

An architectural rendering of a modern urban development. On the left is a multi-story building with a facade of vertical blue and white stripes. To its right is a taller, more complex building with a grid of windows and a prominent corner section. The foreground shows a street with a few cars and pedestrians. The sky is blue with scattered white clouds.

31 May 2023

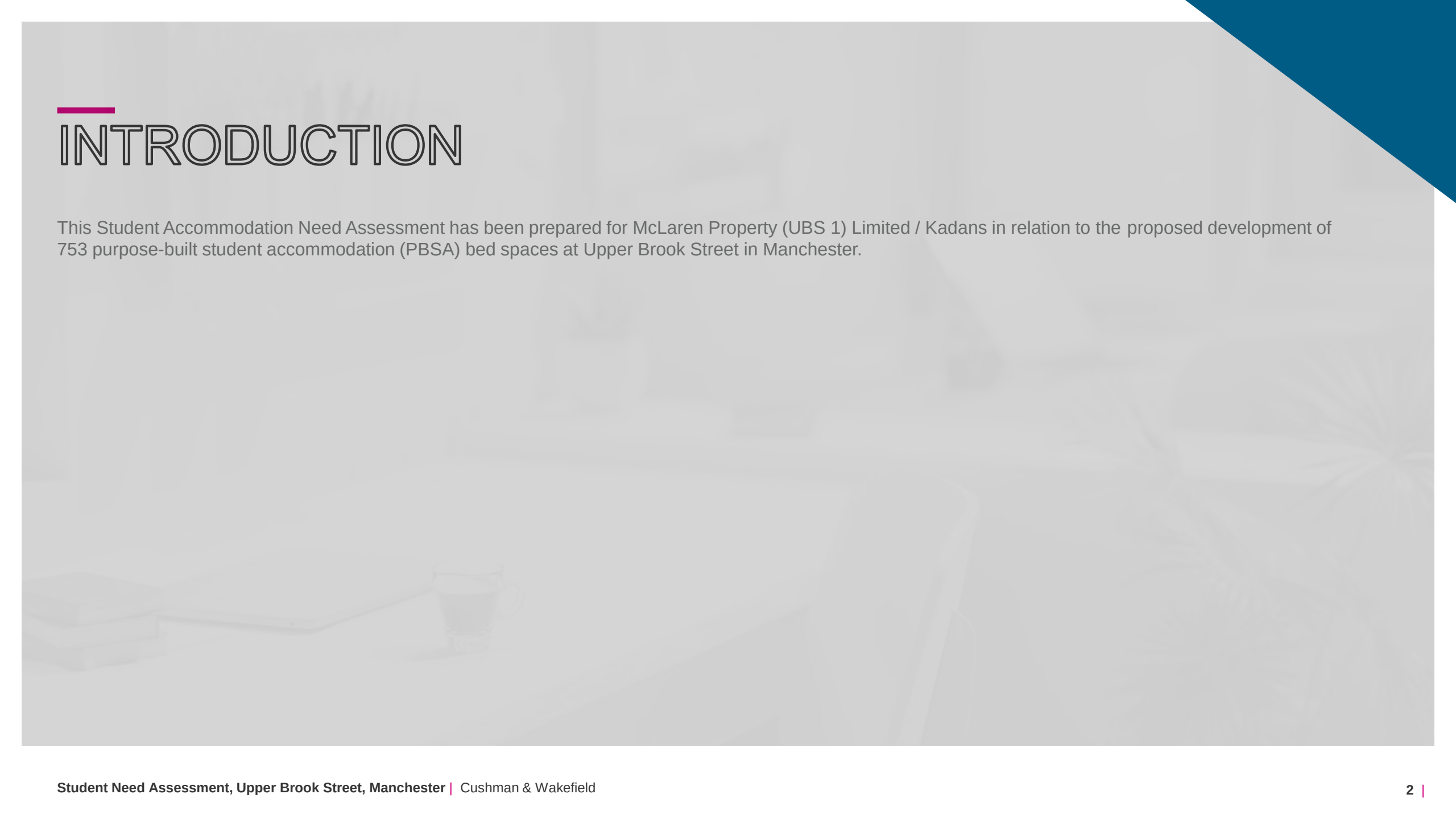
Student Need Assessment

# Upper Brook Street Masterplan

(McLaren / Kadans)

