

LIVING & LEARNING: THE FUTURE OF HOME ACCORDING TO GEN Z

In association with

dataloftconsult

December 2022

Developed in partnership with:



Living & Learning: The Future of Home According to Gen Z

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Hearing and acting on the voice of customers is an imperative. With increasing cost of living pressures, the impact of the pandemic and a rapidly changing learning and working environment, the needs of Gen Z are significantly different from those that have gone before. Expectations on sustainability, approaches to learning, community and technology stand out from this research as being vital in understanding future product and services design. For providers, the challenge is how to deliver housing which address these wishes; affordably and throughout their accommodation journey.

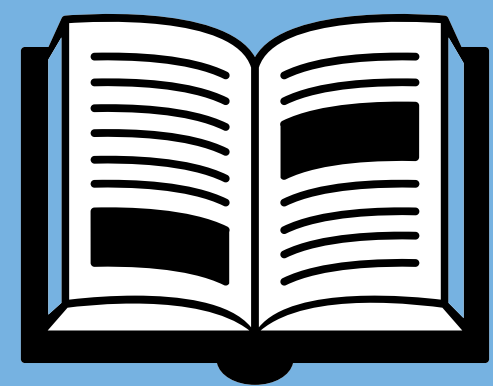


JON WAKEFORD, DIRECTOR OF ENGAGEMENT, UPP

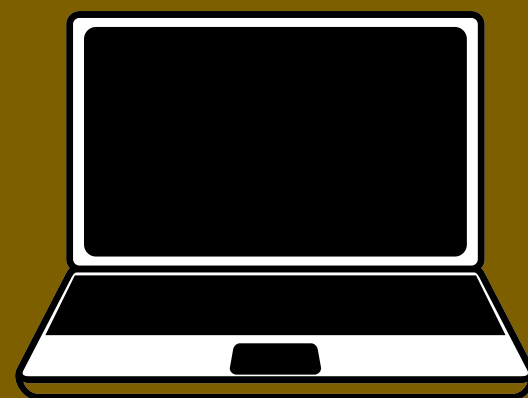


The Property Marketing Strategists, together with leading on-campus student accommodation provider UPP, have undertaken one of few independent student accommodation research surveys in the UK to date.

The survey was conducted in April 2022. Over 2,500 responses were received across three different age groups:



16 TO 18
YEAR-OLDS



CURRENT
STUDENTS



RECENTLY
GRADUATED

Accommodation expectations and experiences before, during and after university were examined through five key 'pillars':

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SUSTAINABILITY

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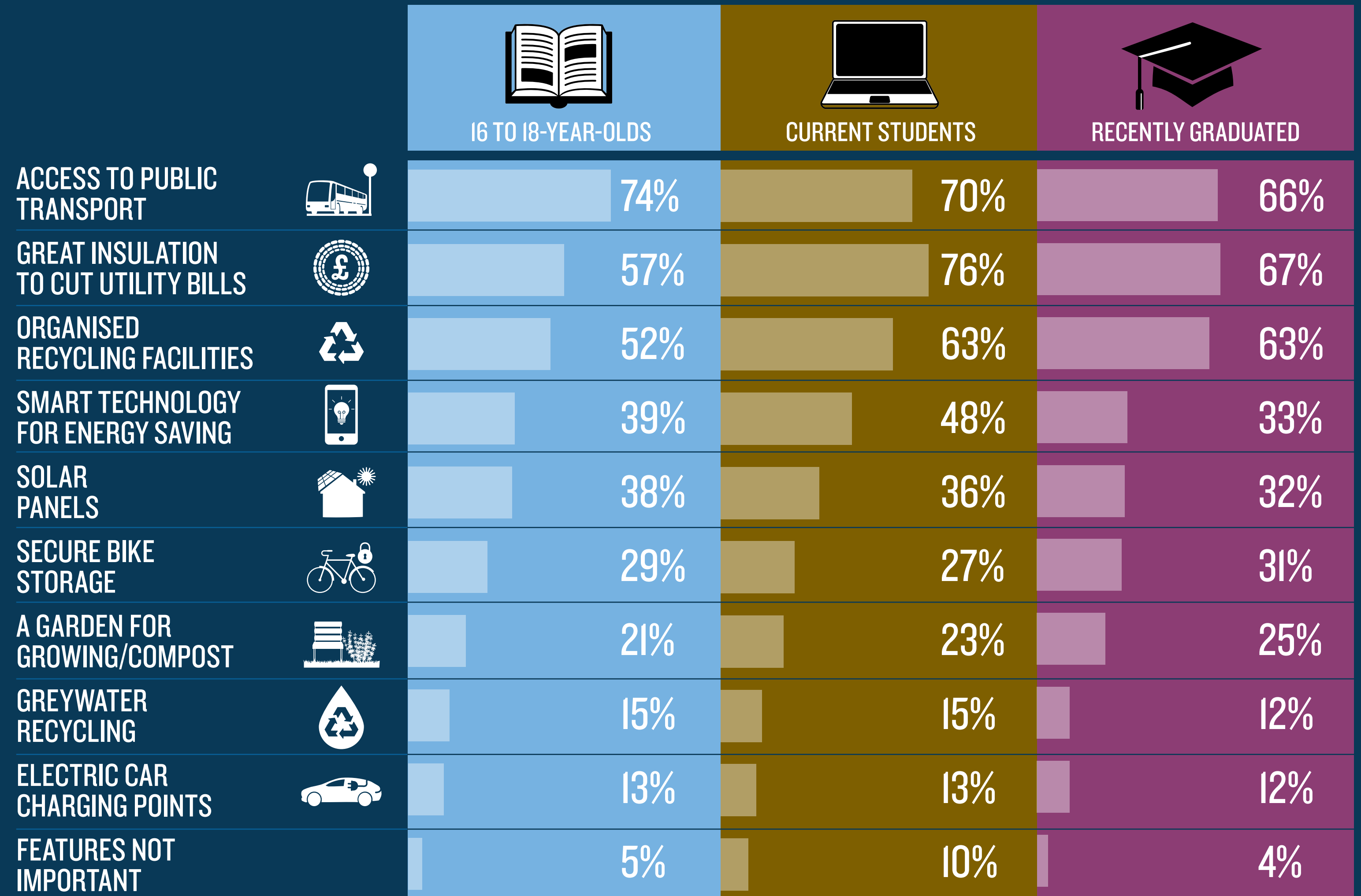


SUSTAINABLE PRIORITIES

WE ASKED WHICH OF THE FOLLOWING SUSTAINABILITY FEATURES WOULD BE IMPORTANT TO YOU WHEN CHOOSING WHERE TO LIVE?

Select all that apply

Gen Z are clear on which sustainability features are important to them. The nuances between the different groups are however interesting.

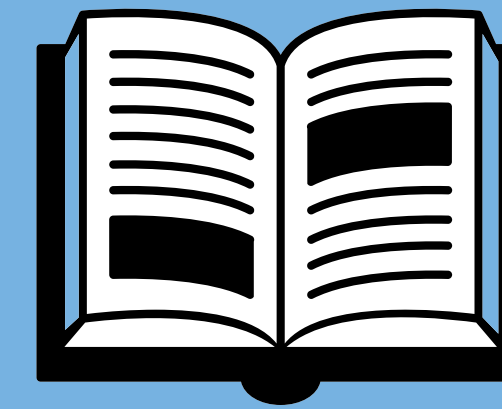


Dataloft, UPP, The Property Marketing Strategists.

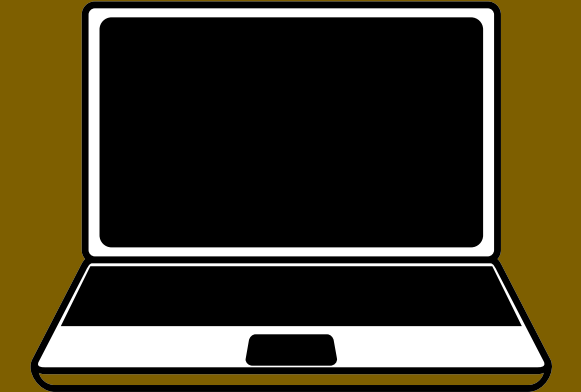
SECOND-HAND LIVING

WE ASKED
WOULD YOU BE COMFORTABLE
LIVING SOMEWHERE KNOWING
THE FURNITURE HAD BEEN
BOUGHT SECOND-HAND?

Second-hand no longer means second best. Gen Z see it as integral to the circular economy.



16 TO 18-YEAR-OLDS



CURRENT STUDENTS

ALMOST 3 IN 4 STUDENTS* WOULD BE COMFORTABLE

knowing their accommodation had been furnished using second-hand furniture.



72%

RECENTLY GRADUATED

GRADUATES WOULD PREFER TO
RENT SOMEWHERE FURNISHED

Dataloft, UPP, The Property Marketing Strategists

PRICE MATTERS

**WE ASKED
WHAT IS MOST IMPORTANT TO
YOU WHEN IT COMES TO PAYING
BILLS & CHOOSING ENERGY
PROVIDERS?**

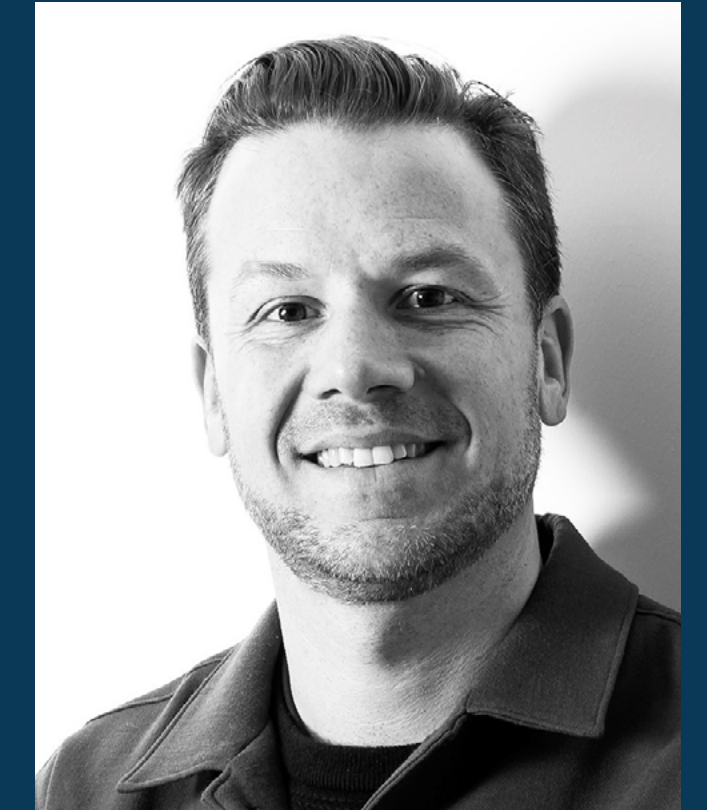
Price is the most important factor when paying bills and choosing an energy provider, exceeding environmental impact and ease of payment by a considerable margin.



