

Top 10 Tips

For new student accommodation



1) Determine your strategic goals

Having a firm idea of where you want to end up is a good starting point. What are the drivers for new accommodation? Is it quantity, improving quality, location, transferring risk, financial considerations or a combination of these? Time invested developing a robust accommodation strategy, that is supported by the University's senior management, will give structure to the process and confidence to stakeholders.

2) Research the market

Planning for new accommodation is a good opportunity for Universities to test their understanding of the market in which they operate. What is the current supply/demand picture locally, where are your students choosing to live, what product is available and at what price points, what are the private providers offering compared to the University and is the HMO market a consideration?

3) Engage with students

You will already be engaging with current and potential students in some form – does that include obtaining their views on where they want to live? Expectations change and understanding the impact of these on the end product will help guide decisions throughout the process of securing new accommodation. Social media platforms and websites such as Student Crowd are great tools to find out what students really think about their accommodation.

4) Think about location

The location for any new accommodation will be driven by many factors, not least the availability of land. Perhaps you are looking to support a new campus or maybe provide additional accommodation for an existing one? Whatever the reason, your students will value a location where they feel safe and where they can travel to and from their studies with ease. Access to a range of shops and food outlets, good transport links, some night life, opportunities for part-time work and leisure facilities are also factors which can enhance the living experience.

5) Investigate delivery options

Your strategy will help determine which delivery option gives the right balance of risk, reward and control. Sitting alongside the traditional University fund/build/operate model, are now a number of alternatives. Most University towns/cities now have some private sector student accommodation which could potentially meet your needs. Partnering with the private sector in some form, either formally (lease/hard nominations) or informally (soft nominations/referral arrangement) can be a good way to secure new accommodation quickly as well as iron out short term supply/demand imbalances and transfer the risks that come with developing and operating in-house. Most private providers will be happy to have such a discussion, whilst leveraging the value in your covenant can also help secure well priced accommodation for your students.

6) Ensure your accommodation supports student wellbeing

Building design, building specification and building management all have a part to play. Studio flats may produce higher rents but, in large numbers, are not always conducive to a good student experience. Well designed cluster flats and town houses help promote a sense of community, especially if the common areas are welcoming and accessible. High quality furniture, bed size, good sound proofing, fast and reliable Wi-Fi and control of the internal environment all help to create that homely atmosphere for students. But it is possible to feel isolated in even the best accommodation and this is where good management will help. A well trained, friendly and approachable team (including cleaning, maintenance and security staff) can really help to create a vibrant community and also spot students who may be struggling with the halls experience so that support can be put in place. Sometimes only small interventions are required to improve the situation for an individual student.

7) Think about affordability

There is no easy answer to this - for newly built accommodation, design, specification and construction savings will have a relatively limited direct impact on rents. Twin rooms and shared facility accommodation may have a part to play but they are increasingly a harder product to 'sell' to students. Modelling rents (and contract lengths) will help you to identify where any new accommodation will sit in terms of the existing supply, but it may be that some form of cross-subsidy is required or re-balancing of rents across an existing portfolio to ensure a range.

8) Think about the future

For universities who have chosen to invest in their own accommodation then it is worth having one eye on the future. If the demand picture changes dramatically, has the building been designed in such a way that it could potentially be converted to an alternative use? For example, private residential or even another University related activity. Even if it remains in student accommodation use, IT and other infrastructure will require updating during the life of a building and this can be an easier process if it has been factored in during the original design stage.

9) Continue to invest

If maintenance obligations for a particular building rest with the University then a structured long term maintenance programme is the best way to keep accommodation looking fresh and performing well, both financially and in terms of the student experience. Budgeting for regular 'refreshes' of any common areas along with more extensive periodic refurbishments is sensible although requires a financial approach which is not always easy in the face of competing demands on capital.

10) Would you live here?

Your student days may be far behind you but there is still no harm and standing back and asking "would I live in this hall?" or "would I be happy for my son/daughter to live here?" If the answer is yes then chances are you have come to the right decision- if not, then is that something which can be easily addressed or is it something more fundamental. Getting your accommodation offering right doesn't need to be difficult but getting it wrong can be costly on many levels.



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For more information on Osborne's experience in student accommodation and how we can add value through our development, construction, funding and operating expertise, please contact ryan.harris@osborne.co.uk
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