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# INTRODUCTION

This Student Accommodation Need Assessment has been prepared for McLaren Property (UBS 1) Limited / Kadans in relation to the proposed development of 753 purpose-built student accommodation (PBSA) bed spaces at Upper Brook Street in Manchester.

# OBJECTIVES

This Student Accommodation Need Assessment has been prepared for McLaren Property (UBS1) Limited / Kadans in relation to the proposed development of 753 purpose-built student accommodation (PBSA) bed spaces at Upper Brook Street in Manchester. It assesses the following areas:

|                                                                                   |                                       |
|-----------------------------------------------------------------------------------|---------------------------------------|
|  | Manchester Student Accommodation Need |
| 1                                                                                 | Site Location                         |
| 2                                                                                 | Demand                                |
| 3                                                                                 | Investment & Performance              |
| 4                                                                                 | Supply                                |
| 5                                                                                 | Private Rented Sector                 |
| 6                                                                                 | Development Pipeline                  |
| 7                                                                                 | Demand & Supply                       |



# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY

**Demand** Manchester is the UK's fourth largest student market. The University of Manchester is the UK's largest single institution and attracted 42,260 full-time students in 2021/22, a 14% increase since 2016/17. Growth is being driven by the University's international population, which has grown by 34% over the last five years. Manchester Metropolitan University (MMU) has enjoyed positive growth of 13% over the past five years. The University has performed well in its recruitment of postgraduate students, which have seen strong growth of 49% over the same period. The May 2023 MCC Executive Paper has also highlighted the need for 11,000+ new PBSA beds to 2030.

**Supply** In 2022/23 there are 26,830 purpose-built student accommodation bed spaces available to students in Manchester, making it the fourth largest student accommodation market in terms of beds the UK behind London, Liverpool and Sheffield. The market is currently characterised by a legacy of older bed spaces due to limited development over the last decade. Over the last 10 years, the City has seen the second fewest number of new deliveries of any major market, and the lowest net increase in beds of any major market. Consequently, Manchester is home to a significantly larger percentage of standard, shared bathroom bed spaces than the national average, and a considerably lower percentage of modern en-suite rooms.

**Pipeline** The development pipeline in Manchester currently stands at 3,814 beds with just over 1,400 beds approved (37%) - a small number for a market of this size. Student Castle, Fusion and Vita all have proposed schemes in the city. Modelling of the impacts of the development pipeline on the demand supply balance indicates that more students are likely to be forced into HMO accommodation without additional beds being delivered to the market.

**Student to Bed Ratio** The City-wide student to bed ratio (SBR) stands at 2.04:1, meaning that 27,895 students with a requirement for a bed are currently unable to access one in PBSA. The demand-supply imbalance in Manchester continues into 2023, as more students are being forced into the HMO market as demand continues to outstrip supply in the City. Cushman & Wakefield's modelling shows that without significant additional development, more students will be forced into the private housing market as demand for accommodation continues to grow.

**Location** The proposed development site would be amongst the best located in the City, sitting immediately opposite the University of Manchester's National Graphene Institute. Manchester Metropolitan University's (MMU) All Saints Campus is also a short 8 minute walk away. The amenities of the city centre and the Arndale Shopping Centre (and other City Centre amenities) are easily accessible either on foot within 30 minutes.

**Development Opportunity** The Upper Brook Street site offers significant opportunity given the wider demand-supply dynamics in Manchester. The excellent location of the scheme and the prevalence of low-quality stock in the existing market means that a new development is likely to prove an attractive prospect to students seeking a high-quality student experience. Given wider pressures on the Manchester housing market development of sites such as Upper Brook Street can play a crucial role in delivering the need for modern, fit-for-purpose student accommodation in the City.