PRICE DOMINATES FOR BOTH CURRENT STUDENTS AND RECENT GRADUATES.

Overseas students are slightly less price sensitive and are marginally more attracted to ease of payment than domestic students.

The value of this survey cannot be understated, as it is giving us categorical evidence of the perceived importance of sustainability from the most important source of all – the residents. The residential sector needs to incorporate increased sustainability measures from construction right through to the furnishing of the home, or people will not want to live there. Increased sustainability features are crucial to future homes to not only benefit the environment and create a greener future, but cater to a more conscious and ethical residential demographic.



BENJAMIN HALL, FOUNDER & MANAGING DIRECTOR, LOFT

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WELLBEING

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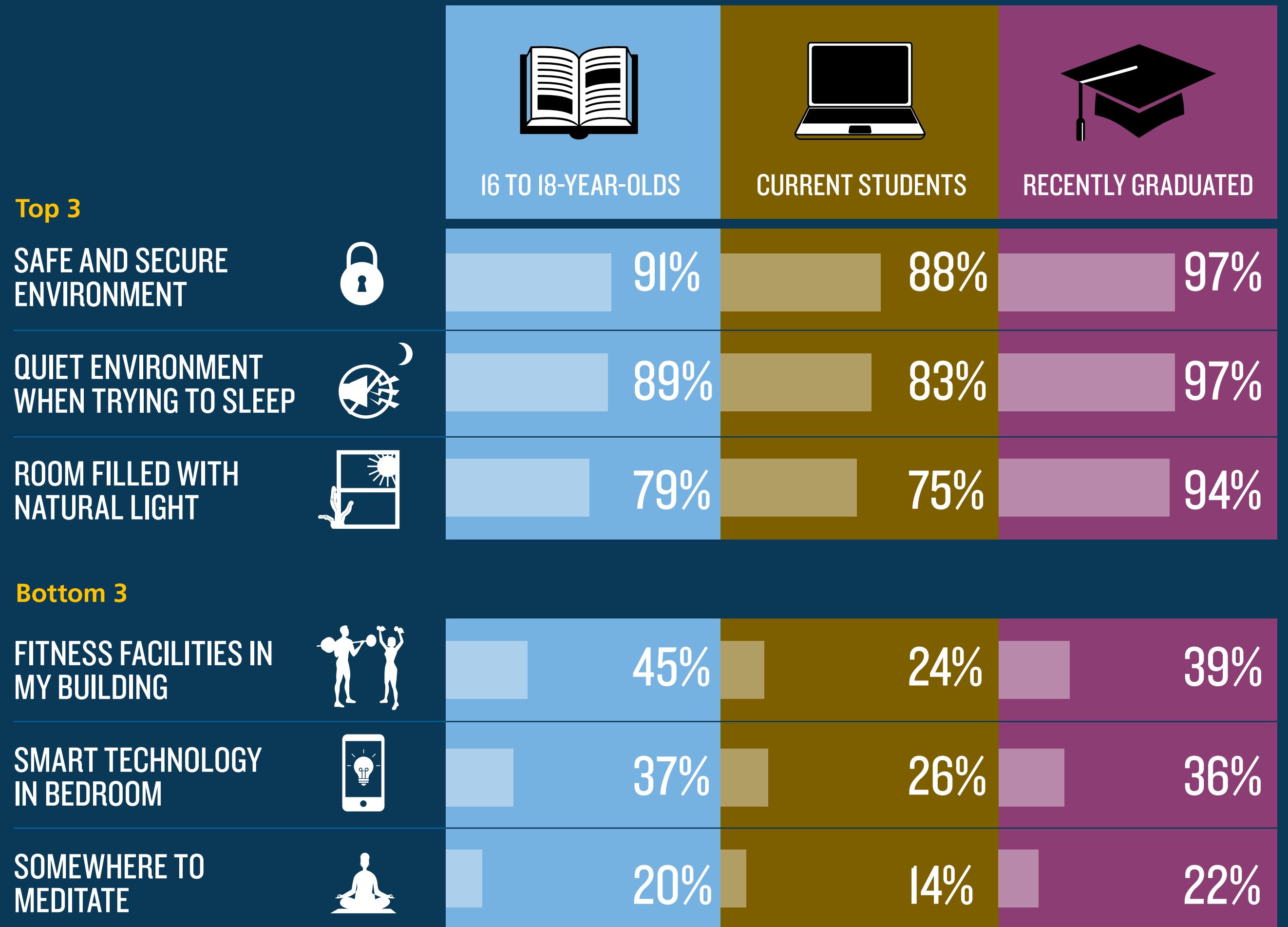
BASIC NEEDS OR FANCY FACILITIES?

WE ASKED

HOW IMPORTANT WOULD THE FOLLOWING BE TO YOU WHEN CONSIDERING A NEW PLACE TO LIVE IN THE NEXT 5 YEARS? THIS COULD BE UNIVERSITY ACCOMMODATION OR OTHERWISE.

% rated as important (sorted on graduates)

Gen Z are prioritising basic wellbeing prerequisites. They would rather feel safe, have a good night's sleep and enjoy natural light than have onsite meditation and fitness facilities. Graduates rated these fundamentals far more highly than the perceived 'must have' ensuite. Is it time for developers and operators to shift what they focus on to support their occupants' wellbeing?

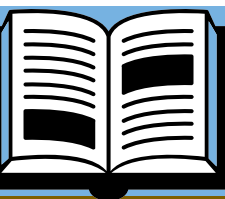
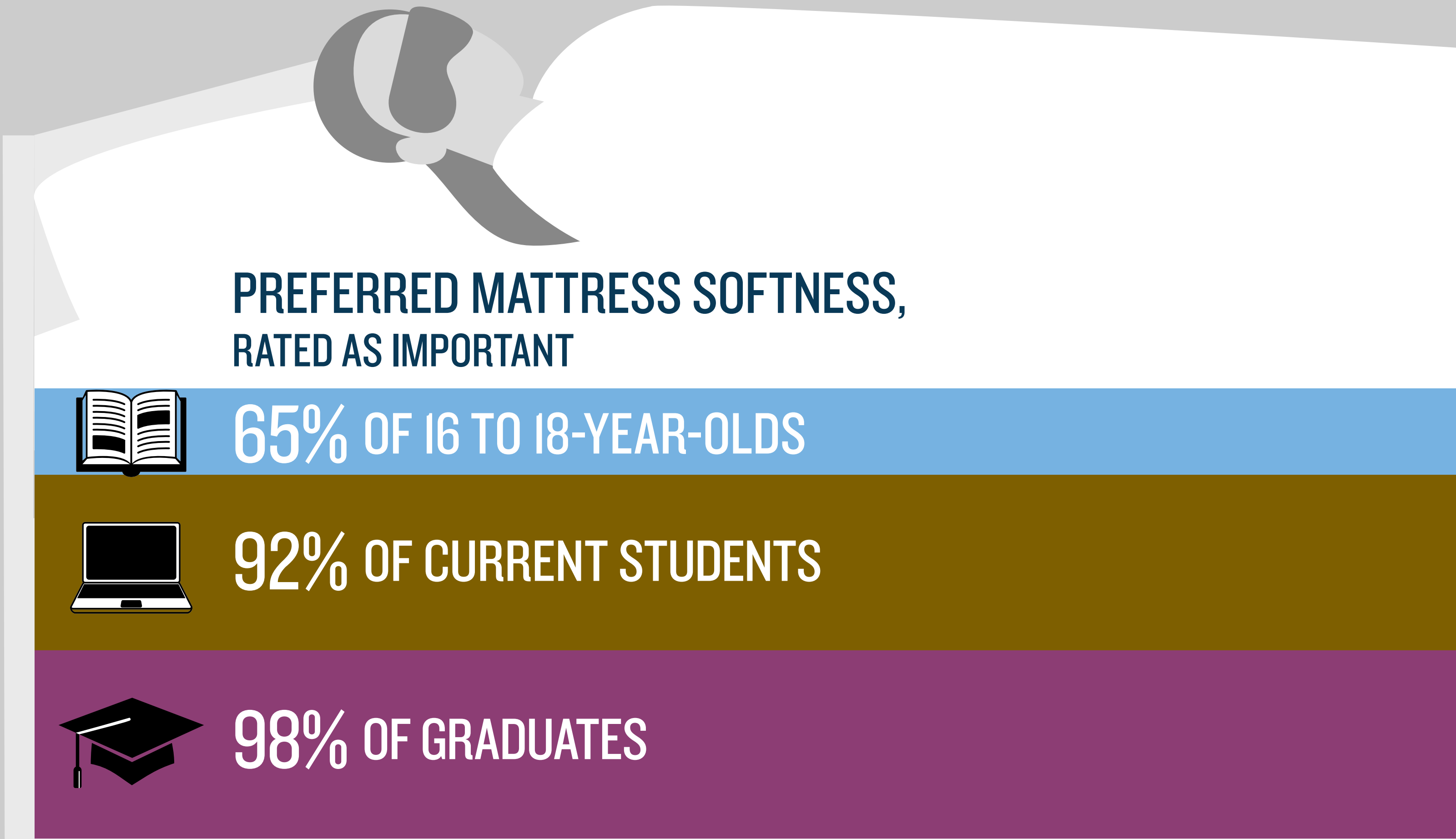


IT'S ALL ABOUT THE MATTRESS

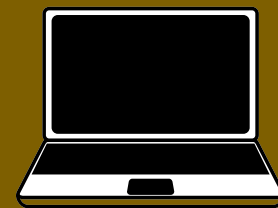
WE ASKED

HOW IMPORTANT ARE THE FOLLOWING FOR YOU TO HAVE A GOOD NIGHT'S SLEEP?

For all age groups, a quiet environment and a preferred level of temperature and darkness are the three most important factors deemed to determine a good night's sleep. Providers need to get the basics right: opening windows, controlled temperatures and comfortable mattresses. Preferred mattress type became increasingly crucial through the student lifecycle, perhaps due to bad experience.



