These documents set out how much and what kind of development is needed up until the year 2031, where it should go, and what policies should be applied in order to help the City Council decide whether planning applications are acceptable or not. The Government currently requires that the policies of the adopted Local Plan should be reviewed every five years to see if they are up to date or whether they need changing or even rewriting to reflect changes to national policy or other matters. As such, the City Council is undergoing a full review of its Local Plan, with the aim to submit the new Local Plan before June 2025 under the current planning system in line with Government deadlines.
- 2.2 The Local Plan contains a section which guides policy on student accommodation, with two sources used as evidence bases: the Student Accommodation Study (2005) and the Student Population Information Note (2015). However, the Study which was commissioned by the Council in 2005 was conducted in a different environment for Higher Education in the UK, when tuition fees were lower, and a smaller number of international students and a lower UK participation rate meant a smaller percentage of the UK population studying at Higher Education level.
- 2.3 Additionally, Warwick District Council is adopting a Purpose-Built Student Accommodation Development Plan Document (DPD) in early 2026. This document will set out relevant policies for the development of PBSA in the district.

Coventry Local Plan (2011-2031)

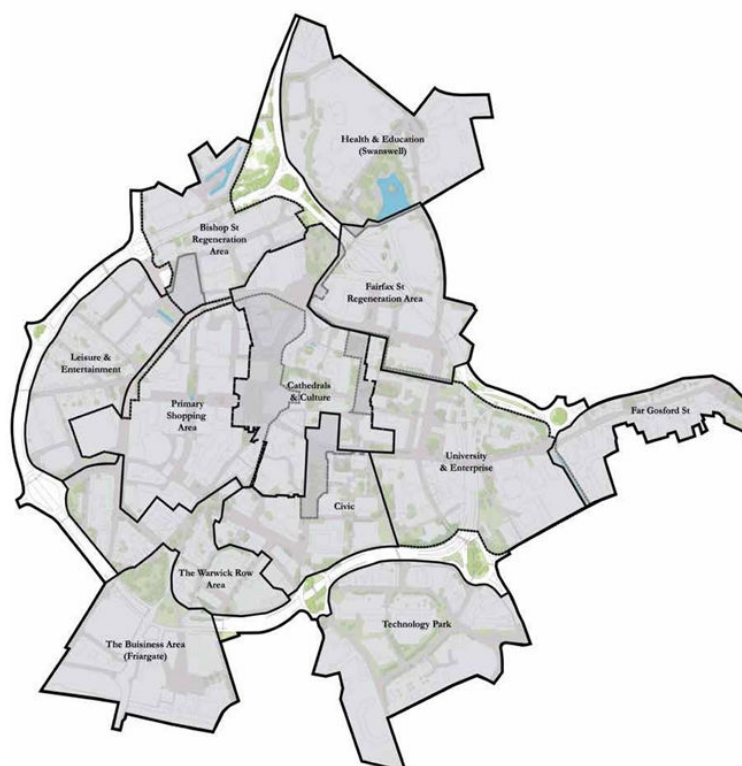
- 2.4 The Local Plan refers to the 2005 Study which aimed to analyse the growing needs and impacts stemming from the expansion of the two universities. Inner-city communities had expressed concerns about the proliferation of student housing, fearing disruptions to local balance and services. Despite these concerns, there was acknowledgment of the positive contributions universities and their students made to the city. Over the years, the number of full-time students surged notably, outpacing the growth of available bed spaces, although purpose-built student accommodation developments had been underway since the early 2000s, especially near Coventry University.
- 2.5 The Council actively supports such developments through Policy H10, recognising their role in bolstering housing supply, meeting specific needs, and mitigating the demand for family housing among students. In line with this, a key target as part of the Plan is to review the concentration of HMOs to allow for the completion of the current purpose-built student accommodation pipeline. Additionally, the Council aims to conduct a rolling review of planning applications for change of use to HMO's and review of Council Tax records (which should show a decline in HMO provision).
- 2.6 Policy H10 outlines criteria for encouraging purpose-built student accommodation and conversions of properties to student housing, emphasising accessibility to universities and harmonisation with the surrounding area's character. The Council aims to maintain an appropriate supply of sites suitable to accommodate and deliver new student accommodation.

² <https://www.coventry.gov.uk/planning-policy/coventry-local-plan-2011-2031>

City Centre Area Action Plan

- 2.7 The City Centre Area Action Plan (CCAAP) has been in place following adoption on 6th December 2017. The CCAAP provides a blueprint for the development of the City Centre across the next decade. It also identifies key areas of regeneration and areas for opportunity for a range of uses.
- 2.8 The Area Action Plan (AAP) acknowledges the recent emphasis on developing new student accommodation, including both purpose-built developments and conversions of former office buildings. However, it highlights the continued encouragement of housing development within the City Centre, with potential for over 3,700 homes identified in the 2015 Strategic Housing Land Availability Assessment (SHLAA), some of which are already underway.
- 2.9 Maintaining a balance between meeting the housing needs of the student population and other demographics such as families, young professionals, and older individuals, including provisions for affordable housing, is key. While student-focused developments have grown, the Council supports this trend as it alleviates pressure on family housing in other parts of the city.
- 2.10 The growth of the University has acted as a catalyst for significant associated development, most notably student accommodation, although much of this has been outside of the University and Enterprise Area (highlighted below). In line with Policy CC24, proposals within the University and Enterprise Area for redevelopment, refurbishment, extension or conversion of buildings for the student residential use are supported subject to high quality building and landscape design.

Figure 2.1: The University and Enterprise Area



Source: The City Centre Area Action Plan (CCAAP 2017)

Warwick District Local Plan (2011-2029)

- 2.11 Adopted in September 2016, the Local Plan set out a number of objectives, including making sure that “the district can accommodate university students without harming the balance of existing communities”. The Council also outlines its support for increasing the amount of on-campus accommodation at the University of Warwick, as well as acknowledging that new development should take place despite its green belt status.

Student Housing Strategy

- 2.12 In May 2018, the Council agreed a Student Housing Strategy to address issues raised in south Leamington about the impact of student numbers and the transient nature of the population in concentrated areas. The Strategy sets out the following objectives:
- To attract students to live in the district, during and after their studies, throughout the academic year;
 - To encourage the provision of purpose-built student accommodation of an appropriate type and quality in sustainable locations thereby encouraging students to move from HMO style accommodation;
 - To ensure that the necessary support services are in place for the whole community to ensure community cohesion and integration across all the generation.
- 2.13 The report stated that one of the next steps would include “preparing a Student Housing Supplementary Planning Document (SPD) setting out our planning policies towards the design and location of purpose-built student accommodation”.

University of Warwick Campus Framework Masterplan SPD

- 2.14 The University of Warwick Campus Framework Masterplan SPD is a cross boundary SPD with Warwick District Council, highlighting the University’s ambition to provide more of its own accommodation on campus as well as the wider development of all its land. The SPD is set to go out to public consultation in May 2024. The document, when formally adopted, will provide a framework for guiding the level and broad location of growth on the main University of Warwick campus as well as design principles to be considered when assessing planning applications on the campus.

Article 4 Direction

Coventry City Council

- 2.15 In common with a number of other local authorities across the UK, Coventry City Council has chosen to invoke an Article 4 Direction³ in September 2023 meaning that within eleven wards of the City, planning permission is required to convert a dwelling house (C3 use class) into a House in Multiple Occupation (HMO) (C4). The Council has also produced updated policy on HMOs in the form of a Development Plan Document that is currently in examination with the Planning Inspectorate. The DPD proposes the following policies in relation to concentrations/thresholds, sandwiching and design:

³ <https://www.coventry.gov.uk/licensing-regulation/hmo-licensing/4>

- HMO applications assessed if concentration within 100m is less than 10%, considering other policies in the DPD;
- Avoid sandwiching non-HMO dwellings between two HMOs and prevent continuous frontage of three or more HMOs;
- Premises suitable in location and size for intended households;
- No adverse impact on neighbours' amenity or area character, including noise, disturbance, and historic assets;
- Adequate room size, light, ventilation, and acoustic insulation for comfort;
- Safe and secure external space with amenities like refuse storage and parking;
- Refuse bin storage discreetly located within property curtilage;
- Compliance with 'Secured By Design' standards expected.

2.16 The adoption of an Article 4 Direction was supported by community groups in areas with a high percentage of shared housing. Issues raised during consultation reflect those seen nationally including anti-social behaviour, parking issues, poor maintenance of housing and a loss of population outside of term time.

2.17 The Article 4 Direction covers the following wards: Cheylesmore, Earlsdon, Foleshill, Lower Stoke, Radford, St. Michael's, Sherbourne, Wainbody, Whoberley, Westwood and Upper Stoke.

Warwick District Council

2.18 An Article 4 Direction came into effect in April 2012, specifically for the whole of Leamington Spa. Warwickshire District Council introduced this measure to limit the concentration of student HMOs in the area which is popular among students. According to the SPD, around 81% of HMOs in the district consisted of accommodation for students in 2017. Planning permission is granted for HMOs which abide by the following criteria:

- the proportion of dwelling units in multiple occupation (including the proposal) within a 100-metre radius of the application site does not exceed 10% of total dwelling units;
- the application site is within 400 metres walking distance of a bus stop;
- the proposal does not result in a non-HMO dwelling being sandwiched between two HMOs;
- the proposal does not lead to a continuous frontage of 3 or more HMOs;
- adequate provision is made for the storage of refuse containers.

2.19 However, the Council has made exceptions for applications where the site is located on the campus of the University of Warwick or Warwickshire College, or on a main thorough fare in a mixed-use area where the proposal would not lead to an increase in activity along nearby residential streets. The draft SPD notes that the Article 4 has led to an increase in the demand for PBSA planning applications.

Summary

2.20 Overall, it is clear that both local authorities face different challenges in relation to student housing, reflected by their respective priorities. Nevertheless, both authorities recognise the significant contribution of the universities and students to the local economy, acknowledging Coventry's status as an education hub.

2.21 Consequently, both authorities express overall support for PBSA developments under suitable conditions. However, the PBSA landscape has evolved since the inception of Coventry City Council's initial Local Plan. It is therefore appropriate that the City Council is reassessing the scale of demand and supply for student accommodation in Coventry.



03

COVENTRY IN A NATIONAL CONTEXT

3.0 Coventry in a National Context

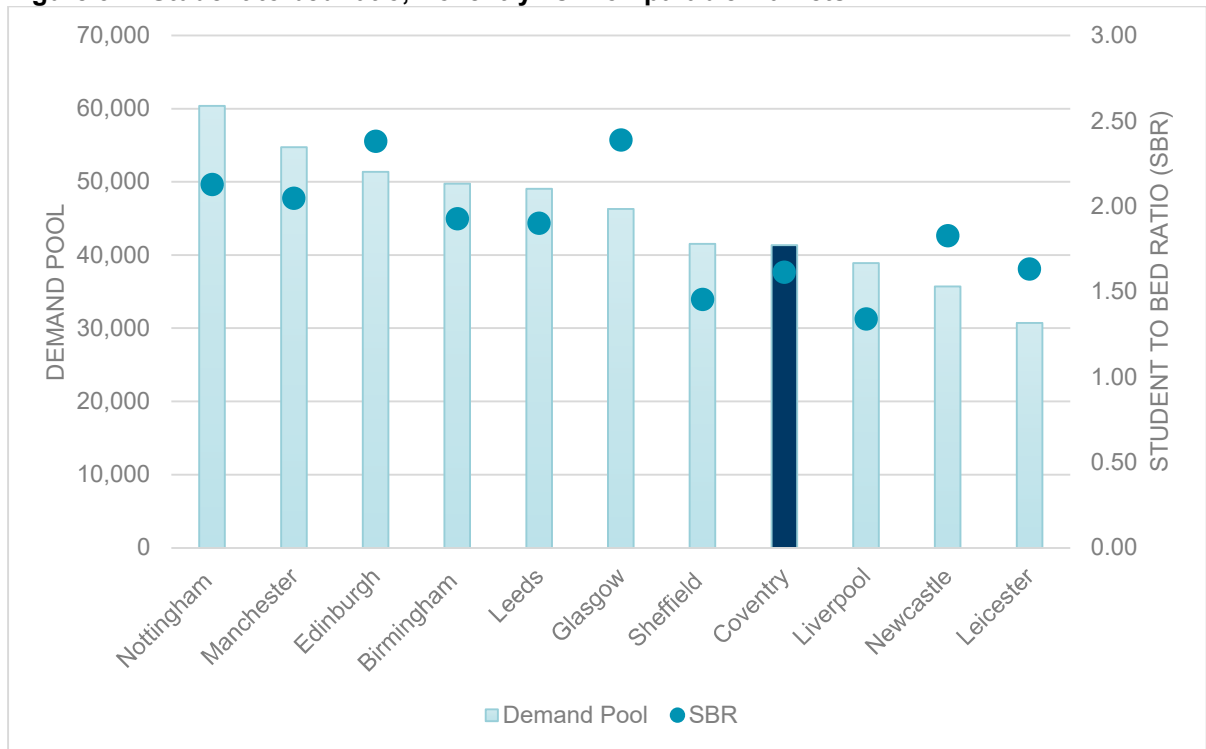
Introduction

- 3.1 The following section of this report explores the composition of the Coventry PBSA market and compares it to other 11 large comparable “peer group” markets in the UK, all home to over 18,000 PBSA beds. This analysis sets the scene for the analysis to follow and places Coventry in context as a PBSA market by assessing a wide range of key metrics.
- 3.2 The following markets have been identified as comparators and included in the analysis: Liverpool, Manchester, Nottingham, Leeds, Birmingham, Newcastle, Glasgow, Edinburgh, Sheffield, and Leicester.
- 3.3 On average, the comparable markets have seen 19% of PBSA development within the last five years (in total, 52,217 beds built since 2019). Each market has its own unique characteristics, with many contributing factors adding to the success or failure of certain product types and of the market as a whole. Of course, student demographics play a large role in assessing trends for the demand for PBSA.

Demand Pool and Student to Bed Ratios

- 3.4 The demand pool and student to bed ratio of all comparable markets are highlighted in the chart below. The demand pool is defined by the number of students likely to demand a student bed in a market (i.e., non-commuting students), while the student to bed ratio (SBR) represents the demand pool vs. the total number of PBSA in a market. Although Birmingham has the largest number of students outside of London with five higher education institutions, Nottingham has the highest demand pool with 60,395 students likely to demand a bed thanks to very strong growth at both of the City’s institutions over recent years.
- 3.5 The Coventry-Warwick demand pool stands at 41,835 students, a figure which has increased by 13% over the last five years. In comparison, the demand pool at comparable markets has grown at a faster rate over the same time period, up by 17% on average.
- 3.6 PBSA development has grown at a significantly faster pace than the demand pool in Coventry. Between 2019/20 and 2023/24, the number of beds has increased by 71%, reaching a total of 25,590 bed spaces. Conversely, the number of beds in comparable markets increased by 46% over the same time period, on average.
- 3.7 Cushman & Wakefield has calculated the demand pool against the number of purpose-built beds in Coventry in order to create a ‘student to bed ratio’ (SBR). For reference, the Cushman & Wakefield nationally observed average student to bed ratio is around 2.12:1. The Coventry market currently has a SBR of 1.62:1; significantly below the national average. This is indicative of relative ‘oversupply’. Perhaps most comparable to Coventry’s demand and supply dynamics are Liverpool, Sheffield, and Leicester; markets which have also seen large-scale development coupled with steady growth in the demand pool for accommodation.

Figure 3.1: Student to bed ratio, Coventry vs. Comparable Markets

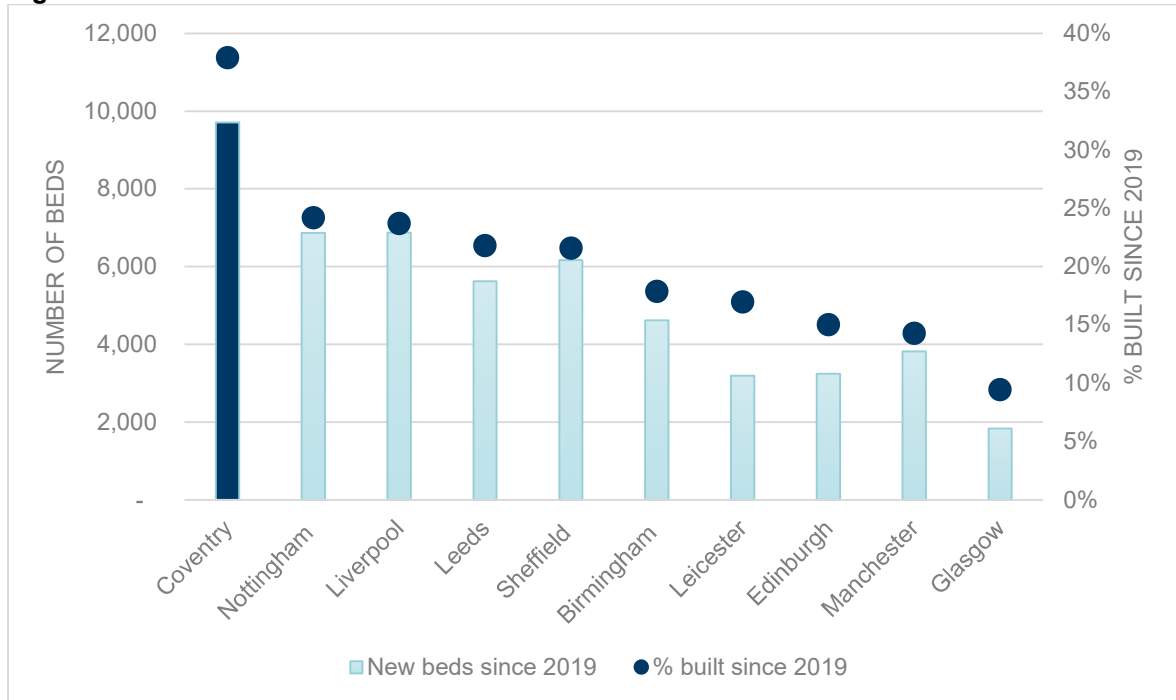


Source: Cushman & Wakefield Student Accommodation Tracker, HESA 2021/22

PBSA Development

- 3.8 Of all the comparable markets considered, Coventry has seen the largest number of new beds enter the market. 9,716 new beds have been delivered since 2019, equivalent to 38% of the Coventry PBSA market. Much of the development has resulted from the universities' influx in student numbers, although there has arguably been a misreading of market conditions from a number of developers, with the market struggling to absorb the sheer scale of new development.
- 3.9 Of course, the growth in full-time student numbers does not necessarily correspond to an increase in the demand pool for student accommodation. The demand pool growth has predominantly been driven by students at the University of Warwick, which recruits from an extremely wide pool of international and UK demand. Between 2016/17 and 2021/22, the demand pool at the University grew by 23%, equivalent to 6,145 more students who require a bed space. Meanwhile, Coventry University saw more muted growth, with only an additional 1,380 students requiring a bed space since 2016/17 (up by 5%). However, much of the PBSA development has occurred more 'centrally', closer to Coventry University and within Coventry's ring road.
- 3.10 For context, Nottingham has seen the second largest number of beds delivered since 2019/20, with 24% of the overall market delivered within the last five years. However, the demand pool has grown by a significant 35% over the last five years, indicative of potential scope for the additional development under the current demand-supply dynamics.

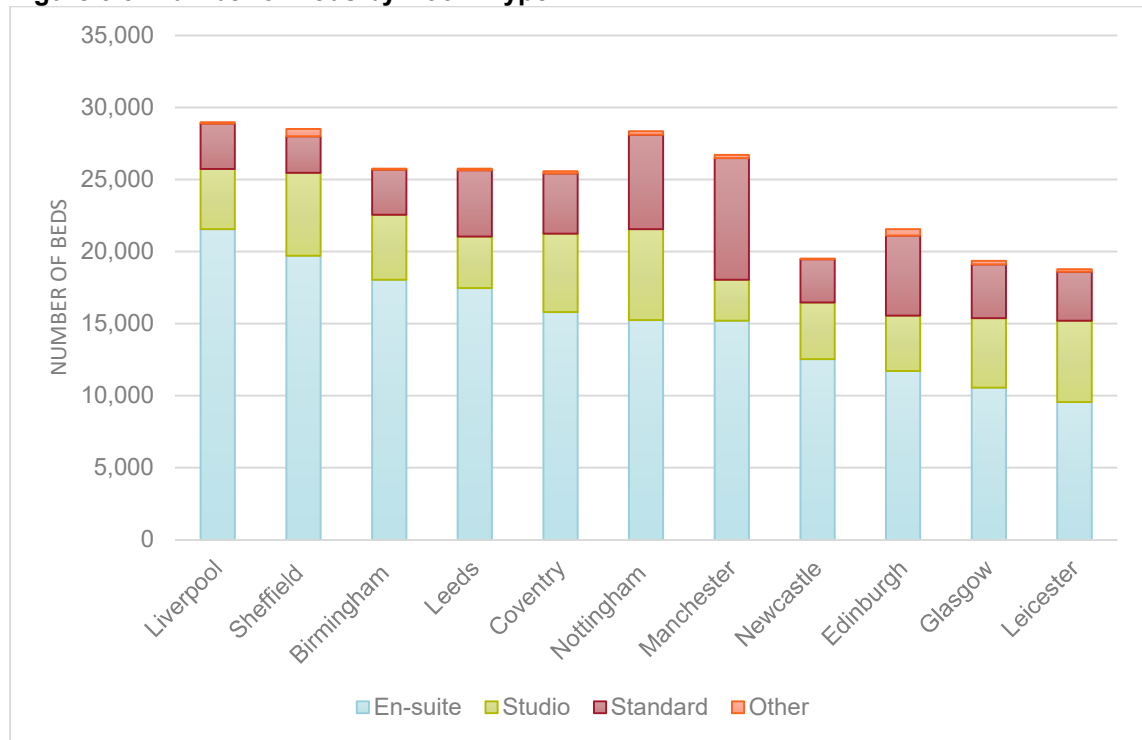
Figure 3.2: Number of beds delivered between 2019 to 2023



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

3.11 Coventry’s room type mix broadly sits in the middle of the peer group. As can be seen in the chart below, en-suite beds are the most common room type to have been developed across all markets in line with wider trends in the sector. In comparison to other major markets such as Manchester, Edinburgh, and Nottingham, which host a significant number of legacy standard beds operated by universities, standard rooms (i.e., those with shared bathrooms) represent a smaller proportion of available accommodation in Coventry. Coventry is home to the fourth largest number of studios after Nottingham, Sheffield and Leicester. However, the arguable overdevelopment of this room type has caused issues in a number of markets which will be explored in more detail throughout this Study.

Figure 3.3: Number of Beds by Room Type

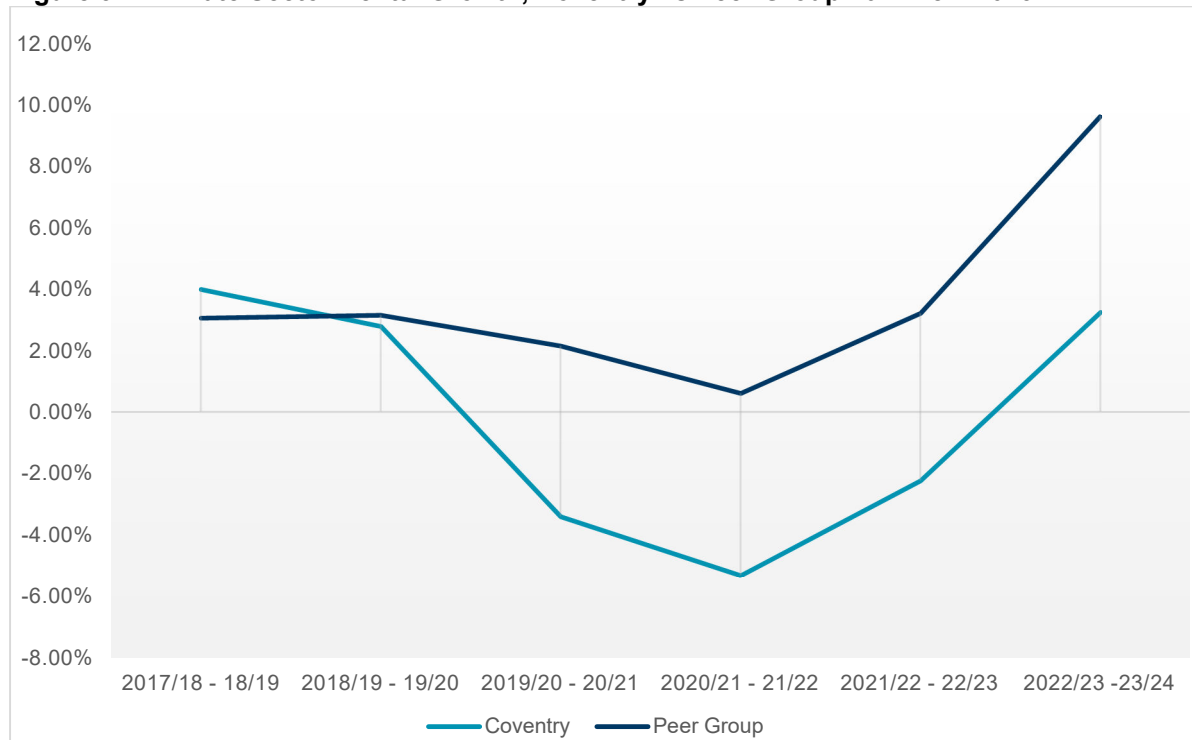


Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

Rental Analysis

- 3.12 Between 2022/23 and 2023/24, private sector rents in Coventry increased by 3.2% on average, considerably behind the national average increase of 9.4%. Of the peer group, Coventry saw the second lowest rental growth behind Leicester (2.0%) in 2023/24. This is indicative of the scale of market competition in the city. All other major student markets in the peer group have seen rents have grown at a significantly faster pace than Coventry (excluding Leicester).

Figure 3.4: Private Sector Rental Growth, Coventry vs Peer Group 2017/18 – 2023/24



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

- 3.13 Sheffield, Liverpool and Newcastle have shown signs of recovery with average rental growth standing at 6.3%, 7.0% and 12.3%, respectively. This growth highlights the extent to which development in these locations has started to be absorbed, allowing operators to sustain positive rental growth in markets which previously suffered challenging periods of voids due to saturation.
- 3.14 Of course, the increased competition in these markets has led to amongst the most affordable rents in the country for PBSA (alongside additional factors including relatively low land costs). This in turn has allowed private sector providers to deliver relatively high-quality products at rent levels lower than those offered nationally. Arguably, Coventry is experiencing comparable trends, evidenced by its fifth most affordable average rent within the peer group.
- 3.15 The 2023/24 academic year has been particularly challenging for operators due to the rate of inflation impacting operating costs and the cost of living for students among other factors. Emerging trends for the 2024/25 academic year indicate a continuation of low rental growth in the Coventry market, with positive rental growth largely driven by University of Warwick-focused accommodation. Cushman & Wakefield has estimated that rents will fall in city focused accommodation by 0.2% on average, whilst rents in the University of Warwick area could increase by 3.7%.
- 3.16 In terms of the overall weekly average rent, Coventry is priced broadly in the middle of the peer group at £166. Sheffield has the least expensive en-suite rooms out of the total comparable markets, with an average weekly rent of £133.96. The most expensive weekly rent for an en-suite room is in Manchester, costing on average £191.13. Coventry sits within the mid-range, priced at £157.01 per week for an en-suite room.

