AFS Student Accommodation Rent Report 2014

2014 Data

Introduction

www.accommodationforstudents.com is the UK's leading student accommodation website. Founded in 2000 by Simon Thompson, the site has gone from strength to strength and now attracts over 3 million visitors each year. There are over 770,000 students registered with the site and around 2,000 landlords and letting agents with active accounts.

Utilising our strengths to provide insights into the student letting market is a key part of the AFS service. Identifying trends, perceptions and motivations to assist those managing properties is an important part of this. Over time this has expanded to become part of our formal research programme.

This report provides a statistical overview of the AFS rental database, providing a snapshot of the student lettings market in 2014 as well as offering spatial and temporal trends.

Brief Methodology

Rental values were calculated from the AFS database for the past 9 years. All cities with fewer than 5 properties advertised were excluded from the study to ensure proper representation of the data.

For this reason, some UK university cities are not covered by the 2014 study. This includes Cambridge and Aberystwyth where there is a trend of students staying in accommodation for the duration of their studies, thus reducing the size of the student lettings market.

79 cities are included in the study for 2014.

The current average rental value (ARV) for the UK stands at £79.27 per room per week, down 37p from 2013 (£79.64). The median rental value (MRV) is £76 per room per week, which is £1 more expensive than 2013. This implies that within 2014 overall rents have increased slightly, represented by the median value, but either higher or lower rents at the ends of the spectrum have decreased slightly, thus lowering the mean. The reduced difference between the average and median rental values suggests the UK student rental market is stabilising at a more normal distribution.

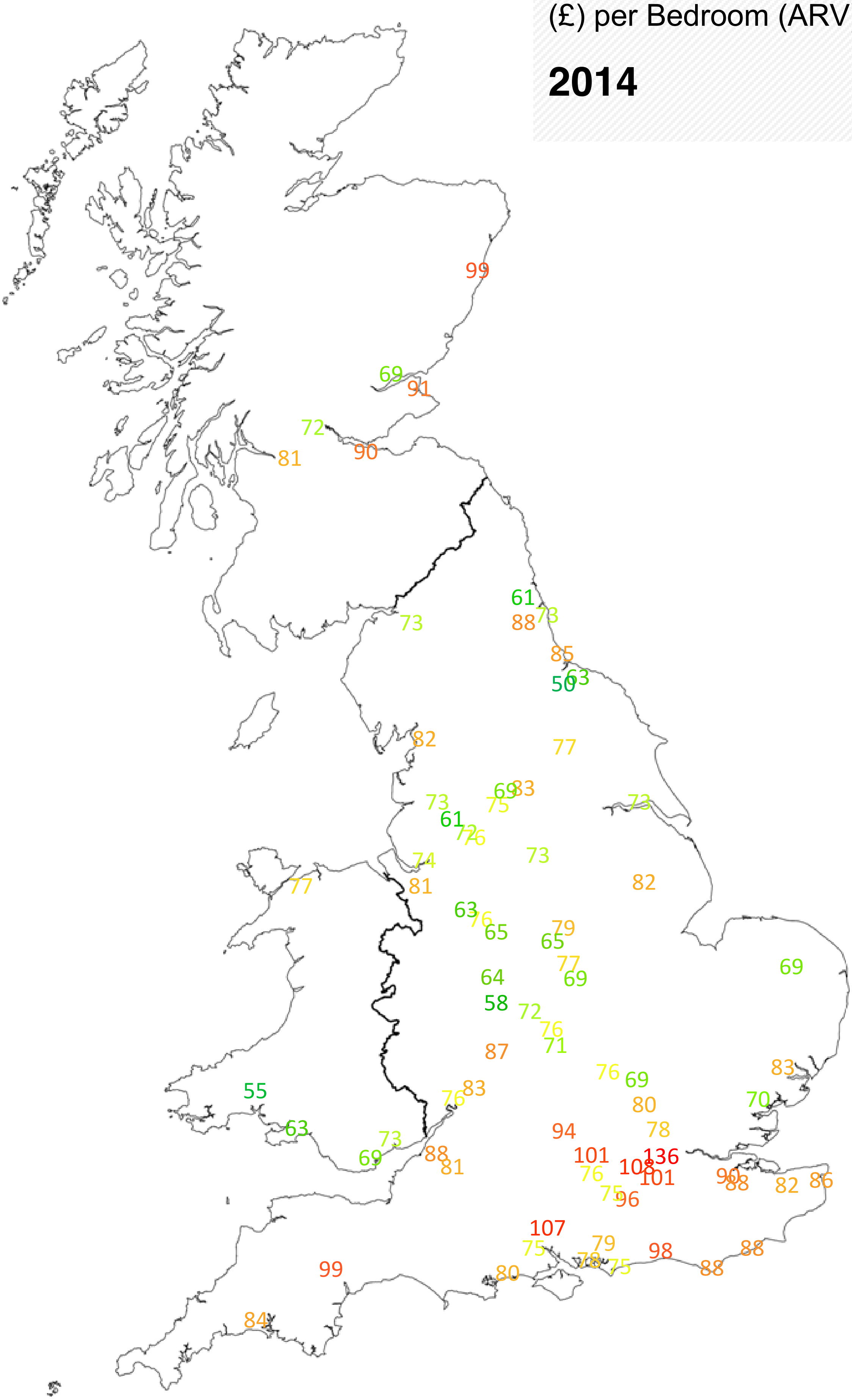
Spatially, rental values retain a strong North-South distribution, with higher rents concentrated in the South, along the South Coast, Kent and the Greater London Urban area. The Midlands and North West show reasonably low rents in both ARV and MRVs, with the North East demonstrating more variability and a wider range of rental values.

Wales presents lower rental values along its South Coast, where Bangor asks for an ARV of £10 per room per week more than the Welsh mean. Edinburgh, Glasgow and St. Andrews exhibit high ARV and MRVs, whilst Dundee and Aberdeen both expect lower than the UK average.

