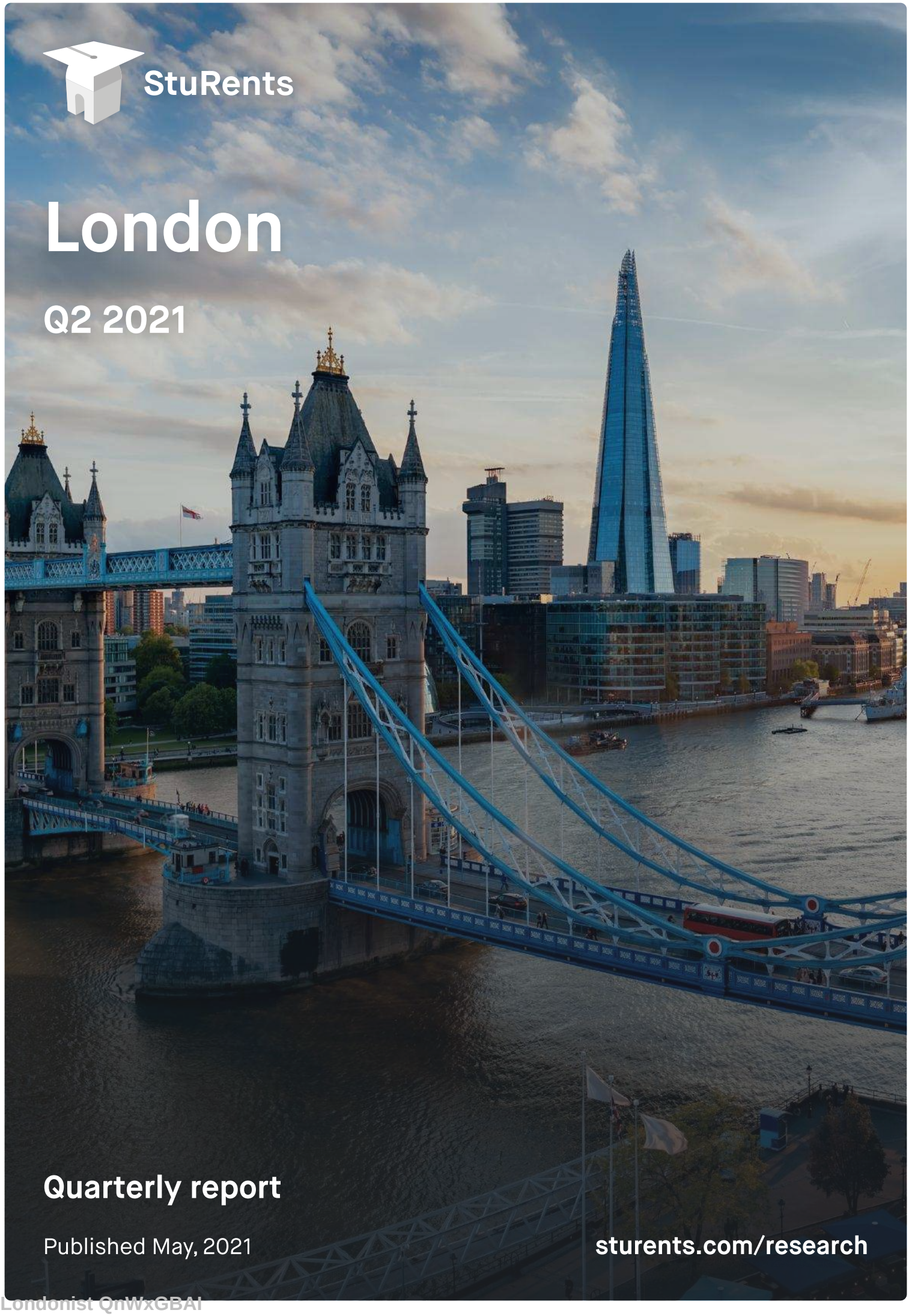
StuRents

London

Q2 2021



Quarterly report

Published May, 2021

sturents.com/research

Londonist QnWxGBAI

London | Q2-2021 Quarterly Update

Market Overview | In 2019 the number of full-time students in London increased by 4.8% to 303,655. However, long-term growth between institutions has varied dramatically. Between 2012-2019 student numbers at University College London increased by 56.3% but declined by 39.3% at London Metropolitan University.