Table 3.1: Weighted Average Weekly Rents by Room Type

Market	Average Rent	Average Studio Rent	Average En-suite Rent	Average Standard Rent	Private Rental Growth 2022-23
Leicester	£143.98	£166.72	£144.46	£103.97	2.01%
Sheffield	£145.85	£194.91	£133.96	£112.48	6.36%
Liverpool	£148.49	£185.36	£146.64	£108.56	7.00%
Newcastle	£153.57	£205.71	£145.51	£117.95	12.32%
Coventry	£166.12	£211.46	£157.01	£139.05	3.23%
Birmingham	£172.37	£221.68	£167.73	£125.53	6.85%
Leeds	£181.07	£281.97	£172.16	£134.53	11.56%
Nottingham	£183.03	£211.21	£181.48	£158.33	8.26%
Manchester	£189.92	£321.89	£191.13	£141.33	13.14%
Glasgow	£195.30	£262.85	£186.14	£135.78	19.36%
Edinburgh	£202.38	£165.01	£191.02	£165.01	11.28%

Source: Cushman & Wakefield Student Accommodation Tracker, 2023/24

- 3.17 Manchester and Edinburgh now offer the most expensive studios on average, whilst a studio in Leicester, followed by Liverpool, is the least expensive out of the comparator markets. Particular markets such as Glasgow have a seen significant development in studios within a short space of time, causing difficulties with 'digestion' issues in the market and many beds remaining unoccupied. Whilst the market has begun to stabilise thanks to a pause on development (no new studios have been delivered to the market since 2021/22), the proportion of studios remains above the comparator average (25% vs. 19%). Despite this, studios in Glasgow remain among the most expensive of the peer group due to a sharp increase in rental growth driven by operators "responding" to the housing crisis in the city.
- 3.18 While Leeds has seen the highest number of studios developed in any market over the last five years, studios account form 14% of the market, below the comparator average. Meanwhile, Leicester is home to the highest proportion of studios within the peer group, exceeding the comparator average with 30% of the market share. Consequently, this trend has resulted in studio apartments being priced among the most affordable options within the peer group, averaging £166 per week (allied to the fact that a number of studios in Leicester are older in nature). Notably, these studios are even more cost-effective than the average en-suite rooms in six of the major markets.
- 3.19 Given the nature of the product, studios typically appeal to certain groups of students (predominantly international students and postgraduates). These rooms tend to be more expensive, generally priced around the full student loan amount. Therefore, for a significant pool of students, these bed spaces are simply unaffordable, potentially isolating and can provide a poor student experience. However, the number of studios suitable for a market will vary on the composition of the student body, with some cities attracting a more affluent student base.
- 3.20 Over half of all studios in Coventry have been built since 2019/20, with a total of 2,897 new studios since this date. Roughly half of these new studios are concentrated in the City Centre and around Coventry University.

Table 3.2: Number of Studios & Weekly Average Rents

Market	Number of Studios	% Studios Built Since 2019	Average Studio Rent
Leeds	3,579	53.6%	£282
Coventry	5,447	53.2%	£211
Birmingham	4,525	43.2%	£222
Edinburgh	3,847	41.5%	£288
Nottingham	6,302	38.2%	£211
Sheffield	5,762	34.0%	£195
Manchester	2,844	32.9%	£322
Liverpool	4,175	25.5%	£185
Leicester	5,623	21.2%	£167
Glasgow	4,835	18.2%	£263
Newcastle	3,914	5.8%	£206

Source: Cushman & Wakefield Student Accommodation Tracker, 2023/24

University Influence

- 3.21 Through nomination agreements, universities can influence the health of a market and overall levels of occupancy, whilst helping to meet their guarantees of accommodation (especially for first year students). In markets where a significant proportion of beds are offered on a direct let basis, occupancy issues have been more prevalent (this is evident in markets such as Liverpool). With all nomination agreements ending in Coventry due to the Universities' own accommodation developments, the direct let market has encountered some occupancy issues particularly in schemes located on the periphery of the city. Of the peer group, Coventry is the only market to offer all of its stock on a direct let basis. Conversely, Leeds has the lowest proportion of direct let stock, with over a third of the private sector stock nominated or leased by four of the city's universities, driving occupancy levels.
- 3.22 In terms of quantity, Sheffield has the largest private sector out of any market which increases competition among providers offering direct let beds (currently over 18,100 beds available). While Liverpool is the next largest private sector market, it offers over 18,900 direct let beds. As such, a significant proportion of the private sectors in both markets are competing for customers through incentives and heavy discounting. However, unlike Coventry, both cities are also home to at least one university which continues to rely on agreements with the private sector in order to meet their accommodation guarantee.

Table 3.3: Proportion of Direct Let Accommodation

Market	% Direct Let of Private Sector
Leeds	64.8%
Manchester	65.9%
Glasgow	68.9%
Edinburgh	71.1%
Birmingham	75.3%
Sheffield	75.6%
Newcastle	76.1%
Nottingham	79.4%
Liverpool	81.0%
Leicester	94.5%
Coventry	100.0%

Source: Cushman & Wakefield Student Accommodation Tracker, 2023/24

Quality

- 3.23 Cushman & Wakefield analyses the quality of the UK purpose-built student accommodation market. Over time, we have developed a range of parameters to assess the quality of both rooms and facilities available within each scheme. Our quality scale for rooms and amenity space ranges from 1-5 (one being the lowest quality, five being premium). Premium bed spaces are rated 5/5 for both room and amenity quality, representing stock of the highest standard. Premium schemes consist of extensive common space, such as common rooms, game rooms, study rooms, private dining facilities, grab-and-go food, and cold rooms. Operators like Vita and Fusion Students consistently offer this level of product. Descriptions of each of the quality ratings are included in the appendix.

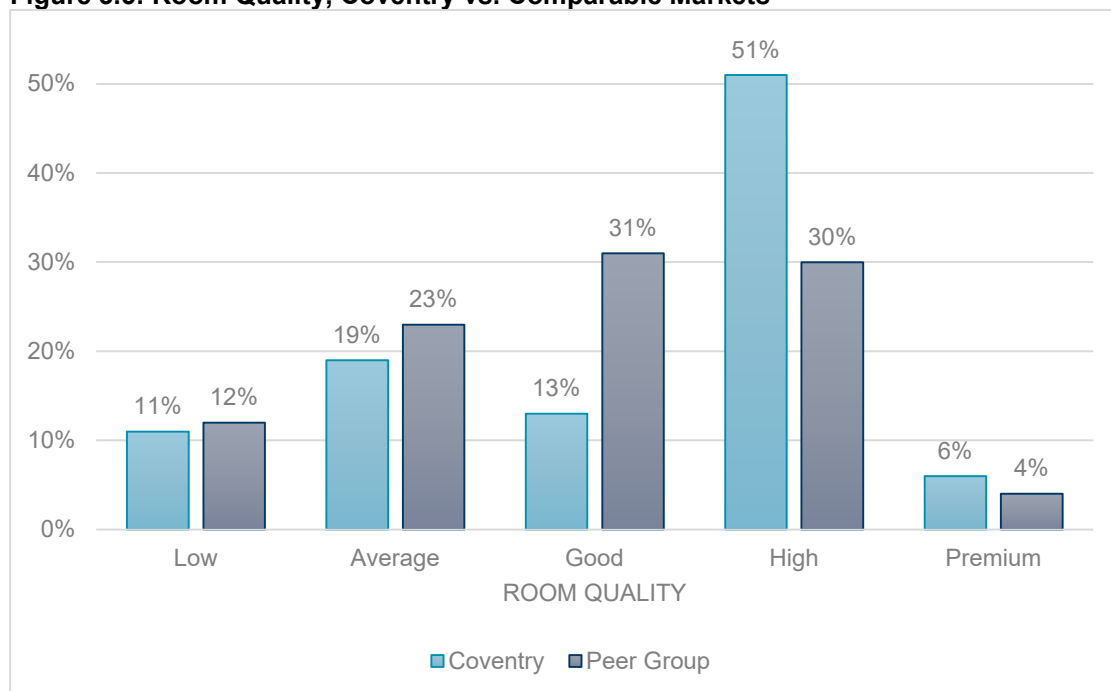
Room Quality

- 3.24 Given the intensification of development in recent years, accommodation in Coventry can be considered relatively high-quality in context of the comparator markets, with just over half of all beds rated a 4/5 for room quality compared to 30% across the peer group. These beds typically consist of fitted furnishings, large storage spaces and modern and stylish décor. An abundance of change and renewal in the market has arguably had a positive impact on the student experience of those living in PBSA as highlighted by Coventry's larger share of more modern bed spaces.
- 3.25 Coventry has a low proportion of bed spaces at the lowest room quality rating, with just 11% of beds delivered at this level or 2,673 beds in real terms (typically older rooms with single beds and limited storage space). This is marginally lower than the comparator average of 12% and reflects the recent high-quality developments in the market (as well as poorer quality schemes leaving the market). Coventry has 2,965 fewer poor-quality beds than the largest market for these beds, Edinburgh.
- 3.26 In contrast, the number of premium rooms available in Coventry sits slightly above the comparator markets at 6%, equating to 1,614 bed spaces (compared to 4%). The delivery of Cannon Park (Vita Student) in 2022/23 saw the first truly premium scheme enter the PBSA market, with the scheme providing a gym, study room, coffee lounge, yoga room, courtyard, common room, private dining, and basketball court. The 2023/24 academic year saw the delivery of Vita Student's second premium

scheme, the studio-only Copper Towers. This development is located south-west to Coventry University, whilst Cannon Park sits on the edge of the University of Warwick's campus.

- 3.27 30% of beds fall into the low and average quality rating in Coventry, with these developments being categorised by predominantly en-suite and standard rooms, typically built pre-2000s. Conversely, 35% of the peer group's beds are rated at this level. It is worth noting that 75% of Coventry's poorest quality beds are owned and operated by the University of Warwick.

Figure 3.5: Room Quality, Coventry vs. Comparable Markets



Source: Cushman & Wakefield Student Accommodation Tracker, 2023/24

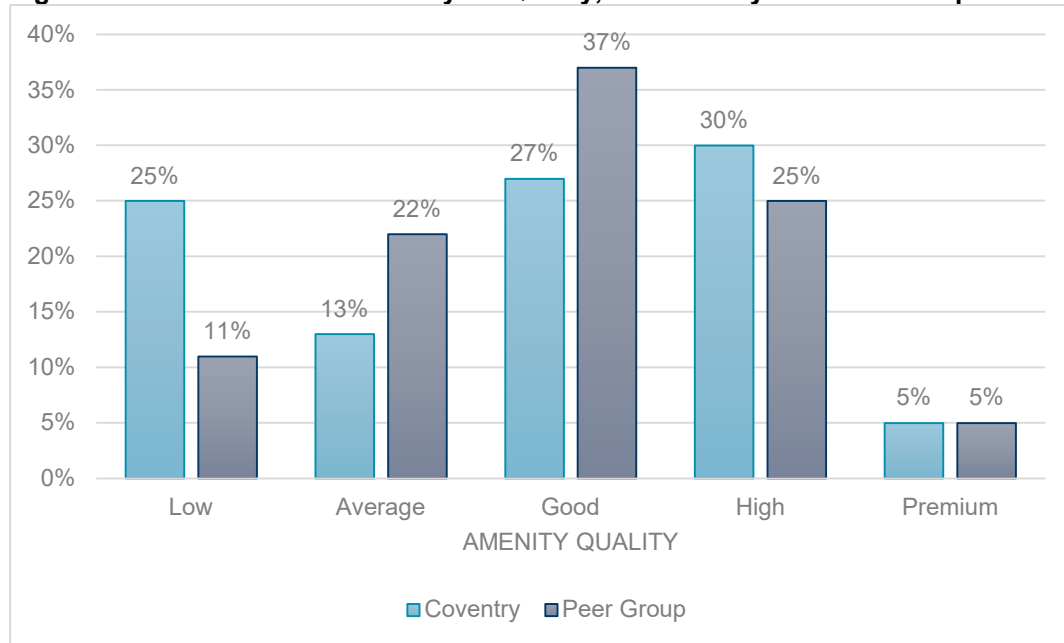
Amenities / Facilities

- 3.28 In terms of on-site amenities and facilities, Coventry offers a larger proportion at both the lower and higher end of the quality scale than the peer group.
- 3.29 Coventry offers 1,268 beds rated the highest for amenity space (5/5). Coventry also offers a larger number of rooms when compared with comparators for high quality amenity space (4/5), totalling 7,795 beds ranked at this level. This is equivalent to nearly a third of the market and is considerably higher than the comparable average (30% vs. 25%). In recent years, we have seen modern schemes increasingly incorporating a range of study spaces into their developments, especially those located at a distance from campus, while older schemes have refurbished and extended their social spaces to align with the market offering.
- 3.30 However, there is a larger percentage of schemes ranked at the lowest score for amenity quality in Coventry than the comparator markets. Whilst just 11% of beds across the peer group score 1/5 for room quality, 25% of beds score 1/5 for amenity quality in Coventry. These beds are almost all made up of en-suite and standard rooms. These beds offer little to no amenity space, with the minimum facilities available consisting of a common room. There is potential that a number of operators with

poorer facilities will look to incorporate more communal spaces into their developments over time to remain competitive, although it is inevitable that a number of beds will leave the market and indeed, this is already the case.

- 3.31 Beds with premium amenity spaces in Coventry account for 5% of the market, a figure which has grown in recent years. Prior to 2022/23, Coventry did not have any beds with premium facilities on offer.

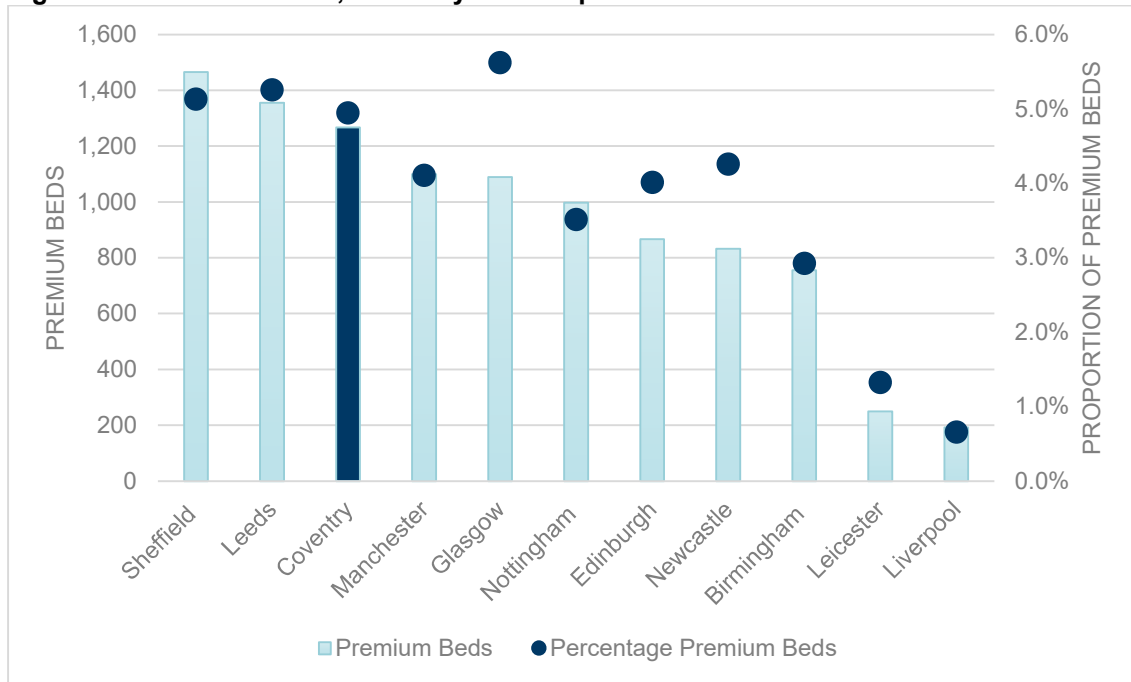
Figure 3.6: Facilities/Amenity Quality, Coventry vs. Comparable Markets



Source: Cushman & Wakefield Student Accommodation Tracker, 2023/24

3.32 The chart below highlights the proportion of beds which are rated a 5/5 for both room quality and facilities, making them 'premium'. Coventry has the third largest number of premium beds of the peer group, behind Sheffield and Leeds. However, Glasgow offers the largest proportion of premium beds at 5.6% of the overall market. The development of too many studios had previously caused occupancy issues in the Glasgow market due to a mismatch versus demand for this product type. It is important that Coventry considers the development of premium accommodation in line with the preferences of certain demographics and ages of the demand pool, in order to assess the true demand for such products in certain locations.

Figure 3.7: Premium Beds, Coventry vs. Comparators



Source: Cushman & Wakefield Student Accommodation Tracker, 2023/24

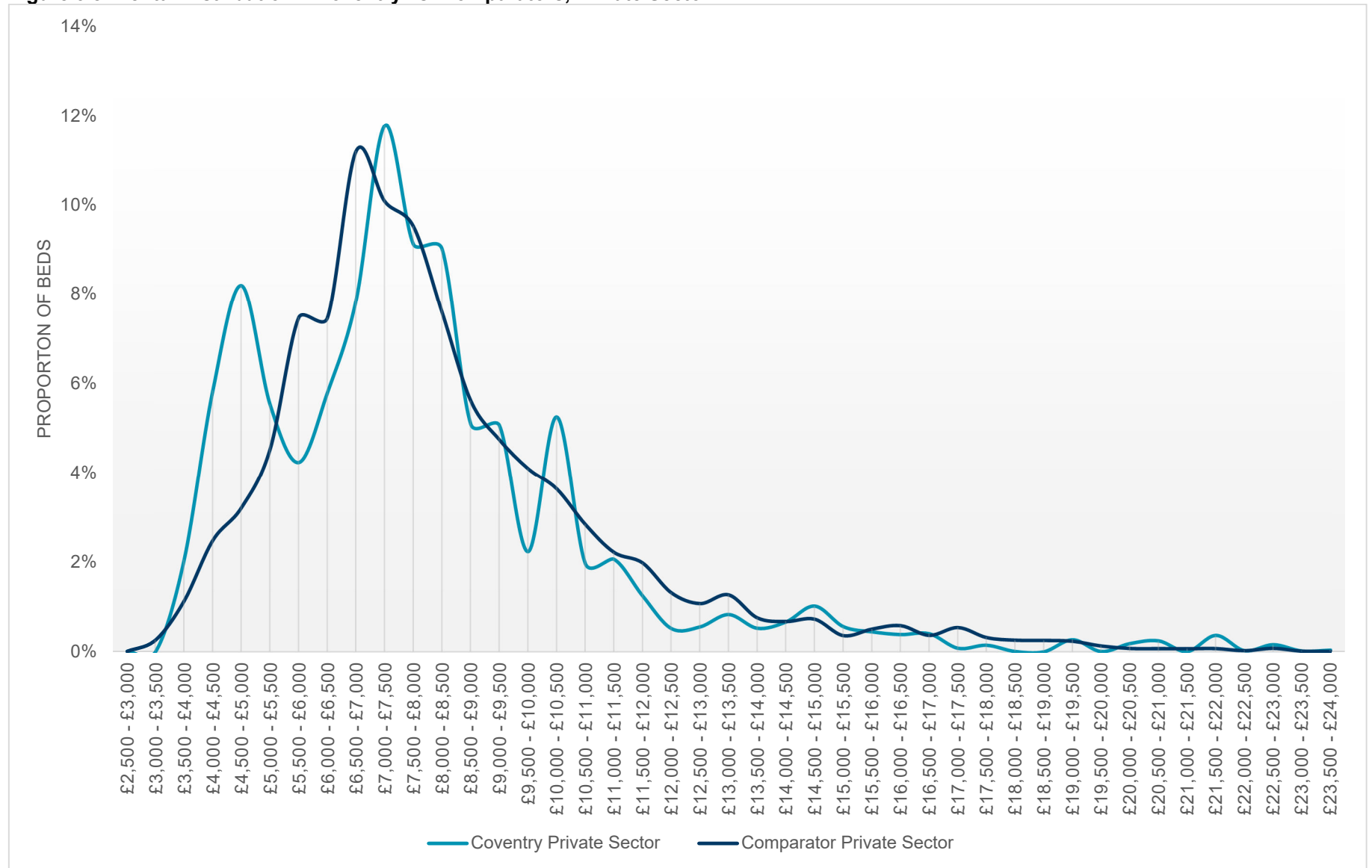
Rental Distribution

3.33 The distribution of annual rents in Coventry against the comparator markets is highlighted in the charts below. Overall, Coventry's rental profile remains less expensive than the comparator markets, with a larger availability of affordable rooms.

- 26% of all private sector beds in Coventry are priced under £6,000 per year (almost all of which are en-suite rooms) compared to 19% of beds within the peer group. This means just over a quarter of the private sector is priced at roughly 60% or less of the maximum maintenance loan amount⁴.
- Specifically, 14% of beds in the private sector are priced between £4,000 and £5,000 p.a., compared to just 6% of beds across the peer group;
- 18% of the private sector is priced more than £10,000 annually. Expectedly, the majority of these beds are studio rooms, with both Vita Student schemes (Cannon Park and Copper Towers) accounting for 42% of beds above £10,000 p.a. Conversely, 21% of beds in comparator markets are priced above £10,000 p.a.;
- Overall, private sector rents start at £3,696, rising to £26,364 for a premium studio on an annual basis;
- Coventry University and the University of Warwick's pricing structures vary significantly, with the former institution exhibiting a narrower rental profile;
- Almost half (46%) of Coventry University's rents are priced between £6,500 and £7,000 p.a.;
- 29% of bed at the University of Warwick are priced under £6,000 annually, directly in line with the universities located within each comparable market.

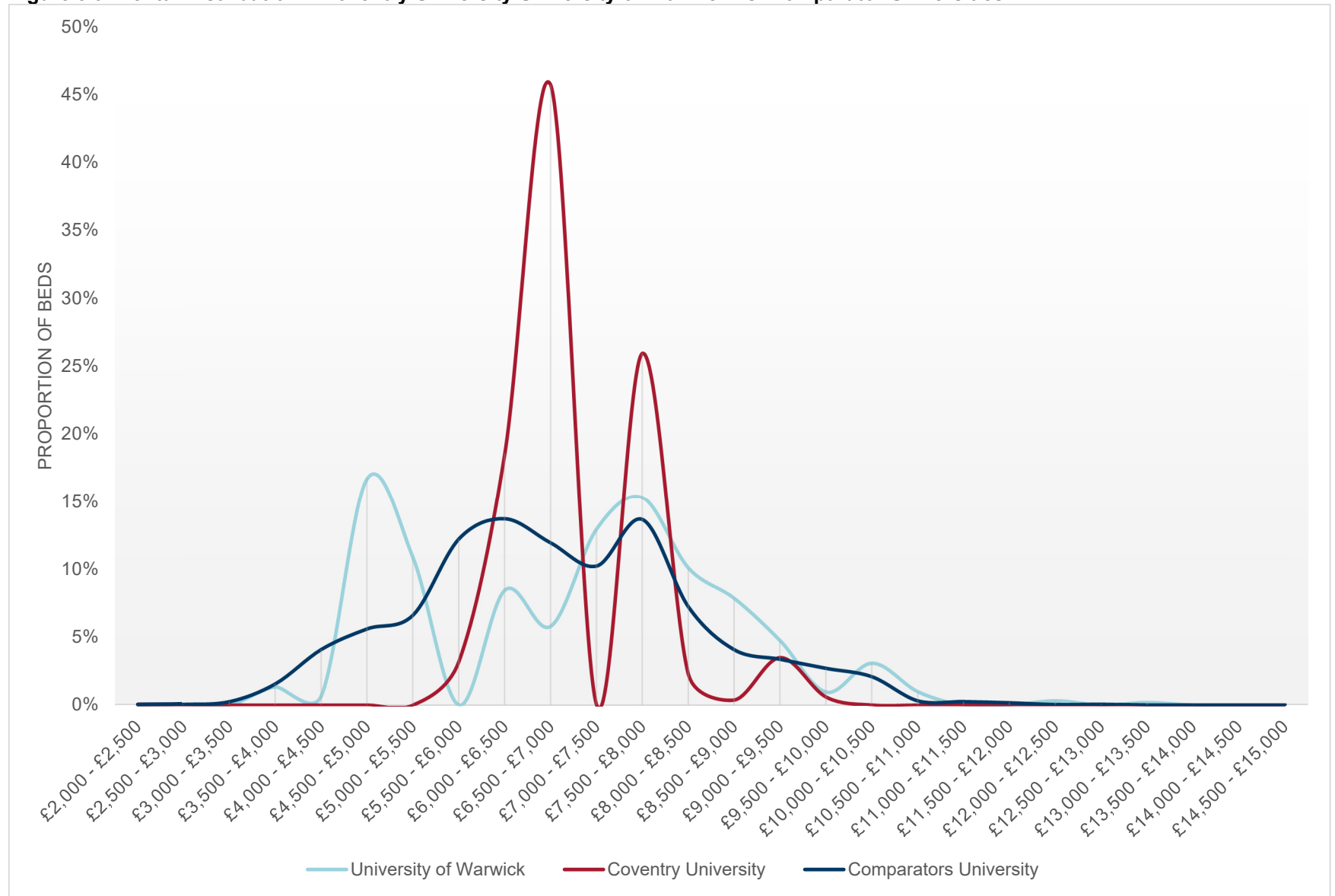
⁴ The maximum student maintenance loan stands at £9,978 for students studying outside London and not living with parents (2023/24)

Figure 3.8: Rental Distribution – Coventry vs. Comparators, Private Sector



Source: Cushman & Wakefield Student Accommodation Tracker, 2023/24

Figure 3.9: Rental Distribution – Coventry University/University of Warwick vs. Comparator Universities



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24



04

DEMAND AND SUPPLY

4.0 City of Coventry Demand and Supply

- 4.1 This section of the Study looks at demand trends, performance and preferences at both universities, as well as the composition of Coventry's purpose-built student accommodation across both universities (including stock nominated through private sector providers). A detailed analysis of private sector stock across Coventry is also included. The profile and scale of accommodation available across the City is then compared to similar major markets in the UK. This section provides context for the Study and helps to inform its findings.
- 4.2 Coventry is home to two major universities, Coventry University and the University of Warwick. The city's two major universities are amongst the top 20 institutions in the country for full-time and sandwich students. In total, there are a combined 56,596 full-time students in Coventry.

Coventry University

- 4.3 There are a total of 31,910 students studying at Coventry University (HESA 2021/22). The institution saw huge student number growth since 2004/05, with the University nearly tripling in size within 15 years and nearly 50% growth between 2014/15 and 2019/20. Despite this substantial growth, Coventry University has suffered a minor loss in student numbers between 2020/21 and 2021/22. This loss in student numbers came entirely from the undergraduate population.
- 4.4 Coventry University has one of the largest international populations, and one of the largest outside of London, with this cohort doubling in the last seven years. According to the latest HESA data (2021/22), the international population totals almost half (47%) of the student body.
- 4.5 Growth in each domicile at Coventry University has been sustained at a similar level or above that of UK growth. Non-UK students have grown by 48% from 2016/17 to 2021/22, almost directly in-line with the UK average, increasing by just over 4,800 students. In line with the wider trend witnessed across most UK providers, Coventry University has suffered a loss in EU students, at a rate slightly higher than the UK average. Growth in UK students is the slowest overall, remaining stagnant across the same five-year period. With a total student number increase of almost 5,000 students or 17%, the University has sustained gradual growth at a similar rate to the UK average.