Map 1

Average Rental Value (£) per Bedroom (ARV)

2014

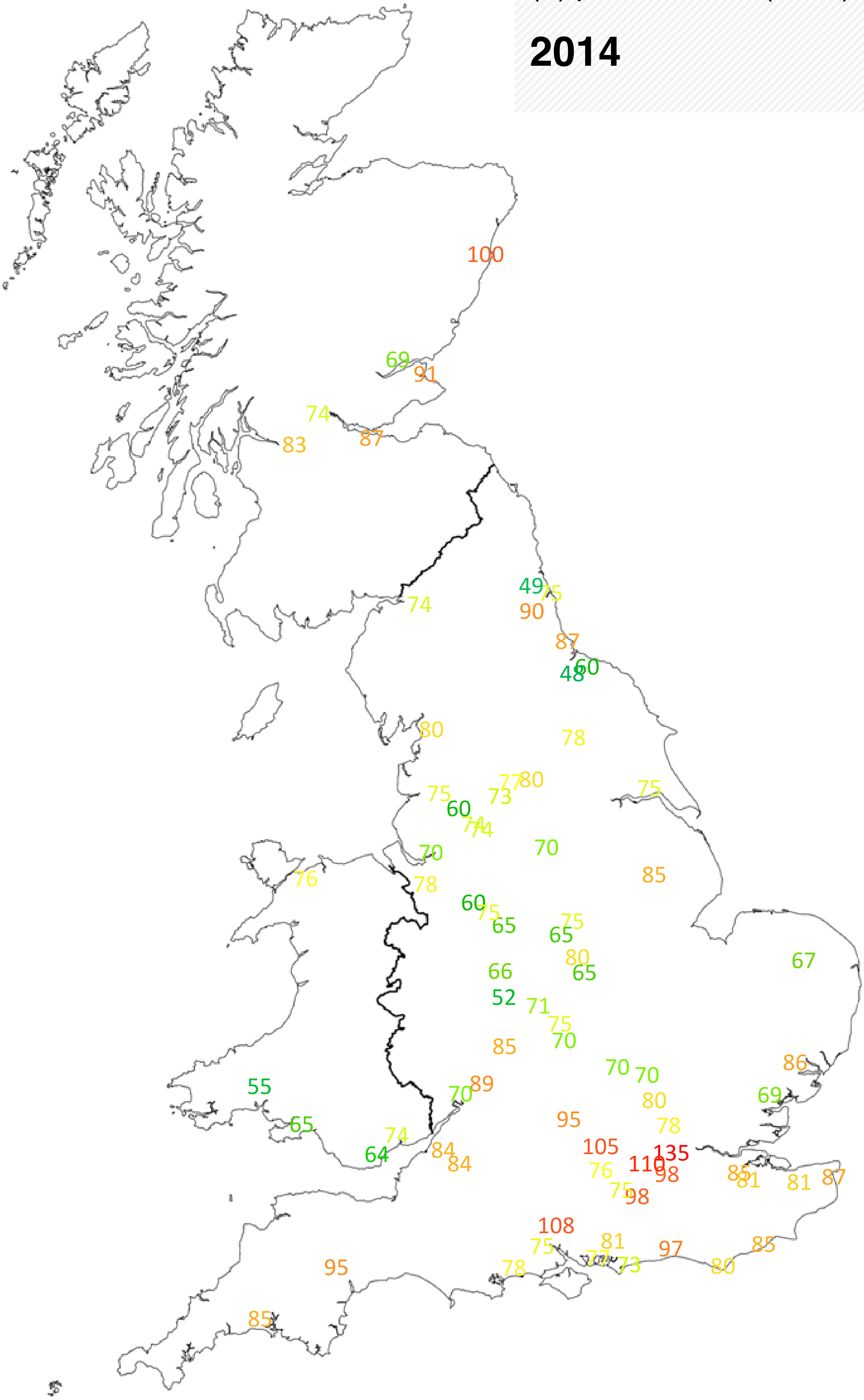


City	ARV £
London	136
Kingston	108
Winchester	107
High Wycombe	101
Surbiton	101
Aberdeen	99
Exeter	99
Brighton	98
Guildford	96
Oxford	94
St Andrews	91
Edinburgh	90
Medway	90
Bristol	88
Durham	88
Eastbourne	88
Gillingham	88
Hastings	88
Worcester	87
Broadstairs	86
Hartlepool	85
Plymouth	84
Cheltenham	83
Ipswich	83
Leeds	83
Canterbury	82
Lancaster	82
Lincoln	82
Bath	81
Chester	81
Glasgow	81
Bournemouth	80
Luton	80
Chichester	79
Nottingham	79
Hatfield	78
Portsmouth	78
Bangor	77
Loughborough	77
York	77
Coventry	76
Gloucester	76
Manchester	76
Newcastle under Lyme	76
Northampton	76
Reading	76
Bognor Regis	75
Farnham	75
Huddersfield	75
Southampton	75
Liverpool	74
Carlisle	73
Hull	73
Newport	73
Preston	73
Sheffield	73
Sunderland	73
Birmingham	72
Salford	72
Stirling	72
Leamington spa	71
Colchester	70
Bedford	69
Bradford	69
Cardiff	69
Dundee	69
Leicester	69
Norwich	69
Derby	65
Stoke	65
Stafford	64
Crewe	63
Middlesbrough	63
Swansea	63
Bolton	61
Newcastle	61
Wolverhampton	58
Carmarthen	55
Stockton	50

Map 2

Median Rental Value (£) per Bedroom (MRV)