65% OF 16 TO 18-YEAR-OLDS



92% OF CURRENT STUDENTS



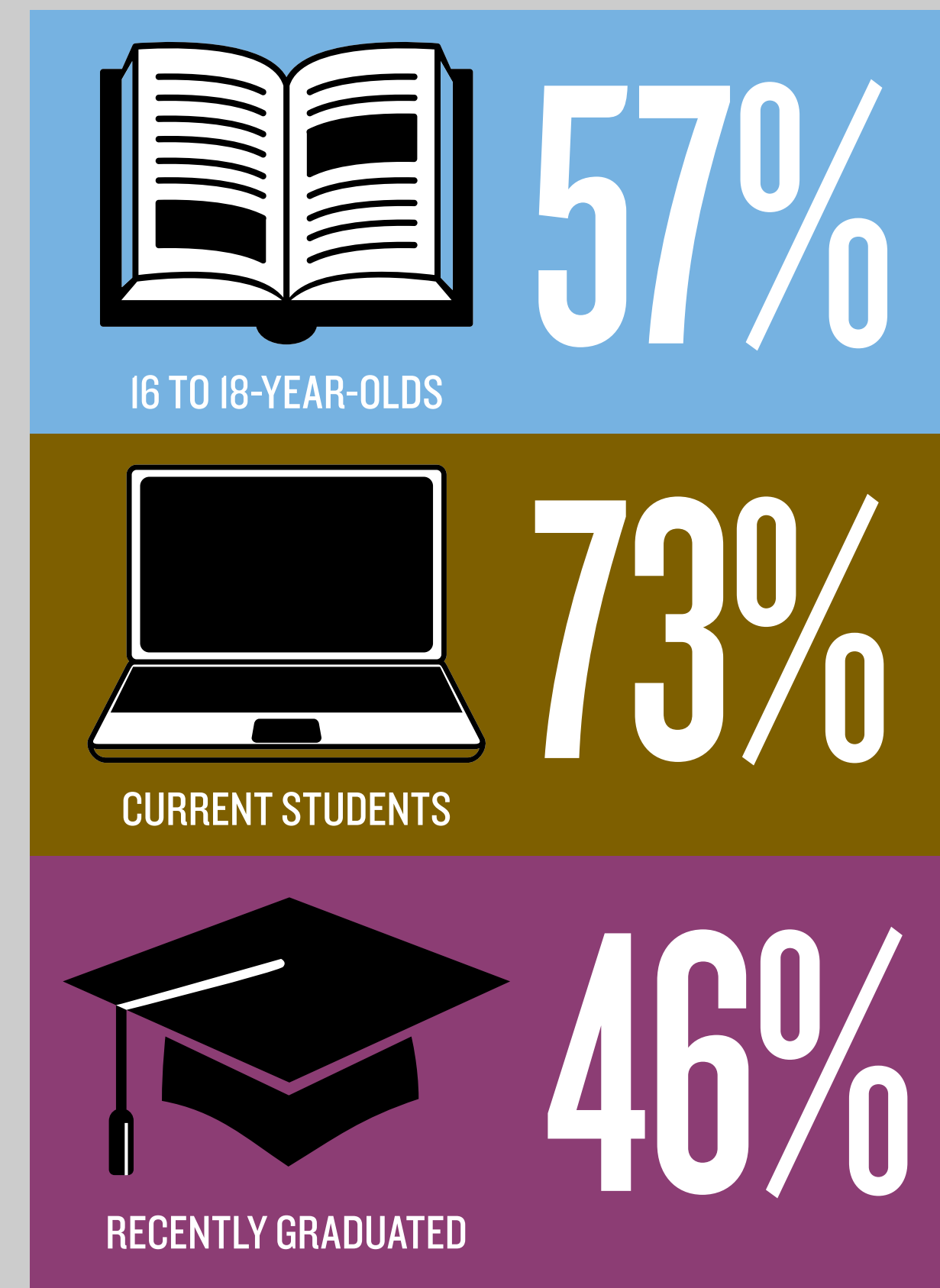
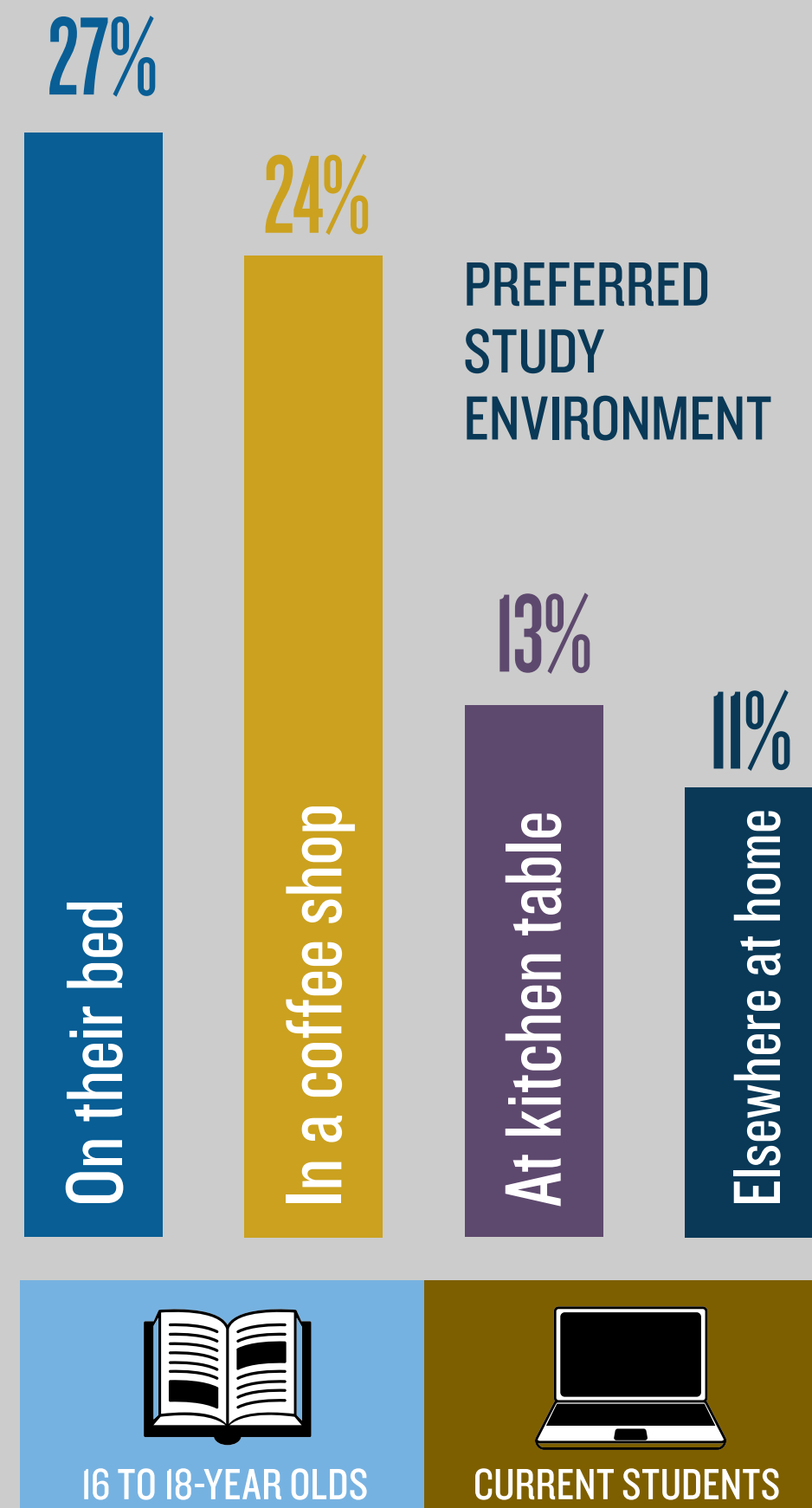
98% OF GRADUATES

FLEXIBILITY OF PLACES TO STUDY

WE ASKED WHAT ARE YOUR PREFERRED STUDY ENVIRONMENTS?

Select all that apply

Students clearly need to feel comfortable and relaxed when studying. Although studying at a desk in the bedroom was the most common response (76%), this is likely to be because it is often the only option provided within student accommodation. However, sleeping, living and studying in the same room could be detrimental to a student's wellbeing. We focus here on the other places students like to study, which indicate that flexibility and informality are appealing.



**BELIEVE
LANDLORDS
SHOULD PROVIDE
SPACE TO STUDY
AND WORK**

Accommodation is consistently in the top factors when choosing a university or college – support and wellbeing while living at university is a key concern for students, as demonstrated by these findings from The Property Marketing Strategists, and within our own research. Our disabled students report highlighted the importance of suitable accommodation for wellbeing, our LGBT+ student report demonstrated worry over accommodation and living arrangements, and our international report showed the critical nature of accommodation to this audience when considering their higher education journey to the UK. We welcome these findings that help raise awareness of steps that can be taken to improve student wellbeing across the student experience.



JOANNE RICHARDS, SENIOR INSIGHT LEAD, UCAS

UCAS



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COMMUNITY

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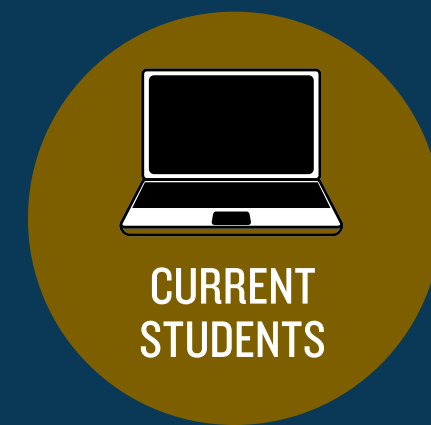