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# SITE LOCATION

## LOCATION & AREA CHARACTERISTICS



# SITE LOCATION

The proposed development site on Upper Brook Street site is located in Ardwick, in close proximity to the two main UoM campuses and MMU’s All Saints Campus. The scheme will provide 753 bed spaces, split between studios (45%) and cluster beds (55%).

The University of Manchester now operates from three main campuses, all of which are accessible within a 11 minute walk of the site (with the exception of Fallowfield, which is accessible via a 17 minute bus route). Manchester Piccadilly Railway Station (17 minutes by foot) offers onward travel to London and Edinburgh (and the rest of the UK). Manchester Metropolitan University’s (MMU) All Saints Campus is also a short 8 minute walk away. The amenities of the city centre and the Arndale Shopping Centre (and other City Centre amenities) are slightly further out than the University, however are still easily accessible either by foot within 30 minutes.

Upper Brook Street, Manchester



Source: McLaren/Kadans

Travel times to key locations

| Amenity                    | Travel time     | Method        |
|----------------------------|-----------------|---------------|
| Fallowfield Campus         | 36 / 17 minutes | Walking / Bus |
| UoM South Campus           | 3 minutes       | Walking       |
| UoM North Campus           | 11 minutes      | Walking       |
| MMU All Saints Campus      | 8 minutes       | Walking       |
| City Centre                | 30 / 19 minutes | Walking / Bus |
| Arndale Shopping Centre    | 25 minutes      | Walking       |
| Piccadilly Railway station | 17 minutes      | Walking       |

Source: Cushman & Wakefield

# SITE LOCATION

Site location in relation to key campuses



Source: Cushman & Wakefield adapted Google Maps

The map adjacent highlights the location of the proposed development in the context of the wider Manchester campus environment. As can be seen, the site is ideally located for both institutions – the University of Manchester and Manchester Metropolitan University. The site is particularly close to the University of Manchester's main South Campus and MMU's All Saint's Campus.

The student central location is likely to have significant appeal to students, as it sits minutes from numerous bars, restaurants, and shops, whilst also being within a short walk of Manchester Piccadilly, Oxford Road and Deansgate Railway Stations.



