



Written evidence submitted by the Student Accredited Private Rental Sector (SAPRS)

Renters (Reform) Bill

13 November 2023

Executive Summary: Current Renters Reform Bill puts availability and quality of student homes at risk

The Student Accredited Private Rental Sector (SAPRS) believes that the Renters (Reform) Bill must be amended to ensure parity between purpose-built and private student housing providers to avoid a worsening of the student housing crisis. In summary, it argues that:

- The Bill does not create parity for students in private rented accommodation, compared to those living in purpose-built student accommodation (PBSA).
- The Government should amend the Bill to create legislative parity between the PBSA and the student private rented sector (SPRS) regarding the exemption from the ban on fixed-term tenancies.
- Without parity, the Bill risks significantly reducing the supply of student homes across the country, at a time when there is already a student housing crisis.
- A lack of parity will also see students face increased costs as student accommodation supply is likely to decrease. This will disproportionately impact students, in particular domestic students, who are already struggling to meet the financial demands of university education.
- A lack of parity will mean students in private rented homes are more likely to experience lower standards than those living in PBSA.
- A lack of parity will allow purpose-built accommodation to capture the student housing market – leading to further housing price increases for students as the PBSA does not have the capacity to house these students. This comes at a time when there is already a 207,000 shortfall in beds that will increase to 450,000 by 2025, even without the impact of the Bill.
- It will also create a two-tier student housing system, in which the PBSA sector has a significant advantage through being able to provide fixed-term tenancy agreements, while SPRS landlords must rely on a Government amendment that is as yet not forthcoming.
- If the Bill is not amended, it risks further damaging the mental health of students who face increased uncertainty of housing security over the course of their studies.
- Members of the SAPRS have worked to implement greater standards for students, but their ability to provide students with the stock required will be put at risk by the uncertainty of tenure and lack of ability to offer a fixed start and end date to students that the Bill will bring.
- The amendment that the Government is considering introducing does not fully take into account how the student market works in practice. The two-month notice period students will need to provide does not give the certainty of supply necessary for landlords to sufficiently service students with properties in line with the academic year, and as such will reduce housing stock, with students the party most impacted.

If private sector landlords are unable to provide students with fixed-term tenancies, and students provide just two months' notice to leave the property, this will create large voids in the student cycle, with properties that cannot be re-let in line with the academic year. This uncertainty of supply will take further stock away from the student rental market and ultimately will lead to higher rents for students.

Introduction

The Student Accredited Private Rental Sector (SAPRS), a coalition of leading providers of second and third year student accommodation across Britain, wholeheartedly supports the aims of the Renters (Reform) Bill. We welcome the opportunity to share our view on this much-needed Bill and agree that a new deal for tenants and landlords alike, alongside new protections, is needed.

As a group, we fully recognise and agree with the Government's objectives within the Bill to provide greater protections for the Private Rented Sector, and for students. Our members are at the forefront of driving improved



standards for students, providing high-quality homes that far exceed both Government compliance and the Decent Homes Standard. Standards in the sector have increased rapidly over the past decade, largely driven by members of SAPRS who have brought institutional capital into the space and are providing significantly higher quality accommodation which is important for the competitiveness of universities as well as student well-being.

However, we share concerns voiced by experts in the higher education sector¹ that the Bill in its current form would have detrimental issues for affordability, availability, and standards of living across student private rental accommodation, and does not take into consideration the unique characteristics of the student rental cycle. We believe that the Bill would have a significant adverse impact on the student experience, creating uncertainty for students and putting their mental health at risk, at a time when student mental health issues are already on the rise.

The student accommodation model has unique requirements that are not reflected in the general private rented sector. This model currently offers students the choice to live in proximity to their university in halls of residence, purpose-built student accommodation (PBSA), or private student housing.

These properties usually offer fixed-term tenancies to students. Fixed-term tenancies offer contracts for up to 12 months, with a clear start and end date, to accommodate for the academic year, which tends to run from September to June.

This works for landlords as it provides a guarantee that their property will be made available for new tenants each year, allowing them to adequately serve students by delivering consistent housing stock, while the fixed start and end date provides them with the ability to plan ahead for the next academic year in advance.

It also works for students, allowing them to secure a property for the fixed period that they are attending university, providing them with certainty well in advance of the academic year that they will have a safe, secure property to live in, allowing them to simply focus on their studies.

Certainty of tenure matching the academic year is necessary both to ensure stock is available for the new academic year but also because vacant rooms cannot generally be re-let outside of the academic letting cycle.

At present, the PBSA sector is exempt from the Bill's proposed ban on fixed-term tenancy agreements (FTTAs). The student private rental sector (SPRS), which provides the majority of student housing to students in the UK, and in particular to British second and third-year students, has not been granted such an exemption.

The inability for these private student landlords to offer FTTAs to students has the potential to decimate the student rental model, at a time when there is already a 207,000 shortfall of student accommodation beds, which even prior to the introduction of the Bill, is forecasted to rise to 450,000 by 2025.² The PBSA sector, even with this exemption, simply does not have the capacity to address this shortfall, and should the Bill push SPRS landlords out of the sector, this issue is only going to exacerbate. Even if further PBSA blocks were desired by second and third year students it would take decades to fill the supply gap from the SPRS, and there have already been significant delays to those currently planned due to economic headwinds and planning issues.