Market Demand | During Q2-2021 (Jan-Mar) clusters and houses in multiple occupation (HMOs) containing 3 beds or more captured 40.2% of demand on the platform, up from 28.1% in the previous quarter. In comparison, 1-bed flats and studios achieved a search share of 37.9% in Q2-2021. Over the last 12 months, the preferred choice has been 1-bed flats and studios, with 42.2% of demand attributed to this size.

Market Supply | Purpose-built student accommodation (PBSA) in London could increase by up to 1.7% this year. With more than 2,200 beds due to hit the market in 2022 PBSA could grow by an extra 2.6% year-on-year. In 2023 supply could expand by 4.9%, followed by an increase of 6.4% in 2024 and onwards.

Supply Pipeline | In the last three months (Jan-Mar) one new 212-bed scheme was put forward, whilst three previously outstanding applications were approved. The total supply pipeline in London's inner boroughs now stands at 14,235 beds.

Market News | Latest Updates

APG Joins Forces with Scape

One of the world's largest pension funds is to invest hundreds of millions of points into UK purpose-built student accommodation (PBSA). APG, a Dutch base investor, is putting up around 75% of the cash in a £500m joint venture with Scape. Scape is a leading provider in student accommodation and will use the funds to roll out more housing in London, Manchester, Birmingham and Leeds. (Published 22nd Feb 2021)

Greystar Acquires KKR Assets for £291m

Greystar Real Estate Partners has snapped up five student accommodation assets from KKR for £291m. The schemes consist of 2,163 beds in London, Glasgow, Coventry and Bristol. The sites were acquired and developed by KKR in 2018 and are managed by Nido Student. The acquisitions will form Greystar's second UK purpose-built student accommodation (PBSA) portfolio, alongside the London-focused brand Chapter. (Published 19th Feb 2021)

Unite & Travis Perkins Move Scheme Forward

Plans to build hundreds of beds above a builder's merchants in Paddington are moving forward. The development could see the Travis Perkins warehouse in Harrow Road become part of a 21-storey building, containing 900 student flats. To be named Baltic Wharf, Travis Perkins and Unite Students are aiming to lodge plants to Westminster Council by May, with building work starting later that year. (Published 16th Feb 2021)

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About StuRents
StuRents Limited is a leading services provider for the UK student accommodation sector, operating the UK's largest marketing platform for student accommodation search, StuRents.com. The platform lists in excess of 750,000 rooms in over 100 towns and cities with a higher education presence throughout the UK. For tenants, StuRents provides an online shop window to efficiently find and contract student properties. For property managers, StuRents provides an end to end tenancy-management engine to facilitate a range of operational needs, such as online contract signing and rent collection, to referencing and deposit protection. StuRents' focus on leading by technology has resulted in the platform becoming one of the market's key data providers, serving insight on supply and demand dynamics to behavioural analysis within the seasonal student house-finding process.

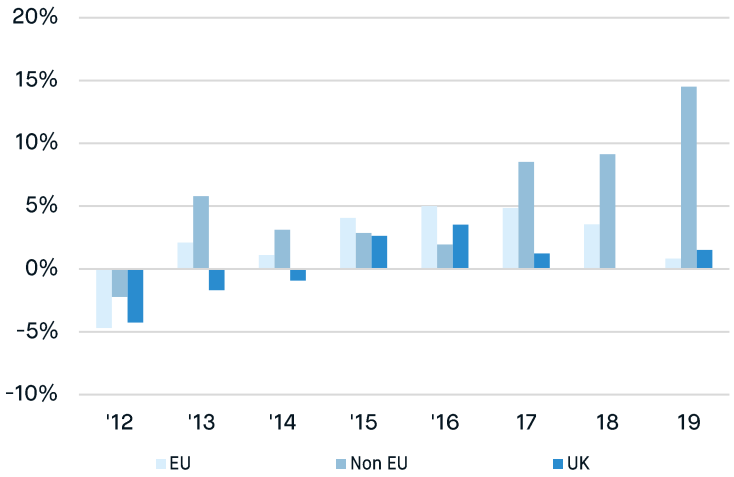
Report Coverage
StuRents estimates that 40-50% of private sector accommodation in London is listed on StuRents.com. Q2-2021 relates to the period between Jan-Mar 2021 and coincides with the yearly academic cycle ending in Sept.