LIVING WITH OTHERS

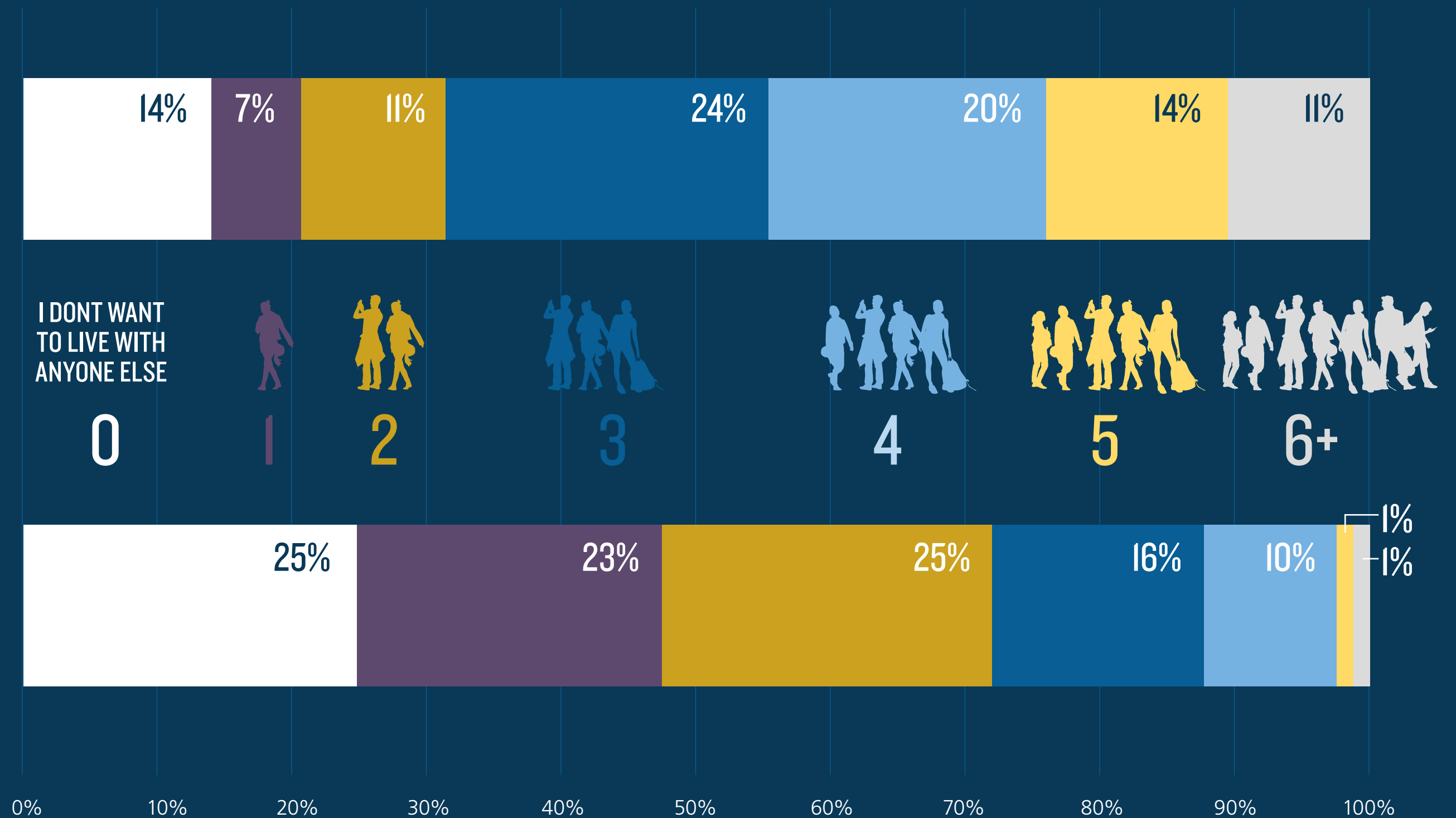
WE ASKED

WHAT WOULD BE YOUR IDEAL NUMBER OF PEOPLE TO SHARE A FLAT OR HOUSE WITH?

Most current students (44%) would like to live with 3 or 4 other people, whereas graduates prefer to share with just one or two others (48%) or live alone (25%). Although only one in five current overseas students prefer to live alone, this does not seem to be reflected in the accommodation on offer to them, as the bulk are studio apartments. Overseas students across all age groups tend to favour sharing with just one or two others.



Ideal number of people to live with



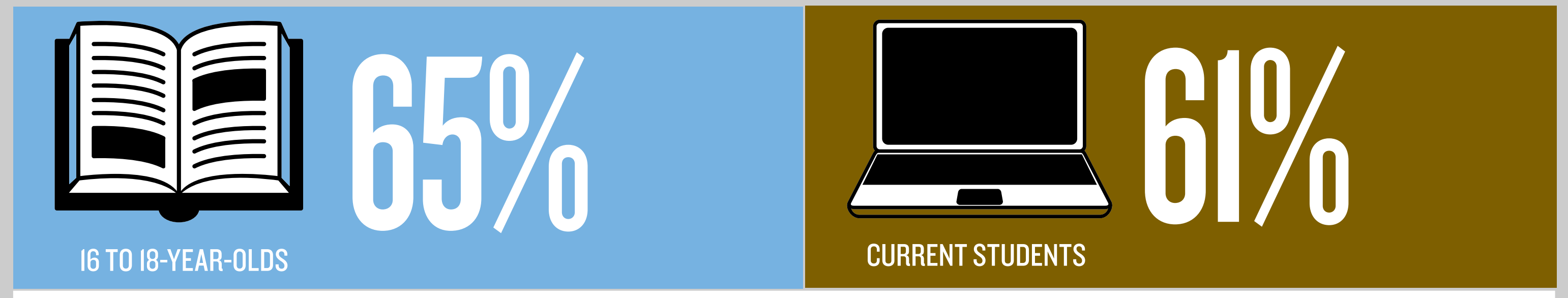
Dataloft, UPP, The Property Marketing Strategists. N.B. Numbers may not add up to 100% due to rounding.

ONLINE LEARNING – A PERSISTENT DISRUPTOR OR RED HERRING?

WE ASKED

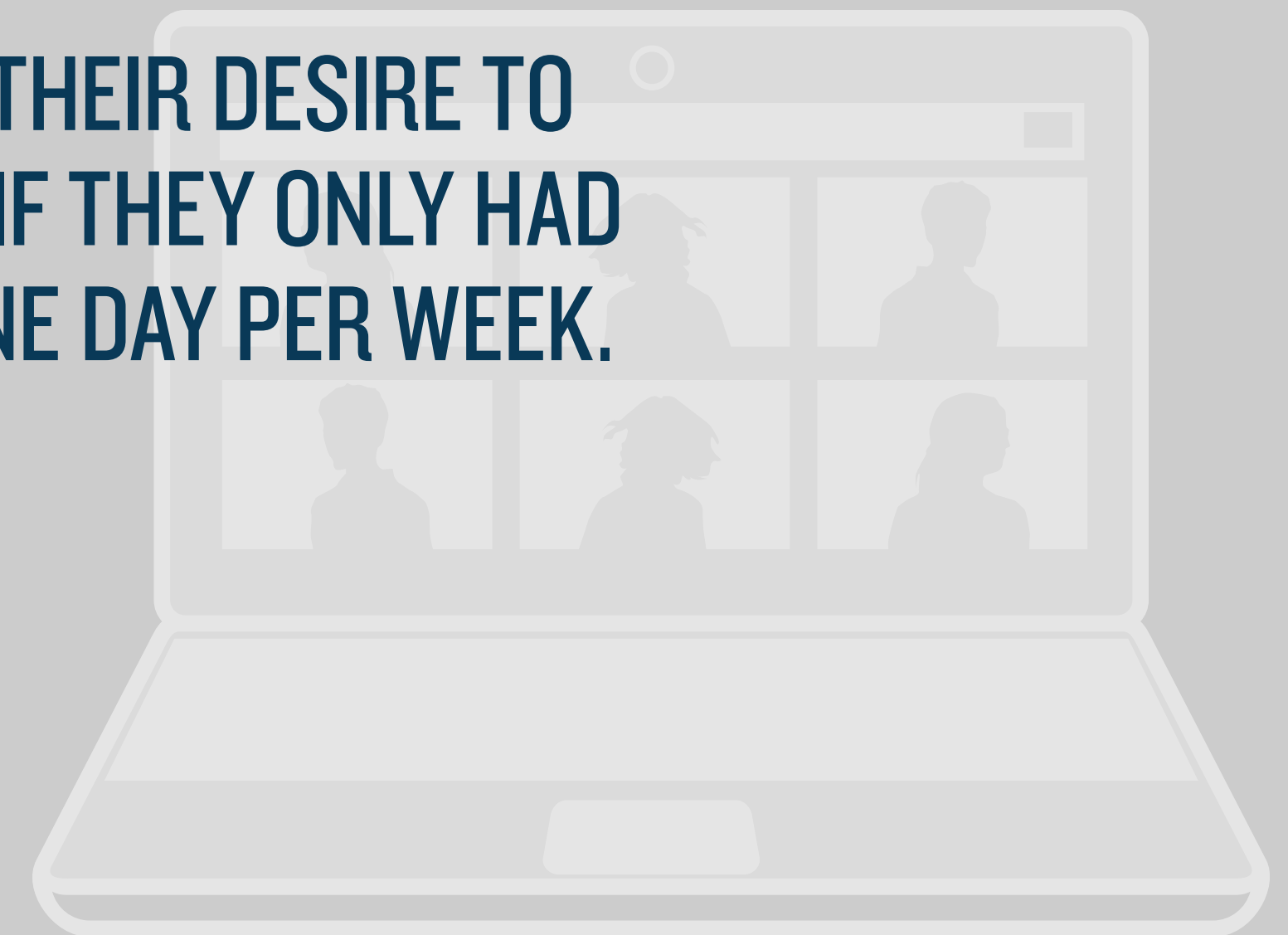
IF DUE TO ONLINE LECTURES ETC., YOU WERE ONLY REQUIRED TO ATTEND UNIVERSITY IN PERSON ONE DAY PER WEEK, WOULD THIS REDUCE OR INCREASE YOUR DESIRE TO LIVE IN STUDENT ACCOMMODATION?

Universities need to be aware that many current students and 16 to 18-year-olds would consider alternative living arrangements if they only had to attend in person once a week. It is likely that students who are commuting to lectures when required are more likely to drop out than those who have committed to living on campus.



% OF STUDENTS WHO MAY CHANGE THEIR DESIRE TO LIVE IN STUDENT ACCOMMODATION IF THEY ONLY HAD TO ATTEND LECTURES IN PERSON ONE DAY PER WEEK.

Dataloft, UPP, The Property Marketing Strategists



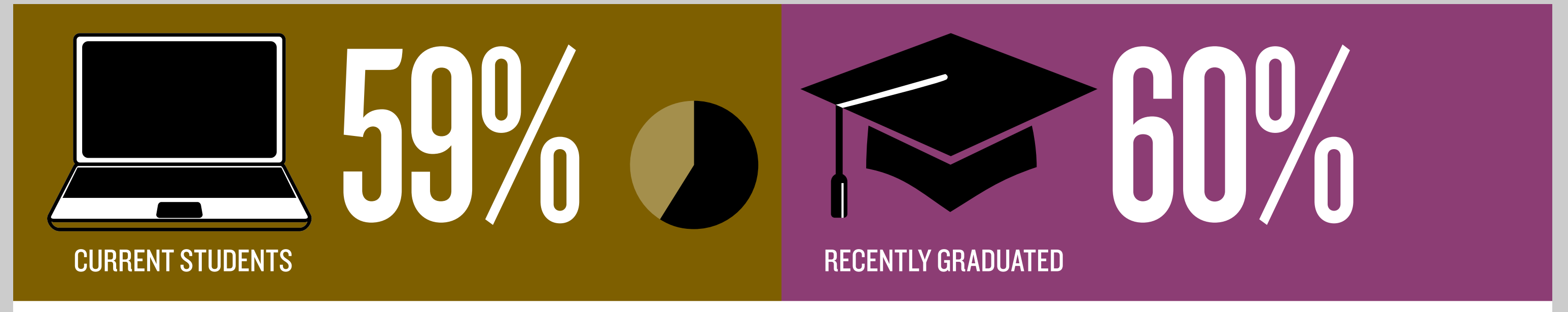
SOCIABLE DINING

WE ASKED

DO YOU THINK THE FOLLOWING ASPECTS OF HOME LIFE* WOULD BE BETTER WHEN LIVING ALONE OR SHARING A HOME WITH OTHERS?

