Private Hall Rent Data

Accommodation for Students

November 2014

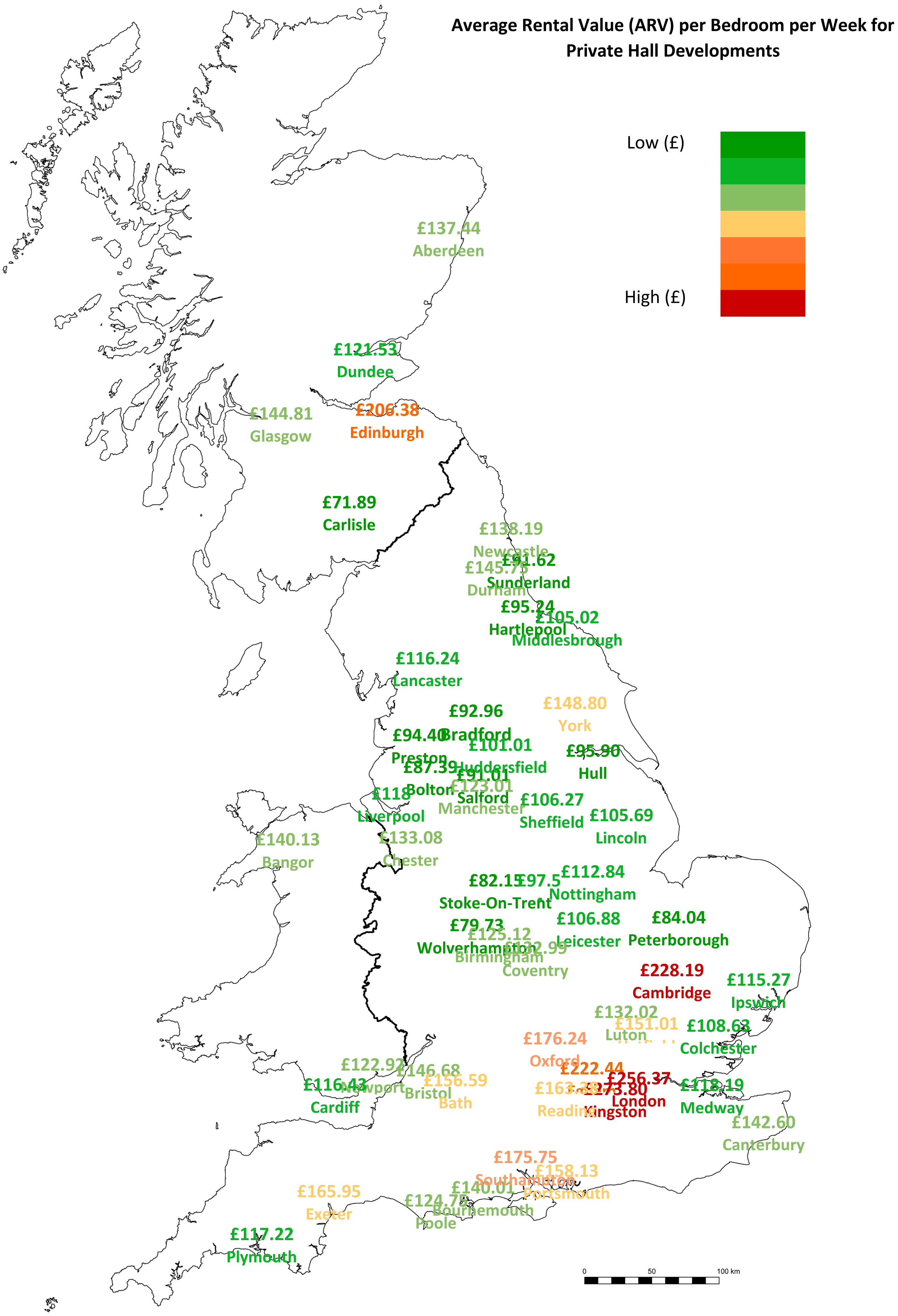
Private hall developments are popular in the UK as an alternative to university-owned accommodation or private student houses. They are generally modelled on the modular 'dormitory' style of university halls with study bedrooms clustered in flats ranging from 2-10 bedrooms which share a kitchen, common room and bathroom facilities. However, there is also a trend of studio accommodation, self-contained flats with washing, cooking and living facilities, with many private halls including a percentage of this room type and, in some cases, only offer studio rooms.
The average rental value (ARV) of private hall developments in the UK is £131.91 per bedroom per week, up 1.9% from 2013 (£129.45). Stock of private halls currently stands at 514 developments, up 18.28% from 2013 and with many more in the pipeline for a number of cities nationwide. As the popularity and investment potential of private halls is becoming clear, new developments are cropping up in 66% of cities with more being planned to open in 2015.