University of Warwick

- 4.6 According to the latest HESA data (2021/22), the University of Warwick is home to 24,685 students in 2021/22, a figure which has increased by 24% since 2016/17. Undergraduate student numbers increased by almost double the UK average growth (23%), whilst the fastest growth came from postgraduate students, increasing by 25% across the same five-year period. Applications to the University in 2023 grew by 8% in a single year, whilst acceptances increased by a marginal 3%, indicative of the University's selective recruitment approach.
- 4.7 As a Russell Group institution, there is a strong international presence at the University of Warwick, totalling 43% of the student body, predominantly consisting of students from outside of the EU. Non-EU students have grown by 46% since 2016/17, representing an increase of 2,675 students.
- 4.8 UK students have seen gradual growth across the same five-year period, increasing by 18%, or 2,115 students. The University's demand pool has grown substantially due to a large influx of UK students from outside of the West Midlands, mostly those aged 18-20.

Coventry University Campus Developments

- 4.9 Coventry University aims to enhance its campus facilities and accommodation ensuring that the University continues to provide places for excellence for its growing student population, in line with the 2030 Group Strategy 'Creating Better Futures'. Recently completed projects include:
- Starley Gardens (2021) - open-air urban space which helps open up the campus for the local community and visitors
 - Beatrice Shilling Building (2020) - £25m building for the Faculty of Engineering, Environment and Computing
 - Bishop Gate (2018) – 725 new en-suite and studio bedrooms in flats of nine and ten rooms
 - Godiva Place (2018) – 772 new en-suite, studio and twodios bedrooms, consisting of a mix of four to twelve flats
 - Centre for Applied Low-Carbon Propulsion Systems - the £50m centre sits next door to Coventry University's £7m National Transport Design Centre (NTDC) which opened in May 2017, creating a cluster of transport-focused research and development facilities on the University's Technology Park
- 4.10 The University also has plans to establish a new Faculty of Arts and Humanities building and a Civic Centre.

University of Warwick Campus Developments

- 4.11 The University of Warwick has already achieved a number of milestones set out in the 'Excellence with Purpose' Strategy (2018-2030). Notably, the Russell Group institution achieved Gold in the Teaching Excellence Framework (TEF) and in the most recent Research Excellence Framework (REF), 92% of its research was rated 'world leading or internationally excellent'.
- 4.12 The University has also heavily invested into its campus facilities in line with their ten-year financial strategy and capital programme with the following developments:
- Faculty of Arts Building (2022) - £59m learning hub, awarded the Royal Institute of British Architects (RIBA) National Award and runner-up in the Stirling Prize in 2023
 - Interdisciplinary Biomedical Research Building (IBRB) (2021) - £50m building home to laboratories for 300 biomedical researchers across the School of Life Sciences and Warwick Medical School
 - Cryfield Village Student Accommodation (2021) - £58m, completion of 830 new bedrooms in 15 blocks, in a village environment with a central social hub
 - Warwick Arts Centre (2021) - £43m four-year transformational development of modern, accessible new spaces with a welcoming foyer, new gallery and three new cinemas
 - Degree Apprenticeship Centre (2019) - £10m dedicated facility to deliver Degree Apprenticeships

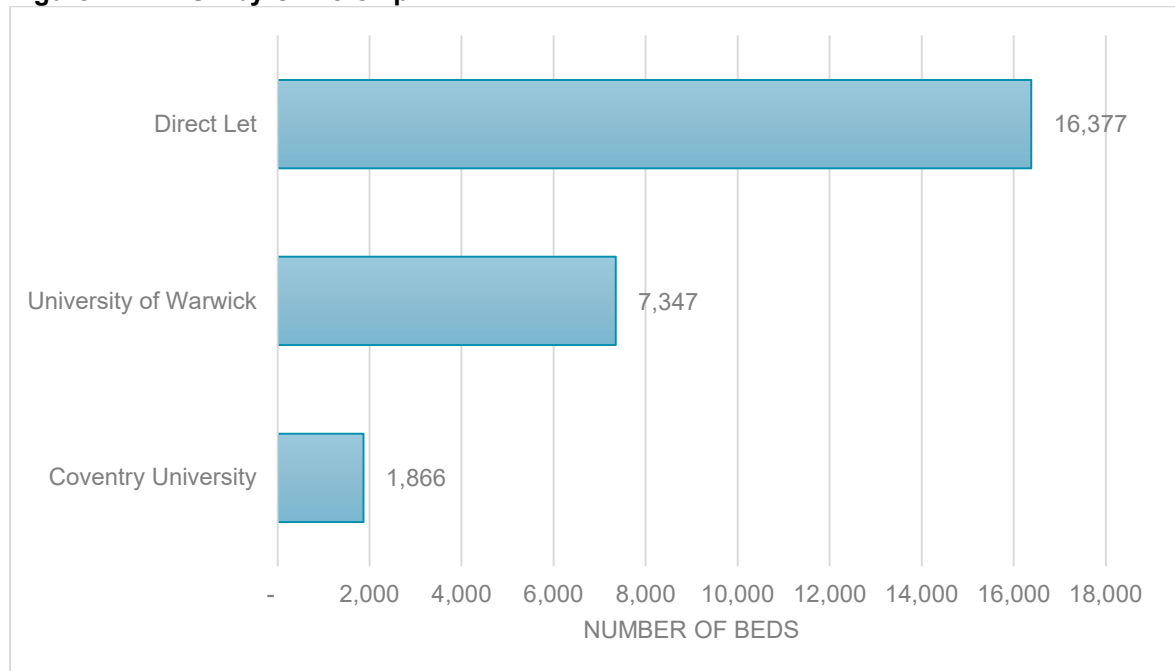
- Sports & Wellness Hub (2019) - £49m multisport facility which supported the Commonwealth Games and International Children's Games (2022)

4.13 The University has also put forward outline proposals for new STEM facilities. Subject to planning approval, there will be a phased approach to the developments over a ten-year period, which will aim to create a "new heart" on campus as well as world-class facilities. Notably, the University of Warwick Campus Framework Masterplan SPD is also set to go out to public consultation in May 2024, highlighting the University's ambition to provide more of its own accommodation on campus as well as the wider development of all its land. The SPD (when formally adopted) will provide a framework for guiding the level and broad location of growth on the main University of Warwick campus as well as design principles to be considered when assessing planning applications on the campus.

Supply

- 4.14 Coventry is home to a total of 25,590 bed spaces for the 2023/24 academic year, making it the eighth largest purpose-built student accommodation market in the UK. The market has experienced monumental growth since 2017/18 thanks to ongoing development in the private sector as well as investment by both universities into their accommodation portfolios. 58% of the entire market has been constructed within the last seven years, adding a total of 14,722 beds to the market. As a result, the private sector has become dominant and strongly established, providing 64% of total bed spaces in the city - equivalent to 16,377 beds - all of which are offered on a direct let basis. With all of the universities' nomination agreements ending in 2023/24, competition has increased, and the private sector now exerts a strong presence in Coventry.
- 4.15 The University of Warwick owns and operates all of its accommodation, offering 7,347 bed spaces on-campus. The University delivered 828 additional beds between 2019 and 2020, providing a mix of new en-suite, townhouse and studio accommodation. The University of Warwick had previously taken on nomination agreements at schemes in the city centre or south-west of the city centre. However, the increasing supply of accommodation near the campus has led to less students requiring accommodation in the centre.
- 4.16 Coventry University also owns and operates all of its accommodation, providing a total of 1,866 beds. Similarly, the University has recently heavily invested into its estate, including the transformation of its student accommodation. Between 2017 and 2018, the University delivered 1,844 new beds, renewing almost all of its portfolio. Prior to these major developments, Coventry University relied heavily on the private sector through a number of nomination agreements to fulfil its accommodation guarantee.

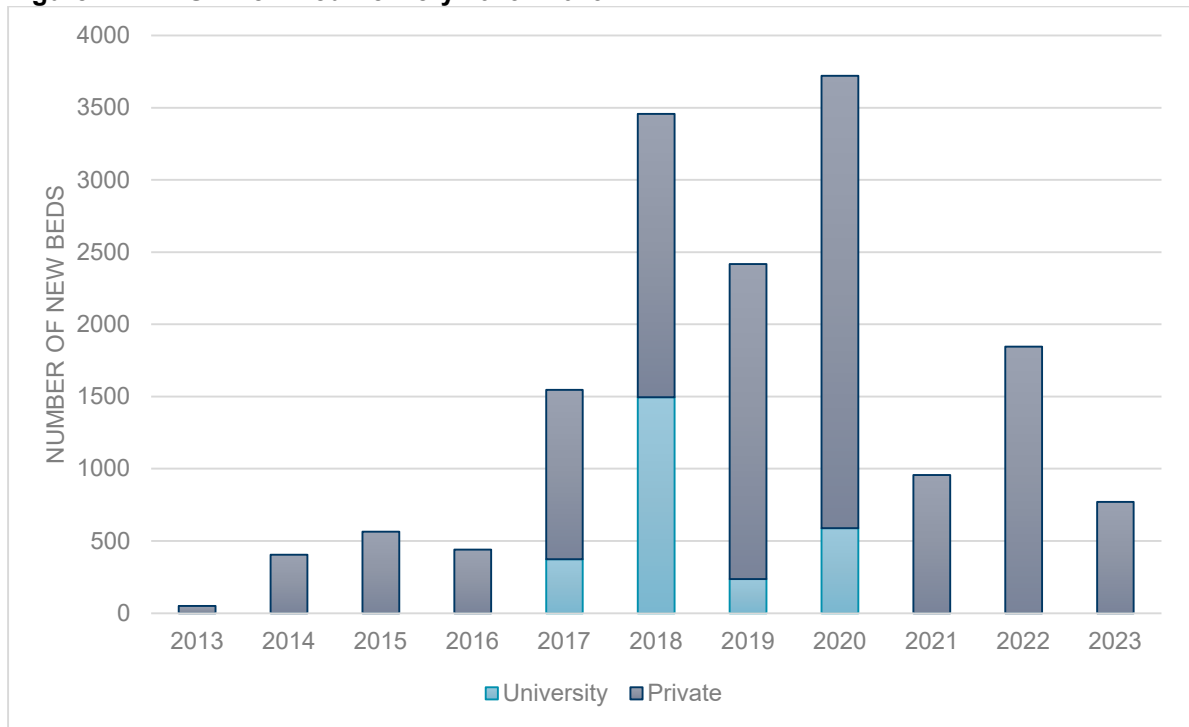
Figure 4.1: PBSA by Ownership



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

- 4.17 Several leading operators have a presence in the City. Home for Students operates the largest number of beds on behalf of individual building owners (1,673 beds), making up 7% of total supply, followed by Code Students (1,468 beds), AXO Student Living (1,334 beds), Vita Student (1,268 beds) and iQ (1,200 beds). Overall, the top five operators contribute to a combined 27% of the Coventry market.
- 4.18 Relatively low land costs and good site availability in Coventry has led to a high level of development every year. Between 2017 and 2020, 11,145 beds entered the market. Whilst 2020 saw many developments across the UK delayed due to the impact of the COVID-19 pandemic, Coventry saw the highest number of beds on record enter the market in a single year (+3,721 beds) at the same time as an unprecedented shock to the Higher Education system and an absence of in-person teaching.
- 4.19 A further 772 new beds opened in time for the 2023/24 academic year, including the new Vita Student scheme, Copper Towers, and a 276-bed development, Harper Road, by Code Students. The Vita scheme offers the highest quality accommodation available in the City in line with their existing scheme, Cannon Park. There are currently no schemes anticipated to be opening for the 2024/25 academic year, although Singer Hall is set to re-enter the market following refurbishment.

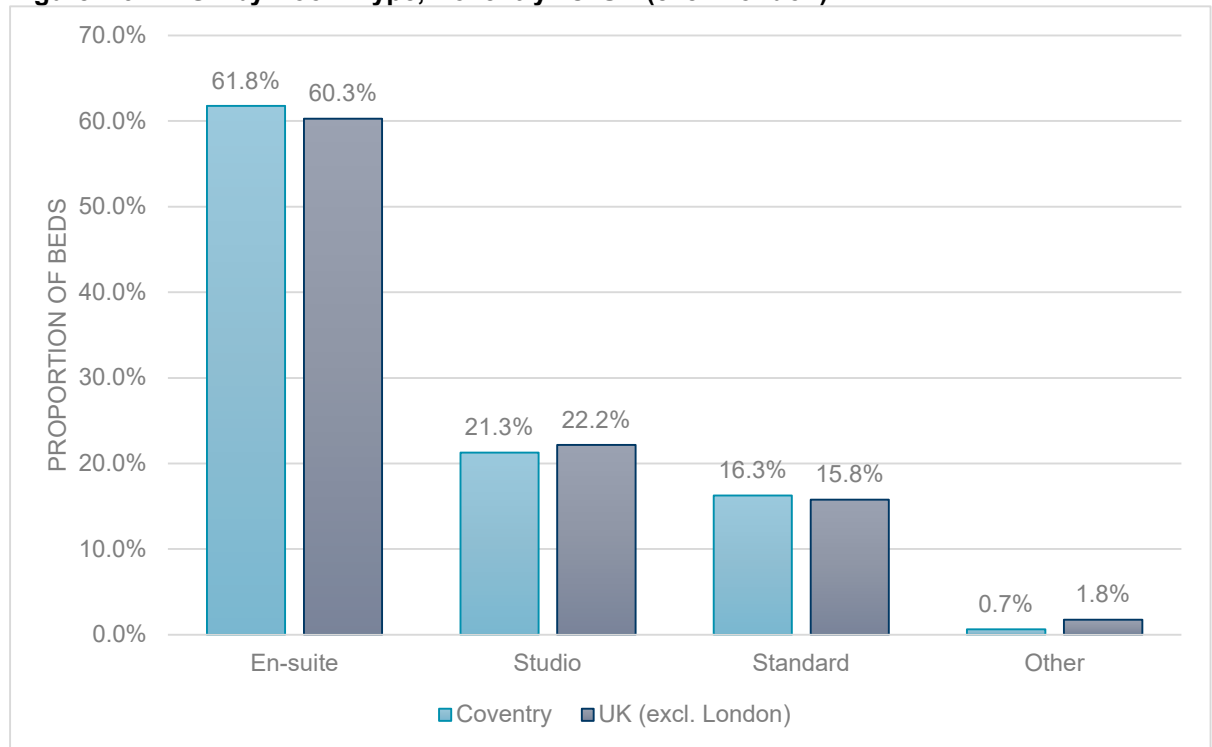
Figure 4.2: PBSA New Bed Delivery 2013 - 2023



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

- 4.20 The chart below highlights the breakdown of the Coventry market by room type. In line with national trends, the most common room type is en-suite with a total of 15,811 beds provided (making up 62% of supply). The University of Warwick provides the majority of standard rooms with shared bathrooms compared to the private sector (442 private sector beds vs. 3,723 university beds). Studios account for 21% of the market with a total of 5,447 beds in the market, of which 4,357 have been delivered since 2017 (80% of the total studios).
- 4.21 In general, the Coventry market closely mirrors national average trends regarding room type distribution. There is a marginally higher proportion of en-suite and standard rooms in Coventry, along with a slightly lower proportion of studios. Additionally, other room types, such as twodios and 1- or 2-bedroom flats, constitute a minority within the market. It is important to compare these trends with comparable major markets, particularly when considering the number of studios against the demand for this type of product.

Figure 4.3: PBSA by Room Type, Coventry vs. UK (excl. London)



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

4.22 As highlighted in the chart below, average weekly rents in Coventry are priced below those seen nationally. Large-scale development combined with comparatively low land costs on a national basis has led to competitive rents across all room types, regardless of quality levels. As a result, Coventry has become among the most affordable large cities for purpose-built student accommodation. Discounting and incentives in a number of schemes have also driven value in the Coventry market.

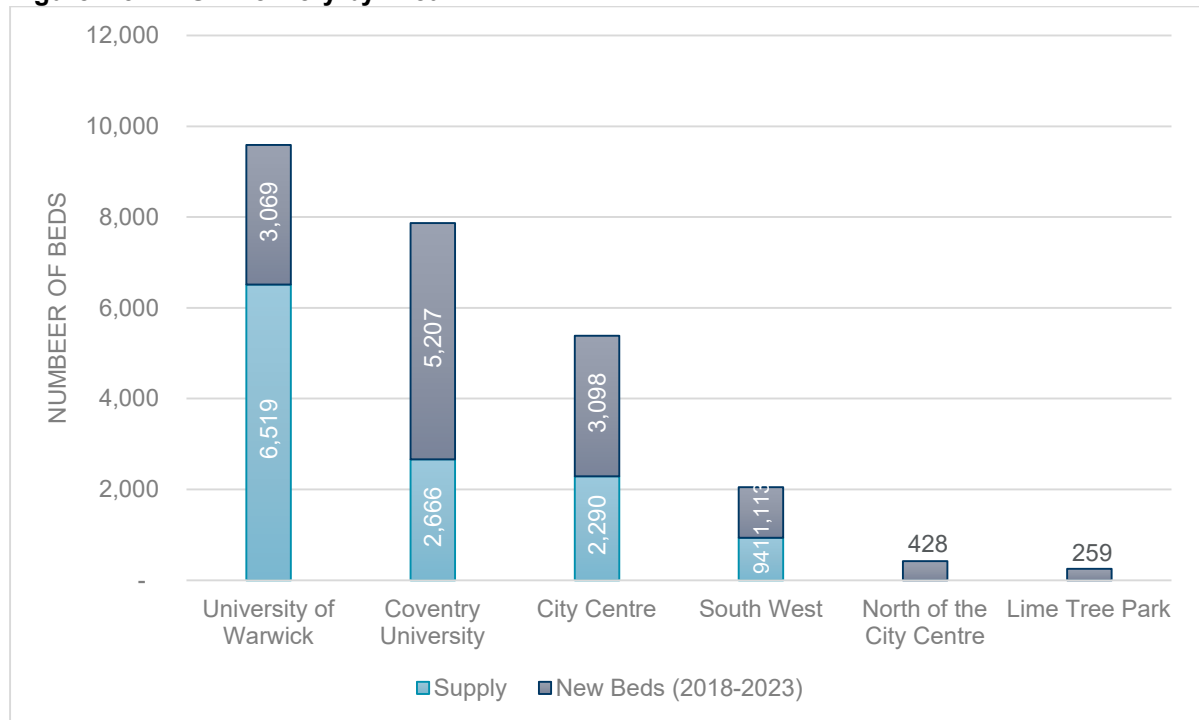
Figure 4.4: Average Weekly Rents, Coventry vs. UK



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

- 4.23 Cushman & Wakefield’s Student Accommodation Tracker divides cities across the UK into areas where there are critical masses of students. The areas identified in Coventry are outlined below. As highlighted above, there has been a significant amount of PBSA development in Coventry in recent years. The key areas of development have been the City Centre and Coventry University, with a combined total of 8,305 new bed spaces being delivered in these areas over the time period.
- 4.24 With the exception of the University of Warwick area, all areas have seen more bed spaces delivered over the last five year than existing supply.

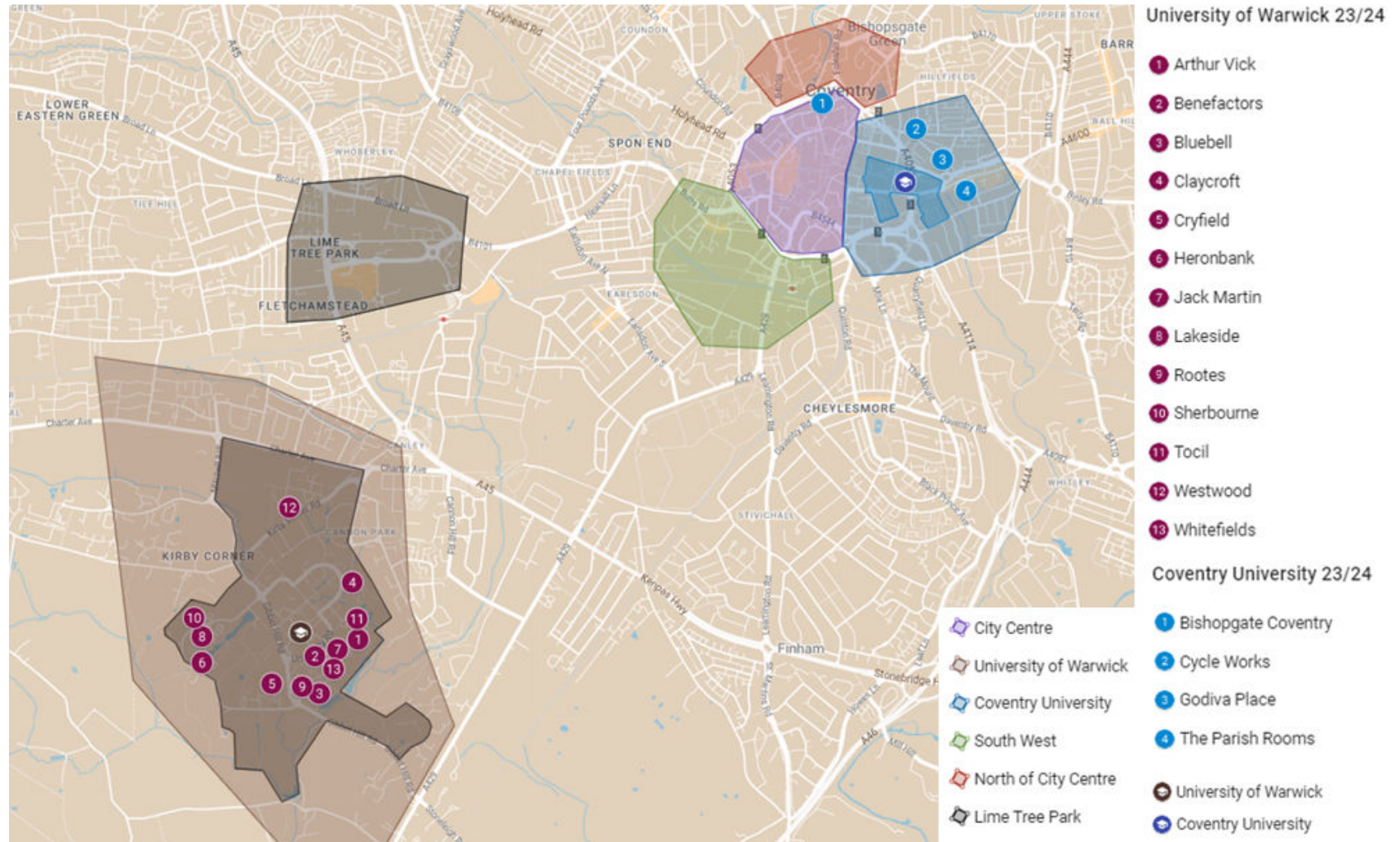
Figure 4.5: PBSA Delivery by Area



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

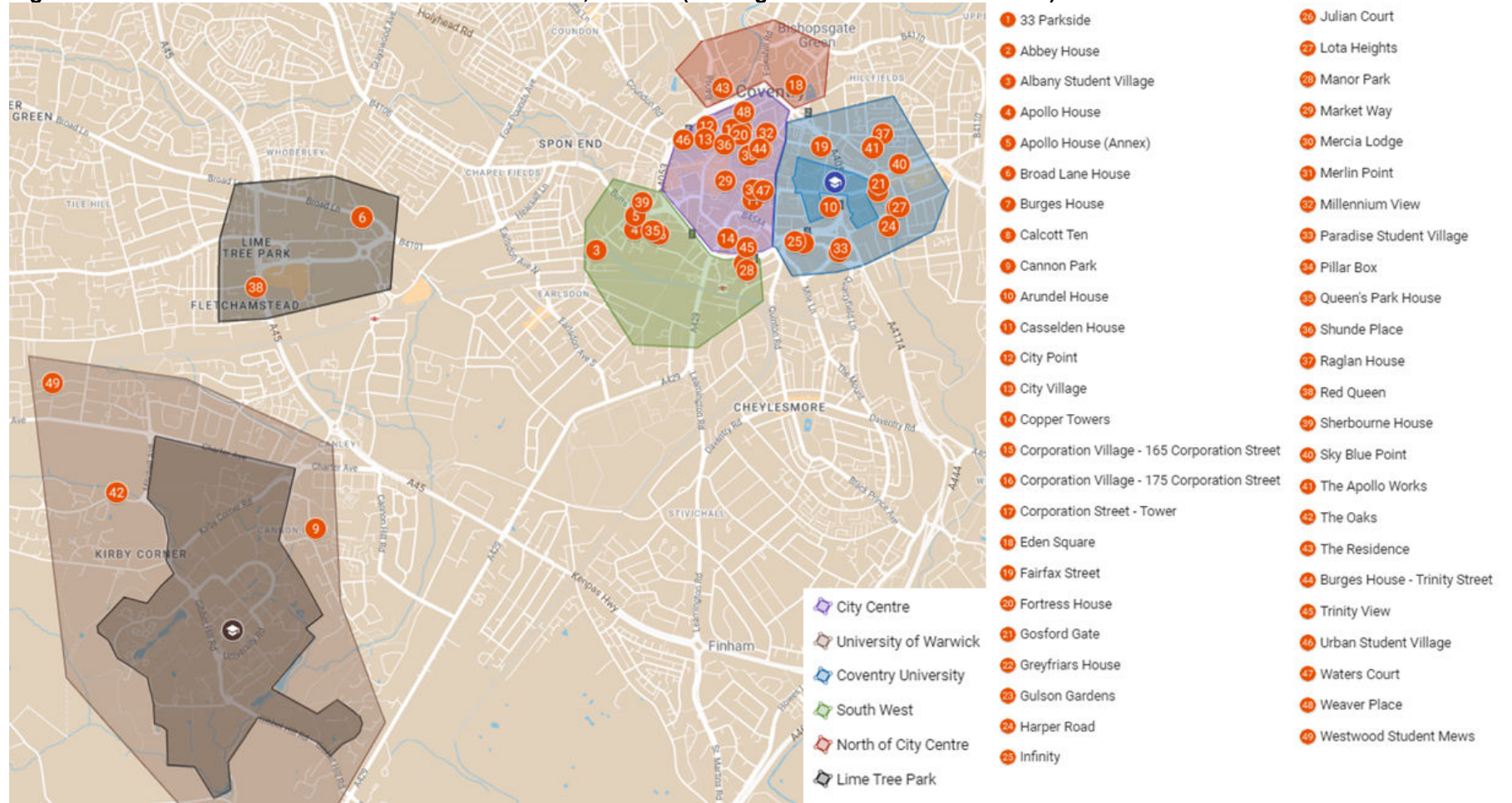
4.25 The maps below show the locations of university and private sector purpose-built student accommodation in Coventry. The University of Warwick provides all of their accommodation on campus, whilst Coventry University's accommodation is located within close proximity to the main campus. Conversely, private sector development is largely concentrated in the City Centre and around Coventry University. There have also been pockets of PBSA development towards the south west of the City Centre and immediately north of the City Centre.