2014



City	MRV £
London	135
Kingston	110
Winchester	108
High Wycombe	105
Aberdeen	100
Guildford	98
Surbiton	98
Brighton	97
Exeter	95
Oxford	95
St Andrews	91
Durham	90
Cheltenham	89
Broadstairs	87
Edinburgh	87
Hartlepool	87
Ipswich	86
Hastings	85
Lincoln	85
Medway	85
Plymouth	85
Worcester	85
Bath	84
Bristol	84
Glasgow	83
Canterbury	81
Chichester	81
Gillingham	81
Eastbourne	80
Lancaster	80
Leeds	80
Loughborough	80
Luton	80
Bournemouth	78
Chester	78
Hatfield	78
York	78
Bradford	77
Portsmouth	77
Bangor	76
Reading	76
Coventry	75
Farnham	75
Hull	75
Newcastle under Lyme	75
Nottingham	75
Preston	75
Southampton	75
Sunderland	75
Carlisle	74
Manchester	74
Newport	74
Salford	74
Stirling	74
Bognor regis	73
Huddersfield	73
Birmingham	71
Bedford	70
Gloucester	70
Leamington spa	70
Liverpool	70
Northampton	70
Sheffield	70
Colchester	69
Dundee	69
Norwich	67
Stafford	66
Derby	65
Leicester	65
Stoke	65
Swansea	65
Cardiff	64
Bolton	60
Crewe	60
Middlesbrough	60
Newcastle	59
Carmarthen	55
Wolverhampton	52
Stockton	48

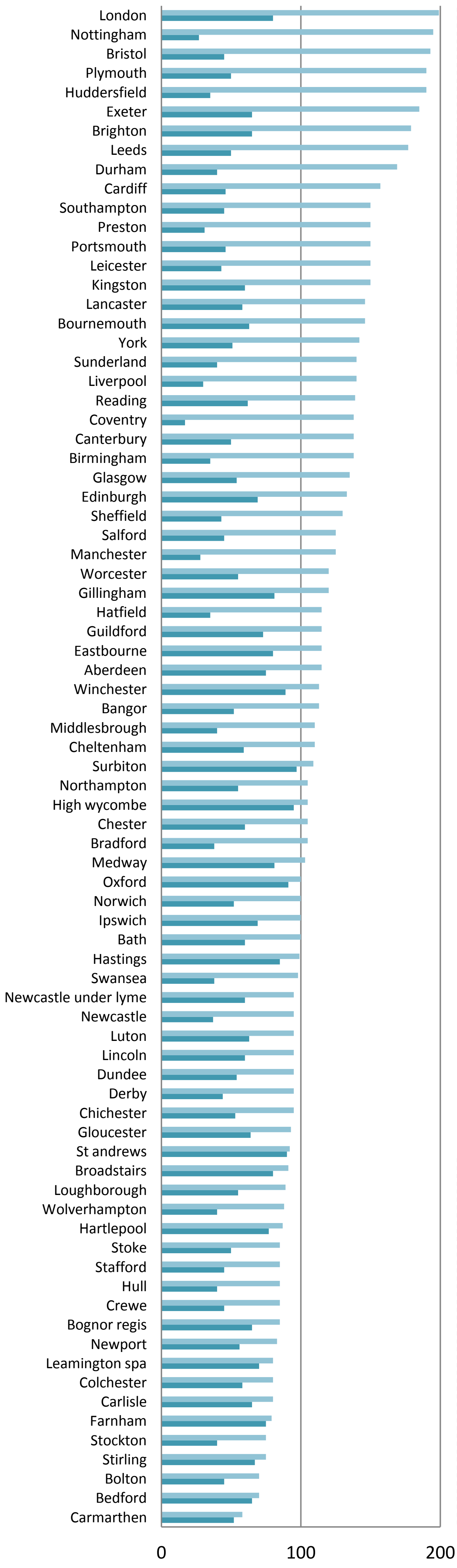
Minimum and maximum rents (Figure 1) vary widely in regards to both values and differences. Unlike previous years, there are strong discrepancies in the ranges of rental values across different cities. The difference between minimum and maximum rent reaches £168 (Nottingham), followed by £155 (Huddersfield), £148 (Bristol), £140 (Plymouth) and £129 (Durham). In contrast, the lowest ranges start from just £2 between minimum and maximum rents (St. Andrews), followed by £4 (Farnham), £5 (Bedford), £6 (Carmarthen) and £8 (Stirling).

The range of rents is higher in the North with an average range of £69.21, compared to £51.79 in the South. These ranges are somewhat affected by ARVs, with the top 10% of city ARVs presenting an average range of £80, in contrast to £30.75 average range for the bottom 10%. Interestingly, this trend does not occur for MRVs, which do not present a notable control on range pattern.

The lowest recorded rental value is £17 per week per room, located in Coventry, and the highest is £199 per week, in London. This presents a UK rental range of £182. This is £32 greater than in 2013, suggesting a widening gap in UK rents.

In most cases there is a strong similarity between average and median rental values, with 79% of cities presenting a discrepancy of ± £3 (Figure 2). This suggests a relatively normal distribution of rental markets in most UK cities. Bradford and Eastbourne present the greatest variation between ARVs and MRVs, both with a difference of ±£8 per room per week. For Bradford, where the MRV is £8 more expensive than the ARV, the market is skewed toward lower priced properties and the opposite is the case for Eastbourne, where higher priced properties distort the mean £8 greater than the median. Many of the towns and cities than present greater variation in the ARV and MRVs are those less commonly described as ‘university cities’. This may suggest the cause for the skew in student rental properties, where a student lettings market is less well-defined and more regularly overlaps with the wider lettings market.

Overall, ARVs are slightly higher than MRVs suggesting that the trend for higher priced properties is more prevalent.



← Figure 1

Minimum vs. Maximum Rent

2014

Max Rent £

Min rent £

Figure 2 →

Difference between ARVs and MRVs

2014

Difference

Temporal Change

Since 2005, the average UK rent has increased by 21%, rising from £65.44 to £79.27 per room per week (Figure 3). The nature of this change is illuminated when examined spatially, which demonstrates a higher rate of increase in Northern rents (↑25.5% since 2005) and a notable price hike in 2008. This is especially evident in Greater London Urban Area locations where rents nearly doubled (↑98.8%) from 2007 to 2008, before falling back to £103.60 per room per week in 2009.