*EATING, COOKING, CLEANING, RELAXING, PAYING BILLS, STUDYING/CO-WORKING

After 'paying bills', 'eating' was the most popular activity Gen Z preferred to do with others, with around 3 in 5 preferring to eat their meals this way. 43% of those who indicated that they would prefer to cook alone, also said they would be interested in attending cookery classes. Cookery lessons organised by providers could help attract students and foster community spirit.



OF RESPONDENTS WHO WOULD CHOOSE TO EAT WITH OTHERS

Dataloft, UPP, The Property Marketing Strategists



As the global association of co-living professionals, we see over and over again how the concepts which truly stand out and resonate with residents are those that actually put effort in creating a communal experience, within and beyond the building walls. Ultimately, it all boils down to one question: how to make the resident feel part of something larger than themselves.



GUI PERDRIX, DIRECTOR, CO-LIV



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TECHNOLOGY

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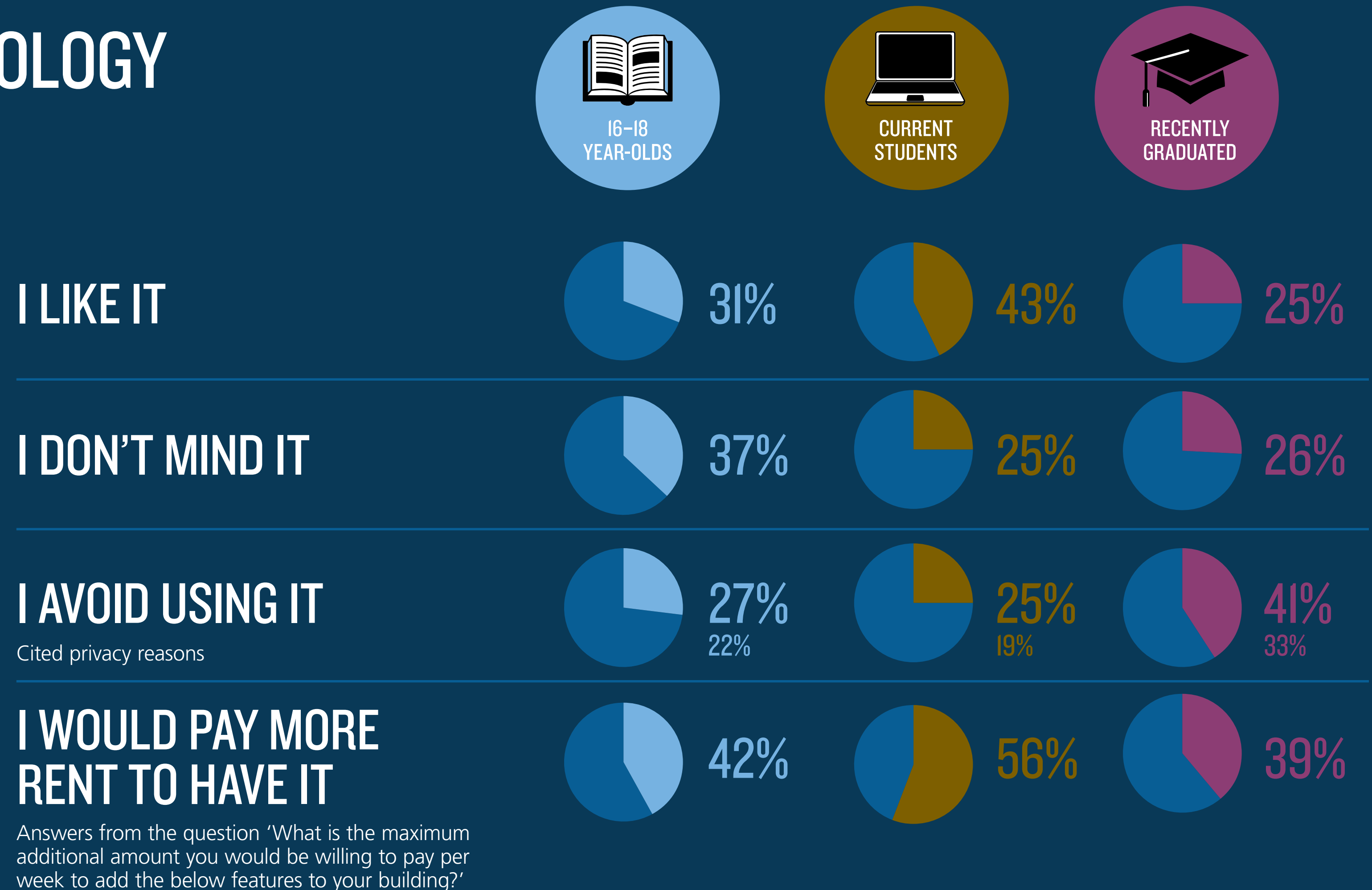


ATTITUDES TO SMART TECHNOLOGY

WE ASKED

HOW DO YOU FEEL ABOUT USING SMART TECHNOLOGY IN YOUR BEDROOM SUCH AS GOOGLE HOME, ALEXA OR OTHER DEVICES THAT CAN REMOTELY MANAGE YOUR LIVING ENVIRONMENT (SOUND, HEAT, LIGHT)?

Smart technology has a way to go to become embedded as a necessity for Gen Z. Although over two thirds of 16- to 18-year-olds and current students like or don't mind it, a lower percentage of respondents would be willing to pay more rent to have it included. Privacy reservations appear to be acting as a drag on uptake, particularly among the older Gen Zers. This could perhaps be overcome if providers address privacy and control concerns.

