



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

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Almost 150,000 students at risk of losing their student homes as Government amendment to Renters (Reform) Bill fails to resolve the issues for the student housing sector

- Industry figures suggest that up to 149,600 students are at risk of losing their student homes as a result of the Renters (Reform) Bill's impact on the student housing sector.
- This figure equates to 25% of the total number of students living in private rented accommodation in the UK.
- The amendment to the Bill proposed by the Government fails to understand how the student market works in practice and would still risk issues for student housing availability, affordability, quality standards, and student mental health that SAPRS and others have warned of.
- The Government amendment does not go far enough – the Bill must be amended to ensure parity between purpose-built and private student housing regarding the exemption from the ban on fixed-term tenancies to avoid a worsening of the student housing crisis.
- The amendment puts up to a quarter of students living in private rented accommodation at risk of losing their student homes.
 - The dependency of the amendment on joint tenancy provisions creates significant, real-world issues for student households living in private rented housing.
 - If one student decides or has to leave the tenancy, for instance due to dropping out of university for mental health or other reasons, the whole house may need to be vacated.
 - At present, if one student has to drop out, students are able to find another tenant and add them to the tenancy – and if that is not possible, many private landlords accept the diminished rental income due to having one less tenant.
 - However, this will no longer be possible as private student properties will depend on joint tenancies – meaning if one tenant has to leave, so will the rest of the house.
 - The amendment proposed by the government also limits the time window for signing tenants to 01 June and 30 September, meaning that student tenants are unable to sign another tenant onto the tenancy outside of this window if one of them drops out.
 - Again, the amendment fails to address the reality of student tenancies, as dropouts – due to students having to leave university for mental health, performance or other reasons – typically appear outside this window.
 - As a result, students and landlords would be unable to replace tenants who dropped out of the tenancy.
 - This would leave landlords in a position in which they may have to accept the diminished rental income or student tenants may have to carry the additional rental costs. Many students are already struggling with high costs of living, meaning that most would be unlikely to be able to do so.
 - For landlords, the general possibility of being able to sign new tenants on to a student tenancy will become much less likely due to the government amendment, meaning their business model will become significantly riskier – and landlords may decide to take their student rental property off the market as a result.
- Additionally, due to the Bill's provisions for all tenancies to not be periodic, the amendment still provides no assurances to student private landlords that a property would be available to rent out again to students at the start of the new academic year.
- As a result, student landlords would need to keep the property empty, resulting in them losing rent income, or deciding to stop letting to students altogether. This, in turn, would exacerbate the existing shortfall in affordable student housing.



The solution: Parity with Purpose Built Student Accommodation

- 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.
- A lack of parity will allow purpose-built accommodation (PBSA) 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 student private sector (SPRS) landlords must rely on the Government’s proposed ground for possession.
- 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.
- If the Government creates parity between the PBSA sector, and the rest of the SPRS, provided they sign up to an approved code of conduct with standards and protections for students that go above and beyond the current Bill, this will ensure security of supply to the sector, whilst providing students with the security to simply focus on their academic studies. This should be the desirable outcome for all parties involved.

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.

We welcome the Committee’s work in scrutinising the Bill and that our concerns about the Bill’s impact on the student housing sector are shared by a number of organisations, including:

- the [Higher Education Policy Institute](#),
- [Universities UK](#),
- Unipol,
- [Large Agents’ Representation Group](#),
- [Centrepoint](#),
- [St Basil’s](#)
- [The National Housing Federation \(NHF\)](#)
- [The Chartered Institute for Housing \(CIH\)](#)
- The [British Property Federation](#).



EXPLANATORY NOTES

- The drop-out rate of contracted student tenants is 5%, according to industry figures provided by leading off-street private student housing providers.
- According to the Higher Education Statistics Agency, there are nearly 600,000 student tenants living in private rented accommodation.
- Applying the 5% student dropout rate to the number of student tenants, and assuming that there are, on average, 5 student tenants living in each property, 29,920 student rental properties are at risk to be impacted by the provisions of the Renters (Reform) Bill.
- Due to the joint-tenancy provisions of the amendment proposed by the government, up to almost 150,000 students – 25% of the total figure of students living in HMO properties – could be affected and lose their student home if one tenant within a student tenancy drops out.

Sector being reviewed	Total Sector Size (UK) – Tenants, HESA 21/22 ¹	Total No. of Students Expected to Drop Out, Calculation ²	Estimated No. of Properties Impacted ³	Estimated No. of Students & Beds Impacted ⁴
HMOs only	598,390	29,920	29,920	149,600

¹ Based on 2021/2022 figures from the Higher Education Statistics Agency

² Based on the assumption that 5% of contracted student tenants drop out.

³ The maximum number of properties impacted is calculated by assuming that each student that does drop out is part of a distinct group tenancy agreement.

⁴ Based on the average number of students living in a student property being 5, based on industry figures.