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London | Market Overview

Figure 1 | Full-Time Year-on-Year Student Growth by Domicile



Source: HESA (www.hesa.ac.uk)

"Between 2012-2019 the number of non-EU students attending London's universities grew by 55.2%."

Domicile Growth | In 2019 the number of full-time non-EU domiciled students at London's higher education institutions increased by 14.5% (10,735) year-on-year to 84,635. This substantial increase follows on from growth of 9.1% recorded in the previous year.

Full-time EU (excluding UK) domiciled students grew by 0.8% (+270) in 2019 to 32,860. Combined, in 2019 EU and non-EU students equated to 38.7% of the full-time student population, compared to 25.6% on a national basis.

The number of UK domiciled students increased in 2019 by 1.5% (+2,775). Between 2012-2019 UK domiciled students increased by 6.4% (+11,170) compared to growth 11.3% at a national level.

Figure 2 | Full Time Students

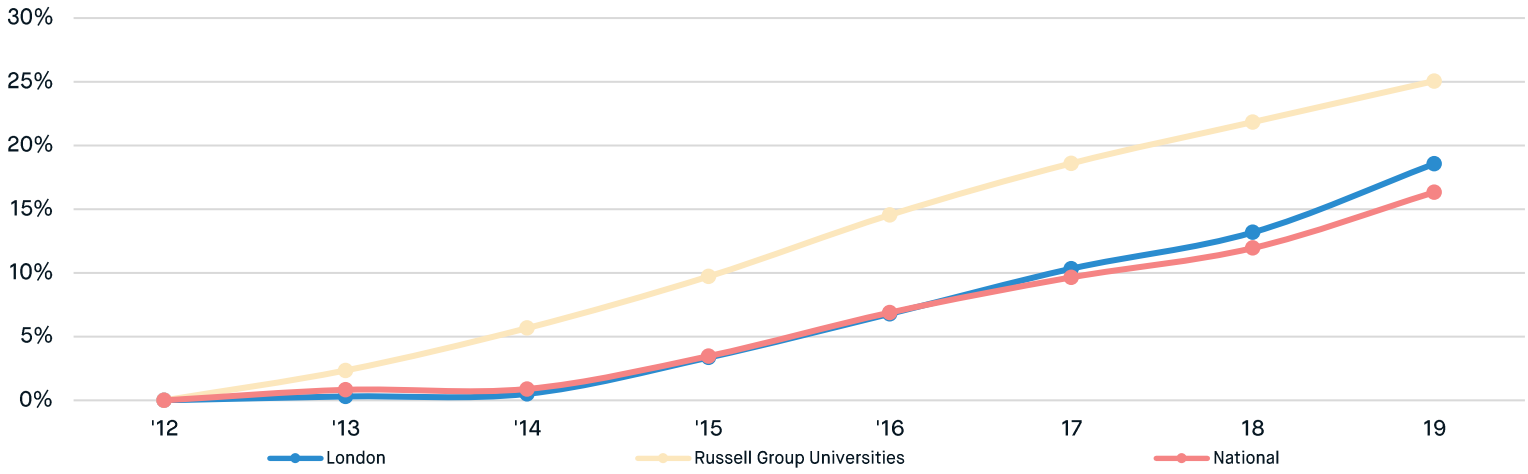


Source: HESA (www.hesa.ac.uk)

"The pace of growth in full-time students has accelerated in recent years."

Student Growth | The number of full-time students in London, as defined by HESA, increased by 4.8% (+13,780) in 2019 to 303,655. Year-on-year growth has accelerated in recent years, with numbers increasing by just 0.2% in 2014, compared to 2.6% in 2018. On an institutional basis, University College London (UCL) recorded growth between 2012-2019 of 56.3%. In comparison, over the same period, London Metropolitan University has seen numbers fall by 39.3%, highlighting the significant differences between institutions. Figure 3 highlights the normalised growth in full-time students in London, relative to Russell Group universities and at a national level. The chart highlights that student growth in the city has been above that recorded nationally. Between 2012-2019 full-time student numbers increased by 18.6%, compared to 16.3% nationally.