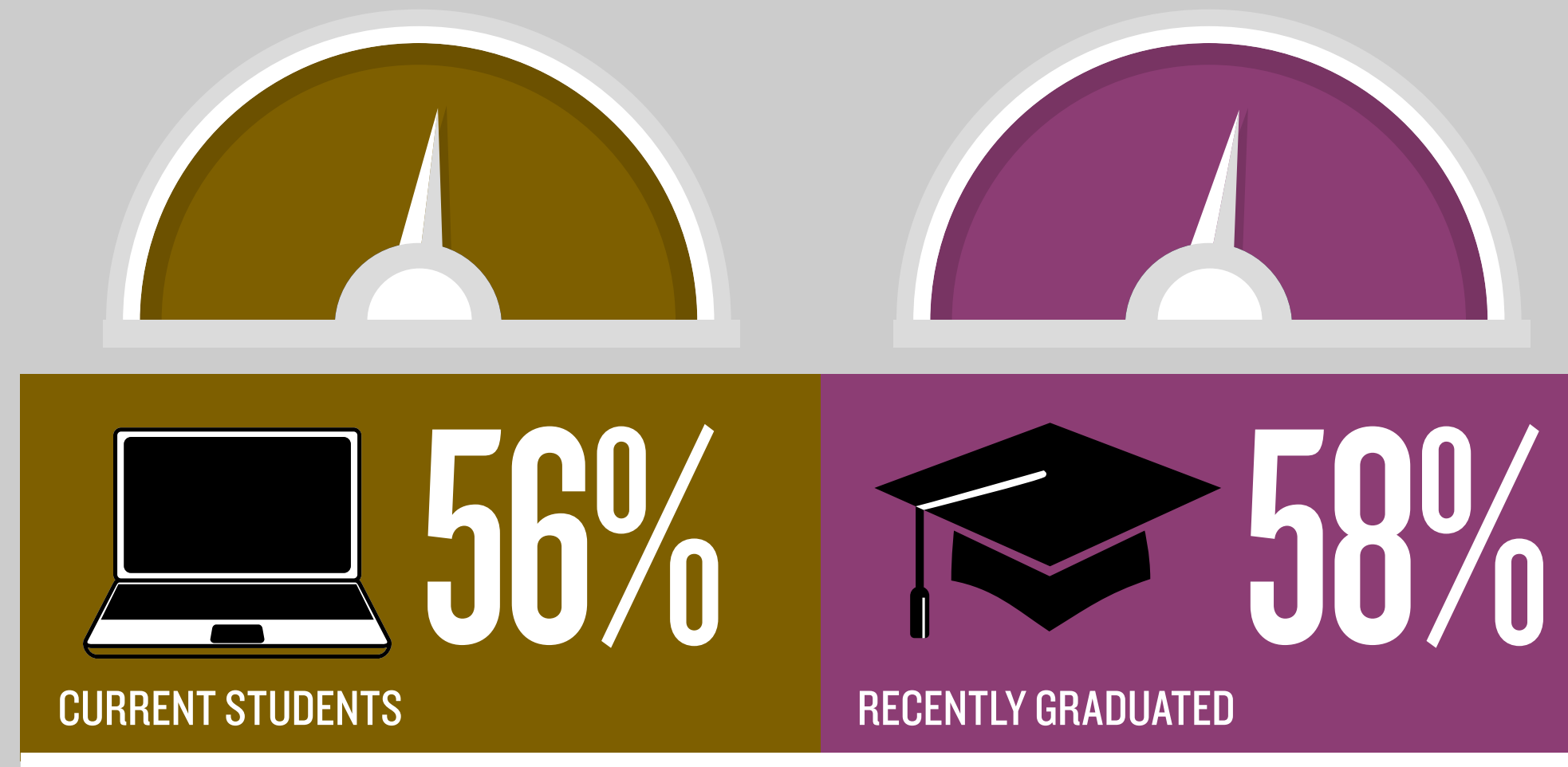


ROLE OF ENERGY MONITORS

WE ASKED

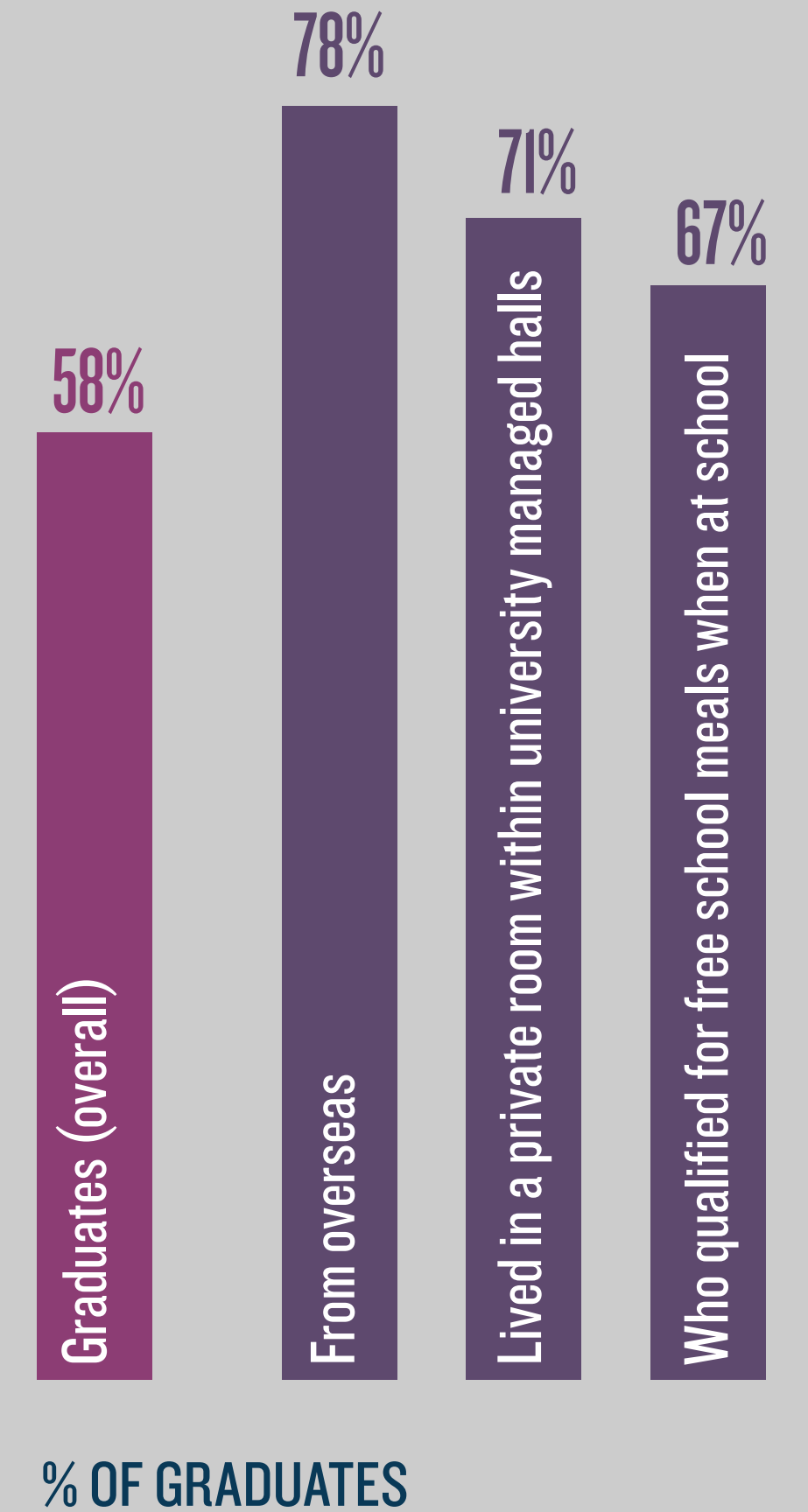
IF YOU COULD INSTALL AN ENERGY MONITOR IN EVERY BEDROOM OF YOUR FLAT/HOUSE SO THE ENERGY USAGE OF INDIVIDUAL FLATMATES COULD BE TRACKED, WOULD YOU DO SO?

On balance, slightly more respondents would like energy monitors. Taking a deeper look at the graduate cohort revealed that there are certain sub-groups who are more in favour. With the rising cost of living and increasing environmental concerns, providers could take the lead, but they need to be mindful that our survey also found that there is a preference for rents inclusive of bills and an awareness campaign may be required.



% OF RESPONDENTS WHO WOULD INSTALL AN ENERGY MONITOR IN EVERY BEDROOM

Dataloft, UPP, The Property Market Strategists

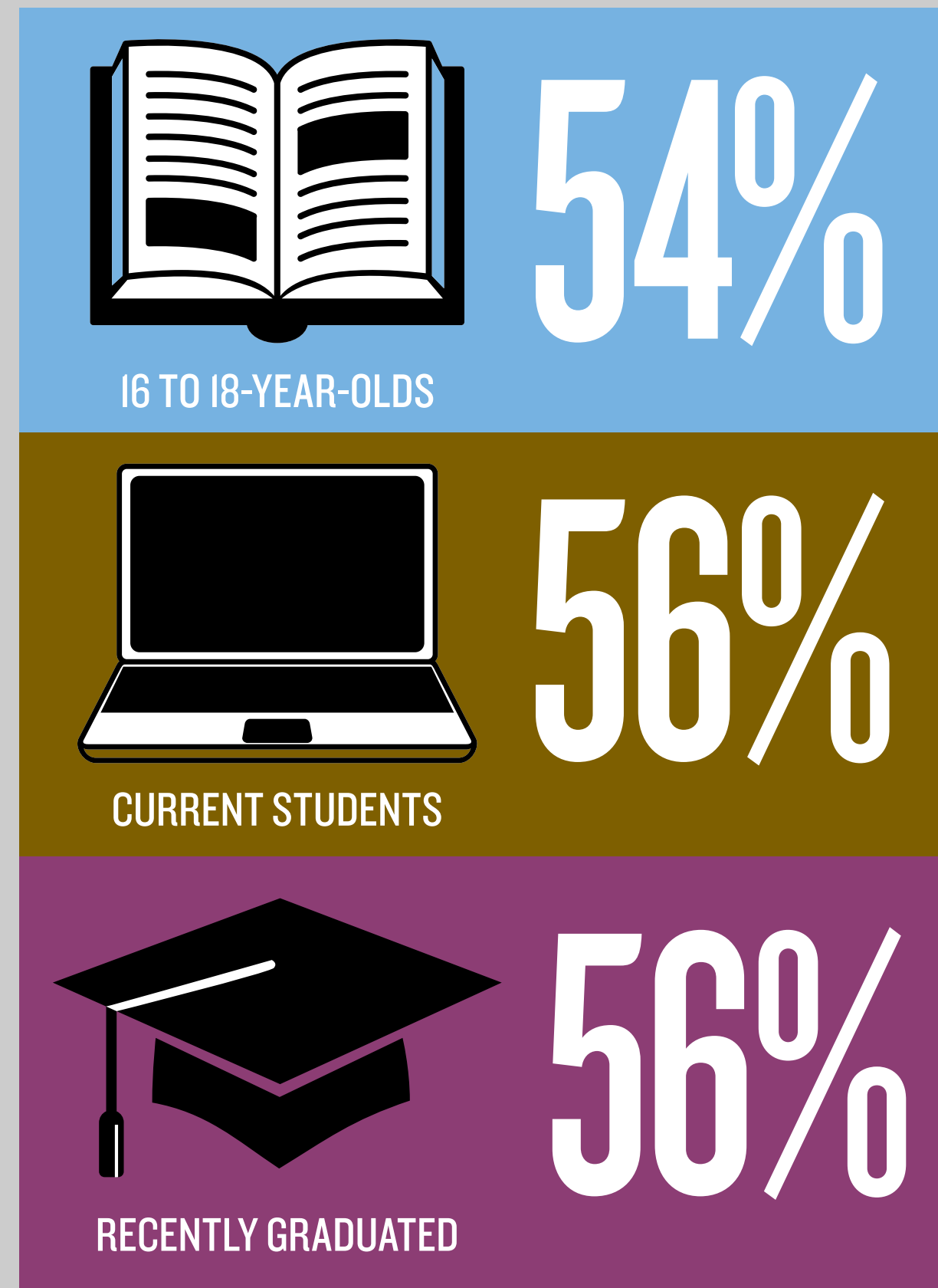


REAL OR VIRTUAL DEMANDS ON HOMES

WE ASKED

DO YOU THINK THE METAVERSE AND VR WILL CHANGE HOW WE THINK OF AND USE OUR HOMES IN THE NEXT 10 YEARS?

Developers and operators should monitor the pace of VR development and demand for it but at present the data is inconclusive about how Gen Z think it will impact how they use their homes over the next 10 years. If VR becomes mainstream, then having more space may become more important than how the physical space is decorated.



YES, OR NOT SURE

ON AVERAGE, 56% OF GEN Z BELIEVE THAT THE METAVERSE AND VR WILL CHANGE HOW WE THINK OF AND USE OUR HOMES over the next 10 years.

Dataloft, UPP, The Property Market Strategists

As the way we live continues to evolve, the role of smart technology will be intertwined with our day-to-day lives. What is clear from this research is that students want to feel empowered and have choice when accessing smart technology. With a baseline 35% of students in favour of smart technology in their bedrooms the findings suggest this percentage will only increase over time once privacy and security concerns are overcome. Given between 21% and 33% of students are willing to pay an extra amount to access high speed internet/smart tech at home we would again expect this percentage to increase once the true value and impact of smart technology is experienced day to day.



KEVIN BRADY, DIRECTOR, APUDOS



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AFFORDABILITY



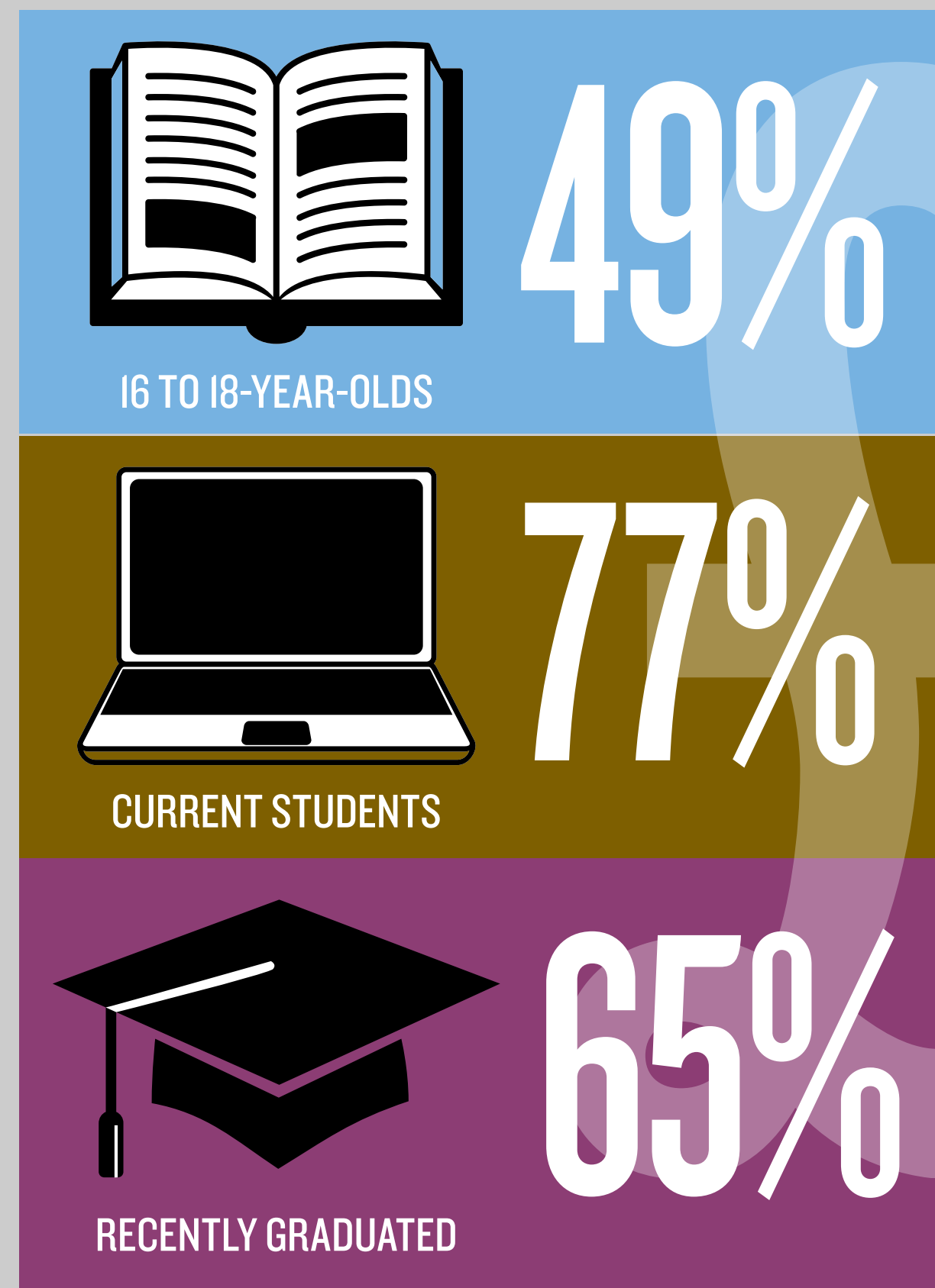
ARE STUDENT RENTS A FAIR PRICE?