Table – Average Rentals Values and Hall Stock Changes 2013-2014

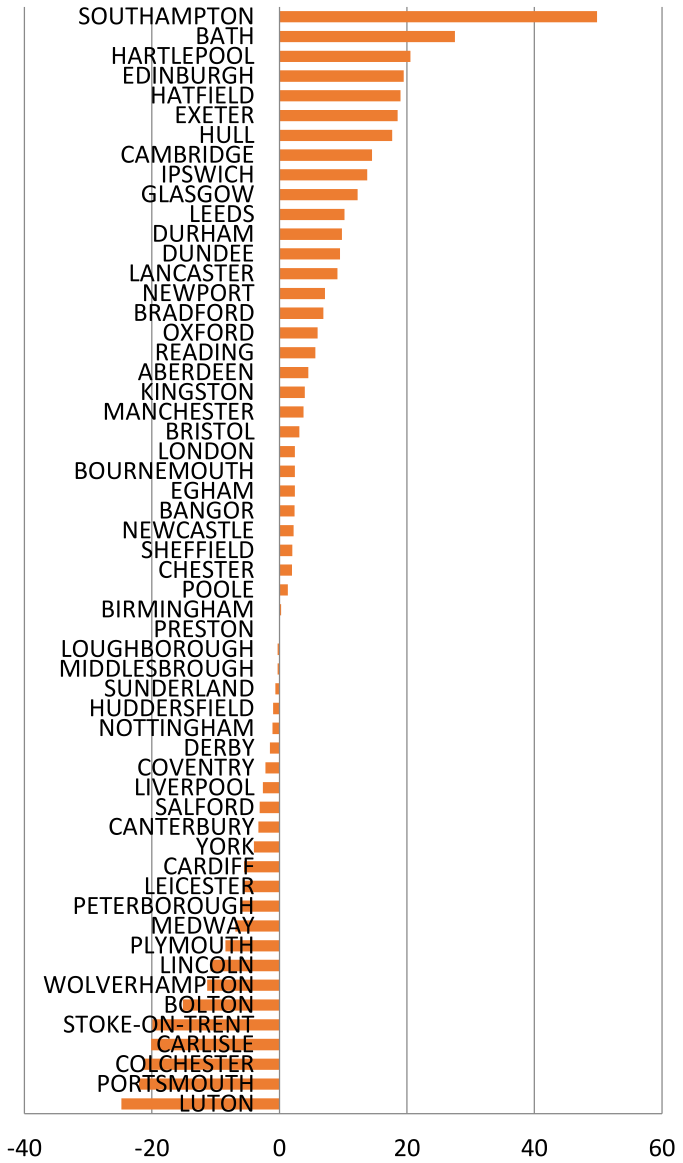
	2013	**2014**
Average Rental Value	£129.45	£131.91
Total Hall Stock	420	514

Average rental values for private hall developments in England demonstrate a clear spatial distribution along a North-South gradient. In northern England almost all cities offer below average ARVs with the exception of Chester, Newcastle, Durham and York. The lowest ARVs are all found in the North and Midlands with Carlisle, Wolverhampton and Stoke-on-Trent offering £71.89, £79.73 and £82.15 respectively. The South is predominantly average or above average ARVs with a clustering of high price developments around London, with Kingston (£273.80), London (£256.37) and Cambridge (£228.19) offering the highest ARVs in the UK. Scotland and Wales show a less evident spatial variation, with ARVs likely based on local rental markets, student demand and the quality of developments.