Figure 3 | Growth in full-time students (Indexed 2012)



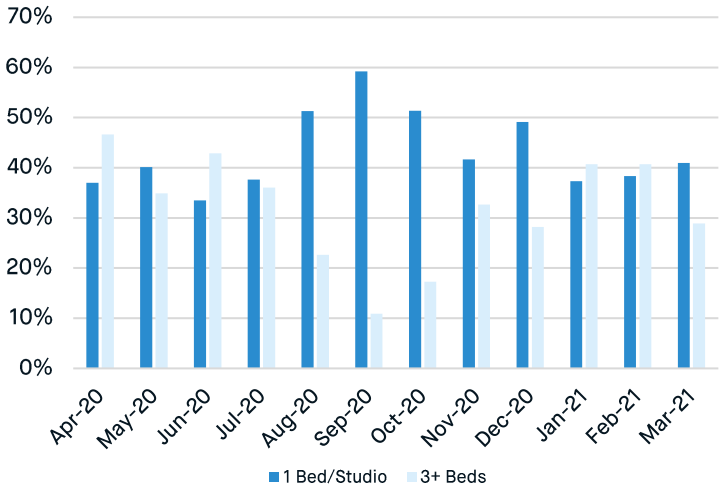
Source: StuRents Limited, HESA (www.hesa.ac.uk)

Student Share | By normalising long-term student growth, market participants can understand changes in demand and the popularity of a location in comparison to the rest of the market.

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London | Market Demand

Figure 4 | Seasonality: Search Share by Size



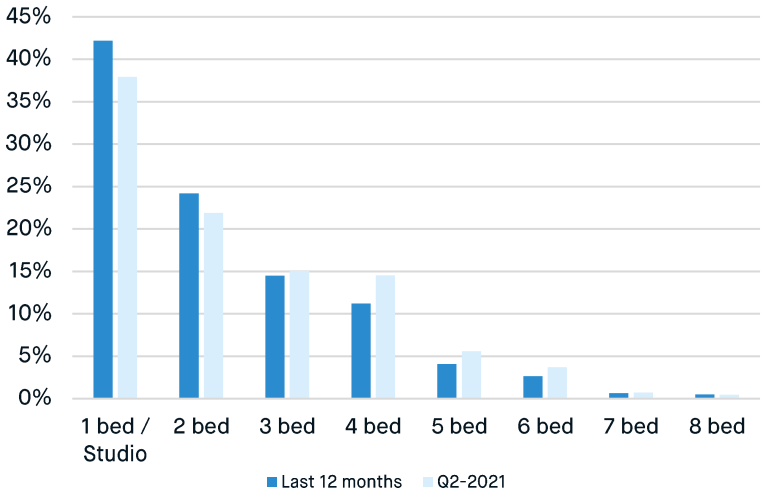
Source: StuRents Limited

"In the last three months, 1-bed flats and studios maintained a large share of demand."

Bed Seasonality | During Q2-2021 (Jan-Mar) 1-bed flats and studios captured a consistent proportion of demand. For example, in Jan-21 37.3% of searches were attributed to this size, versus 41.0% in Mar-21.

Similarly, clusters and HMOs consisting of 3 beds or more captured a decent share of demand throughout Q2-2021. In Jan-21 this size equated to 40.7% of searches performed, before falling to 28.9% in Mar-21. This compares to just 10.9% of demand attributed to this size in Sep-20. Figure 4 highlights that in the next quarter clusters and HMOs will continue to capture a healthy share of demand, with 1-bed flats and studios equating to a similar search share.