Figure 4.6: Location of Coventry University and University of Warwick Accommodation, 2023/24



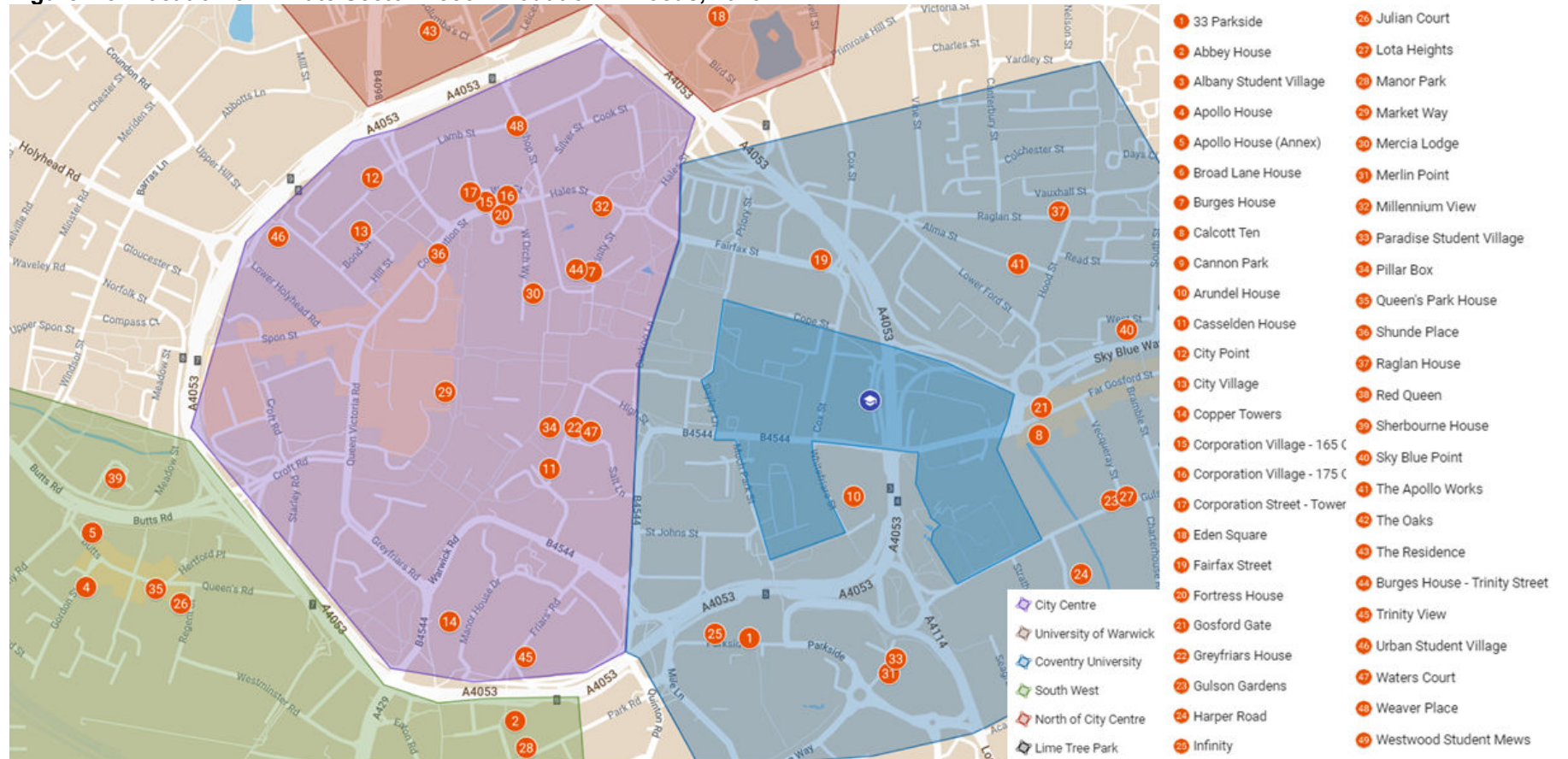
Source: Google Maps adapted by Cushman & Wakefield

Figure 4.7: Location of Private Sector Accommodation, 2023/24 (See Figure 4.8 for Zoomed In Area)



Source: Google Maps adapted by Cushman & Wakefield

Figure 4.8: Location of Private Sector Accommodation In Focus, 2023/24



Source: Google Maps adapted by Cushman & Wakefield

Quality

4.26 Our analysis of the market draws on our market-leading Student Accommodation Tracker – a comprehensive database of all 718,000 purpose-built bed spaces across the UK (university and private). The Tracker is now in its twelfth year and covers by far the sector’s broadest range of metrics, including: block; ownership; any relationship with a university (where applicable); number of bed spaces in block; number of bed spaces by room type (and sub-room type); weekly and annual rents by room type (2013-2023); lease lengths; rental change; and unique room and amenity space quality analysis. Analysis also includes distance to campus edge. Cushman and Wakefield define quality for both room and facilities using a scale of 1 to 5, with 1 being the lowest and 5 the highest. Descriptions of each of the quality ratings are included in the appendices.

Areas by Quality

- 4.27 The scale of development in Coventry has led to higher-than-average quality levels, with all areas except the University of Warwick rated above 3.5 for room quality. The best quality accommodation can be found immediately north of the City Centre, albeit consisting of two schemes (operated by Prestige Student Living). The City Centre and South West of the City Centre also have a high concentration of high-quality accommodation thanks to recent development, rated at an average of 3.7/5.
- 4.28 Located almost three miles from the centre of Coventry, the University of Warwick is home to the majority of the beds in the area. The University has sought to transform its accommodation through its 828-bed Cryfield development in 2019 and 2020. However, the quality of the experience has fallen at much of the University’s remaining stock. Arguably, this, as well as the proliferation of high-quality stock in the City Centre, has led many students from the University of Warwick choosing to live in high quality, City Centre accommodation.
- 4.29 While the area located South West of the City Centre has seen over half of total beds delivered within the last five years, the quality of amenities is marginally lower on average. It is important the Council considers the quality of social space being developed when granting planning permission to new schemes, in order to ensure they remain sustainable and attractive to students in the future.

Table 4.1: Quality by Location, Coventry

Area	Total Beds	New Beds (2018-2023)	% of New Beds of Total Supply	Room Quality	Amenities Quality
North of the City Centre	428	428	100%	4.2	3.8
City Centre	5,388	3,098	57%	3.7	3.5
South West	2,054	1,113	54%	3.7	2.9
Coventry University	7,873	5,207	66%	3.6	3.1
Lime Tree Park	259	259	100%	3.6	3.4
University of Warwick	9,588	3,069	32%	2.6	2.1

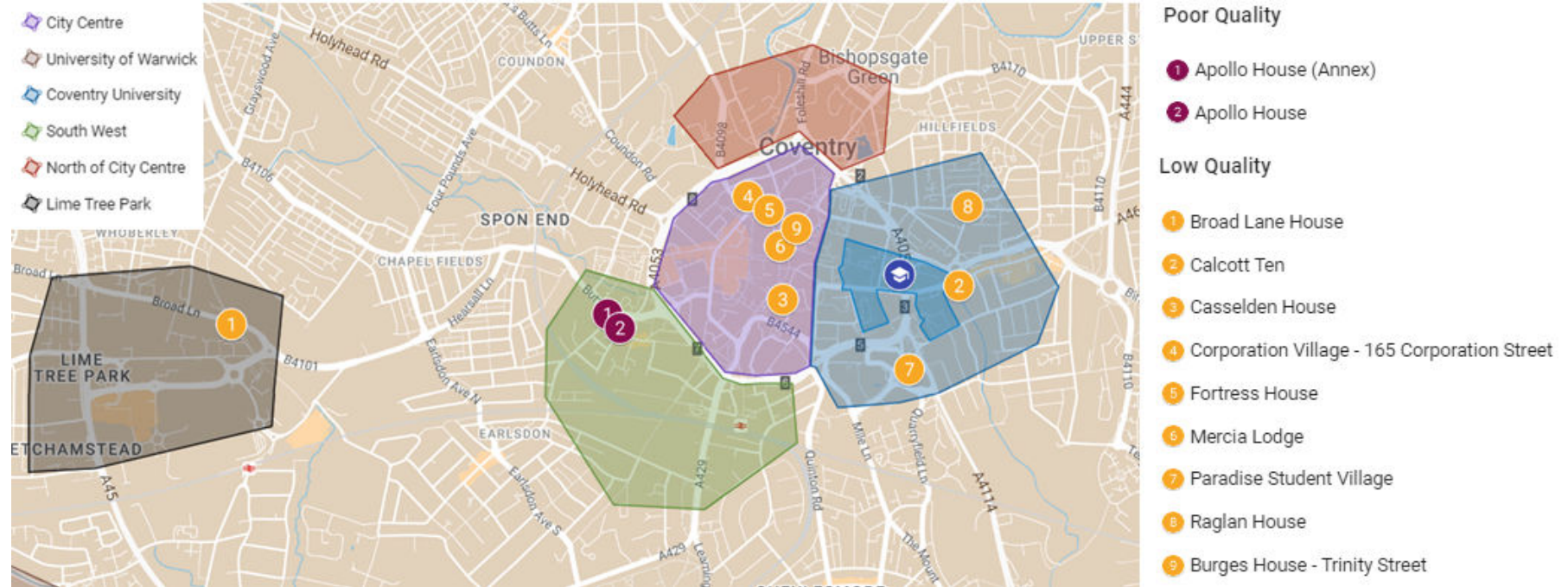
Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

4.30 The maps show the location of private sector schemes by quality level (poor, good or high quality). According to Cushman & Wakefield’s national quality assessment, there are two schemes currently considered to be of poor quality (rated 1/5). Apollo House and Apollo House Annex are operated by

Essential Student Living and are located towards the south west of the City Centre, offering basic facilities and accommodation. This is reflected in its prices, with rents ranging between £80 and £88 per week. However, the building has reportedly closed following struggles to “compete with newer and more modern accommodation”.

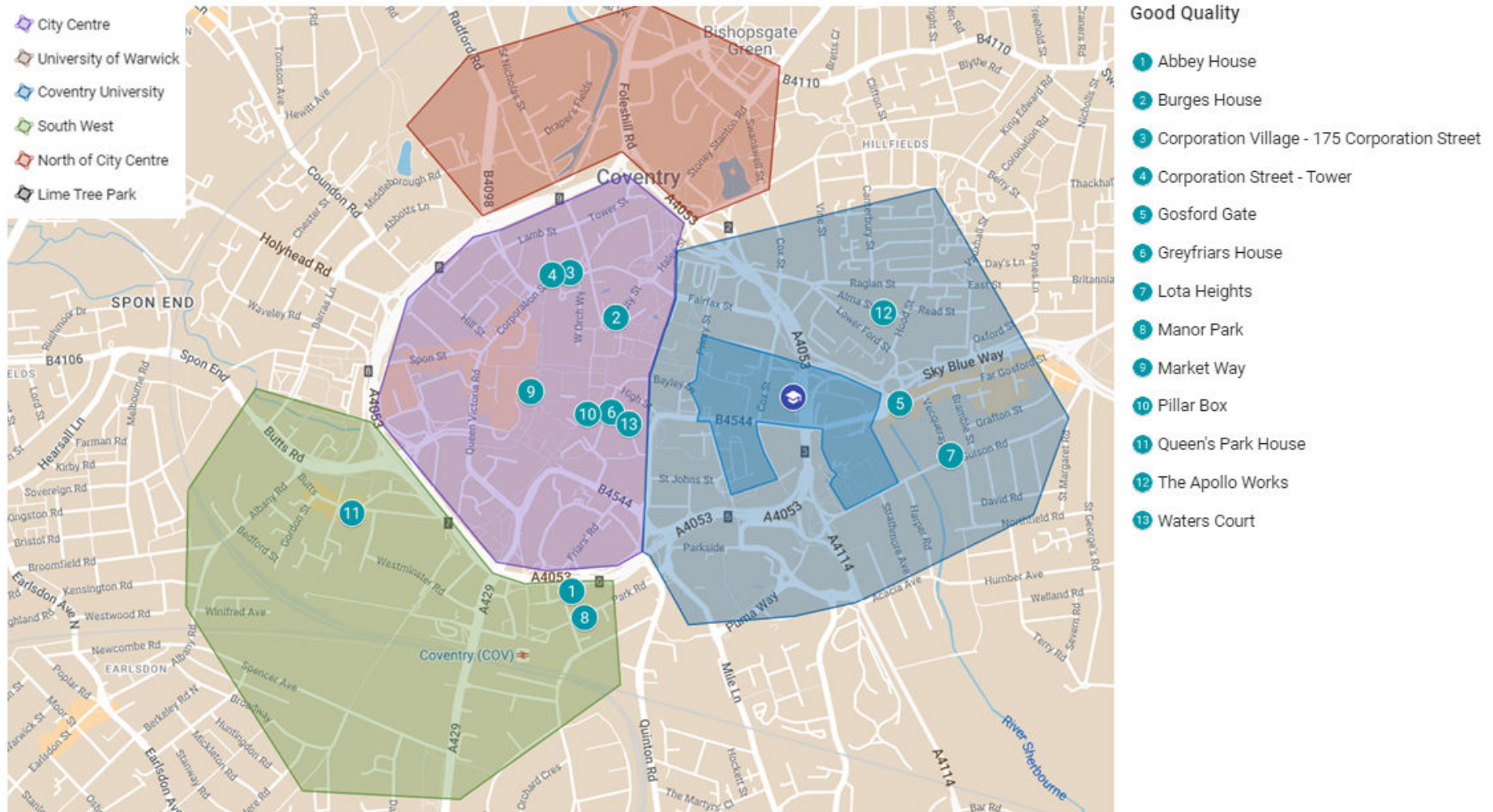
- 4.31 The low-quality private sector schemes are located primarily in the City Centre and near Coventry University. Given the Coventry market is well established, many of these schemes were built prior to 2000.
- 4.32 Schemes that are of a Good or High quality are generally located in the City Centre and Coventry University where much of the recent development has taken place. The location of recent developments reflects trends Cushman & Wakefield has observed nationally, with students wishing to live as close to their place of study as possible.
- 4.33 Cushman & Wakefield have identified two schemes in the Coventry market as truly premium (i.e., rated 5/5 for both room and facilities). Cannon Park and Copper Towers, both operated by Vita Student, opened in 2022 and 2023, respectively. The former scheme is located adjacent to the University of Warwick’s main campus, whilst the latter scheme is based in the City Centre. Both schemes offer an extensive range of amenities in line with the Vita brand including a gym, study rooms, private dining, yoga room, basketball court and general communal spaces. Weekly rent starts from £198 for a studio in Copper Towers to £558 for two-bedroom flat.

Figure 4.9: Private Sector Poor Quality and Basic Quality Facilities Schemes by Location 2023/24



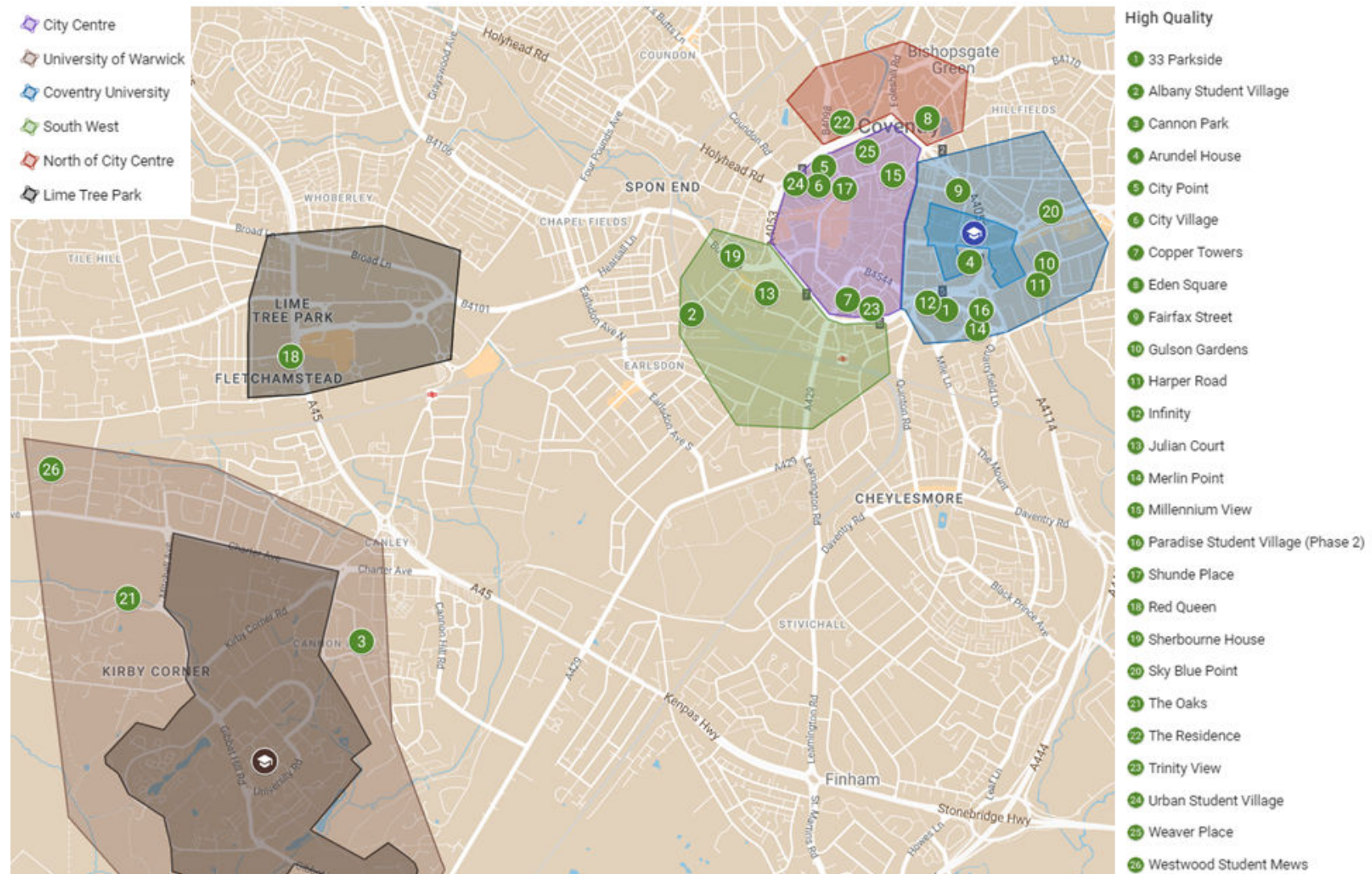
Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

Figure 4.10: Private Sector Good Quality Facilities Schemes by Location 2023/24



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

Figure 4.11: Private Sector High Quality and Premium Quality Facilities Schemes by Location 2023/24



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

Development Pipeline

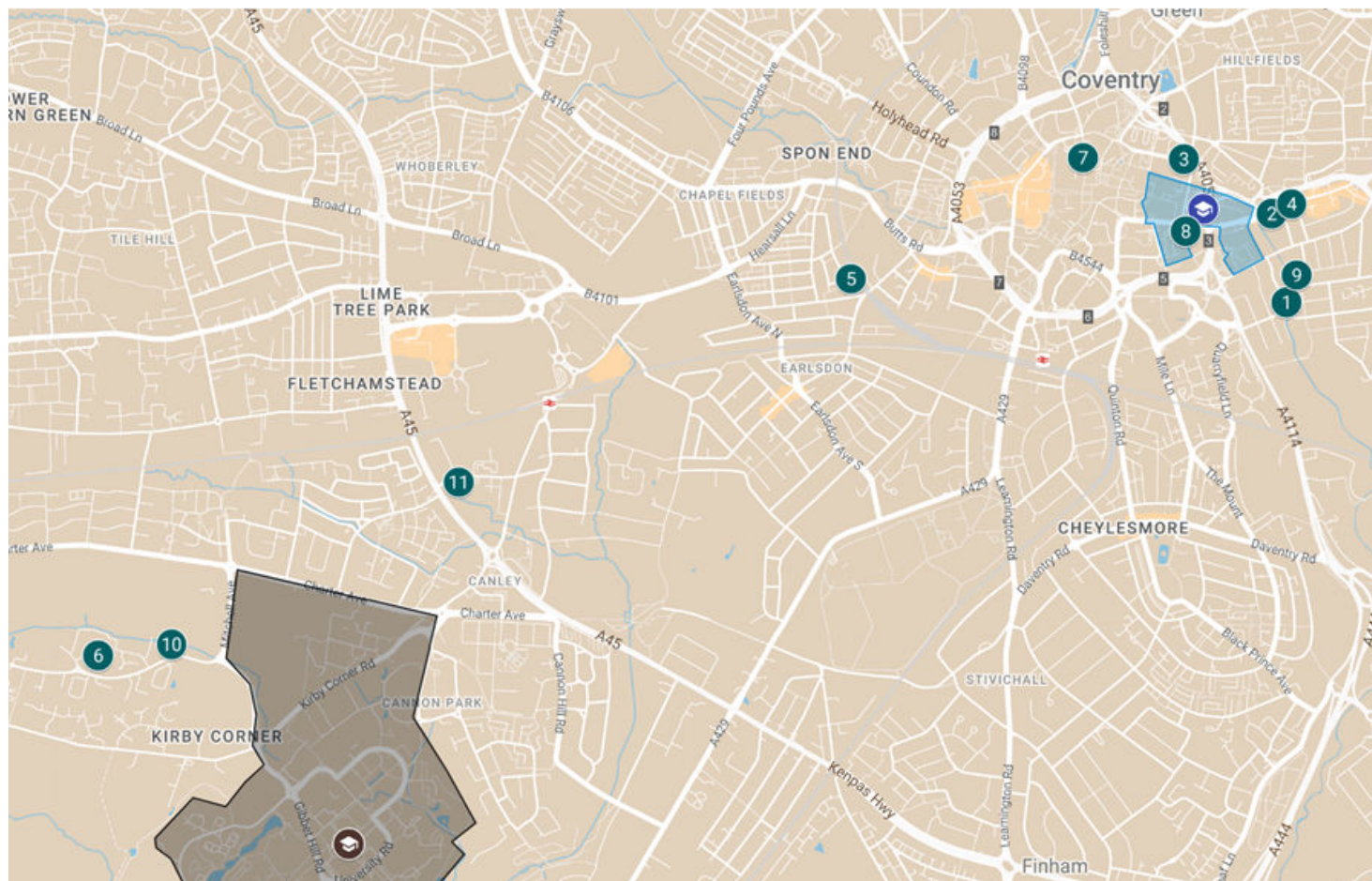
- 4.34 As of March 2024, there are a total of 2,970 purpose-built student beds in the development pipeline, of which 2,612 have received planning consent, with the remainder still to be determined. The number of beds in the pipeline has decreased from previous years. There are no anticipated deliveries for 2024/25, although Singer Hall is set to re-enter the market following refurbishment. Circa 530 beds in the pipeline could open in the 2025/26 academic year subject to no changes or delays in the planning process.
- 4.35 As it currently stands, 64% of all approved beds are set to be studio rooms. This is a considerable proportion in both a national and regional context. A large proportion of these studio beds are part of the proposed scheme on Fairfax Street by Code Student, which will see 874 studio beds enter the market.
- 4.36 In terms of overall scale, the largest scheme proposed is the 1,078-bed development at Westwood Business Park by McLaren, close to the University of Warwick. This scheme is being designed as a mixed-use scheme with 131 beds also set to open as co-living accommodation. A full breakdown of the proposed schemes can be seen overleaf.
- 4.37 Proposed development is predominantly located closest to the campuses, highlighting the importance of location being a deciding factor for both developers and students alike within Coventry's established PBSA market. The areas surrounding the University of Warwick and Coventry University are subject to the most development with a total of 1,522 and 1,293 beds proposed, respectively. Both areas contain just under 1,300 beds which have been approved. The remaining proposed beds are located in the City Centre and south west of the City Centre, accounting for a minority of the overall development pipeline. The location of schemes proposed are depicted in the map overleaf.

Table 4.2: Development Pipeline, Coventry

Address	Postcode	Planning Reference	Application Date	Status	Number of beds	Studios	Clusters	Applicant	Anticipated Opening
Kebrell Nuts and Bolts Ltd, Harper Road	CV1 2AP	FUL/2018/1713	Jul-18	Approved	89	5	84	Charterhouse Estates Ltd	Apr-26
152 Far Gosford Street	CV1 5DU	FUL/2020/0640	Mar-20	Approved	60	60	0	n/a	Oct-25
Former Gala Bingo, Fairfax Street	CV1 5GA	FUL/2020/1421	Jun-20	Approved	874	874	0	Code Student Accommodation	Jul-28
150 Far Gosford Street	CV1 5DU	FUL/2021/1734	Jun-21	Approved	100	37	63	Beauford Developments Ltd	Apr-25
Argyle House, Collingwood Road	CV5 6HW	FUL/2021/3316	Nov-21	Submitted	110	110	0	The Chesterfield Partnership	Aug-26
Land at Avon House, Swift House, Longwood Close, Westwood Business Park	CV4 8HZ	FM/2022/0980	Apr-22	Approved	1,078	365	713	McLaren (Torwood Close) Ltd and Vintage Capital No.2 Ltd	Mar-26
22 - 25 Cross Cheaping	CV1 1HF	RM/2022/2875	Oct-22	Approved	45	0	45	HAD & Co Property Consultants Ltd	Jul-25
76 Whitefriars Street	CV1 2DS	PL/2023/0000003/FUL	Feb-23	Approved	40	0	40	n/a	Jan-29
Mills Forgings Ltd, Charterhouse Road	CV1 2BJ	PL/2023/0001042/FULM	May-23	Approved	130	130	0	SAMA Investments Ltd	Nov-25
2 The Oaks, Westwood Way, Westwood Business Park	CV4 8JB	PL/2023/0001191/FULM	Jun-23	Submitted	248	103	145	Greystar/Student Roost	Aug-26
Brookside House, Burnsall Road	CV5 6BU	PL/2023/0000460/FUL	Mar-23	Approved	196	196	0	DR2H Ltd	Apr-25

Source: Coventry City Council, March 2024

Figure 4.12: Location of proposed schemes in Coventry



- 1 Charterhouse Estates Ltd
- 2 152 Far Gosford Street
- 3 Code Student Accommodation
- 4 Beauford Developments Ltd
- 5 The Chesterfield Partnership
- 6 McLaren
- 7 HAD & Co Property Consultants Ltd
- 8 Private Individual (76 Whitefriars Street)
- 9 SAMA Investments Ltd
- 10 Greystar/Student Roost
- 11 DR2H Ltd
- University of Warwick
- Coventry University

Source: Google Maps adapted by Cushman & Wakefield

Discounting and Incentives

- 4.38 Discounting has become a popular method for incentivising students in the form of cashback, free gifts and vouchers, referral and group booking discounts, and even some weeks rent free. In order to encourage occupancy among international students, several operators are also offering flexible start dates and short stays, as well as free cancellation for students who do not get a visa or the grades they need to secure a place at university. For instance, Homes for Students, Prestige Student Living, Universal Student Living (all of which are under the same umbrella) as well as Host Students and AXO Student Living and have been advertising “no place, no pay” and “no visa, no pay” across all of their accommodation.
- 4.39 The Coventry market in particular has been subject to heavy discounting, indicative of the struggles for providers to fill all of their rooms. Cushman & Wakefield has identified a total of 16 schemes in the market offering cashback between £100 and £500 per booking. Six schemes of these schemes offer the choice of cashback or a free bus pass for the University of Warwick. Additionally, twelve schemes offer referral incentives between £150 and £350, with a further five schemes offering group booking discounts. These trends are indicative of “oversupply” and difficulties in delivering high levels of occupancy.
- 4.40 Arguably, the most generous discounts and incentives have been offered at Trinity View, operated by Prime Student Living. At the time of writing, the scheme is offering a £600 discount expiring at the end of March, a free bus pass, £100 referral and free dual occupancy. The scheme can be considered a good example of a development in a slightly peripheral location but one that offers a high-end experience (reflected in its rents). Canvas Student also offers a range of additional incentives specifically at their Coventry schemes (Arundel House and City Point) including a £50 grocery voucher for group bookings, a £100 laundry card and Netflix subscription with any en-suite booking. These initiatives were likely introduced as their accommodation was initially positioned at a high price point. It is worth mentioning that a number of schemes in the market are advertised on booking.com for non-students during the summer, including Canvas’ Coventry accommodation.
- 4.41 Cushman & Wakefield has calculated just over 2,900 rooms which have reduced rents from their initial early Q3 rent, and a further 338 rooms which have reduced their rent from the early bird rate. This discounting is indicative of market difficulties and unfilled bed spaces. Out of the total 2,911 beds that have been discounted, 43% beds are located around Coventry University, with a further 33% based near the University of Warwick campus. Schemes at risk will be explored in more detail in the following section.
- 4.42 It should be acknowledged that most markets tend to see a number of operators discounting their rents since the start of the academic year. Birmingham has experienced the most discounting in terms of the quantity of rooms, whilst the number of discounted beds in Coventry remains marginally below the average number of the peer group.
- 4.43 It should be noted that the PBSA sector behaves differently in the fact that occupancy data is not revealed and tracked as in other sectors (e.g., hotels). At the time of writing, the situation is still fluid and we are aware of many institutions expecting limited growth or and revising their student population forecasts, particularly given the changes in student visas for international students.