Average Rental Value (ARV) per Bedroom per Week for Private Hall Developments



Percentage Change in Private Hall Average Rental



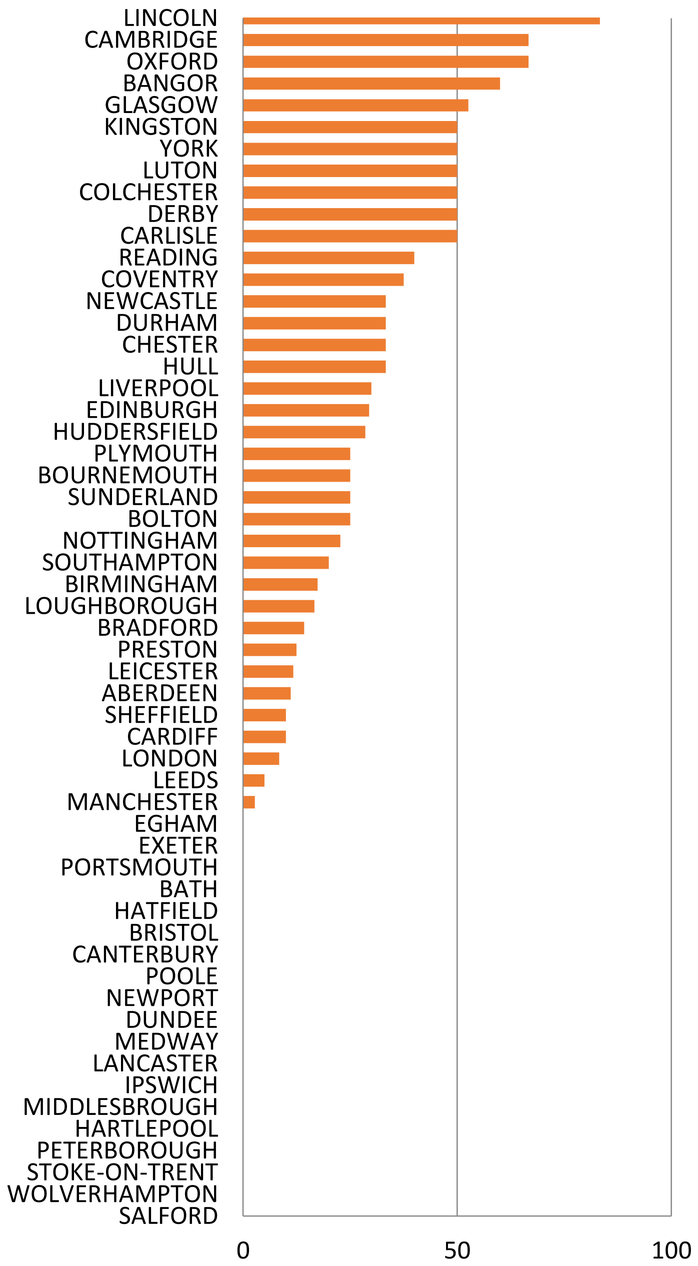
The percentage change in private hall ARVs shows many key university cities with high student populations exhibiting an increase, including Manchester, Sheffield, London and Edinburgh.

However, this trend is interrupted by Liverpool, where ARVs have decreased by 2.62%. This may be linked to new halls that have opened and offer lower rents than existing developments, forcing a reduction in ARVs.

Southampton and Bath, both Southern University cities have shown the highest increases of 49.83% and 27.54% respectively. However the two cities seeing largest decreases are also Southern; Portsmouth and Luton's ARVs have decreased by 22.05% and 24.82% respectively.

There is no overwhelming spatial distribution of percentage changes, suggesting private hall rents are linked with local changes in the rental markets.