Figure 5 | Search Share by Size



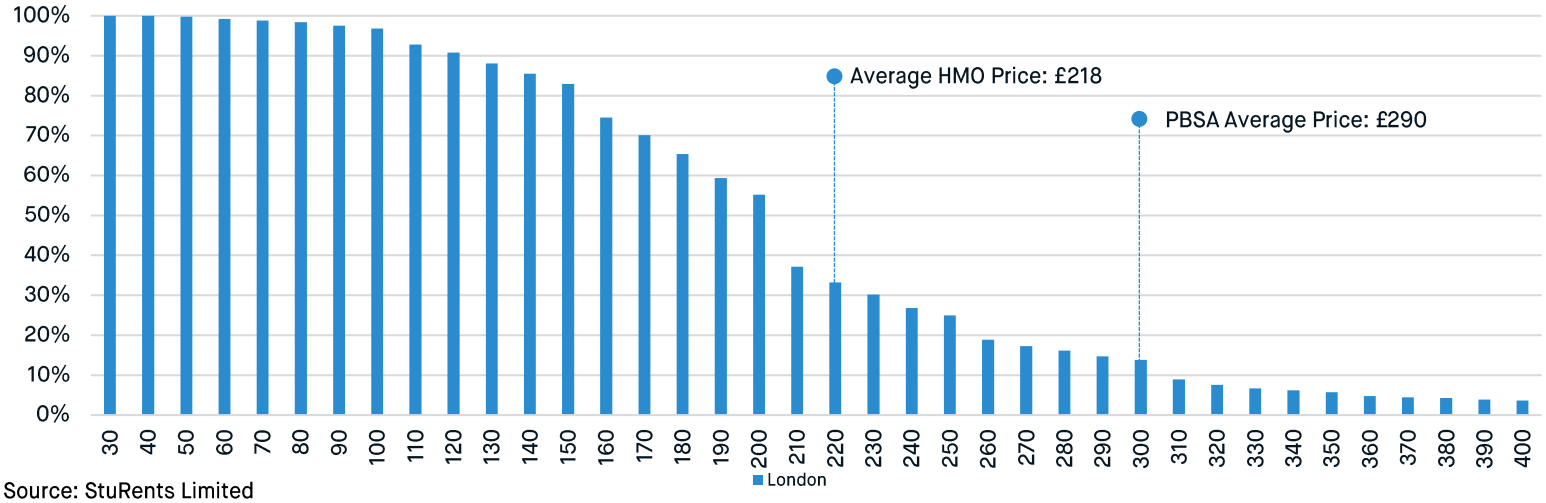
Source: StuRents Limited

"In the last quarter demand was skewed towards smaller sizes."

Bed Demand All Sizes | In Q2-2021 (Jan-Mar) clusters and HMOs consisting of 3 beds or more equated to 40.2% of demand on the platform. This compares to a search share of 28.1% recorded in the previous quarter.

Meanwhile, 1-bed flats and studios captured a smaller share of demand quarter-on-quarter. In Q2-2021 this size achieved a search share of 37.9%, down from 46.3% in Q1-2021. The second most popular choice in Q2-2021 was 2 beds, with 21.9% of searches attributed to this size. In the last 12 months, 1-bed flats and studios captured 42.2% of demand on StuRents.com. In comparison, clusters and HMOs containing at least 3 beds equated to 33.6%.

Figure 6 | Student Accommodation Affordability in £PPPW



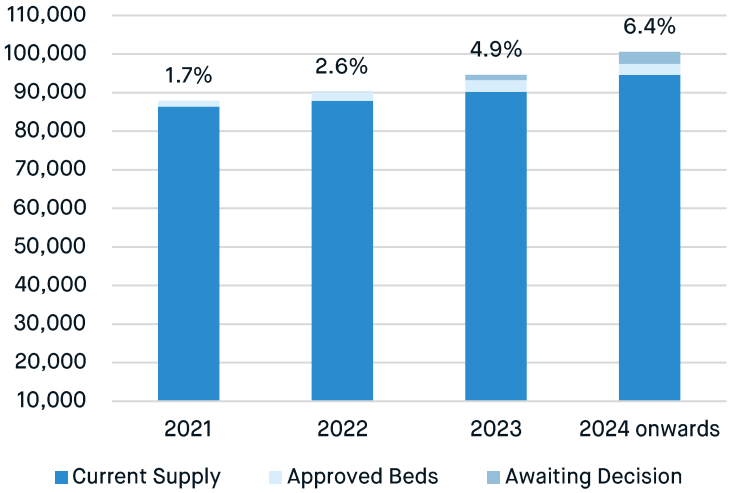
Source: StuRents Limited

Student Accommodation Affordability | The chart above shows student budgets in London based on searches on StuRents.com over the past 12 months. The chart illustrates the percentage of students that can afford each respective price category. Where prices are quoted pppw, bills (such as inclusive gas or electricity) have been removed.