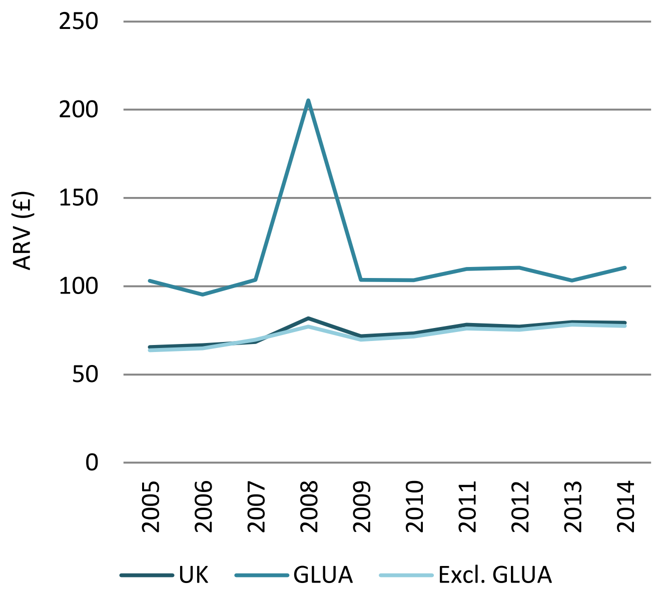
Map 3 shows the changes in city ARVs from 2013 to 2014. 60% of locations exhibit an increase in rents over the past year, with an average UK rental increase of 96p. Despite this, the UK ARV actually fell by 0.46% with a number of locations presenting a significant rental decrease: in particular Newport (↓ £40 per week), Bangor (↓ £14 per week) and Luton (↓ £11 per week). Rents have increased more in the North (↑ £1.80 per week/3.6%), where average rents in the South have actually decreased by 21p (↓ 3.5%). On a more regional basis there are no overwhelming spatial trends suggesting that student rental markets are reasonably localised and often city-based.

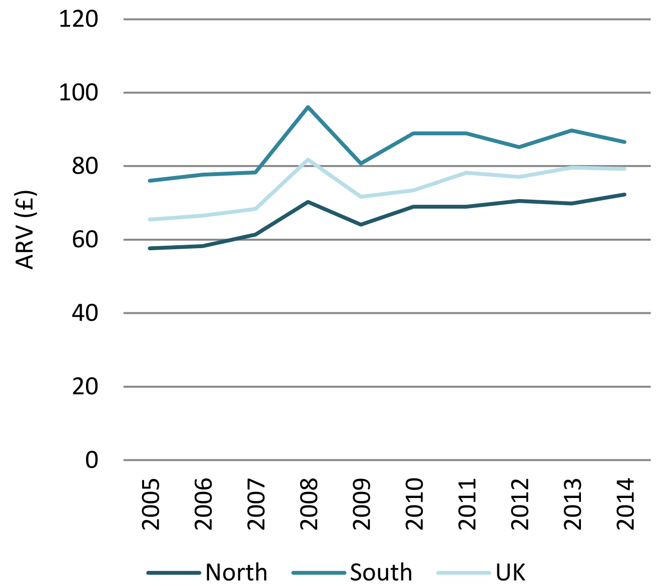
Over the past 3 years, rents have increased £3.44 per room per week (Map 4). The North has increased slightly more than Southern cites, up £4.55 compared to £2.26. Once again, regional trends are not strong suggesting that student rental markets are city-dependent and respond to local, as opposed to regional, changes.

These results present a decreasing North-South divide in UK rents, especially well demonstrated in Figure 3. Rents in the North have been increasing since 2009 whilst Southern locations have exhibited less stability year-on-year, resulting in a slower rate of increase. This will be interesting to observe into the future and may have considerable implications for the spatial distribution of UK rents.

↓ *Figure 3*

Changes in ARVs from 2005 to 2014





GLUA refers to the Greater London Urban Areas and includes all city ARVs within the defined geographical boundary.