In addition, providing the PBSA sector with this exemption, but not the SPRS, risks creating a two-tiered system of student accommodation, whereby the PBSA sector, through their ability to offer FTTAs, has a competitive advantage over the rest of the sector. For a number of reasons, this is not desirable to students. Firstly, students, and in particular British students, prefer to live in off-street housing with their friends, which many view as a rite of passage as they transition into their adult lives, rather than in purpose-built tower blocks. Additionally, the

¹ Higher Education Policy Institute (2023), [link](#); Letter to the Ministers for Private Housing and Higher Education co-signed by Universities UK, [link](#)

² StuRents (2022), [link](#)



PBSA sector is on average 40% more expensive³ than student private rental housing, placing further strain on domestic students from lower socioeconomic backgrounds, potentially pricing them out of university altogether.

A similar provision was put in place in Scotland in 2017, which has led to a 12% drop in the number of privately rented properties between 2016 and 2020, as well as a rise in rents of 18% in Scotland⁴. This has had a profound impact on the student market, with reports of final-year students sleeping in bunk beds in university halls and Scottish universities noting that there is simply not enough accommodation for their students.

We welcome that the Government has recognised the issues with the Bill and is seeking to address them by introducing a new ground for possession which will allow landlords to seek possession ahead of each new academic year. However, this measure does not go far enough. In our submission, we seek to outline why there must be legislative parity between purpose-built and private rented student housing. To ensure this legislative parity retains the Bill's objective to improve standards across the sector, we have proposed a Student Accredited Private Rental Sector code of conduct that sets out a rigorous set of standards and protections for students that the Student Private Rental Sector must abide by in order to be able to offer FTTAs. This code would benefit students and landlords, giving both certainty of housing stock in line with the academic year, while providing students with the security to focus on their academic studies, which is the outcome that students and landlords both want.

At the time of writing, the Government and the Department for Levelling Up, Housing and Communities have also failed to sufficiently explain how the Government intends to address the issue for the SPRS. Until the Government outlines its proposed solution in more detail, private student landlords remain in limbo, with students most affected party by the lack of clarity.

In the absence of full parity with PBSA, the outcome will be a housing crisis in the student sector through significantly reduced supply and increased rents. The bill will cause domestic students, who have not benefitted from the sector exemption provided for international students in PBSA, to struggle to find scarcer accommodation at much higher rents whilst simultaneously driving institutional capital out of the sector lowering both standards and safety.

Issue 1: Availability

If the exemption from the ban on FTTAs is not extended from the PBSA sector to the SPRS, all private student housing tenancies will be open-ended with a two-month notice period. This means students seeking to move out will hand in their notice in April and May without the security of knowing where they will be living the following academic year. Further to this, these months are generally when students are revising or sitting exams, and so this is an extra administrative burden they must consider when they should be focused on their studies.

For landlords, this creates uncertainty. As they do not know when, or even whether, their tenants will move out, they cannot be certain their properties will be made available to students for the start of the academic year. Many may choose to leave the market, which will reduce the supply of student housing across the country, turning to other markets that offer greater certainty.

In Scotland, where the Private Residential Tenancy was introduced in 2017⁵ – banning fixed-term tenancies for private rental properties – Scottish universities have signalled⁶ that the number of properties available for private rental is now at an all-time low. This has been reflected across the Private Rented Sector in Scotland,

³ Unipol/NUS (2021), [link](#)

⁴ Universities Scotland (2023), [link](#)

⁵ Scottish Government (2023), [link](#)

⁶ E.g. University of Edinburgh (2023), [link](#)



with rents increasing by 18%, and supply reducing by 12%, which has had significant knock-on implications for students in the country⁷.

Issue 2: Affordability

With student housing already in short supply, allowing the Renters (Reform) Bill to pass with no parity between PBSA and the SPRS will plunge the affordability of student housing further into crisis. PBSA is on average 40% more expensive⁸ than student private rental housing and as a result not an affordable option for many. In addition to this, PBSA simply does not have the supply to accommodate the number of students that may be impacted by landlords leaving the SPRS because of the uncertainty for landlords created by the Bill.

An exacerbated student housing crisis would increase financial pressure on students, including those who are already at risk of being priced out of university due to high costs of living. This will only increase the gap between poorer students and their more affluent peers, which in 2021 reached a 14-year high. The 2023 National Student Accommodation survey⁹ found that 2 in 5 university students have already considered dropping out of university altogether due to rent or bills, and this will only exacerbate if the supply and affordability of student housing is put under further pressure, as this Bill will do.

Shortages in affordable student housing might also push students into accommodation further away from their university, increasing their travel costs. This has already been seen in university towns and cities across the country, with students in Manchester having to secure accommodation in Liverpool, and students in Bristol forced to find accommodation in Newport. A National Union of Students (NUS) survey¹⁰ recently found that 46% of students reported that the cost of travel already takes up a quarter of their weekly budget, and 20% have missed classes due to travel costs.