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London | Market Supply

Figure 7 | PBSA Forward Supply Schedule



Source: StuRents Limited, All inner London borough councils

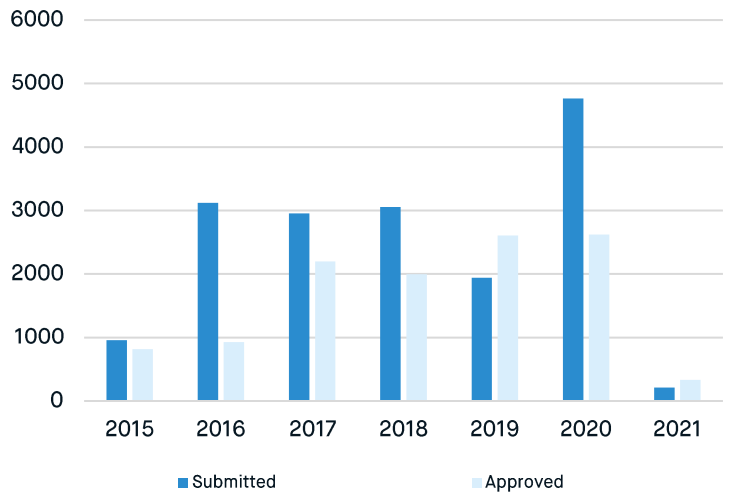
"Growth in PBSA in London is expected to be limited despite having a large pipeline."

Forward Supply Schedule | Whilst more than 1,400 beds could be delivered this year, if all these come to market supply would increase by just 1.7% year-on-year.

Supply could increase by an additional 2.6% in 2022, with more than 2,200 beds earmarked for delivery. However, there remain questions over whether these schemes will come to fruition.

The pace of growth could increase slightly in 2023 with PBSA due to grow by an additional 4.9% compared to expected 2022 levels. In 2024 and onwards up to 6,028 beds could become live, leading to an increase of 6.4% year-on-year.

Figure 8 | Planning Applications (Beds)



Source: StuRents Limited, All inner London borough councils

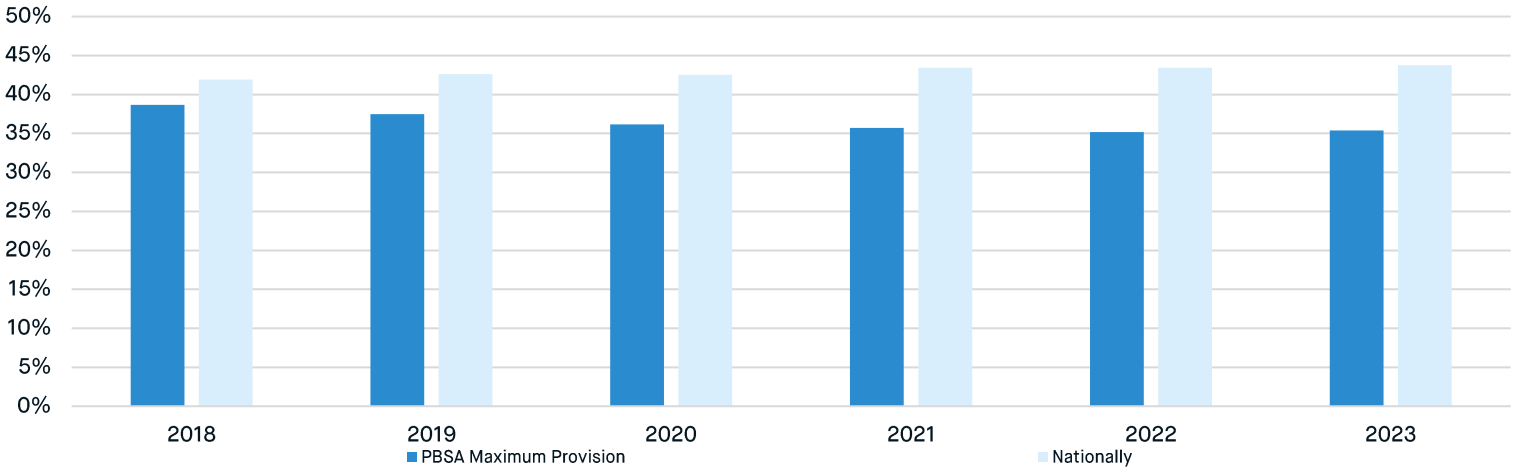
"The provision of PBSA in London is expected to remain below the national figure."

Planning Applications | Year-to-date planning applications totalling 212 beds have been put forward. In comparison, more than 4,500 units were lodged during the whole of 2020.

Meanwhile, a total of 334 beds were granted planning permission in the first three months of 2021.