Percentage Change in Private Hall Stock



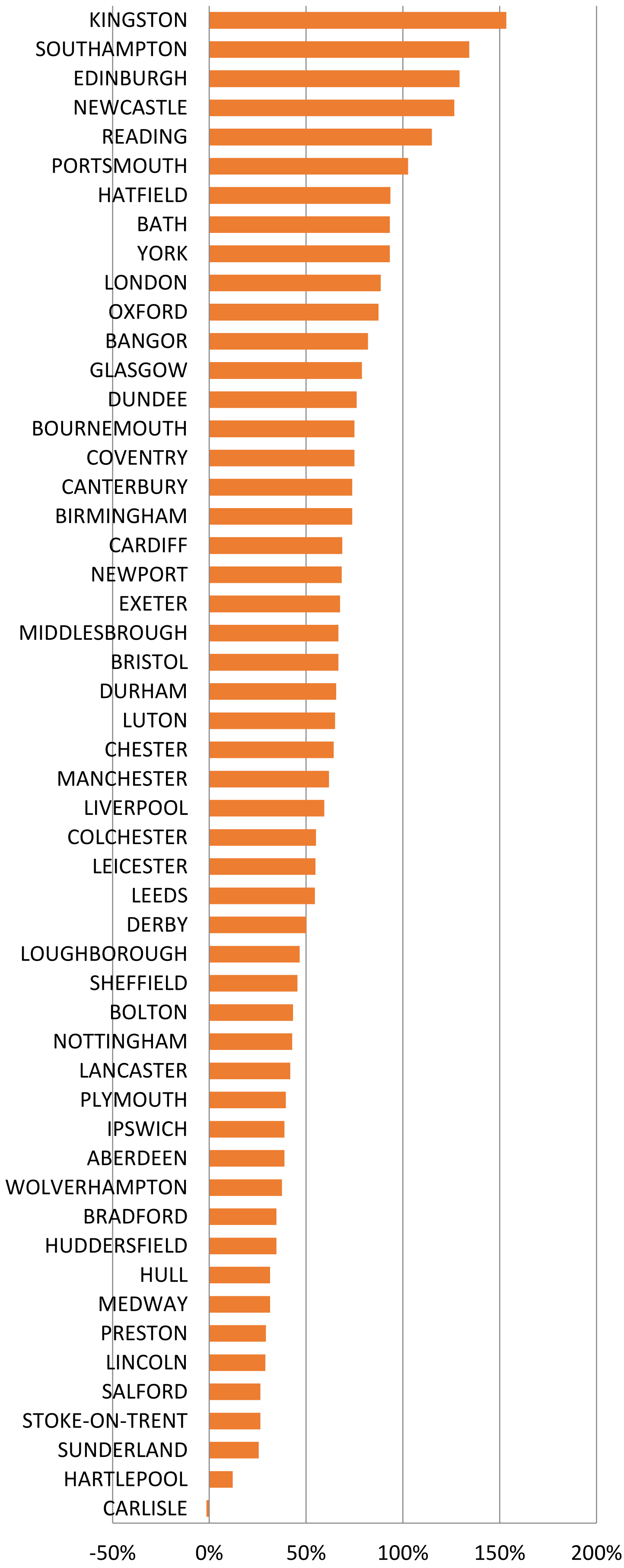
A considerable proportion of cities have maintained a steady private hall stock, with 18 cities showing no change and a further 20 cities showing only plus one development.

Lincoln has increased its private hall stock by 83.33%, the largest percentage increase. Cambridge and Oxford have also seen large increases. Multi-university cities such as London, Nottingham and Birmingham are quite low down on the scale showing increases of 8, 5 and 4 developments respectively.

No cities faced a decline of student hall developments, showing high levels of growth overall compared to 2013 where 8 cities saw decline, which were predominately northern.

It is important to note that in a number cities a nomination agreement with a University has been put in place, this is most prominent in Bristol where 43% of private halls have been restricted to certain students.

Percentage Difference between Private Hall Average Rental Values & Student House Average Rental Values



On average, private halls are 60.87% higher in rental value than student houses: £129.37 vs. £78.75. The graph clearly demonstrates this trend with only 14 of the 55 cities with a less than 40% increase in price between private hall developments and student houses and only one city with private halls being offered for less than average student house rents.

The cities that exhibit the smallest increases in rent are typically areas with only 1 or 2 private hall developments, suggesting a preference for private student housing which likely causes private halls to keep their rents low in order to tempt students.

Most cities show an increase of between 50-155% for private hall rents, with no overwhelming spatial distribution observable amongst the varying increases. This likely corresponds to local changes in rental markets and the vernacular practices of the student population in each area regarding accommodation preference.

Kingston shows the largest increase for private hall developments; with rents showing an increase of 154% compared to the average for student houses in the area. Student properties already request high rental values, with an average of £108 per room per week, highlighting the area as a costly place to live. Other high cost locations such as London (£136 ARV for student houses) and Oxford (£94 ARV) are not far behind, all requesting more than 85% higher rents for private hall developments.

The rents for private hall developments are typically high due to the high standard of accommodation they generally offer. The majority of developments include additional benefits such as increased security through CCTV surveillance, swipe-card entry and an on-site presence and in many cases newer, more modern facilities. They also offer valuable social opportunities for new students arriving in the city as a first year or on a year abroad. Studio developments also provide high standard, single occupancy accommodation for reasonable costs and with higher standard facilities than many other 1 bed student properties.