Schemes at Risk

- 4.44 As a result of market conditions outlined in this study, it is clear that over time some accommodation schemes will be at risk of continued occupancy issues and these occupancy issues may ultimately lead to owners seeking to change the use of the property from PBSA. This section examines schemes which have recently changed use, and which schemes we believe may be at risk.
- 4.45 At risk schemes fall into two categories; low-quality stock which has not been maintained or refurbished and is therefore unable to compete with newer accommodation in terms of offering students 'value for money'; and secondly poorly located schemes which are unattractive to students due to the high number of bed spaces available in the city within a 10-minute walk of campus.

Low-Quality Schemes

- 4.46 The City Council is receiving an increase in applications to convert PBSA, either in full or in part, into non-student residential accommodation such as serviced accommodation and large-scale Government temporary accommodation. For the 2023/24 academic year, Cushman & Wakefield has identified the following the schemes as no longer open as PBSA or converted to alternative uses:
- Apollo House (Essential Student Living)
 - Broad Lane House (AXO Student Living)
 - Casselden House (Apps Living)
- 4.47 The schemes listed above were rated as poor or low quality according to Cushman & Wakefield's national quality assessment. In August 2023, it was revealed that Apollo House was forced to close before the start of the academic year due to financial constraints, with plans to turn the block into temporary accommodation. Casselden House also appears closed following previous applications to temporarily change uses until 2022 due to a drop in demand. Arguably, these closures can be attributed to a poor-quality offering (in terms of the room and communal areas) in a competitive marketplace.
- 4.48 In terms of schemes currently in the market, we have identified the following schemes as being the most currently at risk based on the quality of accommodation currently on offer:
- Fortress House (Apps Living)
 - Calcott Ten (Homes for Students)
 - Corporation Village (Collegiate AC)
 - Raglan House (Unite Students)
- 4.49 Of these schemes, Fortress House is likely to be the most at risk due to the operators' other recent closures and its lack of national brand recognition. The 55-bed scheme has seen rents fall between 15% and 39% within the last year.
- 4.50 Corporation Village is currently advertised on booking.com for non-students during the summer, indicative that the intake is largely undergraduate (and that the provider is struggling to achieve

occupancy for the full year). The scheme has also increased its undergraduate lease length from 43 to 44 as a way to boost annual rental income.

- 4.51 While Raglan House is currently rated a 2/5 for both room and amenities quality, Unite Students regularly refreshes developments in portfolio. Despite Raglan House offering lower quality than average, two of the three rooms available have increased rents by 2% and 6% since last year, respectively.
- 4.52 Calcott Ten could also be at risk due to lower quality rooms. The 736-bed scheme is operated by Homes for Students and has seen continuous rental decreases from around 2021/22, including decreases of 4% to 9% since 2022/23. Despite its prime location next to Coventry University’s campus, the scheme is rated a 2/5 in terms of room quality and 3/5 for amenities, positioning it as a less attractive option in the market.

Table 4.3: Low-Quality Schemes Potentially at Risk, 2023

Block Name	Operator	Postcode	Block new for	Number of beds in Block 2023	Room Quality (1 - 5)	Facilities/ Amenities Quality (1 - 5)	Facilities/ Communal Spec	Room Type by Category	Weekly Rent 2023	Let Length 2023	Annual Rent 2023
Corporation Village - 165 Corporation Street	Collegiate AC	CV1 1GU	2012	160	2	2	Common Room	Studio	£159	44	£6,996
								Studio	£149	51	£7,599
								Studio	£164	44	£7,216
								Studio	£154	51	£7,854
								Studio	£159	44	£6,996
								Studio	£159	51	£8,109
								Studio	£174	51	£8,874
Raglan House	Unite Students	CV1 5QF	2007-2012	212	2	2	Common Room	En-suite	£100	40	£4,000
								En-suite	£94	49	£4,606
								En-suite	£94	51	£4,794
								En-suite	£123	40	£4,920
								En-suite	£114	51	£5,814
Fortress House	Apps Living	CV1 1GF	Post-2010	55	2	3	Gym, Common Room, Games Area	Studio	£163	51	£8,313
								En-suite	£90	51	£4,590
								En-suite	£95	51	£4,845
								En-suite	£130	51	£6,630
								En-suite	£145	51	£7,395
Calcott Ten	Homes For Students	CV1 5DU	2000-2009	736	2	3	Common Room, Study Room	En-suite	£159	51	£8,109
								1 Bedroom Flat	£169	51	£8,619
								En-suite	£135	44	£5,940
								En-suite	£99	51	£5,049
								En-suite	£130	51	£6,630
								En-suite	£93	44	£4,092
								Studio	£189	51	£9,639
								En-suite	£93	51	£4,743
								En-suite	£105	51	£5,355
								En-suite	£110	44	£4,840
								En-suite	£105	44	£4,620
								Studio	£195	44	£8,580
								Studio	£190	51	£9,690
								1 Bedroom Flat	£220	44	£9,680
1 Bedroom Flat	£210	51	£10,710								
Standard	£172	51	£8,772								

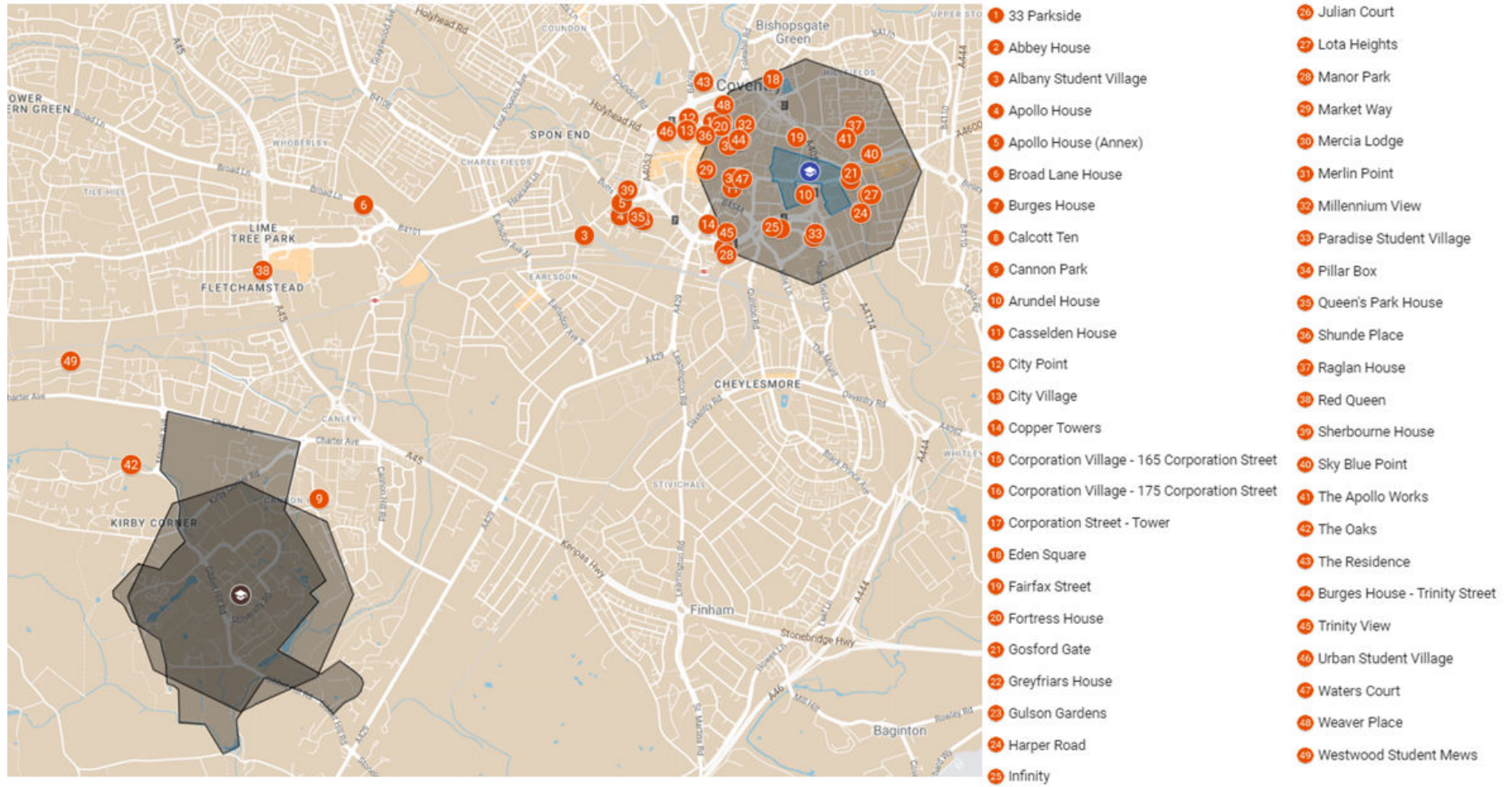
Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

- 4.53 In terms of the price of properties at this level, en-suite rents are generally competing with the HMO market in the City. If further occupancy issues begin to hit higher quality and better located PBSA developments and these schemes in turn seek to reduce their prices, it is likely that demand for purpose-built accommodation at this end of the market will be squeezed out, as students find they are able to secure a better-quality room for a similar price.

Poorly Located Schemes

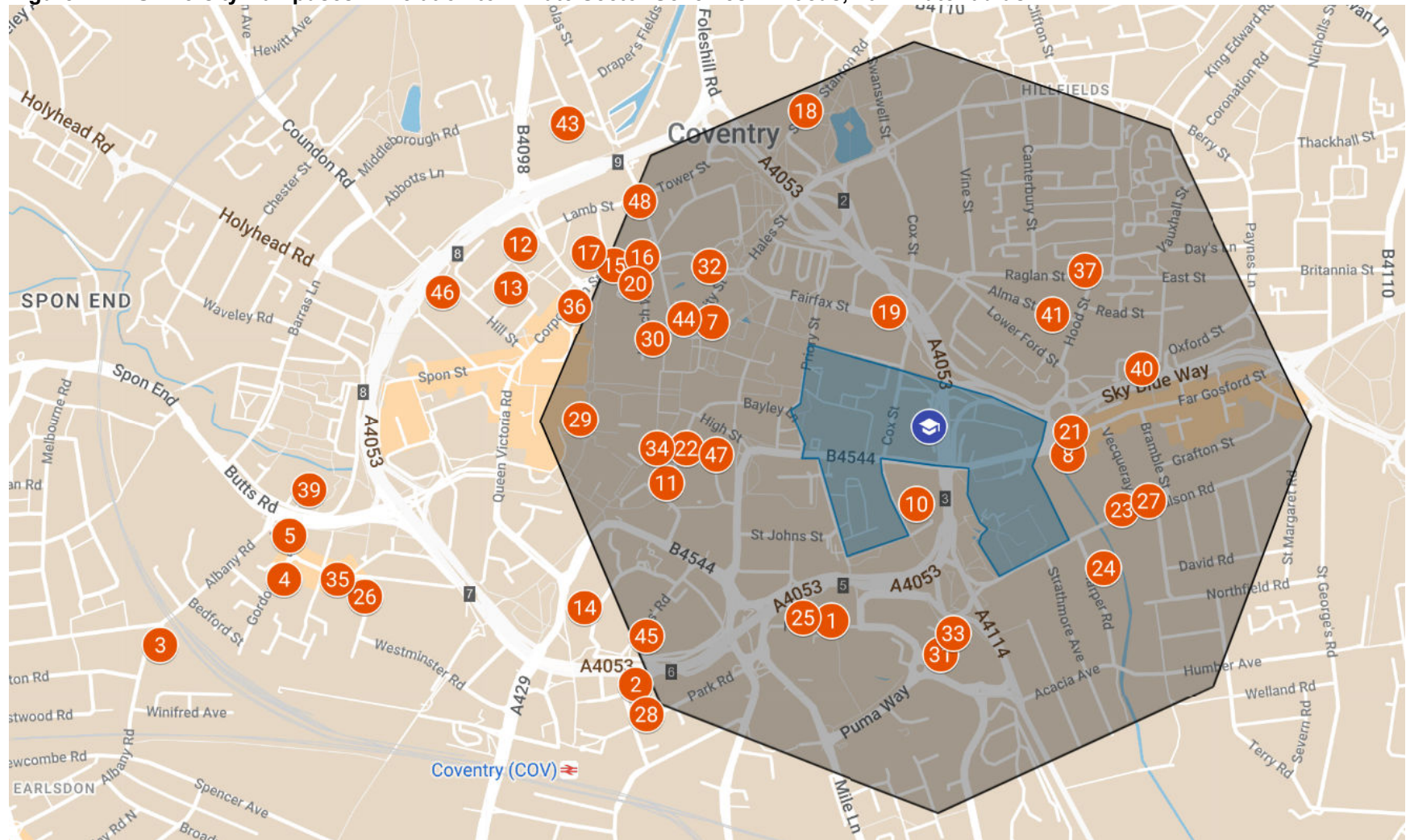
- 4.54 The map overleaf shows the location of private sector schemes in relation to both Coventry University and the University of Warwick, with the hexagons indicating a radius of 10 minutes walking distance from the centre of the respective campus.

Figure 4.13: University Campuses in Relation to Private Sector Schemes, 10-minute radius (See Figure 4.14 for Zoomed In Area)



Source: Cushman & Wakefield Student Accommodation Tracker 2023

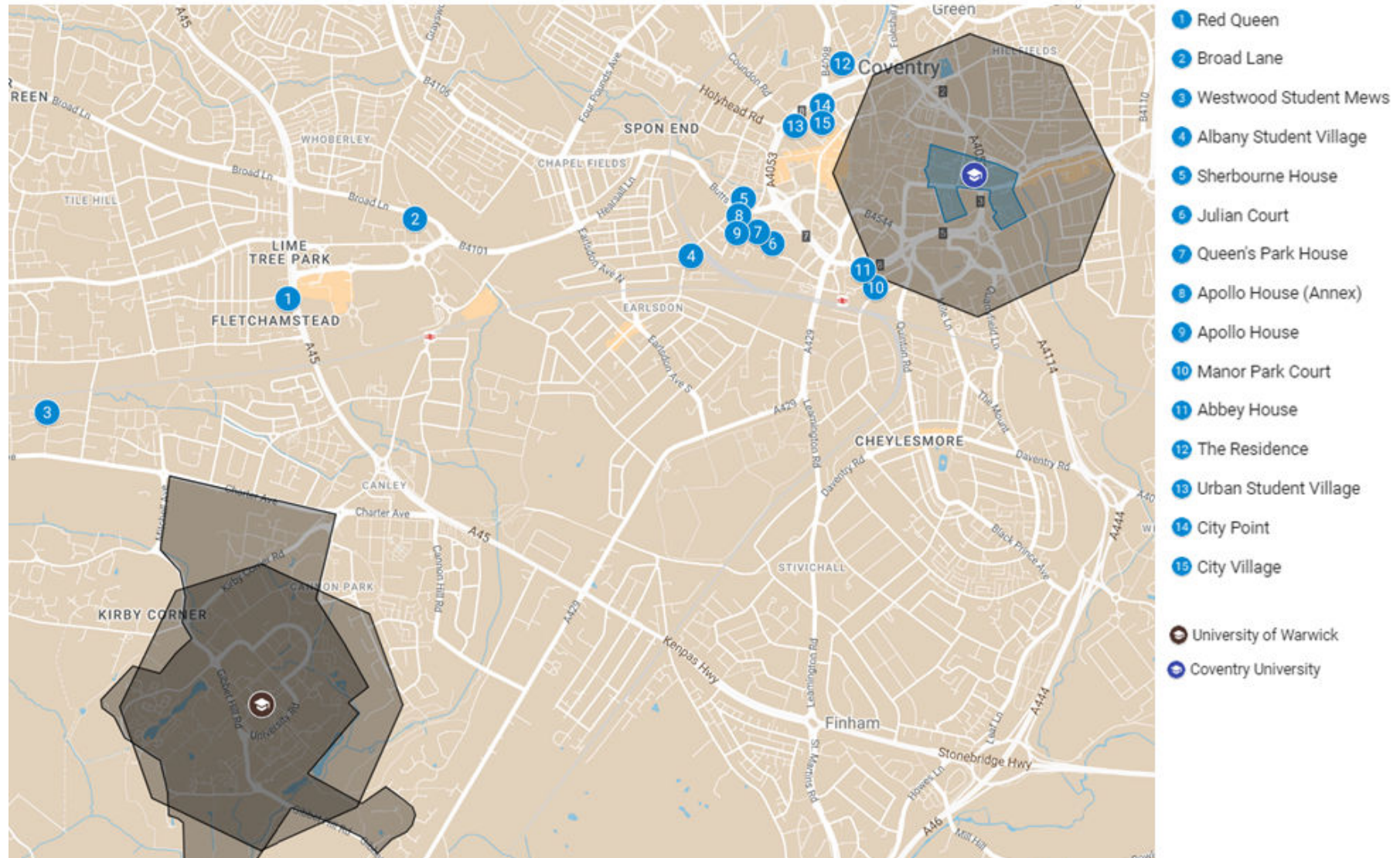
Figure 4.14: University Campuses in Relation to Private Sector Schemes In Focus, 10-minute radius



Source: Cushman & Wakefield Student Accommodation Tracker 2023

- 4.55 There are 18 existing purpose-built student accommodation schemes, accounting for 6,210 bed spaces, which do not fall within a 10-minute walking distance of campus. These schemes are competing with 9,463 bed spaces which are located within a 10-minute walk of one of the university campuses.
- 4.56 The map below shows these schemes outside of the 10-minute walking radius which Cushman & Wakefield would deem as being at risk of under occupancy in the future based on their location and levels of competition in the market. These schemes are likely to mitigate their risk if they offer a unique product with a high-quality offering. For example, Vita's Copper Towers falls just outside of the 10-minute radius, although the scheme is expected to continue to perform well given the differentiated product and brand recognition.
- 4.57 It is worth noting that some of these schemes including Broad Lane House and Apollo House have indeed closed this year.

Figure 4.15: Private Sector Schemes Outside of 10-minute Walk Radius, With the Potential for Underoccupancy



Source: Cushman & Wakefield Student Accommodation Tracker 2023/24

4.58 Cushman & Wakefield has identified the following schemes as being at risk of under-occupancy based on location and quality in the coming years. All schemes are located outside of a 10-minute walk of one of the City's universities and all are rated by Cushman & Wakefield between 1-4 for either room and facilities quality (an analysis of our quality ratings is outlined in more detail below). While some of these schemes offer high quality rooms, the lack of facilities on-site could affect occupancy in the future. Communal and study spaces have become a critical part of student satisfaction, particularly in schemes which are located further away from the campus and all of its facilities. Schemes with high quality facilities and a range of communal areas have seen higher retention rates. As such, without the inclusion of these spaces, it is likely that these schemes will suffer occupancy issues in the coming years as a knock-on effect of falling rents in more recently developed, well located, high-quality schemes.

Table 4.4: At Risk Schemes based on Location & Quality

Block Name	Operator	Postcode	Block new for	Number of beds in Block 2023	Room Quality (1 - 5)	Facilities/ Amenities Quality (1 - 5)	Weekly Rent 2023	Let Length 2023	Annual Rent 2023
Julian Court	Mezzino	CV1 3EP	2018	66	4	1	£175	43	£7,525
							£170	47	£7,990
							£165	51	£8,415
							£180	43	£7,740
							£175	47	£8,225
							£170	51	£8,670
							£185	43	£7,955
							£180	47	£8,460
Manor Park	Apps Living	CV1 2FZ	Post 2010	104	3	1	£175	51	£8,925
							£190	51	£9,690
							£215	51	£10,965
							£380	51	£19,380
							£98	38	£3,724
							£98	40	£3,920
							£90	49	£4,410
							£90	51	£4,590
Queen's Park House	Unite Students	CV1 3GX	2002 (2017 refurb)	464	3	1	£163	51	£8,313
							£176	40	£7,040
							£166	49	£8,134
							£166	51	£8,466
							£142	43	£6,106
							£137	51	£6,987
							£148	43	£6,364
							£143	51	£7,293
Sherbourne House	AXO Student Living	CV1 3HZ	2017	213	4	2	£155	43	£6,665
							£150	51	£7,650
							£160	43	£6,880
							£155	51	£7,905
							£155	43	£6,665
							£150	51	£7,650
							£190	43	£8,170
							£185	51	£9,435

Source: Cushman & Wakefield Student Accommodation Tracker 2023/24



05

**UNIVERSITY
CONSULTATION**

5.0 University Consultation

5.1 As part of this Study, Cushman & Wakefield has consulted with the University of Warwick and Coventry University. The current and likely future performance of the two institutions has been crucial to our assessment of demand and the recommendations of this Study.

5.2 Below we summarise key points from our conversations, outlining key areas, including:

- Views on the market
- Future student profile
- Impacts on the market
- Student preferences

Table 5.1: University Consultation Summary

Consultation Area	Comment
Views on the market	<ul style="list-style-type: none"> • The Leamington Spa market has decreased in popularity in recent years • Evidence of University of Warwick students shifting closer to the City Centre • Evidence of increasing numbers of unfilled beds in the wider Coventry market • Sustained enquiries for last minute and emergency rooms at Coventry University • Trend of 2nd year returning students entering the HMO market before returning to university provided PBSA in their 3rd year • The HMO market has seemingly reduced as landlords are changing use to target different groups such as young professionals • Welfare and pastoral care considered a key differential for university provided accommodation and is therefore not seen as competition to the private sector • Occupancy across the universities' accommodation portfolios is high in 2023/24 • Fluctuations seen in Coventry University occupancy throughout the year thanks to semester lets and different intake times
Views on future policy	<ul style="list-style-type: none"> • Both local authorities face different challenges in terms of student housing; not a one size fits all approach • Despite concerns around student density in Leamington Spa, the local area relies on the presence of students; achieving the right balance is essential
Higher Education sector SWOT	<ul style="list-style-type: none"> • The market remains uncertain in terms of recruitment, largely due to the visa changes for international students bringing dependents with them • Coventry University is reviewing their corporate strategy so student number forecasts have been revised in line with the majority of institutions in the UK

Future Demand	<ul style="list-style-type: none">• Marginal growth expected at Coventry University and will not significantly impact PBSA demand• Stable student numbers are expected at the University of Warwick
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06

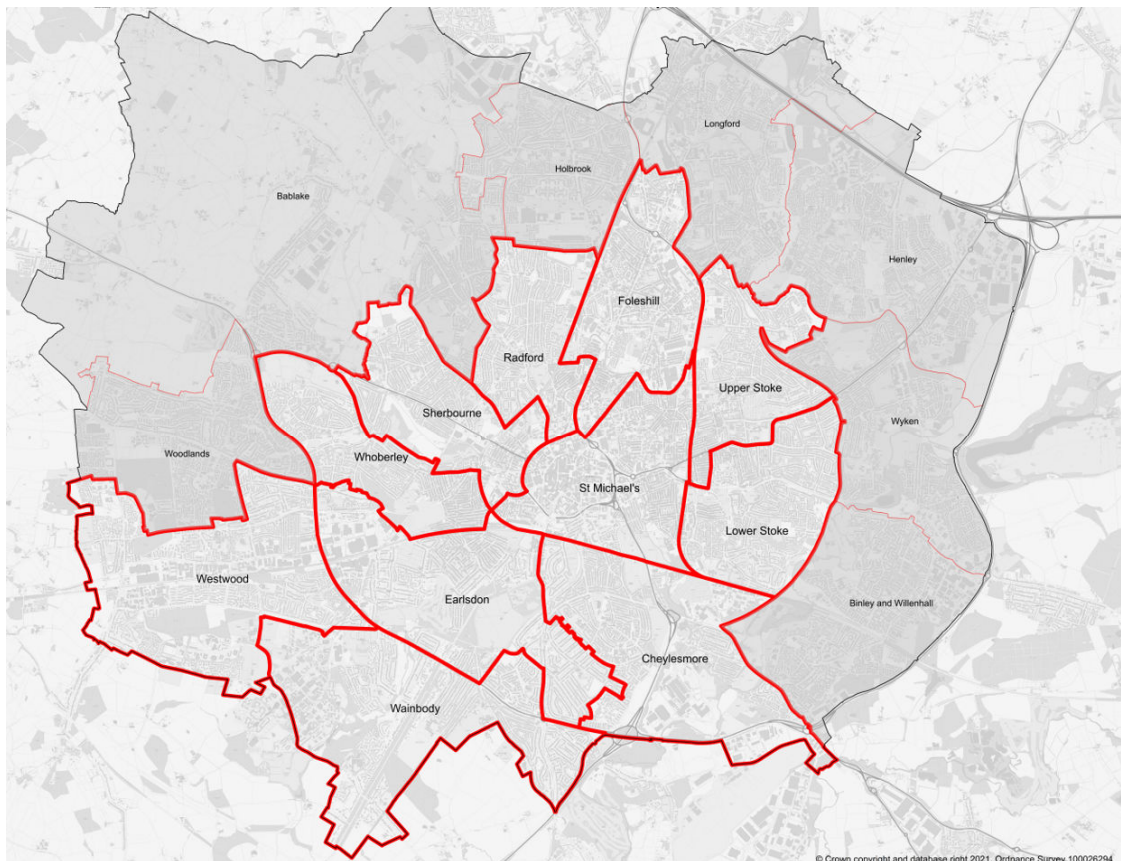
**PRIVATE RENTED
SECTOR**

6.0 Private Rented Housing

Houses in Multiple Occupation (HMOs)

- 6.1 Coventry City Council introduced an Article 4 Direction in September 2023, with the aim of reducing the proliferation of Houses in Multiple Occupation (HMOs) across eleven wards. The map below highlights the wards affected by the Article 4 Direction (Cheylesmore, Earlsdon, Foleshill, Lower Stoke, Radford, St. Michael's, Sherbourne, Wainbody, Whoberley, Westwood and Upper Stoke). Ultimately, the Article 4 Direction is trying to halt the “studentification” of the more popular student areas.
- 6.2 The Council has also produced updated policy on HMOs in the form of a Development Plan Document (DPD) that is currently in examination with the Planning Inspectorate. The DPD proposes the following policies in relation to concentrations/thresholds, sandwiching and design:
- HMO applications assessed if concentration within 100m is less than 10%, considering other policies in the DPD;
 - Avoid sandwiching non-HMO dwellings between two HMOs and prevent continuous frontage of three or more HMOs;
 - Premises suitable in location and size for intended households;
 - No adverse impact on neighbours' amenity or area character, including noise, disturbance, and historic assets;
 - Adequate room size, light, ventilation, and acoustic insulation for comfort;
 - Safe and secure external space with amenities like refuse storage and parking;
 - Refuse bin storage discreetly located within property curtilage;
 - Compliance with 'Secured By Design' standards expected.