WE ASKED EACH COHORT

PURPOSE-BUILT STUDENT ACCOMMODATION* IS ON AVERAGE **£170**** PER ROOM PER WEEK, INCLUDING BILLS. DO YOU CONSIDER THIS TO BE A FAIR PRICE?

*NOT MANAGED BY THE UNIVERSITY **£259 IN LONDON

The jury is out as to whether 16 to 18-year-olds considered the current average price of student accommodation, inclusive of bills, to be fair. Over three-quarters of current students consider it to be an unfair price, although this drops to 65% of graduates.



% OF RESPONDENTS WHO DID NOT THINK THE AVERAGE RENT WAS FAIR

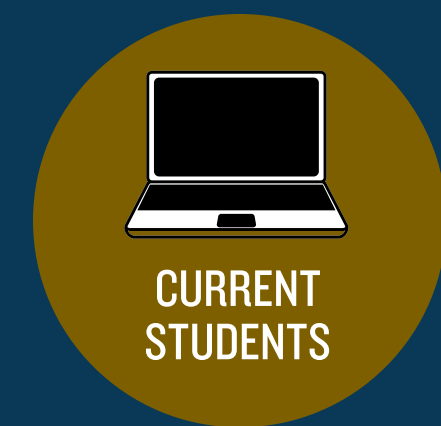
AFFORDABILITY

WHICH AMENITIES WILL GEN Z PAY FOR?

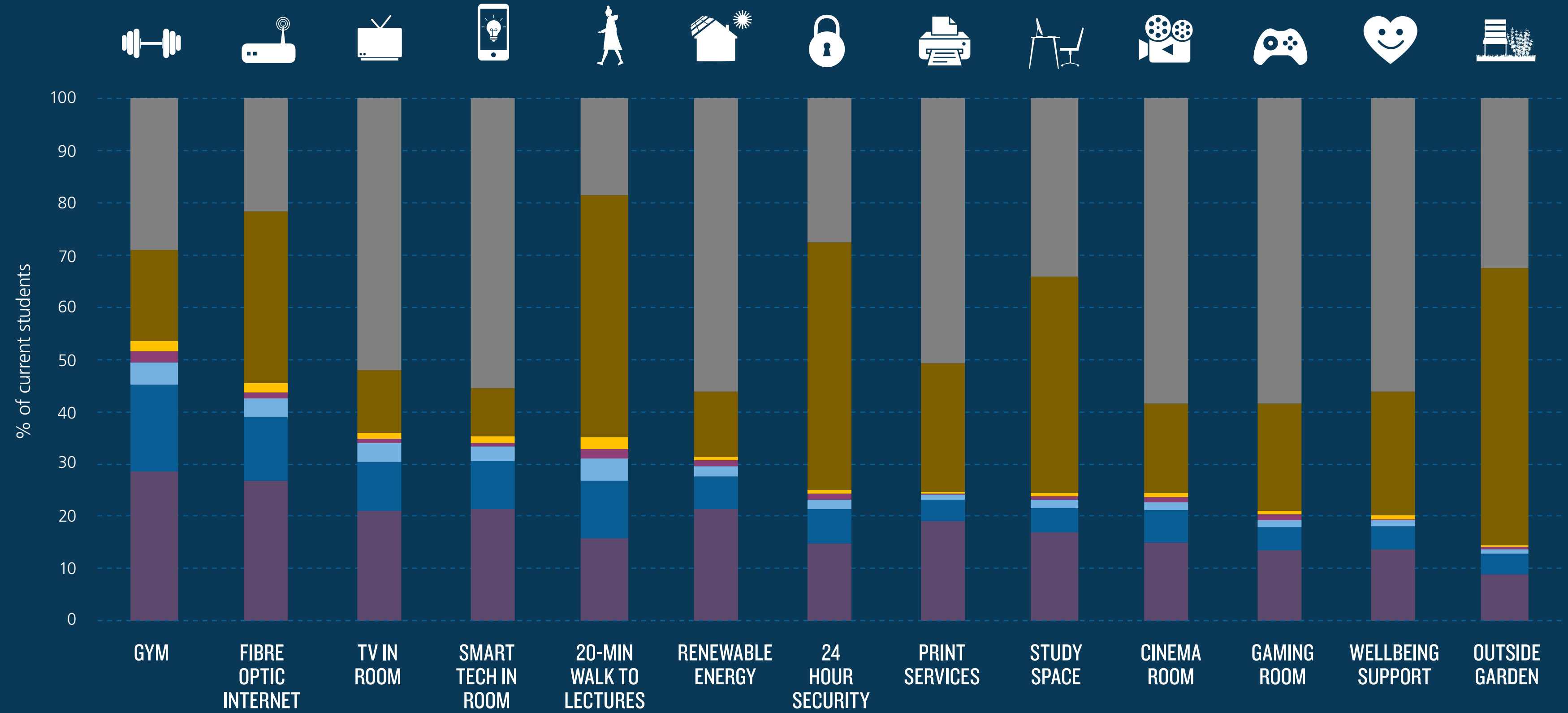
WE ASKED CURRENT STUDENTS

WHAT IS THE MAXIMUM ADDITIONAL AMOUNT YOU WOULD BE WILLING TO PAY PER WEEK TO ADD THESE FEATURES TO YOUR BUILDING?

A gym and high-speed fibre broadband were the most popular features students would pay more for overall. Other features such as a cinema room were not popular.



