

# THE PROPERTY MARKETING STRATEGISTS, TOGETHER WITH LEADING ON-CAMPUS STUDENT ACCOMMODATION PROVIDER UPP, HAVE UNDERTAKEN ONE OF THE LARGEST INDEPENDENT STUDENT ACCOMMODATION RESEARCH SURVEYS.

For details on the methodology [click here](#)

## AFFORDABILITY

As we enter a national cost of living crisis, the pertinence of this topic becomes even more - for want of a better word - inflated. Students are generally stereotyped with prioritising affordability and lower costs, and the research would appear to concur. But as we grapple with eye watering costs and energy hikes, we'll review the finer details as to how students make decisions about their accommodation packages. Which facilities do they deem most valuable, and what exactly are they willing to pay for?

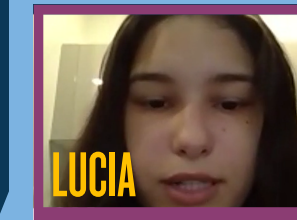
## THE DEMOGRAPHIC DETAILS

Before we explore the findings from this research pillar, it's important to note that of those surveyed, **16% of future students qualified for free school lunches** in the 3 years prior to university. That number was **14% of current students, and 16.5% for graduates**. This could impact sensitivity towards affordability within those groups. It's also important to highlight the disparities between UK students and international students.

Of current students surveyed, **79% of UK students had taken out a maintenance loan** to pay for student accommodation. Whereas, **for overseas students, 62% had a parent/guardian paying for their university accommodation**.

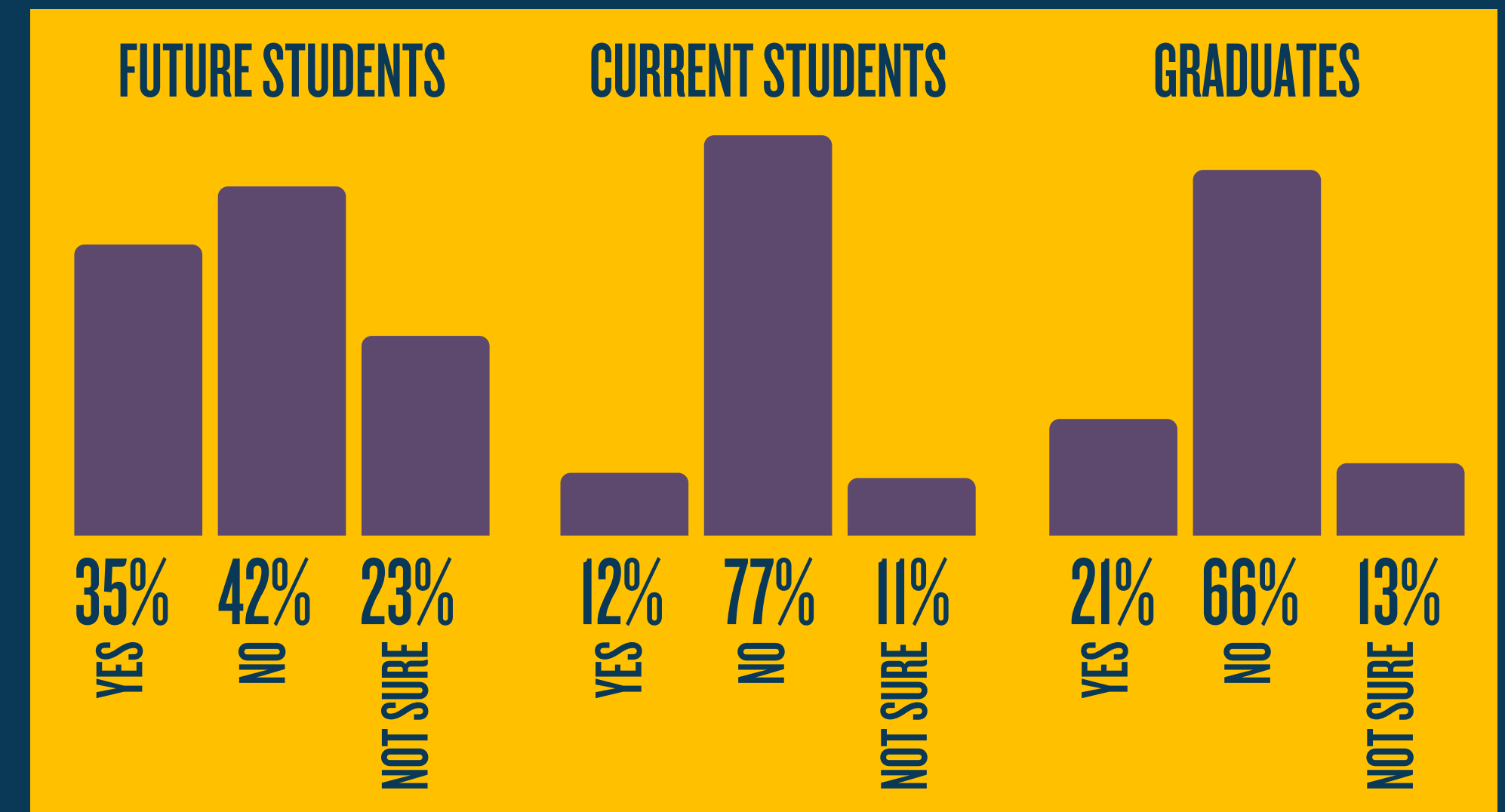
Interestingly, for the younger end of the demographic (future students), **19% of UK respondents and 22% of overseas respondents** said they would fund their accommodation themselves via savings or inheritance. If future students are likely to be spending their own saved or inherited cash, it's likely they could demonstrate a different attitude towards it, or perhaps, have not considered the full cost commitment yet compared with current students and graduates.