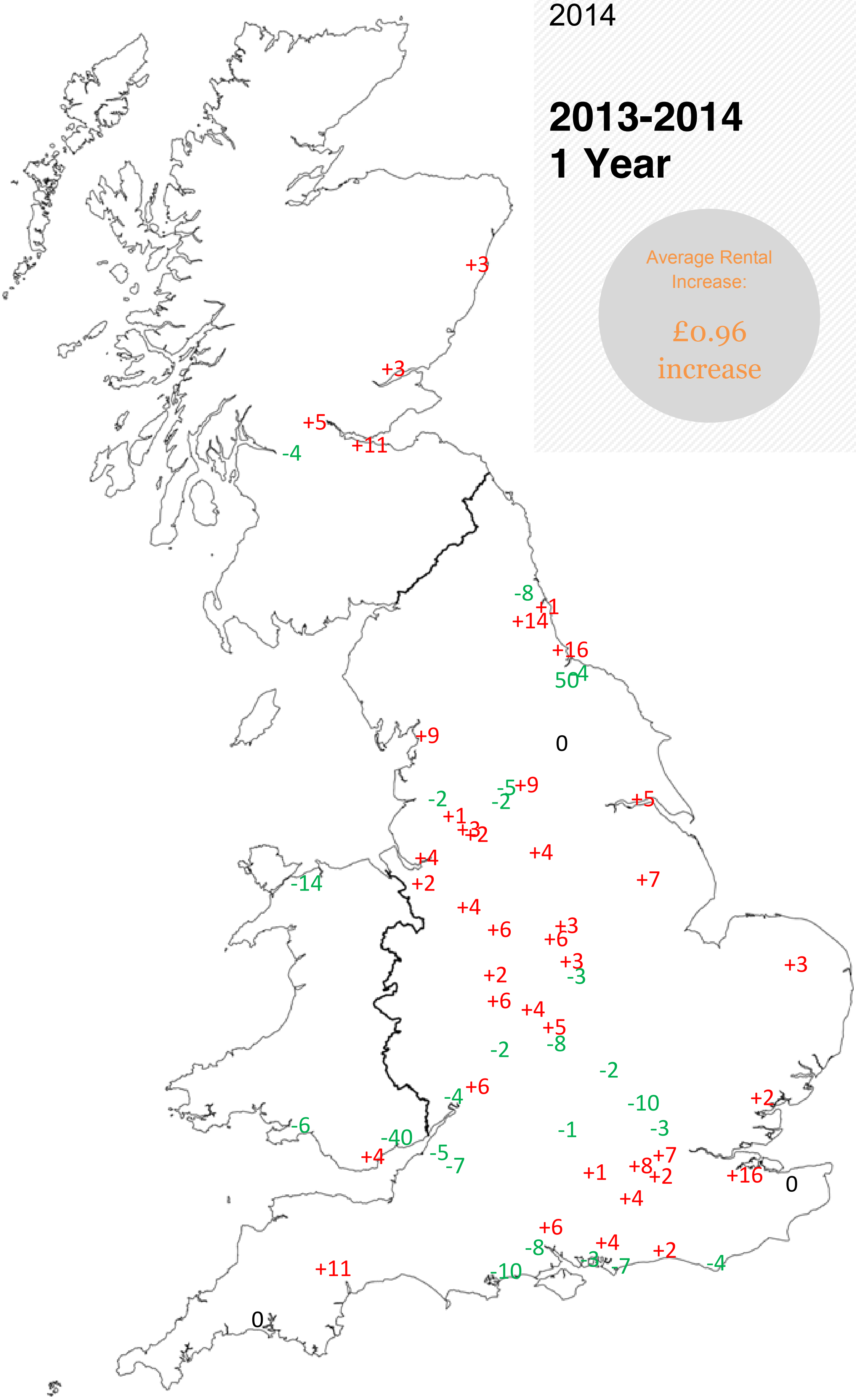
Map 3

Difference in Average Rental Value (£) per Bedroom from 2013 to 2014

2013-2014
1 Year

Average Rental Increase:

£0.96 increase



City	±
Newcastle under Lyme	+16
Medway	+16
Hartlepool	+16
Durham	+14
Exeter	+11
Edinburgh	+11
Leeds	+9
Lancaster	+9
Kingston	+8
London	+7
Lincoln	+7
Wolverhampton	+6
Winchester	+6
Stoke	+6
Derby	+6
Cheltenham	+6
Stirling	+5
Hull	+5
Coventry	+5
Sheffield	+4
Liverpool	+4
Guildford	+4
Crewe	+4
Chichester	+4
Cardiff	+4
Birmingham	+4
Salford	+3
Nottingham	+3
Norwich	+3
Loughborough	+3
Dundee	+3
Aberdeen	+3
Surbiton	+2
Stafford	+2
Manchester	+2
Colchester	+2
Chester	+2
Brighton	+2
Sunderland	+1
Stockton	+1
Reading	+1
Bolton	+1
York	0
Plymouth	0
Canterbury	0
Oxford	-1
Worcester	-2
Preston	-2
Northampton	-2
Huddersfield	-2
Portsmouth	-3
Leicester	-3
Hatfield	-3
Middlesbrough	-4
Gloucester	-4
Glasgow	-4
Eastbourne	-4
Bristol	-5
Bradford	-5
Swansea	-6
Bognor Regis	-7
Bath	-7
Southampton	-8
Newcastle	-8
Leamington spa	-8
Bournemouth	-10
Luton	-11
Bangor	-14
Newport	-40