Figure 9 indicates the maximum proportion of effective demand that could be met by PBSA. In 2018 up to 39% of demand was accommodated for by PBSA, with the balance required to find accommodation in HMOs. If demand continues to increase as it has historically, the maximum provision could fall to 35% by 2023, whilst nationally it is expected to increase to 44%.

Figure 9 | Maximum Percentage of Effective Demand Met by PBSA



Source: StuRents Limited, All inner London borough councils

PBSA Provision | By calculating the effective demand for student accommodation and the current and future supply of PBSA, users can understand what percentage of demand could be met by PBSA.

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London | Supply Pipeline

"Whilst just one new application was submitted in the last quarter (Jan-Mar), three previously outstanding applications were approved."

Current Applications | During Q2-2021 (Jan-Mar) just one new development was put forward. Consisting of 212 beds, the development represents the refurbishment of an existing scheme, which will lead to a net increase in beds available.

Elsewhere, three previously outstanding applications were approved. The most significant was a 272-bed scheme in Belmore Street, whilst a 54-bed extension was approved to Paris Gardens. A small 8-bed development in Medfield Gardens was also given the green light.

The total supply pipeline in London now stands at 14,235 units, with 4,686 beds still awaiting permission.

Figure 10 | Supply Pipeline Locality (Approved and Awaiting Decision)



Source: StuRents Limited, Bing Maps, All inner London borough councils

Figure 11 | Largest Planning Applications

Applicant	Latest Status	Status Issued	Location	Beds	Expected Live
Urbanest UK Limited	Awaiting Decision	02/07/2020	Trafalgar Way	1672	2024
Tide Construction Ltd	Awaiting Decision	10/12/2020	Marsh Wall	1069	2024
GQ Quill Trustee 1 Ltd and GS Quill Trustee 2 Ltd as Trustees of the GS Quill	Application Approved	17/12/2020	Weston Street	1028	2024
Unite Students and The Cromlech Property Co. Ltd	Application Approved	10/09/2019	Middlesex Street	920	2022
London and Argyll Group	Application Approved	01/04/2018	Palmerston Way	860	2024
Downing Property Services	Application Approved	28/06/2018	Rudolf Place	841	2022
Kings College London	Application Approved	17/09/2013	Canada Street	770	2023
Imperial College Of Science, Technology And Medicine	Application Approved	06/12/2017	Wales Farm Road	736	2021
The London School of Economics and Political Science and Hollybrook Limited	Application Approved	22/12/2020	Glengall Road	676	2024
Tide Construction Ltd	Application Approved	18/10/2019	Loampit Vale	670	2023
Hanger Lane Investments Ltd	Application Approved	31/07/2019	Hanger Lane	650	2023
Urbanest UK Ltd	Application Approved	09/11/2017	Vine Street	629	2021
Kings College London	Awaiting Decision	14/01/2019	Borough High Street	417	2023

Source: StuRents Limited, All inner London borough councils

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London | StuRents Student Accommodation Q2-2021 Rankings

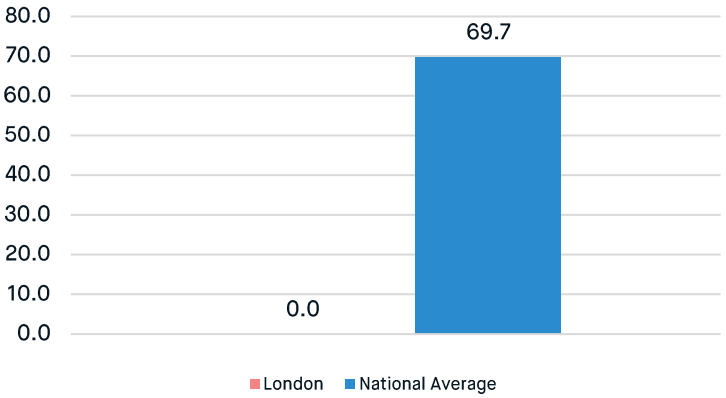
StuRents Accommodation Rankings | StuRents' Rankings provide an insight into the attractiveness of private accommodation to students, parents and developers in all major university towns and cities. Inputs are weighted based on results from a survey of students, which determined their most important factors when house hunting. Higher values reflect a more attractive ranking.