## A FAIR PRICE



"I THINK STUDENTS ARE TARGETED BY LANDLORDS AND THE PRICES ARE INCREASED AND I THINK STUDENTS A LOT OF THE TIME ARE QUITE EXPLOITED WITH THE PRICES, BECAUSE YOU KNOW THAT THEY WILL PAY."

So let's start with the basics - what do students consider a fair price? We posed the question **"Do you consider £165 (£259 in London) a week including bills to be a fair price for university accommodation?"**



The response was generally similar across overseas and UK respondents.

Upon evaluating these responses we might assume that future students are more realistic when it comes to rent. 41% said this was about what they expected, or simply less aware of the cost of living. Graduates feel it is more fair than current students. But of course, they have the benefit of comparison compared with non-student accommodation.

# WHAT WILL THEY PAY FOR?



## ADDITIONAL FACILITIES

Do students expect luxuries and amenities as a part of their package? Or are they happier to forgo those in favour of cheaper rent? It appears the latter would be true. A more basic package is favoured, and our focus group participants supported this notion:



“STUDENTS DON'T NEED POOL TABLES AND ALL THE VENDING MACHINES EVERYWHERE. IF THEY CAN JUST GO TO A SHOP IF NEED BE, YOU KNOW, WE'LL MAKE DO AS IF WE CAN JUST HAVE THAT PRICE CUT OFF A LITTLE BIT.”

## WHAT THIS MEANS

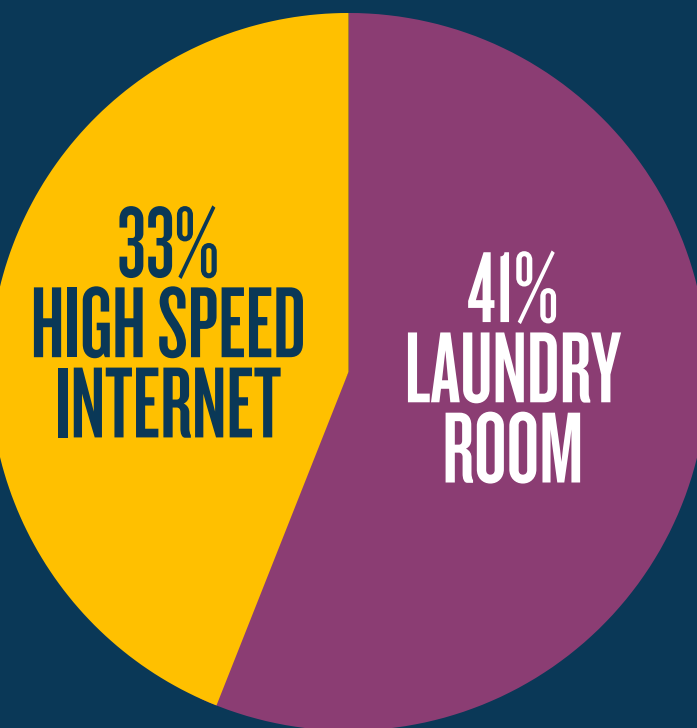
The future of affordability is very much blurred at this point in time. So it's important to continually review and re-conduct research to gather the most accurate and meaningful data. What is clear though is that age matters, as does nationality. Overseas students were more likely to have their accommodation funded by family, indicating that affordability means something very different to them compared with their UK counterparts.