Figure 6.1: Article 4 Wards, Coventry



Source: Coventry City Council

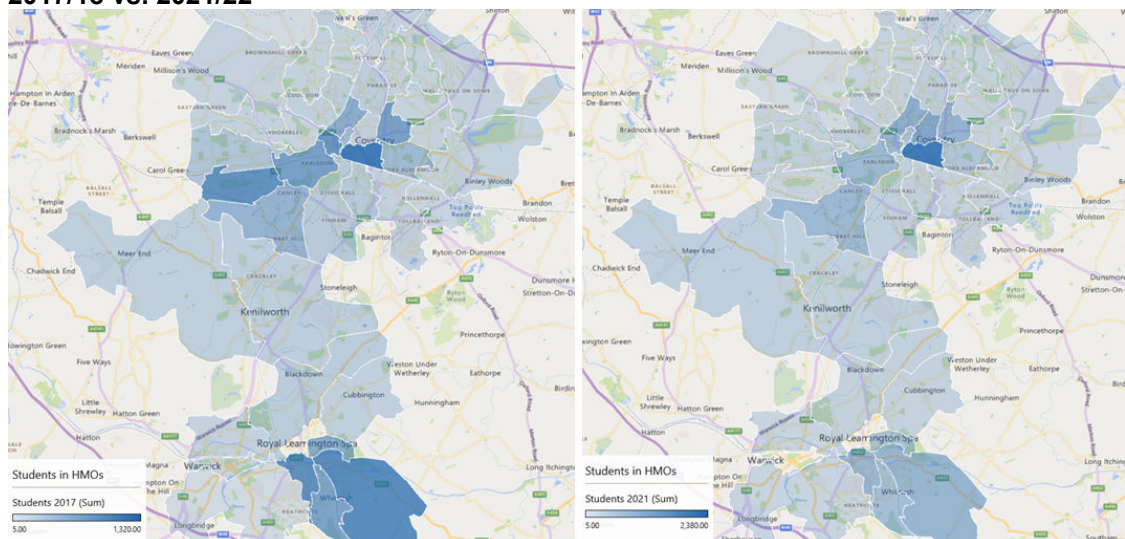
6.3 Warwick District Council introduced an Article 4 Direction in April 2012 which applies to the whole of Leamington Spa. The Council introduced this measure to limit the concentration of student HMOs in the area which is popular among students. Planning permission will only be granted for HMOs which abide by the following criteria:

- the proportion of dwelling units in multiple occupation (including the proposal) within a 100-metre radius of the application site does not exceed 10% of total dwelling units;
- the application site is within 400 metres walking distance of a bus stop;
- the proposal does not result in a non-HMO dwelling being sandwiched between two HMOs;
- the proposal does not lead to a continuous frontage of three or more HMOs;
- adequate provision is made for the storage of refuse containers.

6.4 However, the Council has made exceptions for applications where the site is located on the campus of the University of Warwick or Warwickshire College, or on a main thorough fare in a mixed use area where the proposal would not lead to an increase in activity along nearby residential streets.

6.5 The map below highlights the concentration of students residing in other rented accommodation (i.e. HMOs) between 2017/18 and 2021/22 (latest available HESA data). As can be seen, there has been an evident shift from popular student HMO areas such as Leamington Spa towards the City Centre. The four digit postcode 'CV1 2' remains the most populous postcode over the five year period, with a total of 2,380 students reported to be living here, compared to 1,320 students in 2017/18.

Figure 6.2: Change in concentration of students living in private rented accommodation, 2017/18 vs. 2021/22



Source: HESA 2017/18 - 2021/22

6.6 Despite the noticeable shift in student HMO areas, there were more students reported to be living in HMOs in 2021/22 than five years prior. In 2021/22, there were an estimated total of 13,870 students living in HMOs, up from 12,615 students in 2017/18. The following tables highlight the top 10 four digit postcodes which have seen the largest increase and decline in students reported to be living in them. Generally, the figures suggest that students are more inclined to live closer to their main campus. However, there is also evidence that a smaller proportion of students will continue commuting from further afield.

Table 6.1: Top 10 Postcodes with largest increase in students living in HMOs

Area	Postcode	Number of Students in HMOs		
		2017	2021	Difference
City Centre	CV1 2	1,320	2,380	1,060
Coventry University	CV1 5	740	1,180	440
North of City Centre	CV1 4	550	960	410
University of Warwick	CV4 8	980	1290	310
University of Warwick	CV4 7	460	690	230
City Centre	CV1 1	350	465	115
East of City Centre	CV2 4	745	840	95
North of City Centre	CV6 5	80	125	45
Kenilworth	CV8 1	60	90	30
NE Coventry	CV2 2	20	40	20

Source: HESA 2017/18 - 2021/22

Table 6.2: Top 10 Postcodes with largest decline in students living in HMOs

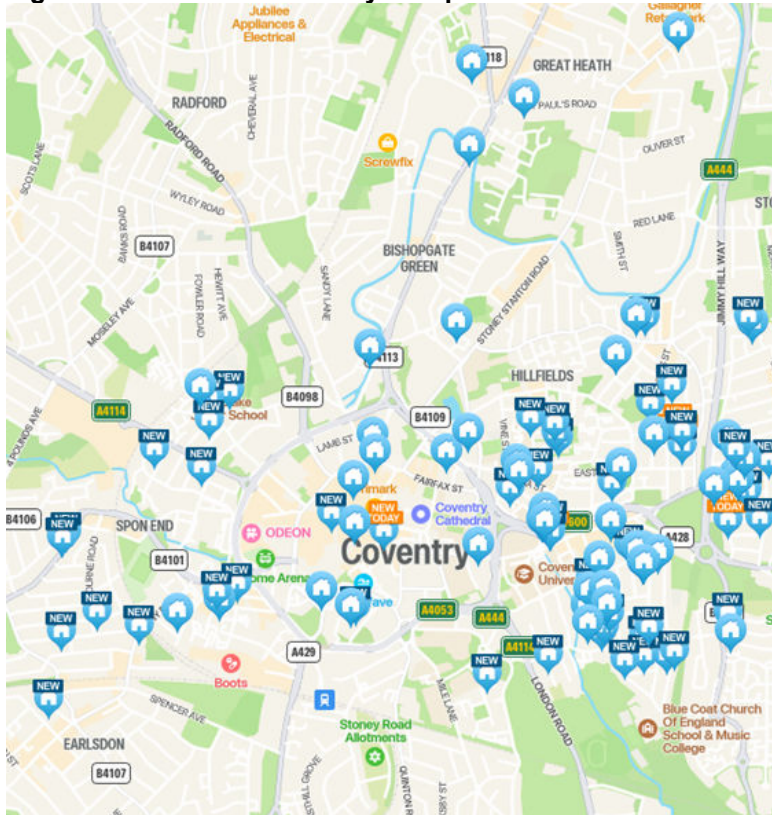
Area	Postcode	Number of Students in HMOs		
		2017	2021	Difference
Leamington Spa	CV31 1	1,070	790	-280
Leamington Spa	CV31 3	1,000	755	-245
Leamington Spa	CV31 2	700	545	-155
Leamington Spa	CV32 4	570	430	-140
Lime Tree Park	CV5 8	250	130	-120
Leamington Spa	CV32 5	585	465	-120
Lime Tree Park	CV4 9	200	105	-95
South West Coventry	CV1 3	900	805	-95
Lime Tree Park	CV5 6	750	685	-65
Radford	CV6 3	85	40	-45

Source: HESA 2017/18 - 2021/22

- 6.7 The HESA data mentioned above broadly corresponds to advertisements for private rented accommodation. Advertisements on Spareroom (a popular flatshare website) which target students regularly mention location and how far/near the distance is to the local universities.
- 6.8 The maps below shows the number of adverts targeted to students aged between 18-30 for a furnished room with bills included. As can be seen from the maps, there is a much higher concentration of accommodation available in Coventry surrounding Coventry University's main campus. As of March 2024, there is also a larger HMO presence around the University of Warwick with 48 properties shown on the map, compared to Leamington Spa with 19 rooms advertised (of course, these concentrations may vary between these areas during the academic year).
- 6.9 Our conversations with both universities have also reiterated this, suggesting that there has been a noticeable shift from students living in Leamington Spa to more central areas. The move towards the City Centre is indicative of a trend Cushman & Wakefield has observed in other cities, such as Manchester, where the development of well-located and competitively priced 'Build to Rent' (BTR) products has seen students who would usually demand a traditional private rented bed opting to live in a similarly appointed 2 bedroom flat in the private rented sector. The data above shows a similar trend is potentially starting to emerge in Coventry, with

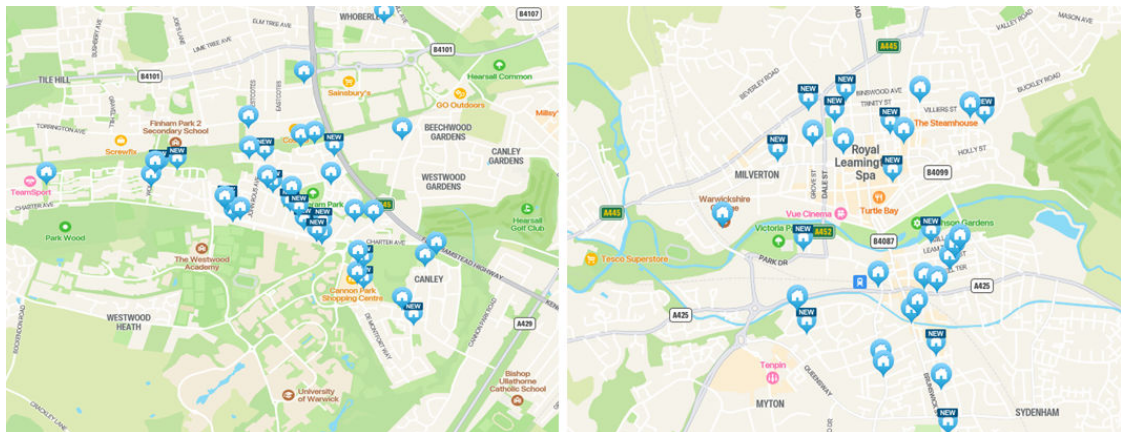
students moving away from traditional HMO areas into refurbished high-end HMO style living properties with high quality fixtures and fittings located in and around the City Centre.

Figure 6.3: HMOs in Coventry on Spareroom



Source: Spareroom.com

Figure 6.4: HMOs in Warwick vs. Leamington Spa on Spareroom

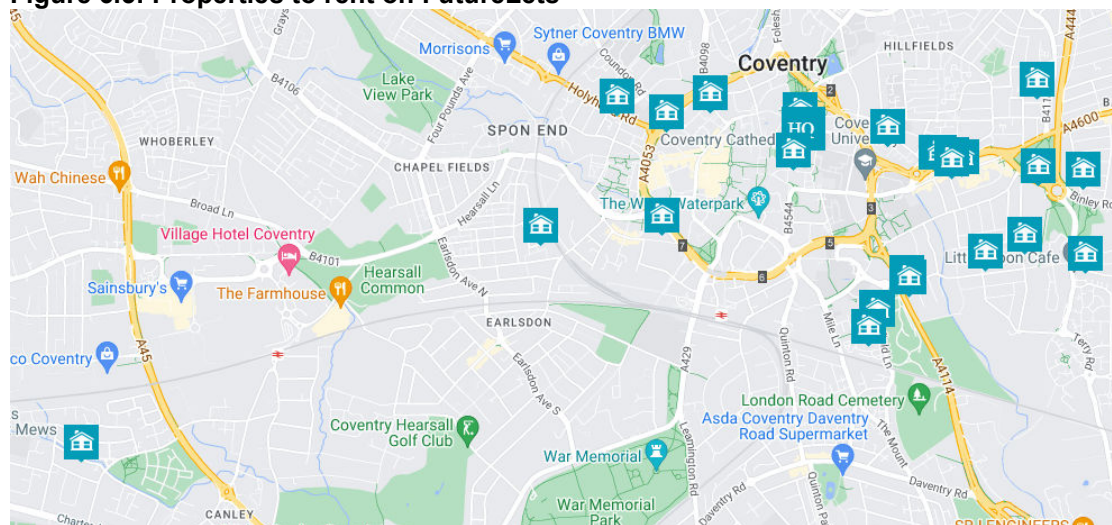


Source: Spareroom.com

- 6.10 Weekly rents in the market vary from £63 per week for a single room to £208 per week for a double room, both located in Leamington Spa. This results in a gross annual rent range of £3,300 to £10,800 assuming an average contract length of 52 weeks. Typically, weekly rents are dependent on the age and quality of the interior and general condition of the property.
- 6.11 Coventry University also offers private rented accommodation through their letting company, FutureLets. While FutureLets manages the university owned halls of residence, they also manage approved private providers throughout the city. There are currently 46 properties advertised at the time of writing. Rents start from £92 per week for a standard room (6 bedroom

house with 3 bathrooms) to £207 for a one bedroom flat. There is not a considerable price difference between HMOs and PBSA given the relative affordability of the PBSA sector in Coventry.

Figure 6.5: Properties to rent on FutureLets



Source: Coventry University

Change of Uses

- 6.12 Cushman & Wakefield has analysed data from Coventry City Council regarding the temporary and permanent change of use from purpose-built student accommodation or student HMOs. Overall, the Council has received 15 applications for temporary change of use since 2016, and a further 25 applications for permanent change of use. The permanent changes have led to 180 bed spaces leaving or set to leave the student HMO market, whilst 17 beds have also converted (or are due to be converted) from PBSA into other uses.
- 6.13 As can be seen in the map below, most of the HMOs which are due to permanently change use class are located on the periphery of the City Centre. This includes a particularly large concentration of properties located north west of the City Centre. Arguably, these changes can be attributed to lower demand for student accommodation in peripheral locations, in line with wider trends in the sector.
- 6.14 The impact of the COVID-19 pandemic on the demand for student housing saw a number of providers apply to temporarily change their use class in an effort to mitigate voids. This trend was predominantly seen in well established markets, such as Sheffield and Liverpool, which had already experienced occupancy issues thanks to intensive development. As such, between 2020 and 2021, Coventry City Council received ten applications for temporary change of use (although half were unsuccessful).
- 6.15 The Council has seen a further four applications for temporary change of use between 2022 and 2023, suggesting ongoing occupancy issues. Prestige Student Living has accounted for two of these at its 33 Parkside scheme, with the provider applying for temporary use of up to 80 studios as serviced accommodation until 2026, as well as a separate application for the summer months. Despite the scheme located on the doorstep of Coventry University, the high-end scheme currently advertises a number of incentives for the 2024/25 academic year, including free cancellation until 31st May, £250 cashback with a code and a free bus pass for the University of Warwick. The scheme is also offering short stays for the current academic year, suggesting it has not reached full occupancy. This follows a previous application for change of use in 2020 for 131 of its studios.

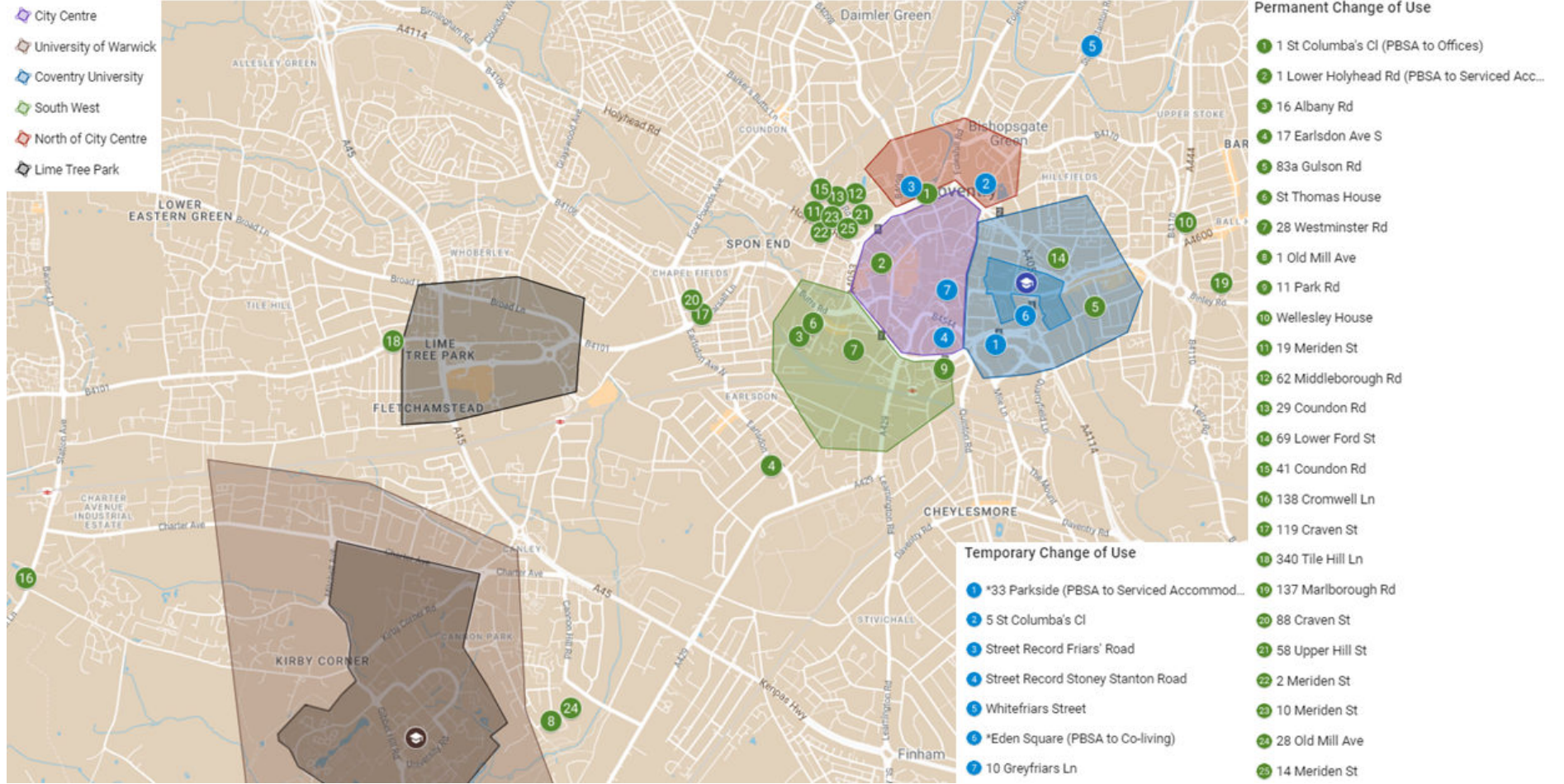
6.16 Notably, Prestige Student Living also applied for temporary change of use in 2021 for two blocks at its Eden Square scheme, located immediately north of the City Centre (outside of the ring road). Eden Square currently has the same incentives mentioned above for 2024/25, in addition to a 'flash sale' on a number of its en-suite rooms. The marketing strategy (shown below) also suggests that returning students are a key target market for the provider. Again, this is indicative of underoccupancy within the scheme.

Figure 6.6: Prestige Student Living, Marketing



Source: Prestige Student Living

Figure 6.7: Temporary and Permanent Change of Uses, HMOs and PBSA (all HMOs except where stated PBSA)

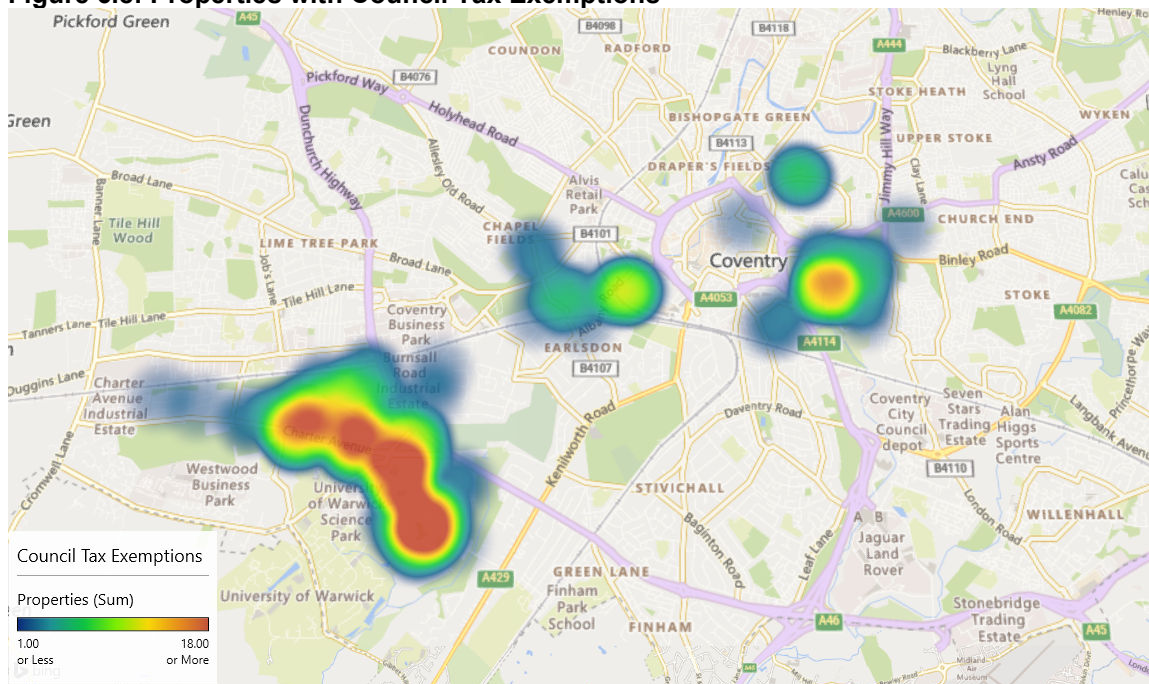


Source: Coventry City Council. *33 Parkside and Eden Square are operated by Prestige Student Living

Council Tax Exemptions

- 6.17 As part of this Study, Cushman & Wakefield has used Council Tax Exemption data provided by Coventry City Council to analyse key areas of the City housing students. Council Tax exemptions are prominent in the postcode areas CV4 (195 properties), CV1 (95 properties), CV5 (46 properties), CV2 (14 properties), CV3 (6 properties). Note that the data refers to properties as opposed to the number of students residing in each property. The most populous postcode is CV4 7AN, followed by CV1 2BN and CV4 7DH.

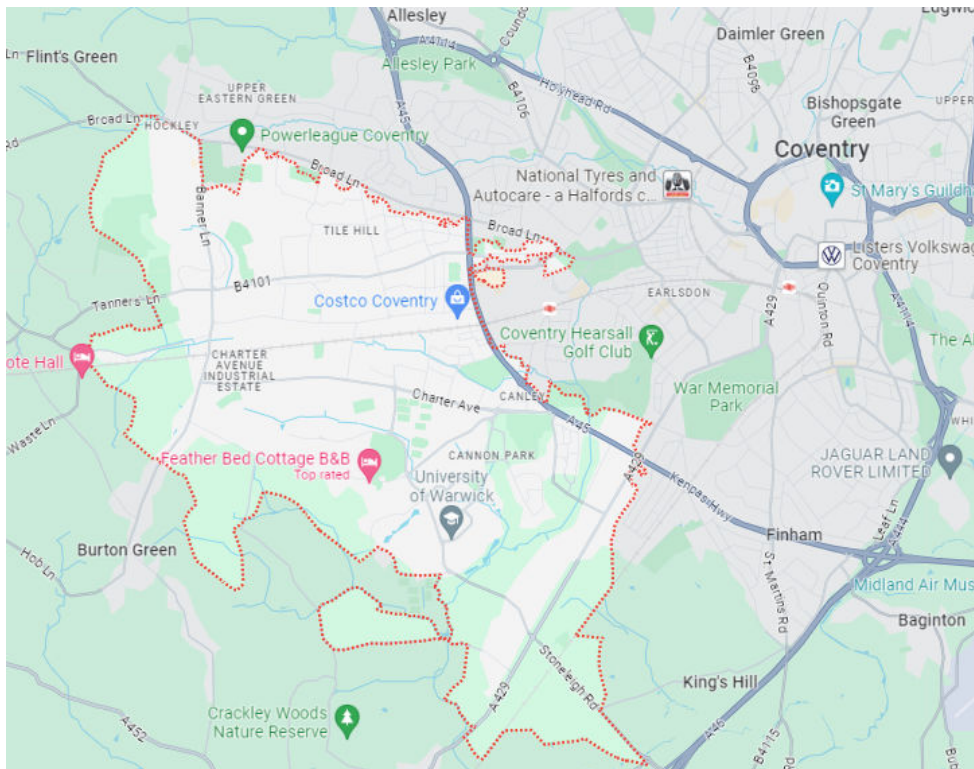
Figure 6.8: Properties with Council Tax Exemptions



Source: Coventry City Council

- 6.18 CV4 postcodes are located in and around the University of Warwick with a total number of 195 properties recorded in the Council Tax Exemption data from Coventry City Council. Of course, the scale of properties is reflective of the large returner market opting for flatshares and housing around the main campus, and to an extent, the limited private sector presence around the University.