London | Overall Ranking



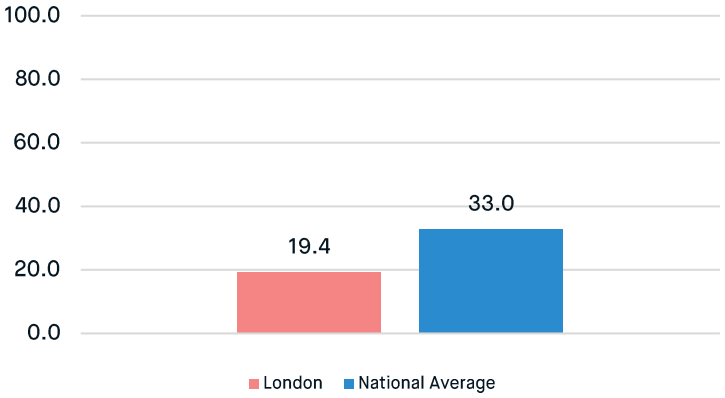
Overall Ranking | London outperforms the national average according to the StuRents Accommodation Rankings.

Input 1 | Affordability



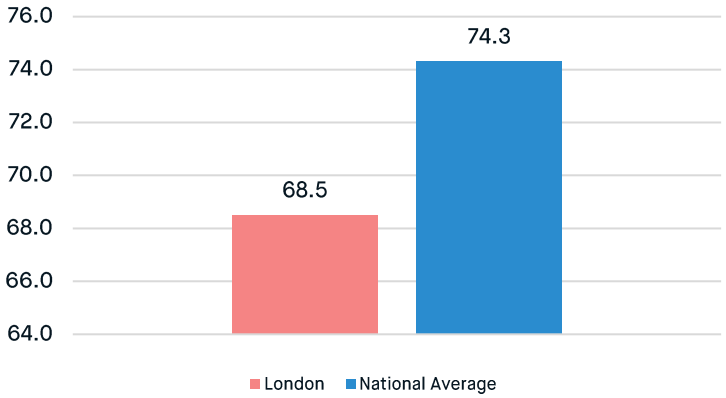
Affordability | Ranks the average affordability of student accommodation within the reported location.

Input 2 | Density



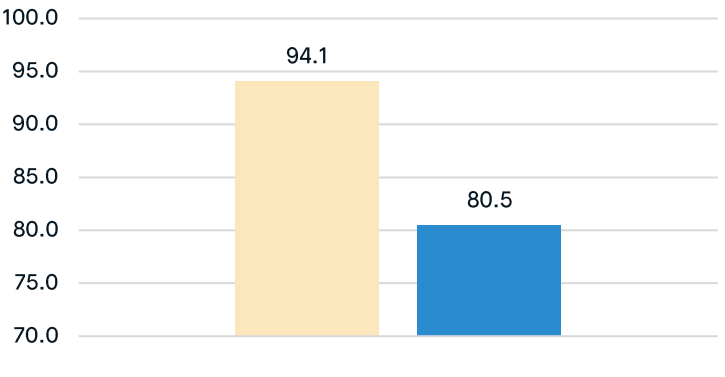
Density | Ranks how closely students in private accommodation in a city live in relation to each other.

Input 3 | Safety



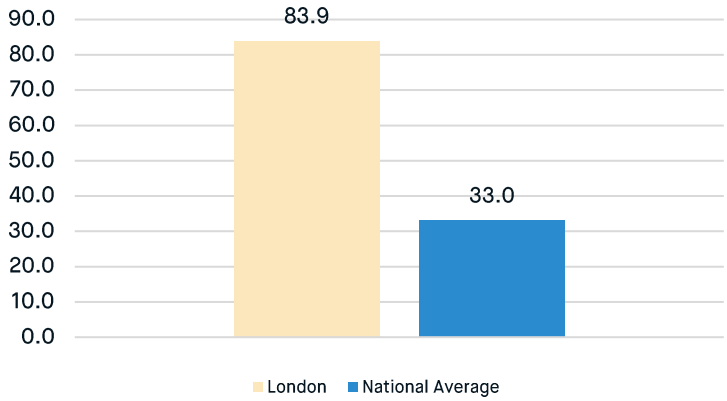
Safety | Ranks how unlikely it is that a student resident in private accommodation in a city will be a victim of crime.

Input 4 | Energy Efficiency



Energy Efficiency | Ranks the energy efficiency of private student accommodation within the reported location.

Input 5 | Size



Size | Ranks how large private student accommodation in the reported location is on average.

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