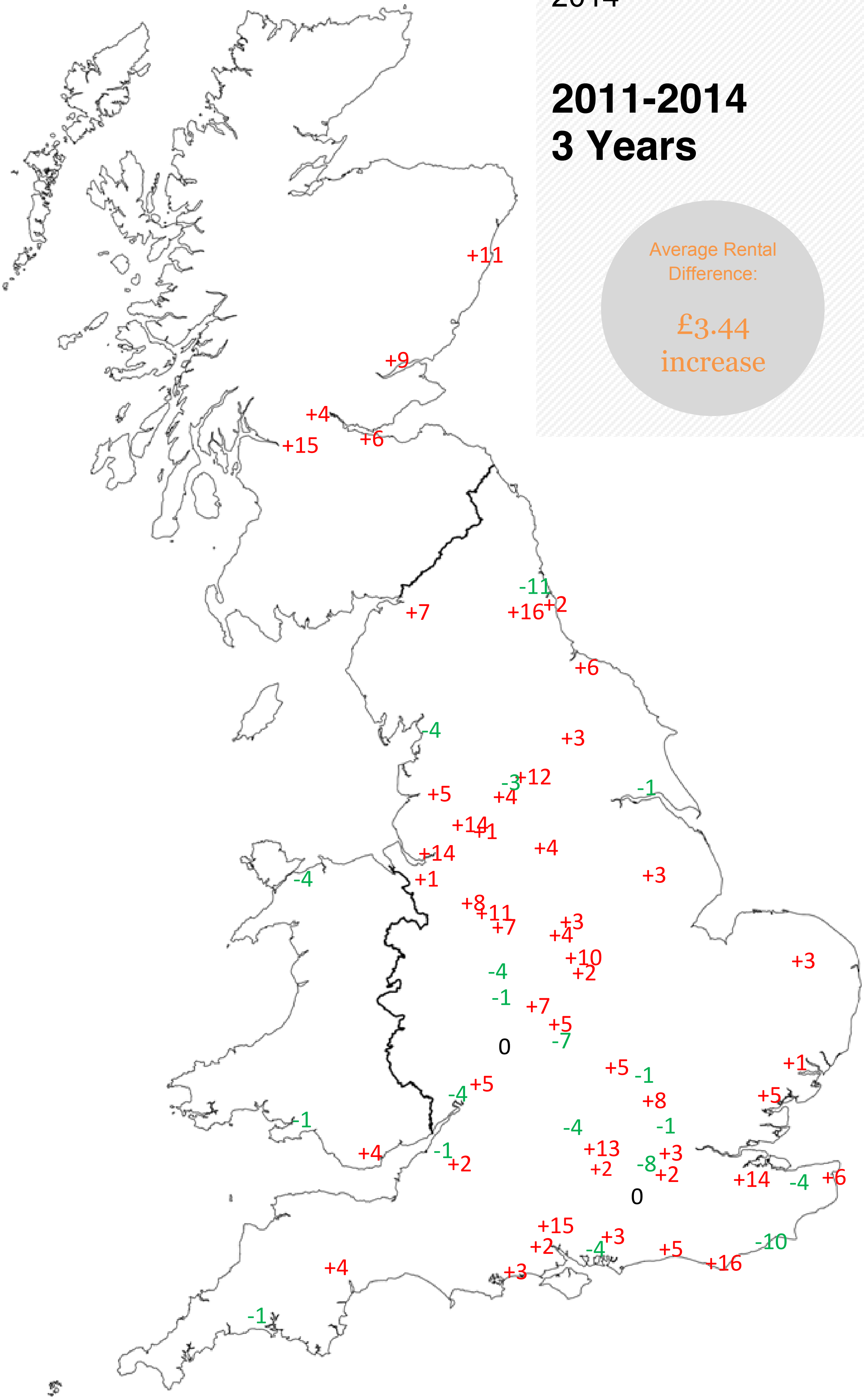
Map 4

Difference in Average Rental Value (£) per Bedroom from 2011 to 2014

2011-2014
3 Years

Average Rental Difference:

£3.44 increase



City	±
Durham	+16
Eastbourne	+16
Glasgow	+15
Winchester	+15
Liverpool	+14
Medway	+14
Salford	+14
High Wycombe	+13
Leeds	+12
Aberdeen	+11
Newcastle under Lyme	+11
Loughborough	+10
Dundee	+9
Crewe	+8
Luton	+8
Birmingham	+7
Carlisle	+7
Stoke	+7
Broadstairs	+6
Edinburgh	+6
Middlesbrough	+6
Brighton	+5
Cheltenham	+5
Colchester	+5
Coventry	+5
Northampton	+5
Preston	+5
Cardiff	+4
Derby	+4
Exeter	+4
Huddersfield	+4
Sheffield	+4
Stirling	+4
Bournemouth	+3
Chichester	+3
Lincoln	+3
London	+3
Norwich	+3
Nottingham	+3
York	+3
Bath	+2
Leicester	+2
Reading	+2
Southampton	+2
Sunderland	+2
Surbiton	+2
Chester	+1
Ipswich	+1
Manchester	+1
Guildford	0
Worcester	0
Bedford	-1
Bristol	-1
Hatfield	-1
Hull	-1
Plymouth	-1
Swansea	-1
Wolverhampton	-1
Bradford	-3
Bangor	-4
Canterbury	-4
Gloucester	-4
Lancaster	-4
Oxford	-4
Portsmouth	-4
Stafford	-4
Leamington spa	-7
Kingston	-8
Hastings	-10
Newcastle	-11

Bills Inclusive Data

The percentage of properties offering bills included in the UK is 51% (Figure 4), with an average of just under 60% per city (Figure 5). These are the highest figures observed, with a steady increase having occurred from 2005. The percentage of properties offering at least one bill included has nearly doubled since 2005, whilst the average percentage per city has almost trebled.

13 cities offer at least one bill included in all advertised properties and these are distributed around the UK, with some concentration in the South of the country. 3 cities reported 0% bills inclusive in 2014 and this includes St. Andrews, Surbiton and Stirling.

The spatial distribution of bills inclusive options is reasonably varied throughout the country. Offering bills inclusive is not very popular in Scotland, with all cities demonstrating percentages below 25%. The West Midlands and Kent present the highest average percentages in the UK, with Scotland and South East exhibiting the lowest.

There is average addition of £7.21 per week per room for 'bills included' options, down from £8.97 in 2013 and by over half since 2005 (Figure 6).

As might be expected, 61% of cities request higher ARVs for bills inclusive properties. Notably 13 cities actually present lower ARVs for bills inclusive properties. This could be due to bills inclusive options being utilised to increase the competitiveness of lower quality, and hence lower priced, properties which skews the data. However, some of these cities also have less well-defined student rental markets which may also influence the impact of bills inclusive options on the data.

Figure 4 ↓

Changes in bills inclusive UK% from 2005 to 2014

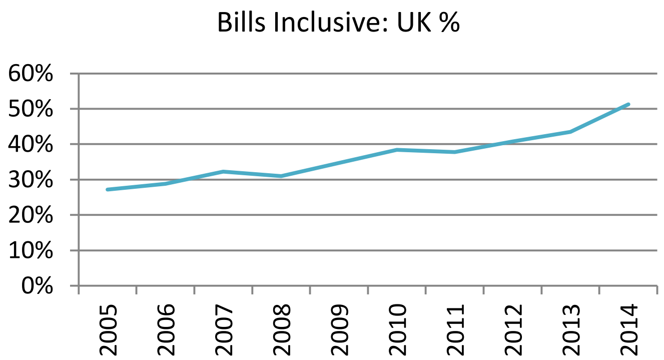


Figure 5 ↓

Changes in bills inclusive Average City% from 2005 to 2014

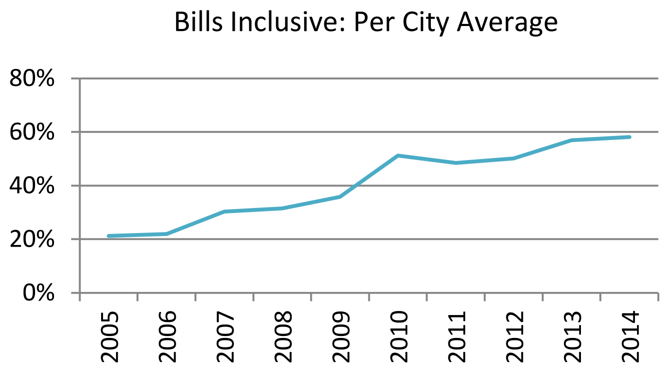
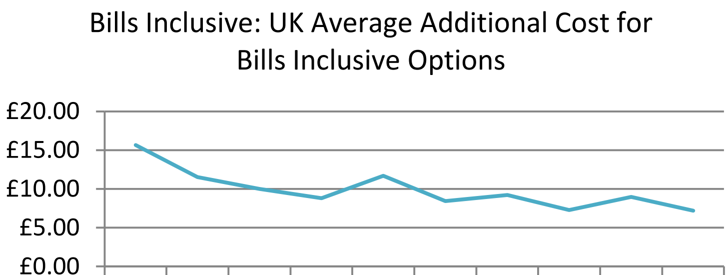