# DEMAND MANCHESTER ANALYSIS

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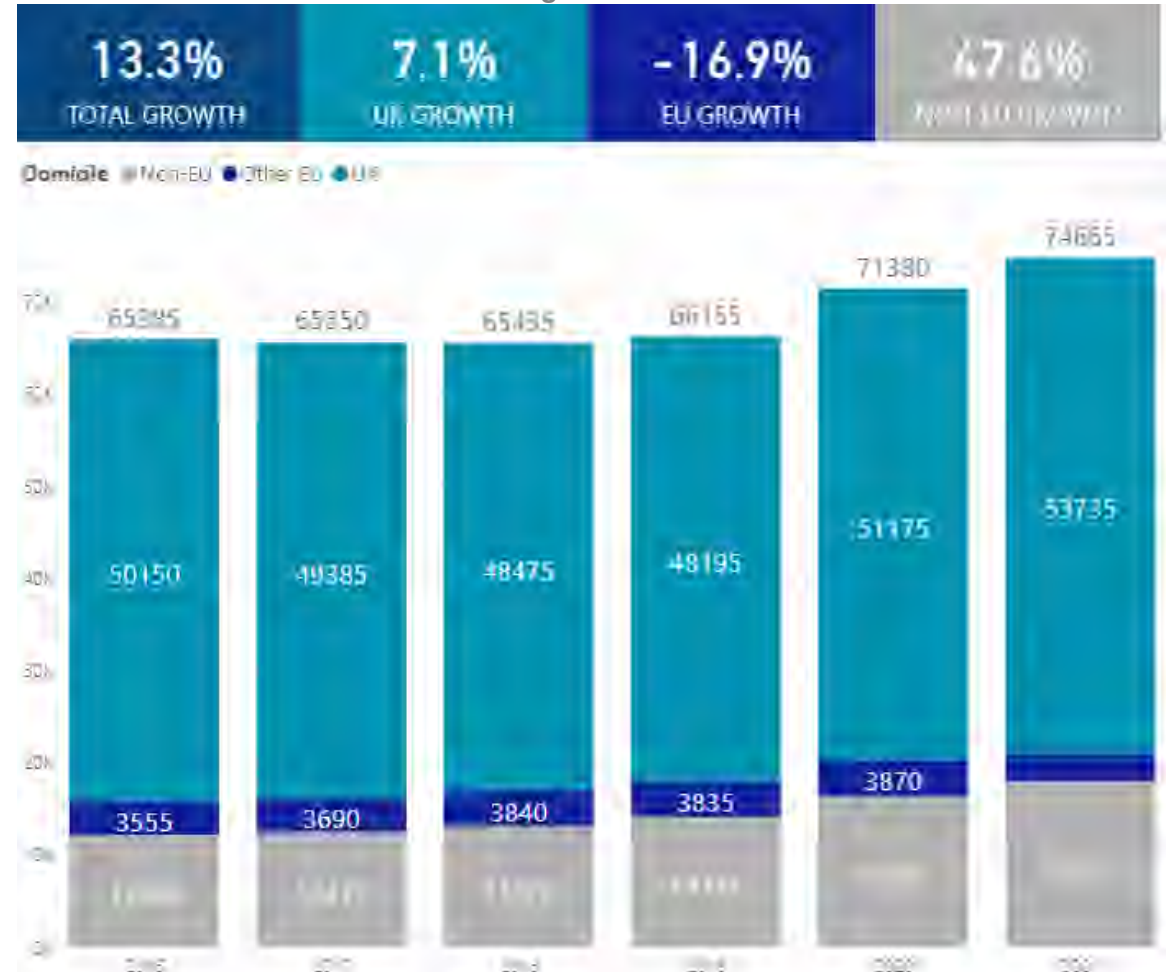
# OVERVIEW

Manchester is the UK's fourth largest student market by full-time population after London, Birmingham and Glasgow and was home to 74,665 full-time students in 2021/22 across its three main institutions: The University of Manchester, Manchester Metropolitan University and the Royal Northern College of Music. 100s more students are studying on a full-time basis at the University Campus of Football Business, as well as 395 full-time students University Academy 92 (UA92) Limited.

Student number growth across the City has been significant over recent years, with full-time students growing by 13.3% between 2016/17 and 2021/22. Much growth has come from the non-EU international student population, which has grown by a significant 47.6% over the same period.

There were 8,780 more full-time students studying at the three main Manchester institutions in 2021/22 than was the case in 2016/17. The University of Manchester and Manchester Metropolitan University are explored in more detail overleaf.