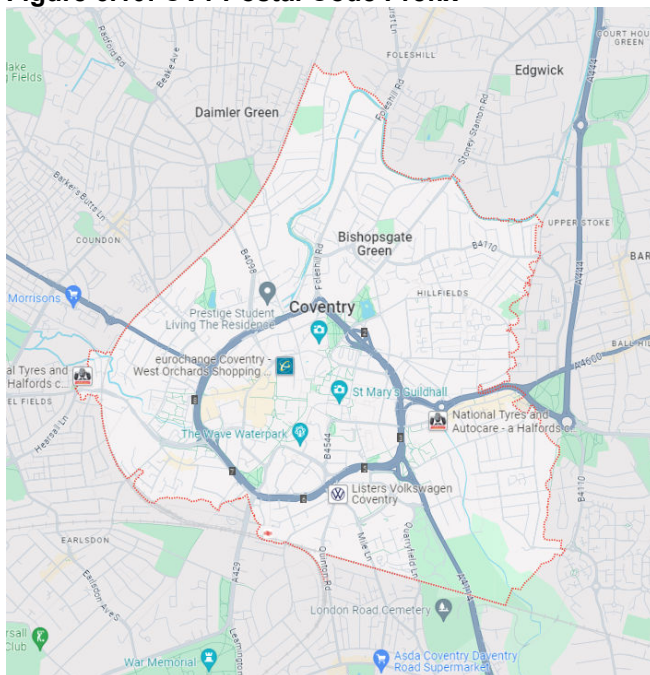
Figure 6.9: CV4 Postal Code Prefix



Source: Google Maps

- 6.19 CV1 postcodes, located in the city centre and Coventry University campus, account for 95 properties which have Council Tax exemptions, making it the second most common choice for students in HMOs or alternative accommodation. The location aligns with broader trends observed in the sector, where students typically favour residing within a 20-minute walking distance from their educational institution.

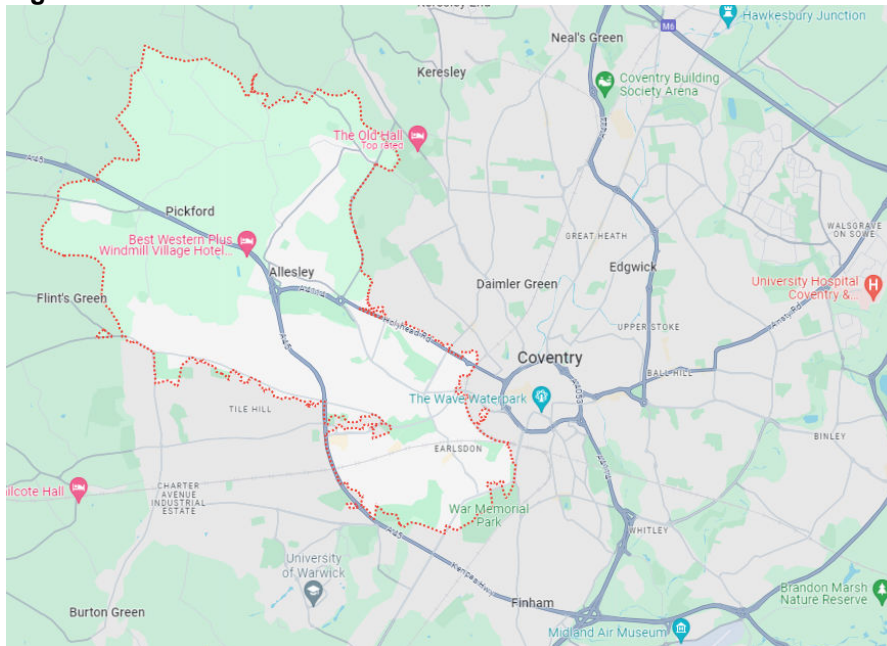
Figure 6.10: CV1 Postal Code Prefix



Source: Google Maps

- 6.20 The area between the University of Warwick and the City Centre, covering postcodes starting with CV5, accounts for 46 properties with Council Tax exemptions. This area which includes Lime Tree Park is likely to be an affordable place for students at the University of Warwick

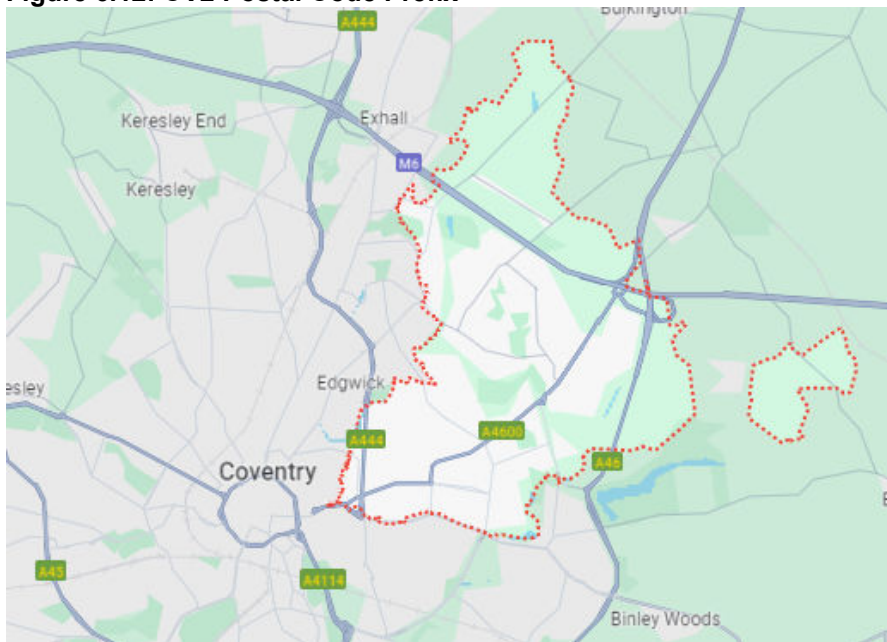
Figure 6.11: CV5 Postal Code Prefix



Source: Google Maps

- 6.21 The least concentrated areas with students are postcodes starting CV2 and CV3, reflected by the large areas in the maps below. There are a total of 20 properties located within these postcodes, indicative of student preferences to be closer to campus and a student community.

Figure 6.12: CV2 Postal Code Prefix



Source: Google Maps

Figure 6.13: CV3 Postal Code Prefix

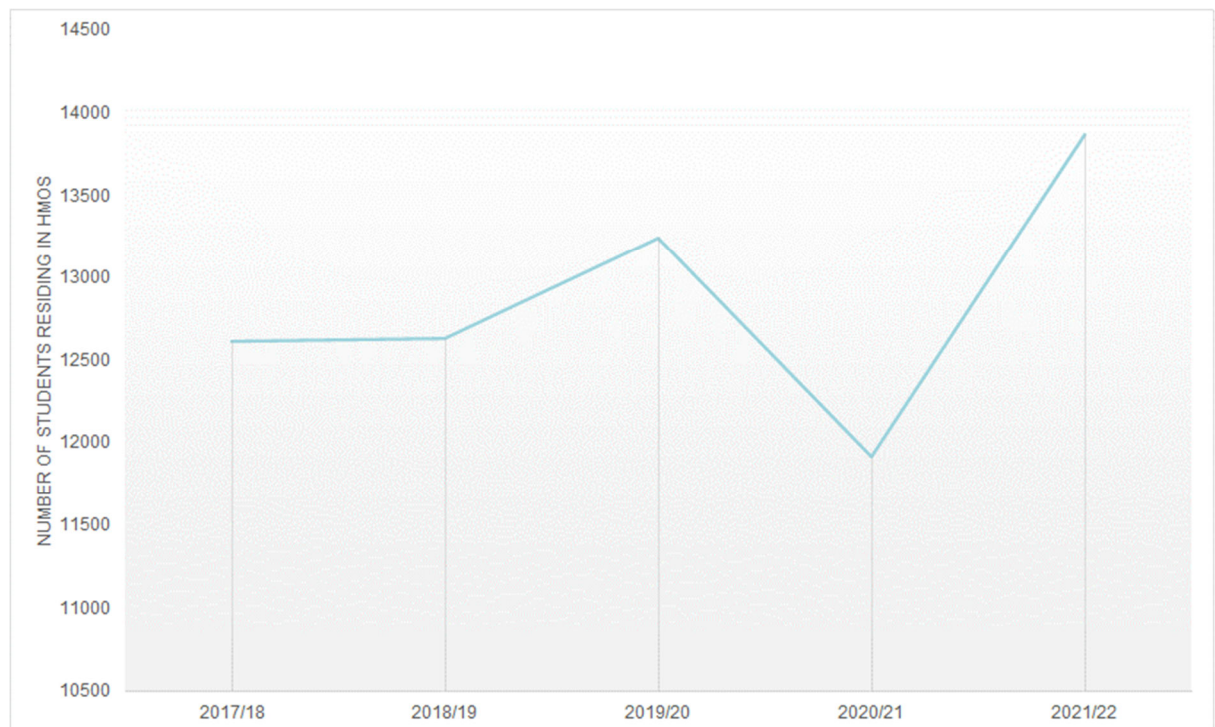


Source: Google Maps

Private Rented Accommodation

- 6.22 While most first year students live in purpose-built accommodation, returning students have shown a tendency to live in shared houses (at least for one year of their studies). According to HESA 2021/22, 13,870 students studying in Coventry reside in 'other accommodation', largely private rented Houses in Multiple Occupation (HMOs). Over time this figure has grown in line with the increasing demand pool, with the exception of a drop in students in 2020/21 (presumably as a result of the impact of the COVID-19 pandemic).

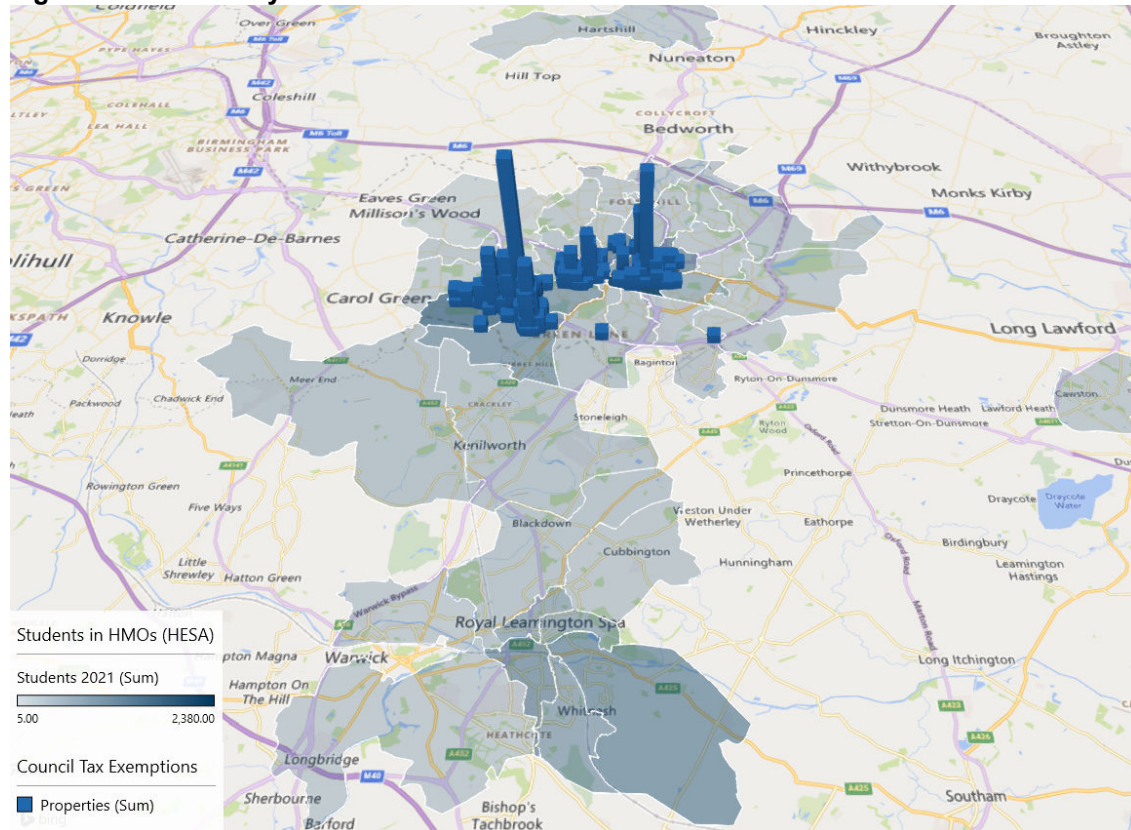
Figure 6.14: Number of Students Residing in HMOs 2017/18 to 2021/22, Coventry



Source: HESA 2017/18 to 2021/22

- 6.23 The map below shows the number of students reporting to live in private rented accommodation and Council Tax Student Exemption properties by location. The blue areas are representative of students reporting to live in each postcode, with the colour gradient of the circle corresponding to the number of students (HESA 2021/22), while the blue markers indicate Council Tax Student Exemption properties in 2023. The height of each marker corresponds to the number of properties in each postcode area.

Figure 6.15: HMOs by Location 2021/22



Source: HESA 2021/22, Coventry City Council

- 6.24 The number of students reporting to live in HMOs largely corresponds with the Council Tax exemption data. Large concentrations can be seen particularly near the University of Warwick and Coventry University. It is also interesting that the HESA data highlights students reporting to live in HMOs in a number of areas outside of the City Centre which have not been picked up by the Council Tax Student Exemption data. It should be noted that the Council Tax exemption data for Leamington Spa has not been included in the analysis as it comes under Warwick District Council.



07

**STUDENT TO BED
RATIOS**

7.0 Student to Bed Ratios Projections

Introduction

- 7.1 Key to this study and to future City Council policy relating to student accommodation is a true assessment of demand for bed spaces in Coventry both now and in the future. In the following section of this Study we determine the demand pool for accommodation in the City under a range of scenarios.
- 7.2 For over 15 years, Cushman & Wakefield have established a mechanism to accurately assess the number of students likely to demand a bed space – the ‘demand pool’. This figure is then calculated against the number of purpose-built beds in a particular area to create a ‘student to bed ratio’ (SBR). The C&W nationally observed average healthy student to bed ratio is 2.12:1. A low SBR would typically indicate relative ‘oversupply’ through major development in a location or falling student numbers; or in some cases a combination of both. Conversely, a market with an SBR in excess of 2.12:1 would imply a healthy level of demand for student accommodation with no obvious occupancy issues. While it does not account for all external influences (these are considered elsewhere throughout this report), the SBR provides a valuable insight into a market.
- 7.3 It should be recognised that thanks to the maturity of the market across the UK and a gradual migration (where supply allows) of students into purpose-built products from HMOs, city locations can typically tolerate a lower SBR than the national average. The average ratio in some city locations can stand as low 1.8:1 and this level can be considered a good indication of market health in mature city locations such as Coventry.

Demand Pools

- 7.4 In arriving at our demand pool, Cushman and Wakefield has excluded a number of students who are unlikely to demand accommodation on-campus. This includes a range of commuting students from the region not currently living in purpose-built accommodation (and that are unlikely to demand it), as well as students that are away from campus on a sandwich year. These calculations have been made in our usual manner and the methods are relied upon by funders and rating agencies in relation to on-campus partnership transactions across the UK, and in relation to the purchase of private sector schemes.
- 7.5 Given uncertainty in the market and to allow the City Council to make an informed decision on future policy, our calculations include a wide range of scenarios. These are based on consultations with the City’s universities and our experience of the market. Student numbers for 2022/23 and beyond are based on the extrapolation of HESA data.
- 7.6 The analysis below examines the projected demand pool for accommodation in the city to 2030/31 and assesses this against the current supply of accommodation available, and the impacts of planned beds in the development pipeline on total supply.

Scenarios

- 7.7 It should be noted that this analysis assumes two scenarios from a supply perspective: 1. That all approved beds in the pipeline are delivered, although this situation is deemed unlikely. Therefore, pipeline analysis can be considered an optimistic assessment of future supply; and 2. That no pipeline beds are delivered.

- 7.8 Given current market uncertainties in relation to student numbers as a result of changes to the international student visa system in January 2024, analysis considers the following scenarios from a demand perspective:
- **“Baseline Demand Pool”** A baseline scenario where there is no growth in student numbers from 2023;
 - **“Forecast Demand Pool”** A scenario based on the historic growth where there is growth in student numbers;
 - **“Downturn Demand Pool”** A scenario where there is a downturn in student numbers as a result of recent visa changes, before a recovery in student numbers.
- 7.9 Student to bed ratios are examined in all of the above scenarios, as well as in relation to the following:
- The number of beds that the market would have available in each year to arrive at the national average student to bed ratio (2.12:1)
 - The number of beds that the market would have available in each year to arrive at the peer group average student to bed ratio (2.05:1)
- 7.10 In terms of future supply and the potential impacts on ratios and market health, we have considered four scenarios:
- Total city-wide accommodation (with pipeline) – this considers total supply across the City with anticipated approved schemes of new beds to 2030
 - Total city-wide development (current supply) – this considers total supply across the City with no additional development
 - University of Warwick area development (with pipeline) – this considers total supply across the University of Warwick area with anticipated approved schemes of new beds to 2030
 - Coventry University area development (with pipeline) - this considers total supply across the Coventry University area with anticipated approved schemes of new beds to 2030

All year student to bed ratio

- 7.11 Analysis shows that the student to bed ratio city-wide in 2021/22 stood at 1.70:1, marginally below the 1.81:1 recorded in 2020/21 and below Cushman & Wakefield’s nationally-observed average ratio of 2.12:1. Under the Baseline Demand Pool where there is no growth in student numbers to 2030/31 and 2,612 pipeline beds are delivered to the market, the student to bed ratio would stand at 1.46:1 – significantly below both the current national average ratio of 2.12:1 and the peer group average of 2.05:1. Such a ratio would be almost unprecedented for a major UK market. If no pipeline beds were delivered over the period examined, the Baseline student to bed ratio would stand at 1.65:1, marginally below the 2021/22 level, and a level still far below peer and national averages.
- 7.12 If no pipeline beds were delivered over the period examined, the Baseline student to bed ratio would stand at 1.65:1, marginally below the 2021/22 level.
- 7.13 The ratios above are very different from those seen under the forecast demand pool, with the ratio in 2030/31 set to stand at 1.84:1 if approved pipeline beds were delivered, a healthier ratio in line with

major established markets albeit still below national and peer group averages. If no pipeline beds were delivered, the ratio would stand at 2.03:1 in 2030/31, in line with peer averages, and above the levels recorded in 2021/22 and 2022/23.

- 7.14 Under the Downturn Scenario, ratios would stand below the national and peer group averages under the scenario where pipeline beds were delivered. Under the scenario where no pipeline beds are brought to the market, the ratio would stand at 1.95:1 by 2030/31, absorbing all the existing supply.
- 7.15 The ratios above are indicative of the analysis earlier in this Study, which highlight the surplus stock in the market. Numbers required to arrive at national and peer group averages are examined in detail overleaf.
- 7.16 *It should be noted that at the time of writing this Study, both universities are uncertain as to potential international recruitment for the 2024/25 academic year. There is considerable uncertainty around international students' ability and willingness to come to the UK given the changes in student visas. Therefore, the unhealthy ratio in Coventry is likely to remain unhealthy in the future and is indicative of a position of oversupply in the market.*

Table 7.1: All-year student to bed ratio – Coventry, city-wide

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Coventry																			
Total full-time and sandwich students (HESA)	36,473	37,126	38,754	42,288	45,241	47,820	49,443	50,675	52,390	51,387									
From which																			
Deductions																			
<i>Students from the region*</i>	7,223	6,623	6,836	7,462	8,110	8,654	7,977	8,150	9,408	8,825									
<i>Others not in attendance</i>	0	0	0	0	0	0	657	563	892	1,178									
<i>Other domiciled sandwich students on placement</i>	200	220	340	250	265	275	235	0	0	0									
FORECAST DEMAND POOL	29,050	30,283	31,578	34,576	36,866	38,891	40,574	41,962	42,090	41,384	42,479	43,604	44,758	45,942	47,158	48,407	49,688	51,003	52,353
<i>% demand pool of all students</i>	79.6%	81.6%	81.5%	81.8%	81.5%	81.3%	82.1%	82.6%	80.3%	80.5%									
BASELINE DEMAND POOL										41,384	41,384	41,384	41,384	41,384	41,384	41,384	41,384	41,384	41,384
DOWNTURN DEMAND POOL										38,073	39,081	40,115	41,177	42,726	44,329	45,986	47,700	48,963	50,259
<i>Demand pool -10%</i>										37,246	38,231	39,243	40,282	41,348	42,443	43,566	44,719	45,903	47,118
<i>Demand pool +10%</i>										45,522	46,727	47,964	49,234	50,537	51,874	53,247	54,657	56,103	57,588
SUPPLY																			
Total Market Accommodation	10,300	10,756	10,686	10,968	11,504	13,073	17,404	19,700	23,263	24,351	25,244	25,777	25,777	26,308	27,475	27,475	28,349	28,389	28,389
STUDENT TO BED RATIOS																			
Coventry																			
Forecast Demand Pool SBR	2.82	2.82	2.96	3.15	3.20	2.97	2.33	2.13	1.81	1.70	1.68	1.69	1.74	1.75	1.72	1.76	1.75	1.80	1.84
<i>Students in private rented accommodation</i>	18,750	19,527	20,892	23,608	25,362	25,818	23,170	22,262	18,827	17,033	17,235	17,827	18,981	19,634	19,683	20,932	21,339	22,614	23,964
Baseline Demand Pool SBR											1.64	1.61	1.61	1.57	1.51	1.46	1.46	1.46	1.46
<i>Students in private rented accommodation</i>											15,607	15,607	15,076	13,909	13,909	13,035	12,995	12,995	12,995
Downturn Demand Pool SBR											1.55	1.56	1.60	1.62	1.61	1.67	1.68	1.72	1.77
<i>Students in private rented accommodation</i>											13,837	14,338	15,400	16,418	16,854	18,511	19,351	20,574	21,870
<i>SBR forecast -10%</i>											1.51	1.52	1.56	1.57	1.54	1.59	1.58	1.62	1.66
<i>SBR forecast +10%</i>											1.85	1.86	1.91	1.92	1.89	1.94	1.93	1.98	2.03
<i>SBR constant demand</i>											1.64	1.61	1.61	1.57	1.51	1.51	1.46	1.46	1.46
BEDS AT AVERAGE SBR (FORECAST POOL)											20,568	21,112	21,671	22,245	22,833	23,438	24,058	24,695	25,344
<i>Surplus/shortfall to Average (forecast pool)</i>											5,209	4,665	4,637	5,230	4,642	4,911	4,331	3,694	3,380
BEDS AT AVERAGE SBR (BASELINE POOL)											19,521	19,521	19,521	19,521	19,521	19,521	19,521	19,521	19,521
<i>Surplus/shortfall to Average (baseline pool)</i>											6,256	6,256	6,787	7,954	7,954	8,828	8,868	8,868	8,868
BEDS AT AVERAGE SBR (DOWNTURN POOL)											18,922	19,423	20,154	20,910	21,692	22,500	23,096	23,707	24,337
<i>Surplus/shortfall to Average (downturn pool)</i>											6,855	6,354	6,154	6,565	5,783	5,849	5,293	4,682	4,356
BEDS AT PEER AVERAGE SBR (FORECAST POOL)											21,270	21,833	22,411	23,004	23,613	24,238	24,879	25,538	26,214
<i>Surplus/shortfall to Average (forecast pool)</i>											4,507	3,944	3,897	4,471	3,862	4,111	3,510	2,851	2,550
BEDS AT PEER AVERAGE SBR (BASELINE POOL)											20,187	20,187	20,187	20,187	20,187	20,187	20,187	20,187	20,187
<i>Surplus/shortfall to Average (baseline pool)</i>											5,590	5,590	6,121	7,288	7,288	8,162	8,202	8,202	8,202
BEDS AT PEER AVERAGE SBR (DOWNTURN POOL)											19,568	20,086	20,842	21,624	22,432	23,268	23,884	24,516	25,164
<i>Surplus/shortfall to Average (downturn pool)</i>											6,209	5,691	5,466	5,851	5,043	5,081	4,505	3,873	3,516

Source: Cushman & Wakefield/HESA 2012/13 to 2021/22. Pipeline includes approved developments scheduled to be delivered by 2030, modelled student number forecasts based on two thirds of the average rate seen between 2012/13 and 2021/22

Table 7.2: All-year student to bed ratio, no pipeline – Coventry, city-wide

ALL YEARS	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Coventry																			
Total full-time and sandwich students (HESA)	36,473	37,126	38,754	42,288	45,241	47,820	49,443	50,675	52,390	51,387									
From which																			
Deductions																			
<i>Students from the region*</i>	7,223	6,623	6,836	7,462	8,110	8,654	7,977	8,150	9,408	8,825									
<i>Others not in attendance</i>	0	0	0	0	0	0	657	563	892	1,178									
<i>Other domiciled sandwich students on placement</i>	200	220	340	250	265	275	235	0	0	0									
FORECAST DEMAND POOL	29,050	30,283	31,578	34,576	36,866	38,891	40,574	41,962	42,090	41,384	42,479	43,604	44,758	45,942	47,158	48,407	49,688	51,003	52,353
<i>% demand pool of all students</i>	79.6%	81.6%	81.5%	81.8%	81.5%	81.3%	82.1%	82.8%	80.3%	80.5%									
BASELINE DEMAND POOL										41,384	41,384	41,384	41,384	41,384	41,384	41,384	41,384	41,384	41,384
DOWNTURN DEMAND POOL										38,073	39,081	40,115	41,177	42,726	44,329	45,986	47,700	48,963	50,259
<i>Demand pool -10%</i>										37,246	38,231	39,243	40,282	41,348	42,443	43,566	44,719	45,903	47,118
<i>Demand pool +10%</i>										45,522	46,727	47,964	49,234	50,537	51,874	53,247	54,657	56,103	57,588
SUPPLY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Market Accommodation	10,300	10,756	10,686	10,968	11,504	13,073	17,404	19,700	23,263	24,351	25,244	25,777	25,777	25,777	25,777	25,777	25,777	25,777	25,777
STUDENT TO BED RATIOS																			
Coventry																			
Forecast Demand Pool SBR	2.82	2.82	2.96	3.15	3.20	2.97	2.33	2.13	1.81	1.70	1.68	1.69	1.74	1.78	1.83	1.88	1.93	1.98	2.03
<i>Students in private rented accommodation</i>	18,750	19,527	20,892	23,608	25,362	25,818	23,170	22,262	18,827	17,033	17,235	17,827	18,981	20,165	21,381	22,630	23,911	25,226	26,576
Baseline Demand Pool SBR											1.64	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
<i>Students in private rented accommodation</i>											15,607	15,607	15,607	15,607	15,607	15,607	15,607	15,607	15,607
Downturn Demand Pool SBR											1.55	1.56	1.60	1.66	1.72	1.78	1.85	1.90	1.95
<i>Students in private rented accommodation</i>											13,837	14,338	15,400	16,949	18,552	20,209	21,923	23,186	24,482
<i>SBR forecast -10%</i>										1.51	1.52	1.56	1.60	1.65	1.69	1.73	1.78	1.83	
<i>SBR forecast +10%</i>										1.85	1.86	1.91	1.96	2.01	2.07	2.12	2.18	2.23	
<i>SBR constant demand</i>										1.64	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	
BEDS AT AVERAGE SBR (FORECAST POOL)											20,568	21,112	21,671	22,245	22,833	23,438	24,058	24,695	
<i>Surplus/shortfall to Average (forecast pool)</i>											5,209	4,665	4,106	3,532	2,944	2,339	1,719	1,082	
BEDS AT AVERAGE SBR (BASELINE POOL)											19,521	19,521	19,521	19,521	19,521	19,521	19,521	19,521	
<i>Surplus/shortfall to Average (baseline pool)</i>											6,256	6,256	6,256	6,256	6,256	6,256	6,256	6,256	
BEDS AT AVERAGE SBR (DOWNTURN POOL)											18,922	19,423	20,154	20,910	21,692	22,500	23,096	23,707	
<i>Surplus/shortfall to Average (downturn pool)</i>											6,855	6,354	5,623	4,867	4,085	3,277	2,681	2,070	
BEDS AT PEER AVERAGE SBR (FORECAST POOL)											21,270	21,833	22,411	23,004	23,613	24,238	24,879	25,538	
<i>Surplus/shortfall to Average (forecast pool)</i>											4,507	3,944	3,366	2,773	2,164	1,539	898	239	
BEDS AT PEER AVERAGE SBR (BASELINE POOL)											20,187	20,187	20,187	20,187	20,187	20,187	20,187	20,187	
<i>Surplus/shortfall to Average (baseline pool)</i>											5,590	5,590	5,590	5,590	5,590	5,590	5,590	5,590	
BEDS AT PEER AVERAGE SBR (DOWNTURN POOL)											19,568	20,086	20,842	21,624	22,432	23,268	23,884	24,516	
<i>Surplus/shortfall to Average (downturn pool)</i>											6,209	5,691	4,935	4,153	3,345	2,509	1,893	1,261	

Source: Cushman & Wakefield/HESA 2012/13 to 2021/22. Modelled pipeline forecasts continued development at the average rate seen between 2013/14 and 2021/22

- 7.17 Given the different locations of the universities and the distance between each campus, the areas in which the universities are based should also be considered as sub-markets. Therefore, Cushman & Wakefield has considered each area separately.
- 7.18 In terms of supply in the University of Warwick area, we have considered all existing and approved beds in the pipeline located around on and around the University, as well as Lime Tree Park. The Coventry University area comprises of existing and approved accommodation in the City Centre, around the campus, south west of the City Centre, and immediately north of the City Centre.