Issue 3: Impact on student mental health

Student mental health reached alarming lows during the pandemic, with many students reporting feeling isolated and suffering from the disruption of their lives. Since then, the cost-of-living crisis has caused additional worries for students as many struggle to cope with the rising costs of housing and groceries.

According to Student Minds¹¹, over half of the students surveyed by the mental health charity reported being affected by a mental health issue. Additionally, 83% of students surveyed were also either 'very' or 'quite' concerned about the current cost of living crisis and 41% said this was having a negative impact on their wellbeing. The 2023 National Student Accommodation survey¹² showed that 43% of students with accommodation issues stated their studies were impacted as a result.

Issue 4: Quality and living standards

The Government's proposed solution also presents a particular issue for joint tenancies. Without a FTTA it is unclear how it is decided that a joint tenancy contract should end.

Currently, when students sign FTTAs they are agreeing with each other and the landlord to rent the property for a fixed period. An open-ended contract leaves students vulnerable if anyone decides to leave the property, ending the contract. Given this instability, it could become common for landlords to let individual rooms in a house, with students looking for last-minute rooms as they become available with two months' notice, rather than living in secure accommodation with their friends, which is the desired outcome for most students.

⁷ Universities Scotland (2023), [link](#)

⁸ Unipol/NUS (2021), [link](#)

⁹ Save the Student National Student Accommodation Survey (2023), [link](#)

¹⁰ NUS (2023), [link](#)

¹¹ Student Minds (2023), [link](#)

¹² Save the Student National Student Accommodation Survey (2023), [link](#)



Without changes to the Bill that go beyond Government's propose solution, students who rent private accommodation would have to provide notice during the period in which they would be studying for exams, creating unnecessary stress at one of the most important times in a student's academic year.

Additionally, at present, there are no defined quality standards for private rental student accommodation. The Renters (Reform) Bill should create a framework for the fair treatment of students, embedding the principles of the Decent Homes Standard in the code and protecting students from rogue landlords.

This matters not only to ensure students can have a quality standard of living, but also good mental health, an issue of growing concern. If the Bill increases uncertainty over students housing, this may be detrimental for student welfare.

Issue 5: Creation of a two-tier student housing system

Providing the PBSA sector with the ability to offer FTTAs to students without offering the same facility to the SPRS will not only negatively impact affordability and availability of student accommodation, it risks creating a two-tier student housing sector in which PBSA providers have a competitive advantage over off-street housing.

This will have significant implications for the sector, and will place further pressures on the supply and affordability of student housing in England. The Government's solution, offering a new grounds for possession to private student landlords does not go far enough in closing the gap between the exemption provided for the PBSA sector, and a level-playing field may only be achieved through full parity between student housing providers.

Should the Bill as it currently stands become law, providing the PBSA sector with this competitive advantage, it risks PBSA becoming the default student housing providers for second and third year university students. Aside from the fact that the majority of students would prefer to live in off-street housing properties with their friends, this poses significant affordability and availability problems, on top of those outlined to the SPRS sector above. The PBSA sector simply does not have the capacity to accommodate increasing demand, and further to this, PBSA is more expensive than SPRS, as noted above. This will only exacerbate if PBSA becomes the default as the increased demand on a housing stock that is not large enough will only increase competition between students for rooms, raising rents even further.

According to StuRents, there is already a current shortfall of 207,000 beds in England, and even without the impact of the Bill, this is likely to rise to 450,000 by 2025¹³. StuRents have also shown that the maximum percentage of effective demand that can be met by PBSA operating at full capacity is falling, and at around 40%, is simply not enough to support the entire student sector. In addition, increasing the capacity of the PBSA sector to meet this demand is not a viable option to address the current student housing pressures. Many of the planned PBSA developments have already been delayed¹⁴ due to construction industry constraints, interest rate increases and the planning application process, and as such, even if the PBSA sector could increase in size to accommodate the growing demand, the impact of this would not be felt for years to come, leaving students in the lurch in the time between.

Creating a Student Accredited Private Rental Sector code of conduct to secure student housing supply and promote quality standards across the sector

The aims of the Bill are welcome. With the Bill still in its early stages, it is not too late to ensure that it delivers a better deal for all tenants, including students.

¹³ StuRents (2022), [Link](#)

¹⁴ Place North West (2023) [Link](#)



SAPRS believe nothing less than parity with PBSA's exemption will ensure the security of supply and affordability in the student private rental sector. However, we also recognise the importance of promoting standards for students.

Our proposed Student Accredited Private Rental Sector (SAPRS) code of conduct would establish standards of conduct and practice for the management of the SPRS distinct from PBSA, aimed at creating a framework of standards to facilitate effective and fair treatment of students. An exemption along these lines is already included in the Bill for PBSA. There is no clear reason why the same exemption should not apply to private rentals, as it would present a real opportunity to secure availability and affordability of student housing, while at the same time promoting standards for private student housing in line with the Decent Homes Standard.