Figure 6 →

Changes in Average Additional Cost for Bills Inclusive from 2005 to 2014



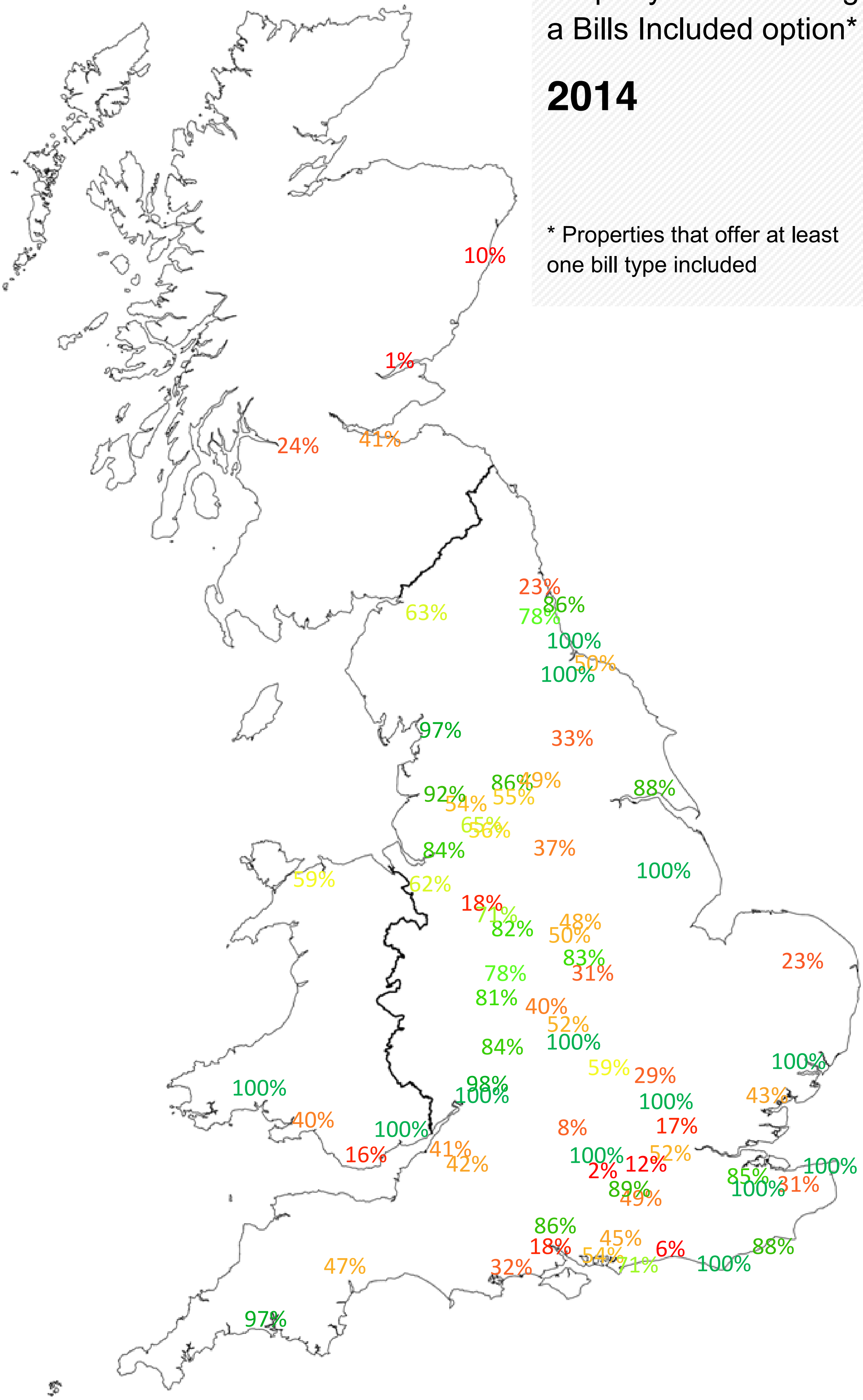
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
£Diff	£15.6	£11.5	£9.98	£8.80	£11.7	£8.41	£9.21	£7.27	£8.97	£7.21

Map 5

Percentage of AFS Property Stock offering a Bills Included option*

2014

* Properties that offer at least one bill type included



City	
Broadstairs	100%
Carmarthen	100%
Eastbourne	100%
Gillingham	100%
Gloucester	100%
Hartlepool	100%
High Wycombe	100%
Ipswich	100%
Leamington spa	100%
Lincoln	100%
Luton	100%
Newport	100%
Stockton	100%
Cheltenham	98%
Lancaster	97%
Plymouth	97%
Preston	92%
Farnham	89%
Hull	88%
Hastings	88%
Winchester	86%
Sunderland	86%
Bradford	86%
Medway	85%
Worcester	84%
Liverpool	84%
Loughborough	83%
Stoke	82%
Wolverhampton	81%
Durham	78%
Stafford	78%
Bognor Regis	71%
Newcastle under Lyme	71%
Salford	65%
Carlisle	63%
Chester	62%
Bangor	59%
Northampton	59%
Manchester	56%
Huddersfield	55%
Bolton	54%
Portsmouth	54%
Coventry	52%
London	52%
Derby	50%
Middlesbrough	50%
Leeds	49%
Nottingham	48%
Exeter	47%
Chichester	45%
Colchester	43%
Bath	42%
Edinburgh	41%
Bristol	41%
Guildford	40%
Birmingham	40%
Swansea	40%
Sheffield	37%
York	33%
Bournemouth	32%
Leicester	31%
Canterbury	31%
Bedford	29%
Glasgow	24%
Norwich	23%
Newcastle	23%
Crewe	18%
Southampton	18%
Hatfield	17%
Cardiff	16%
Kingston	12%
Aberdeen	10%
Oxford	8%
Brighton	6%
Reading	2%
Dundee	1%