All Year Ratio, University of Warwick Area

- 7.19 Due to the majority of development being concentrated near the City Centre, the University of Warwick area can be considered undersupplied thanks to a significant proportion of the city's demand pool based here. In 2021/22, the ratio stood at 2.6:1, significantly above the national and peer ratios. The ratio is set to marginally fall to 2.5:1 by 2030/31 in line with forecasted growth. Under the Baseline scenario, the ratio would fall to 2.0:1, remaining at a healthy level, broadly in line with the peer group average. Overall, this is indicative of scope for additional development to address unmet demand in the area.

All Year Ratio, Coventry University Area

- 7.20 The second scenario considers Coventry University and beds located in and around the city centre in isolation. In 2021/22 the ratio stood at 1.2:1, a dangerously low level far below that of any other major market in the UK. Under a scenario where Coventry University grows over the coming years, the ratio is set to rise to 1.5:1 by 2030/31 in line with all approved beds delivered, remaining significantly below the national and peer average. Under the baseline scenario, the ratio would fall to 1.1:1 by 2030/31, significantly below any ratio observed in major markets. This is indicative of surplus accommodation in area and these findings will form a key part of the recommendations now being considered by Cushman & Wakefield.

Table 7.3: All-year student to bed ratio, University of Warwick Area

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Warwick Area																			
Total full-time and sandwich students (HESA)	17,785	17,708	17,773	19,052	19,807	21,155	22,106	22,582	23,905	24,625									
From which																			
Deductions																			
Students from the region*	1,449	1,173	1,335	1,379	1,391	1,518	1,494	1,466	1,716	1,666									
Others not in attendance	0	0	0	0	0	0	657	544	648	668									
Other domiciled sandwich students on placement	45	55	145	35	35	40	0	0	0	0									
FORECAST DEMAND POOL	16,290	16,480	16,295	17,640	18,380	19,595	19,955	20,570	21,540	22,290	22,812	23,345	23,892	24,451	25,023	25,609	26,208	26,821	27,449
% demand pool of all students	91.6%	93.1%	91.7%	92.6%	92.8%	92.6%	90.3%	91.1%	90.1%	90.5%									
BASELINE DEMAND POOL										22,290	22,290	22,290	22,290	22,290	22,290	22,290	22,290	22,290	22,290
DOWNTURN DEMAND POOL											22,812	23,345	23,892	24,451	25,023	25,609	26,208	26,821	27,449
Demand pool -10%										20,061	20,530	21,011	21,503	22,006	22,521	23,048	23,587	24,139	24,704
Demand pool +10%										24,519	25,093	25,680	26,281	26,896	27,525	28,170	28,829	29,503	30,194
SUPPLY																			
Supply in the area	6,503	6,503	6,433	6,433	6,488	6,488	6,769	7,258	8,436	8,436	9,413	9,847	9,847	10,043	11,121	11,121	11,121	11,121	11,121
Leamington Spa market	-	-	-	-	-	-	187	187	187	187	187	187	187	187	187	187	187	187	187
Total Supply	6,503	6,503	6,433	6,433	6,488	6,488	6,956	7,445	8,623	8,623	9,600	10,034	10,034	10,230	11,308	11,308	11,308	11,308	11,308
STUDENT TO BED RATIOS																			
Warwick Area																			
Base SBR	2.5	2.5	2.5	2.7	2.8	3.0	2.9	2.8	2.6	2.6	2.4	2.4	2.4	2.4	2.3	2.3	2.4	2.4	2.5
Students unable to access PBSA	9,787	9,977	9,862	11,207	11,892	13,107	13,186	13,312	13,104	13,854	13,399	13,498	14,045	14,408	13,902	14,488	15,087	15,700	16,328
SBR forecast -10%											2.2	2.1	2.2	2.2	2.0	2.1	2.1	2.2	2.2
SBR forecast +10%											2.7	2.6	2.7	2.7	2.5	2.5	2.6	2.7	2.7
BASELINE SBR											2.4	2.3	2.3	2.2	2.0	2.0	2.0	2.0	2.0
Students unable to access PBSA											12,877	12,443	12,443	12,247	11,169	11,169	11,169	11,169	11,169
BEDS AT AVERAGE SBR (FORECAST POOL)											11,012	11,270	11,533	11,803	12,080	12,362	12,652	12,948	13,244
Surplus/shortfall to Average (forecast pool)											- 978	- 1,236	- 1,303	- 495	- 772	- 1,054	- 1,344	- 1,640	- 1,936
BEDS AT AVERAGE SBR (BASELINE POOL)											10,514	10,514	10,514	10,514	10,514	10,514	10,514	10,514	10,514
Surplus/shortfall to Average (baseline pool)											- 480	- 480	- 284	- 794	- 794	- 794	- 794	- 794	- 794
BEDS AT AVERAGE SBR (DOWNTURN POOL)											10,760	11,012	11,270	11,533	11,803	12,080	12,362	12,652	12,948
Surplus/shortfall to Average (downturn pool)											- 726	- 978	- 1,040	- 225	- 495	- 772	- 1,054	- 1,344	- 1,640
BEDS AT PEER AVERAGE SBR (FORECAST POOL)											11,388	11,655	11,927	12,206	12,492	12,784	13,084	13,390	13,704
Surplus/shortfall to Average (forecast pool)											- 1,354	- 1,621	- 1,697	- 898	- 1,184	- 1,476	- 1,776	- 2,082	- 2,388
BEDS AT PEER AVERAGE SBR (BASELINE POOL)											10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873	10,873
Surplus/shortfall to Average (baseline pool)											- 839	- 839	- 643	- 436	- 436	- 436	- 436	- 436	- 436
BEDS AT PEER AVERAGE SBR (DOWNTURN POOL)											11,128	11,388	11,655	11,927	12,206	12,492	12,784	13,084	13,390
Surplus/shortfall to Average (downturn pool)											- 1,094	- 1,354	- 1,425	- 619	- 898	- 1,184	- 1,476	- 1,776	- 2,082

Source: Cushman & Wakefield/HESA 2012/13 to 2021/22. Pipeline includes approved developments scheduled to be delivered by 2030, modelled student number forecasts based on two thirds of the average rate seen between 2012/13 and 2021/22

Table 7.4: All-year student to bed ratio, Coventry University Area

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Coventry Area																			
Total full-time and sandwich students (HESA)	18,688	19,418	20,981	23,236	25,434	26,665	27,337	28,093	28,485	26,762									
From which																			
Deductions																			
Students from the region*	5,774	5,450	5,501	6,083	6,719	7,136	6,483	6,684	7,692	7,159									
Others not in attendance	0	0	0	0	0	0	0	19	244	510									
Other domiciled sandwich students on placement	155	165	195	215	230	235	235	0	0	0									
FORECAST DEMAND POOL	12,760	13,805	15,285	16,940	18,485	19,295	20,620	21,390	20,550	19,095	19,672	20,267	20,880	21,511	22,161	22,831	23,522	24,233	24,966
% demand pool of all students	68.3%	71.1%	72.9%	72.9%	72.7%	72.4%	75.4%	76.1%	72.1%	71.4%									
BASELINE DEMAND POOL										19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095	19,095
DOWNTURN DEMAND POOL										17,186	17,705	18,240	18,792	19,360	19,360	19,360	19,360	19,360	19,360
Demand pool -10%										17,186	17,705	18,240	18,792	19,360	19,945	20,548	21,170	21,810	22,469
Demand pool +10%										21,005	21,640	22,294	22,968	23,662	24,378	25,115	25,874	26,656	27,462
SUPPLY																			
Supply in the area	3,797	4,253	4,253	4,535	5,016	6,585	10,448	12,255	14,640	15,728	15,644	15,743	15,743	16,078	16,167	16,167	17,041	17,081	17,081
STUDENT TO BED RATIOS																			
Coventry Area																			
Base SBR	3.4	3.2	3.6	3.7	3.7	2.9	2.0	1.7	1.4	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.5
Students unable to access PBSA	8,963	9,552	11,032	12,405	13,469	12,710	10,172	9,135	5,910	3,367	4,028	4,524	5,137	5,433	5,994	6,664	6,481	7,152	7,885
SBR forecast -10%											1.1	1.2	1.2	1.2	1.2	1.3	1.2	1.3	1.3
SBR forecast +10%											1.4	1.4	1.5	1.5	1.5	1.6	1.5	1.6	1.6
BASELINE SBR											1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Students unable to access PBSA											3,451	3,352	3,352	3,017	2,928	2,928	2,054	2,014	2,014
BEDS AT AVERAGE SBR (FORECAST POOL)											9,560	9,849	10,147	10,454	10,770	11,095	11,431	11,776	
Surplus/shortfall to Average (forecast pool)											6,183	5,894	5,931	5,713	5,397	5,946	5,650	5,305	
BEDS AT AVERAGE SBR (BASELINE POOL)											9,007	9,007	9,007	9,007	9,007	9,007	9,007	9,007	9,007
Surplus/shortfall to Average (baseline pool)											6,736	6,736	7,071	7,160	7,160	8,034	8,074	8,074	
BEDS AT AVERAGE SBR (DOWNTURN POOL)											8,604	8,864	9,132	9,132	9,132	9,132	9,132	9,132	9,132
Surplus/shortfall to Average (downturn pool)											7,139	6,879	6,946	7,035	7,035	7,909	7,949	7,949	
BEDS AT PEER AVERAGE SBR (FORECAST POOL)											9,886	10,185	10,493	10,810	11,137	11,474	11,821	12,178	
Surplus/shortfall to Average (forecast pool)											5,857	5,558	5,585	5,357	5,030	5,567	5,260	4,903	
BEDS AT PEER AVERAGE SBR (BASELINE POOL)											9,315	9,315	9,315	9,315	9,315	9,315	9,315	8,332	
Surplus/shortfall to Average (baseline pool)											6,428	6,428	6,763	6,852	6,852	7,726	7,766	8,749	
BEDS AT PEER AVERAGE SBR (DOWNTURN POOL)											8,898	9,167	9,444	9,444	9,444	9,444	9,444	9,444	
Surplus/shortfall to Average (downturn pool)											6,845	6,576	6,634	6,723	6,723	7,597	7,637	7,637	

Source: Cushman & Wakefield/HESA 2012/13 to 2021/22. Pipeline includes approved developments scheduled to be delivered by 2030, modelled student number forecasts based on two thirds of the average rate seen between 2012/13 and 2021/22



08

RECOMMENDATIONS

8.0 Recommendations

8.1 Our review of demand and supply of student accommodation in Coventry has revealed a number of key findings which have implications for future policy. In particular, it is clear that the City's PBSA market is in a very different position to that of 2005 when the last Student Accommodation Strategy was produced. Importantly, the student to bed ratio in the City has now fallen to an unhealthy level which is impacting occupancy and arguably the long-term sustainability of some developments. Whilst this Study is not intended to provide formal policy guidance a number of recommendations are outlined in this section based on the below key findings

Market conditions

- Whilst the demand pool for accommodation across the City has risen by 13% between 2016/17 and 2021/22, the growth in PBSA bed spaces between 2019/20 and 2023/24 was 71%;
- The student to bed ratio in the City has now fallen to 1.70:1, an unhealthy level in national terms and amongst the lowest of any market in the UK;
- 21% of the market now comprises studios, with 53% of these beds delivered since 2019. This percentage of studios built since 2019 is the second largest of any competitor market, behind Leeds;
- Coventry is now home to the third largest overall number of premium bed spaces of any competitor market (although not the largest as a percentage of the overall market);
- 62% of beds are en-suite (vs the 60% national average), which is indicative of the number of new bed spaces delivered over recent years;
- Average weekly rent are below both the national and competitor average (an en-suite room is 5% less expensive) which is indicative of the relatively low costs of development in the City and the scale of market competition;
- Between 2019/20 and 2023/24, 9,716 new beds were delivered to the market. The vast majority of these were delivered in central areas;
- The majority of poorer quality stock is concentrated in the City Centre as well as a proportion of the University of Warwick's old stock;

Wider implications

- The lack of a City Council evidence base with which to challenge applications means too many beds (and arguably beds of the wrong type) are being delivered to the market;
- The overdevelopment of PBSA has implications for wider strategy relating to the housing market (City Centre Area Action Plan) in terms of development site availability and potential underoccupation of PBSA developments and future change of use for alternative occupation.

8.2 Whilst it would perhaps be appealing for the City Council to look to rule out future purpose-built student accommodation applications, this could potentially be damaging to the attractiveness of Coventry as a student destination over the longer term and would stifle innovation.

- 8.3 It should also be noted that wider national policy decisions relating to Higher Education have the potential to impact the market, as do trends in student decision making. It is therefore prudent that future policy should allow for a degree of flexibility to adapt to market conditions.
- 8.4 Cushman & Wakefield believes that future policy should consider the following:

Table 8.1: Recommendations

Recommendation	Summary	Comment
<p>“Zoned” or locational approach to future development</p>	<p>Highlighting areas of the city centre in which PBSA development should be encouraged. While discouraging further development in inappropriate peripheral locations.</p>	<p>Cushman & Wakefield’s work across the UK shows that students increasingly wish to be as close to campus as possible. The burden of tuition fees falling on students has focused minds on study and the student experience – both of which are enhanced by vicinity to campus. Given the large demand pool for student accommodation in Coventry, coupled with relatively low land costs and viability issues with other residential development, PBSA development has been intensive, particularly in City Centre areas.</p> <p>As highlighted throughout this report, much of the PBSA development in the City has taken place in the areas designated City Centre and Coventry University. The wider area is already populated by 37 schemes, offering 13,261 bed spaces. Further, trends observed in Council Tax Student Property Exemption data shows that students are showing a greater preference for City Centre living, with declining numbers opting to live in areas away from campus, including Leamington Spa.</p> <p>It is clear that a future policy approach needs to balance the need for PBSA to be well located, whilst not damaging wider City Council ambitions – especially related to residential development. There therefore needs to be a balance between well located PBSA which supports the student experience, and potential “saturation” of areas of the City.</p> <p>Restricting Development in Zones</p> <p>The City Council may wish to consider a limit to the percentage of bed spaces within defined areas of the City that are classed as PBSA (or Council Tax exempt). This may help to avoid issues of saturation and help drive more balanced communities in the Central Area. However, given the extent of market difficulties highlighted in this report, it is likely that market forces will dissuade further intensive development over the coming years so the City Council may wish to adopt a less prescriptive approach (which may be dependent on the future of wider residential strategy).</p> <p>Restricting Development Outside of a Boundary</p>

		<p>The University of Warwick has plans underway for a new STEM facility on its campus. The areas surrounding this new development could become important for student accommodation in the city in the coming years.</p>
<p>A need to demonstrate demand as part of the planning process</p>	<p>The recent scale of development in the City proves that some developers have not fully considered the demand-supply dynamics of the student market in Coventry, and this should be addressed in future policy.</p>	<p>The evidence in this report shows that the student to bed ratio in Coventry is amongst the lowest in the UK, with market evidence and consultations revealing occupancy issues in the City. Current planning policy does not specify a requirement to prove that there is need for proposed developments and arguably, this has encouraged applications that have not fully considered market conditions.</p> <p>A requirement that developers must demonstrate demand for their scheme as part of the planning process will likely encourage greater interaction between developers, the City Council and Coventry's universities. A lack of an evidence base has arguably hampered the City Council's response to applications.</p> <p>Evidence of need could take the form of a student to bed ratio test, where the number of students must be shown to be at a certain level. If this test cannot be met, then developers should have secured support for the development from either the University of Warwick or Coventry University.</p> <p>A range of approaches of this nature are employed across the UK. One example is The London Plan, in which any new development of PBSA in the Capital requires a letter of support or a nomination agreement with one the City's existing Higher Education Institutions. However, Cushman & Wakefield considers this approach too restrictive and a potential impediment to innovation in the sector. It is also important that development and innovation in the market is not solely at the behest of the City's Higher Education institutions which may obviously have their own accommodation agendas.</p> <p>It is therefore proposed that policy should require at least one of the following:</p> <ul style="list-style-type: none"> • Proof of evidence of need • Support from one of the City's universities

<p>Presumption against all-studio developments</p>	<p>The scale of studio bed spaces in Coventry has now risen above the national average and the long-term sustainability of this quantum of studios is questionable</p>	<p>For the 2023/24 academic year, studio bed spaces represent 21% of all bed spaces available in the Coventry PBSA market. Cushman & Wakefield would caution against the further high-volume development of studios in the market, with a presumption against large, all studio schemes unless need can be adequately proven.</p> <p>Further, it should be recognised that the underoccupancy of studios may have knock-on impacts in terms of wider residential strategy. Cushman & Wakefield has observed applications for change of use of studio products for alternative occupiers in a number of locations. The occupancy of studio beds by non-students has the potential to create a “race to the bottom” in terms of size of rooms and quality of product that could be delivered in Build to Rent developments that would not be able to compete with lower priced, (generally) smaller studios beds.</p>
<p>Design guide</p>	<p>Encouragement of product innovation to shape the development of rooms in the market</p>	<p>This Study highlights the proliferation of stock in certain areas, as well as the lack of diversity in the type of rooms/products currently being developed in the city.</p> <p>Cushman & Wakefield would advise the Council to look at how they can encourage innovation within the sector. Key areas to focus on are high quality affordable products which offer students real value for money.</p> <p>There is potential to consider a range of options in relation to design, including minimum room sizes. However, Cushman & Wakefield’s experience shows that quality social and amenity spaces are crucial to delivering a great student experience. Some local authorities across the UK have chosen to include minimum standards in relation to such spaces, with Glasgow City Council specifying that 3.5m² of space per student must be delivered. Whilst such spaces are extremely large, there is potential for the City Council to adopt its own standards in relation to such spaces.</p> <p>Additionally, future development should allow for future adaptation or extension to accommodate alternative uses or to respond to the changing future needs or circumstances of occupiers by means of their internal arrangement, internal height, detailed design and construction</p>

<p>University engagement</p>	<p>The City Council should engage the City's universities in a more active role in the planning process</p>	<p>Our conversations with both of the City's universities has revealed unease with the future of the market. Both institutions have seen evidence that too much accommodation has been built in Coventry. However, Cushman & Wakefield would advise against a "moratorium" on development for reasons highlighted elsewhere in this section of the Study.</p> <p>It is recommended that levels of engagement with both universities are increased in relation to PBSA development in the City and this would be welcomed by both institutions. As well as increasing overall knowledge of the state of the PBSA sector in the City, increased engagement would allow the City Council to benefit from current student engagement initiatives such as research on which room types are most popular with future intakes.</p>
<p>Houses in Multiple Occupation</p>	<p>Little evidence that intensive levels of PBSA development are making inroads into the HMO market</p>	<p>The analysis in this Study shows that despite intensive levels of development over recent years in Coventry, the overall quantum and percentage of students living in private rented accommodation relative to the total demand pool has remained around the same level over time, with the exception of a drop in students in 2020/21 (presumably as a result of the impact of the COVID-19 pandemic) – 2017/18 33%, 2018/19 31%, 2019/20 32%, 2020/21 28%, 2021/22 34%.</p> <p>It is likely that location – allied to price - is playing an important role in the sustainability of the market, with locations around the University of Warwick becoming more popular instead of traditional HMO areas like Leamington Spa.</p> <p>With such a consistent number of students still choosing to live in a professional, affordable and well-located HMO sector, it is perhaps unsurprising that this Study has identified significant underoccupancy in the PBSA market. Based on these trends, the City Council should prepare for continued significant demand for HMO accommodation which further reinforces the recommendations above.</p>
<p>Change of use applications</p>	<p>Pressure on occupancy may lead to an increase in applications for change of use from PBSA</p>	<p>Coventry has suffered from significant injections of supply, resulting in some schemes applying for (temporary) changes of use to house non-student occupiers (notable examples include Prestige Student Living in both its schemes in Coventry). The City Council should be prepared for a continuation of these applications, particularly in peripheral locations. Unless a building is strictly housing postgraduate students, it is recommended that a block housing students and non-students is "segmented" and that these groups are not accommodated together in cluster flats.</p>
<p>Ongoing monitoring</p>	<p>A changeable sector and market uncertainty mean it</p>	<p>Whilst the recommendations above are important in responding to Coventry student accommodation conditions, it is important that the City Council looks to monitor the sector on an ongoing basis. This is especially the case given current uncertainties in relation to international student recruitment. There is potential to adopted policy to "lag" market conditions over time, resulting in</p>

	is important to regularly reassess market conditions	conditions that allow for “over” and “undersupply”. Whilst the recommendations above allow for such flexibility, it is crucial that the City Council has an up-to-date evidence base from which to make informed decisions.
Car parking policy	Incorporate car parking standards for future PBSA provision and encourage cycle storage within PBSA	<p>A number of local authorities have established draft car parking policies as part of the PBSA Maximum Standards. One of these is Runnymede Council whose policy applies to four “Sustainable Access Zones” across the town based on a 20-minute walk from Royal Holloway University London (RHUL) and Egham Railway Station. These proposed standards have been developed based on the student car ownership levels examined by the Council alongside examination of the Runnymede Borough Council Benchmarking and Comparator Authority exercises. Sites lying within both accessibility zones are considered to benefit from an exceptionally high level of accessibility, both to RHUL, shops and services, and public transport. More restrained parking standards have therefore been recommended. Manchester City Council has a similar policy in place in relation to the provision of PBSA, explicitly stating that proposals for PBSA development should not lead to an increase in on-street parking in the surrounding area. Indeed, the majority of recent PBSA developments across the UK typically include secure cycle storage, encouraging cycle ownership and use.</p> <p>Coventry City Council would potentially benefit from a similar policy in relation to future PBSA provision, restricting student car parking to discourage private car use which often causes overspill parking in residential areas, while ensuring cycle storage spaces are incorporated into developments.</p>

Glossary

Article 4 Direction: Planning legislation that allows the council to remove permitted development rights including changes of use from an area or a particular property

Demand Pool: the number of students likely to require accommodation

Direct Let: Students rent accommodation directly from the property management or owner of Purpose-Built Student Accommodation, bypassing involvement from their educational institution

HESA: Higher Education Statistics Agency

HMO: Houses in Multiple Occupation

Nomination Agreement: A contractual arrangement between an educational institution and a private accommodation provider, allowing the university to nominate a certain number of students to live in the accommodation provided by the private provider. The agreement outlines the terms and conditions governing the nomination process, including the number of students the institution can nominate, the duration of the agreement, as well as the responsibilities of each party regarding accommodation provision, maintenance, and support services for students.

PBSA: Purpose-Built Student Accommodation

Private Sector: Accommodation developed and operated by private companies or investors, offering dedicated housing for students with amenities tailored to their needs, such as furnished rooms, common areas, study spaces, along with security or maintenance

Room type categories:

- **En-suite:** A private bedroom within shared accommodation, with a bathroom exclusively for the occupant's use
- **Standard:** A private bedroom within shared accommodation, with shared access to a bathroom and kitchen
- **Studio:** A self-contained living space typically consisting of a single room that serves as a combined living area, bedroom, kitchenette and a bathroom

SBR: Student to bed ratio

Appendix – Cushman & Wakefield Room and Facilities Quality Definitions

Room Quality

- Grade 1 – Poor Quality Room. Rooms of this calibre are typically first-generation purpose-built student accommodation stock, built before 1990. Rooms in these schemes will appear old and gloomy. There is generally little storage space available, along with small windows and poor quality furniture which is not fitted.
- Grade 2 – Low Quality Room. An old room but with an increased amount of storage space; we will typically see some fitted furniture which is of a decent quality and has been suitably maintained. The windows are of an average size and rooms will have a more spacious feel to them. These rooms will have generally been built during the 1990's.
- Grade 3 – An Average Room. We would expect these rooms to have plenty of storage space and good-sized windows giving a light feel to the room. We would expect to see good quality fitted furniture which has been well maintained but may look slightly dated now. These schemes will typically have been built between 2000 and 2012.
- Grade 4 – A high quality room. These are modern rooms with premium quality fitted furniture with a vast amount and varied range of storage space. High quality flooring, often hardwood, rooms generally have very large windows and make use of natural light to give a more spacious feel. These schemes will typically have been constructed post 2012.
- Grade 5 – A premium room. A very modern looking room, with premium quality fitted furniture and a vast amount of varied storage space. Again, we would expect to see high quality flooring, often hardwood, with very large windows. These rooms will also offer extra features not typically part of a modern PBSA offering, for example, a large TV, strip lighting or breakfast bar.

Facilities Quality

- Grade 1 – Poor Quality – Little or no social space or amenities. It is important to note that this is applicable to modern schemes as well; we are aware of a number of high specification studio schemes which do not offer any common areas.
- Grade 2 – Basic Quality – Little common space. For example, a small common room.
- Grade 3 – Good Quality – A large common area with seating and games, typical of what is found in university accommodation and operators such as Unite Students.
- Grade 4 – High Quality – Varied common space. For example, study rooms, gyms and cinema rooms.
- Grade 5 – Premium Quality – Extensive common space, such as; common rooms with games, study rooms, private dining facilities, grab-and-go food, cold rooms. The difference between a 4 and a 5 is the additional perks students have access to, as well as the scale and extremely high quality of the shared spaces. Operators like Vita and Fusion Student consistently offer this level of product.