Overall, it seems that a basic package is preferred over premium add-ons that increase price. Students also value their freedom of choice over what and when they pay for things, including the longevity of their contract. What is becoming clear is that students don't always realise they are paying for everything within the building including a gym, pub/bar and other additional facilities. Since they would've been considered in the build cost against the rent needed to offset the investment.

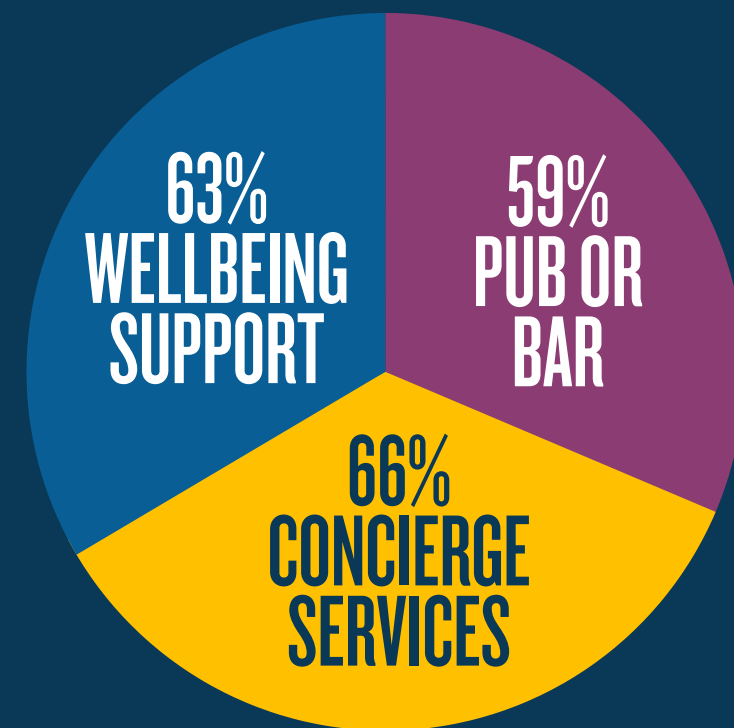
Wellbeing support, parcel collection, and on-site events which are 'all-included' are paid for by way of increased staff via higher rent. The research indicates that students prefer a minimised version of the package where they can turn to the local area and pay for amenities such as gyms, bars and cinema rooms separately, and as needed.

However, all-inclusive bills, good insulation, and being located within walking distance from campus are all additional ways of saving money, even if they are not necessarily attractive as part of a marketing campaign. Starting with a basic package which improves the experience by adding convenience amenities, rather than luxury, seems to be the best course of action for providers considering their 2023/2024 packages.

### WOULD PAY EXTRA FOR



### WOULD NOT PAY EXTRA FOR



## CONTRACT LENGTH

Committing to a contract largely depends on affordability. Particularly given the current unpredictability. Could securing a longer contract offer peace of mind that prices are locked in, or do students want the freedom to shop around after experiencing an environment? Perhaps there is another consideration; students only want to pay for the time they need, which is why term time contracts are more favourable.

## RESPONDENTS CONTRACT LENGTH PREFERENCE

60%

WANT AN ACADEMIC YEAR CONTRACT

30%

WANT A CALENDAR YEAR CONTRACT

3%

WANT A 3 YEAR CONTRACT

## KEEP AHEAD OF THE CURVE

Over the course of the next 6 months The Property Marketing Strategists and UPP will be releasing a series of reports and webinars focused on the key themes of Sustainability, Affordability, Technology, Wellbeing and Community to share the fascinating insight gained from this in-depth research. This will lead up to the final report being issued at the end of the year.

If you want to stay up to date with what Gen Z want from their future home, please [sign up](#) to the insight alerts, follow us on our social channels and [book a space on our webinars](#).

Together we can build a property sector that exceeds the expectations of the next generation.



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