I'd pay an extra

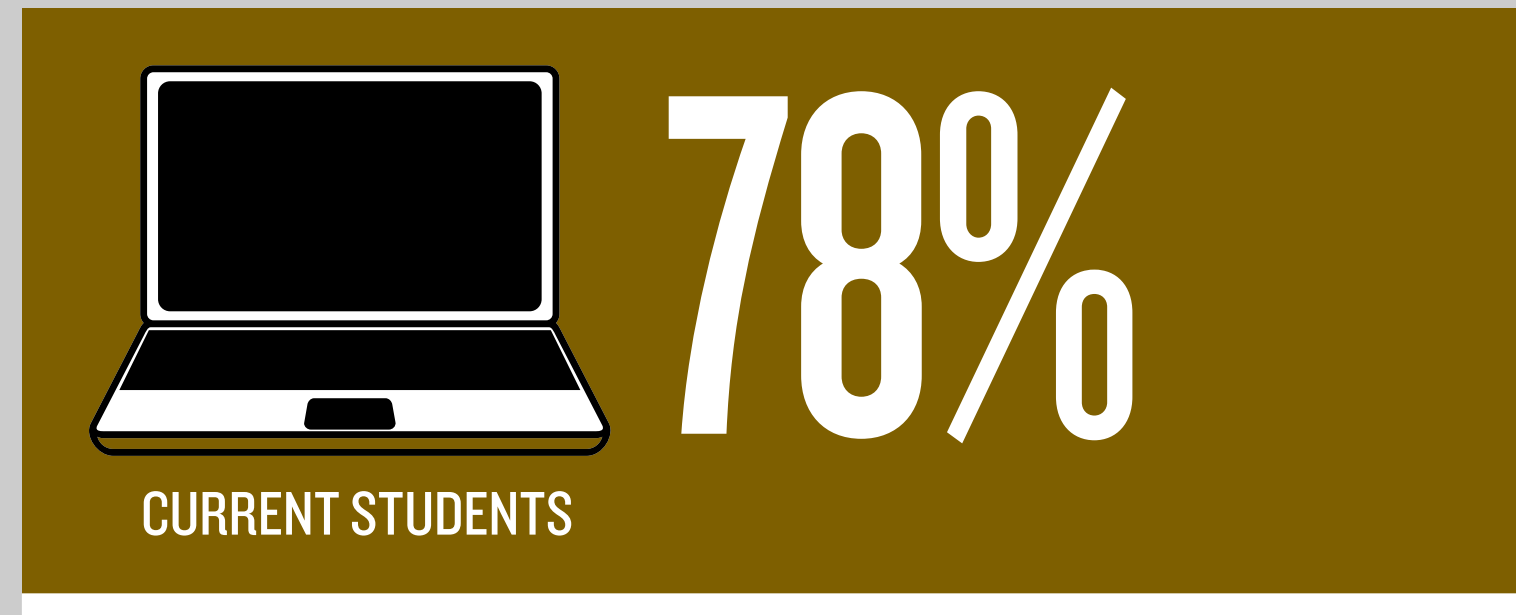


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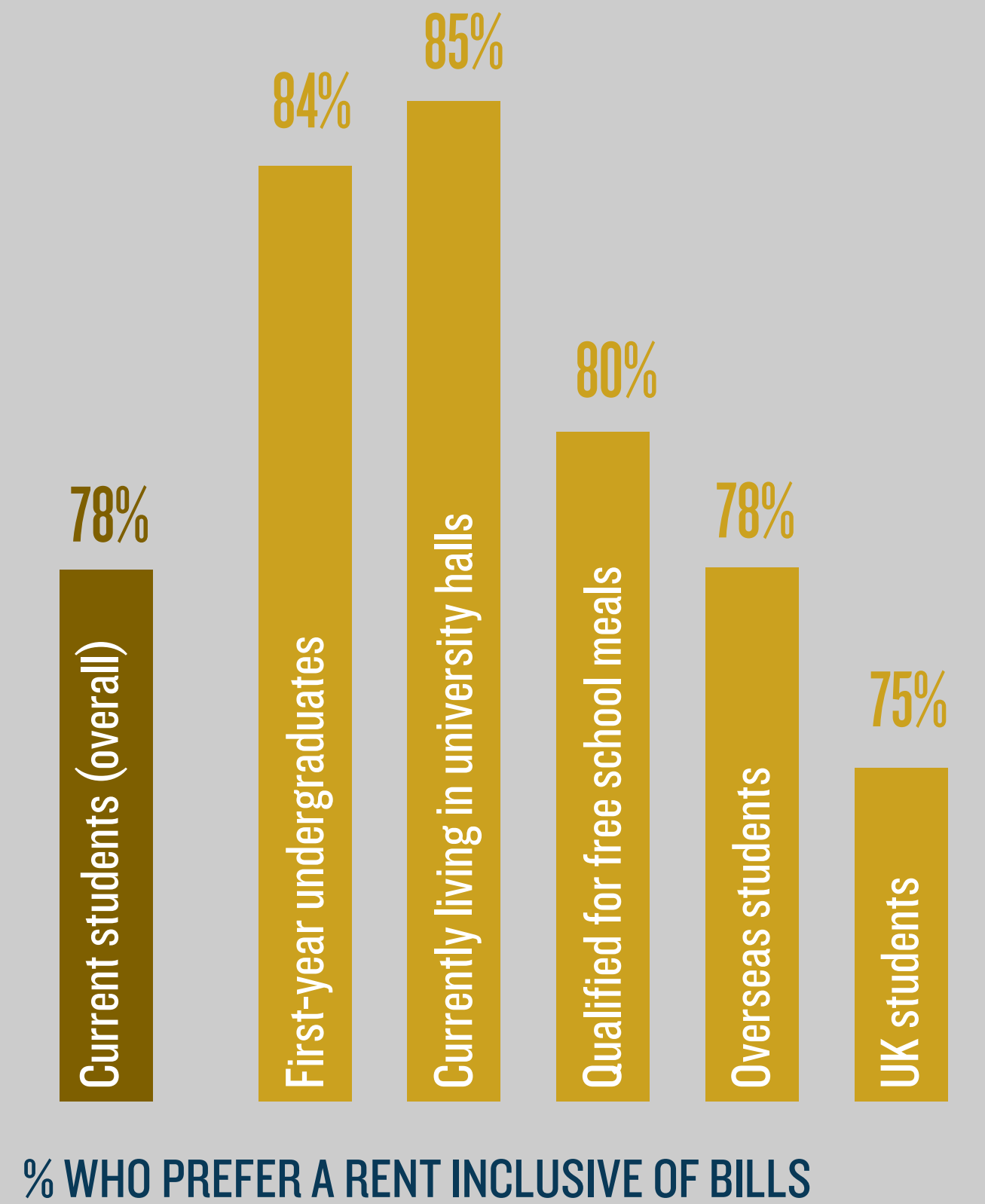
AFFORDABILITY

CONVENIENCE V COST

WE ASKED CURRENT STUDENTS WHICH METHOD OF PAYING BILLS IS MORE APPEALING TO YOU?



78% OF CURRENT STUDENTS PREFER A RENT INCLUSIVE OF ALL UTILITY BILLS, EVEN IF THIS MEANS PAYING MORE.



Dataloft, UPP, The Property Marketing Strategists
Current students.

THE FINAL WORD



FINAL THOUGHTS

Property is not an asset, it is home. This research has provided a deep dive into what Gen Z, the next generation of homemakers, want.

And we hear their message loud and clear.

They want good quality accommodation that supports their wellbeing and is affordable.

Additional facilities are nice to have but aren't valued enough to warrant paying more for them.



**SARAH CANNING
& DEENIE LEE**

WHAT ELSE DID WE LEARN?

GOING THE DISTANCE

Location, location, location is still a driver of choice but our respondents told us that being literally on top of the university campus is not as valued as the sector maybe believes.



26% WOULD NOT PAY EXTRA TO BE LOCATED WITHIN A 20-MIN WALK OF CAMPUS. OF THOSE THAT WOULD PAY, THE MAJORITY OPTED FOR AN EXTRA £5 OR £10.

Dataloft, UPP, The Property Marketing Strategists

What this tells us is that some will pay a small premium but for many that extra morning commute for a more affordable option is attractive. How many in the PBSA sector are actively seeking land that provides this as an option?

WHAT ELSE DID WE LEARN?

THE FUTURE OF THE ROOM

Finally, we explore the room layout. The actual layout of a student room has not really changed since the 1960s – bed, wardrobe and desk. Life is so different now and has moved forward another jump post-pandemic with more home working and studying opportunities. Whilst most student accommodation is built in cluster flats of 6 or 7 to a flat, our research shows that actually the optimum size flat young people want to live in is 4.

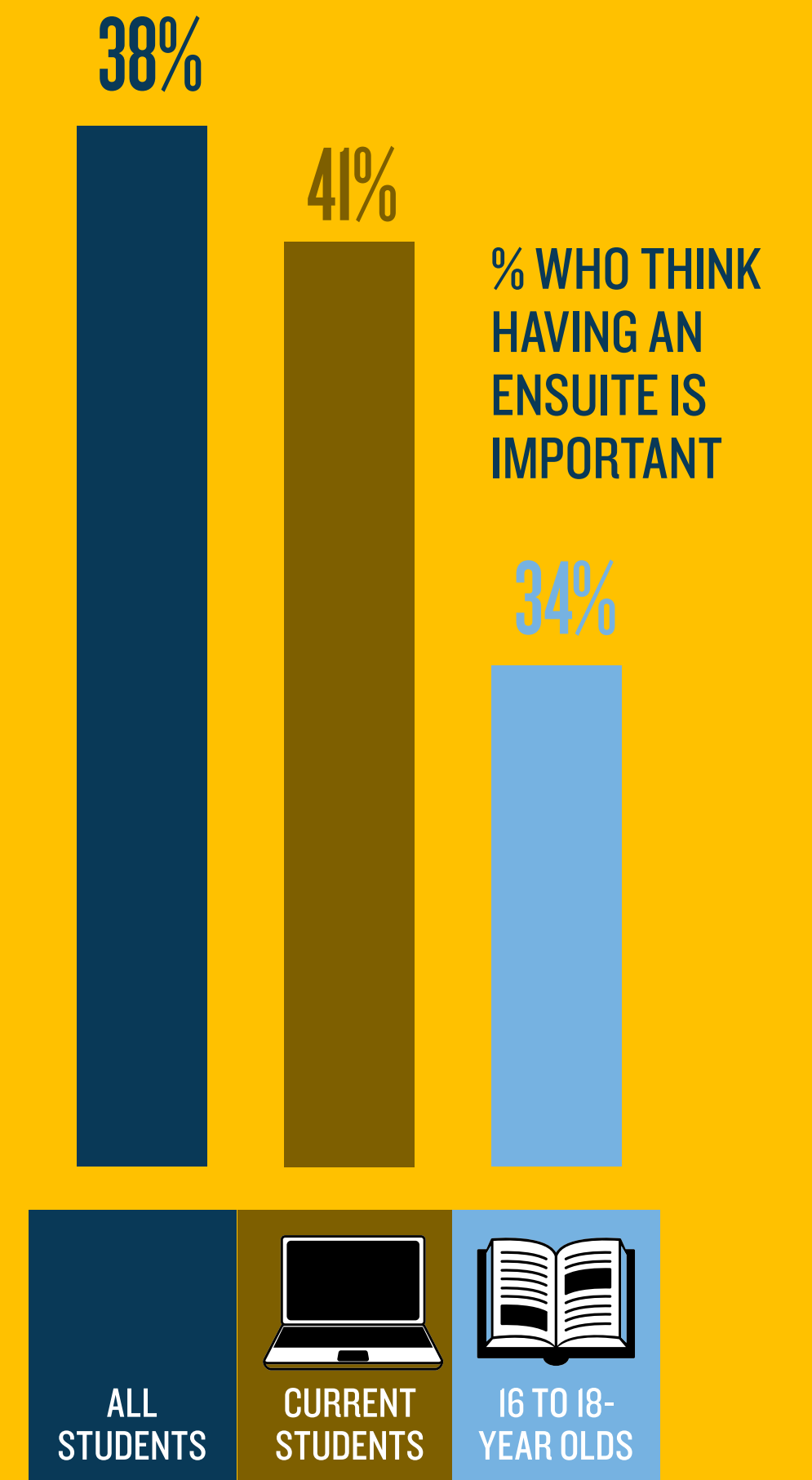
When it comes to what they want in those clusters, our research tells a different story. The layout that was most popular with our respondents (34%) was the one where each cluster had a co-working/study zone – removing the desk completely from the bedroom. In a time when we all know the importance of separating work, sleep and socialising on wellbeing, maybe it is time we gave students the same possibilities?



ARE WE ALL ENSUITE?

There is a paradox in that we know students want an affordable option yet for 38% having an ensuite is very important in the facilities and features they are looking for in the next five years. The question we have is how much of this response is being driven by the lack of a real middle ground between an ensuite or non-ensuite in PBSA or co-living (either a private ensuite or a gym-style bathroom where you may share with 12 people)?

What we do know – is that the domestic student is quite happy to live in an HMO for less money without an ensuite. Yet this is a product which appears to be unreachable in a PBSA setting. We conclude that more research should be done on this.



FINAL WORD FROM YOUR CUSTOMERS

Just make the rooms and general living environment **affordable and nice**, that's all the majority of people care about.

About sustainability, a **lower price will always be more important** if you don't have the extra money, even if you wish to be sustainable.

Cost of living is rising and maintenance loans remain the same. I get the maximum loan and it leaves me with under £1000 for the entire academic year to feed myself once my accommodation has been paid. Having to work many extra hours whilst finishing my final year has been hugely taxing on my mental health. Hopefully something can be done soon as I know many other students who are in the same boat as me.

The student accommodation market is overpriced for accommodation that are solely & only student lets. **Do you know students have to find part-time jobs to be able to afford food**, toiletries, phone bill etc., after paying rent because our maintenance loan can barely afford it? So the question is, who are these student houses for if we can barely afford them or food after rent day?

I wish I had known **how noisy** it was going to be. How thin the walls in student halls are.

BUILDING A LEGACY



This research is a deep dive into what Gen Z values. It highlights clearly that what we are building is not what the future customer is seeking. But yet we continue. In a time when the world is gripped by a cost-of-living crisis, a climate emergency and the way in which we live, study and work has changed forever – we urge the sector to listen, learn and adapt. For it is not good for investors, operators, society or customers where we have a world when living and studying at university doesn't even become an option due to price.

SO WHAT IS THE ANSWER?

Of course, having a blueprint for building efficiently and affordably is going to be a challenge. But if we don't try to break the mould, we will never know what is achievable. At The Property Marketing Strategists, we are up for the challenge.

The question is, is the sector?



THANK YOU

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Date of publication: December 2022
Analysis, editorial, design, graphics and charts by Dataloft.

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