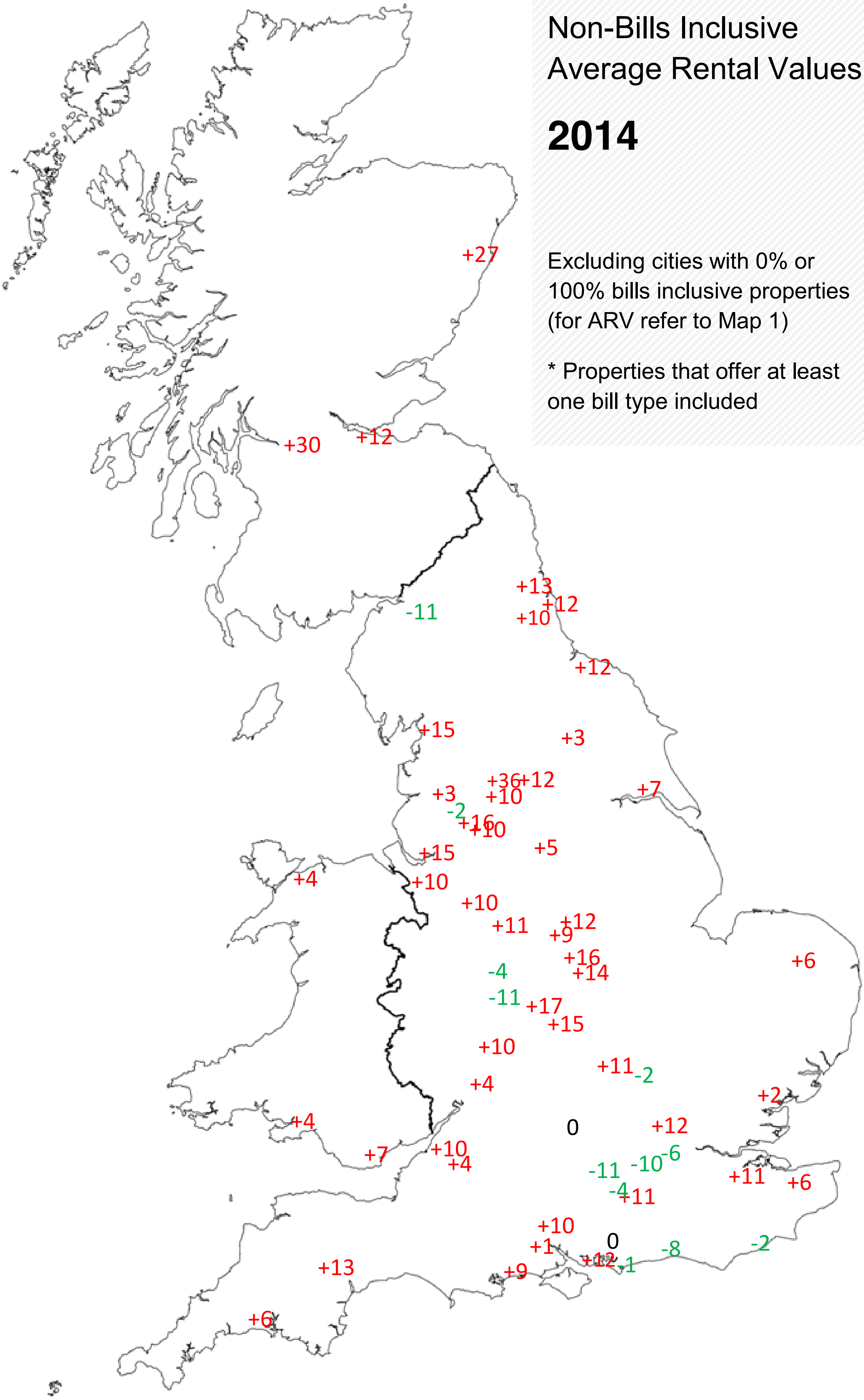
Map 6

Difference between Bills Inclusive* and Non-Bills Inclusive Average Rental Values

2014

Excluding cities with 0% or 100% bills inclusive properties (for ARV refer to Map 1)

* Properties that offer at least one bill type included



City	
Carlisle	-11
Reading	-11
Wolverhampton	-11
Kingston	-10
Brighton	-8
Aberdeen	-7
London	-6
Farnham	-4
Stafford	-4
Bedford	-2
Bolton	-2
Hastings	-2
Bognor Regis	-1
Chichester	0
Oxford	0
Southampton	+1
Colchester	+2
Preston	+3
York	+3
Bangor	+4
Bath	+4
Cheltenham	+4
Swansea	+4
Sheffield	+5
Canterbury	+6
Norwich	+6
Plymouth	+6
Cardiff	+7
Hull	+7
Newcastle under Lyme	+7
Bournemouth	+9
Derby	+9
Bristol	+10
Chester	+10
Crewe	+10
Durham	+10
Huddersfield	+10
Manchester	+10
Winchester	+10
Worcester	+10
Guildford	+11
Medway	+11
Northampton	+11
Stoke	+11
Edinburgh	+12
Hatfield	+12
Leeds	+12
Middlesbrough	+12
Nottingham	+12
Portsmouth	+12
Sunderland	+12
Exeter	+13
Newcastle	+13
Leicester	+14
Coventry	+15
Lancaster	+15
Liverpool	+15
Loughborough	+16
Salford	+16
Birmingham	+17
Dundee	+27
Glasgow	+30
Bradford	+36