Manchester full-time student number growth over time



Source::HESA 2016/17 to 2021/22

# UNIVERSITY OF MANCHESTER

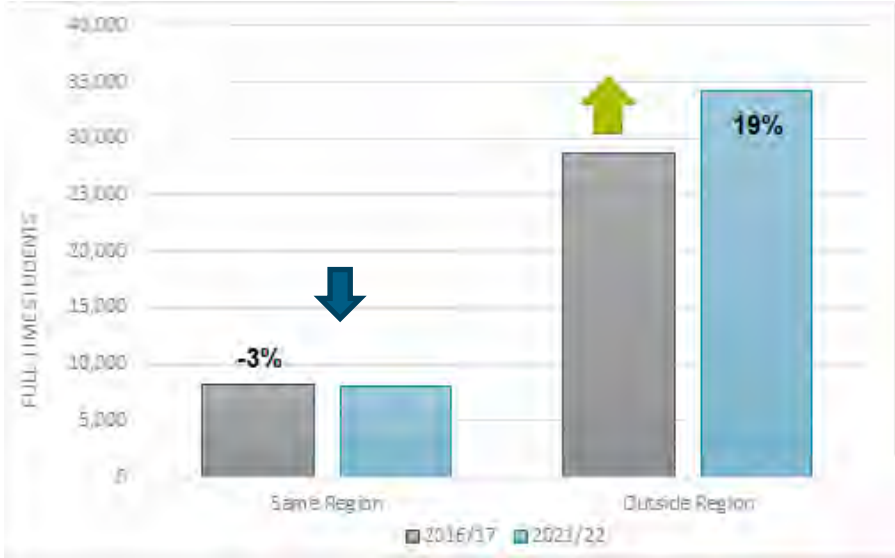
The University of Manchester has grown student numbers gradually since 2016/17, at an overall 14% increase in the student population. Whilst growth has been steady, it has been below the nationally observed average across all levels of study. The largest increase in student numbers comes from the postgraduate population, which has grown by 24% across the five year period. For 2021/22, the University of Manchester attracted a total of 42,260 students, making it the largest single institution in the UK. The postgraduate population accounts for 27% of the student body, slightly above the nationally observed average of 24%.

## Full-time student number growth 2016/17 to 2021/22

| Level of Study | 2021/22         |      |                    | 2016/17         |      |                    | Manchester Uni            | UK                        |
|----------------|-----------------|------|--------------------|-----------------|------|--------------------|---------------------------|---------------------------|
| FT & SW        | Student numbers | %    | UK Comparat or (%) | Student numbers | %    | UK Comparat or (%) | Growth 2016/17 to 2021/22 | Growth 2016/17 to 2021/22 |
| UG             | 30,735          | 73%  | 76%                | 27,590          | 75%  | 82%                | 11%                       | 12%                       |
| PG             | 11,530          | 27%  | 24%                | 9,320           | 25%  | 18%                | 24%                       | 24%                       |
| Total          | 42,260          | 100% | 100%               | 36,910          | 100% | 100%               | 14%                       | 14%                       |

Source: HESA 2016/17-2021/22

## Student domicile 2016/17 to 2021/22



Source: HESA 2016/17-2021/22

The University of Manchester has seen strong growth in students domiciled outside of the region at 19% since 2016/17. This is a testament to the institution's reputation as a global research, international University and a member of the prestigious Russell Group. This increase in student numbers totals 5,555 students.

Students from the region have fallen by 3% since 2016/17, totalling a loss of 205 students. This domicile accounts for 19% of the student body, a significantly smaller percentage when compared to the UK average of 37%.

# UNIVERSITY OF MANCHESTER

In 2022, the University of Manchester received a total of 92,310 applications. Out of these, 9,060 students were accepted to study at the institution. Since 2016, applications have been gradually increasing and grew by a total of 28,740 students by 2022. Following the increase in tuition fees in 2012, unlike many UK institutions, the University of Manchester did not struggle to maintain student numbers as applications increased by 6% in a single year from 2012 to 2013. Applications then continued to increase up until 2015.

In 2022, acceptances stood at 9,060 students, a 15% fall on the previous year where the number of acceptances totalled 10,655. This is in line with the Russell Group trend to reduce undergraduate intakes in the post-COVID environment. The applications to acceptances ratio at the institution has consistently been significantly above the nationally observed UK average, and for 2022 stands at 10.2:1, much higher than the UK average of 6.5:1 for the same year. In 2021 and 2022, the institution has accepted a small percentage of students through non-main scheme acceptance routes, at 4% and 6% respectively. It should be noted that the applications and acceptances outlined above are representative of those who have applied through the UCAS system only – i.e. undergraduate students, and excludes the significant and growing postgraduate population.

Undergraduate applications and acceptances over time (2011-2022)



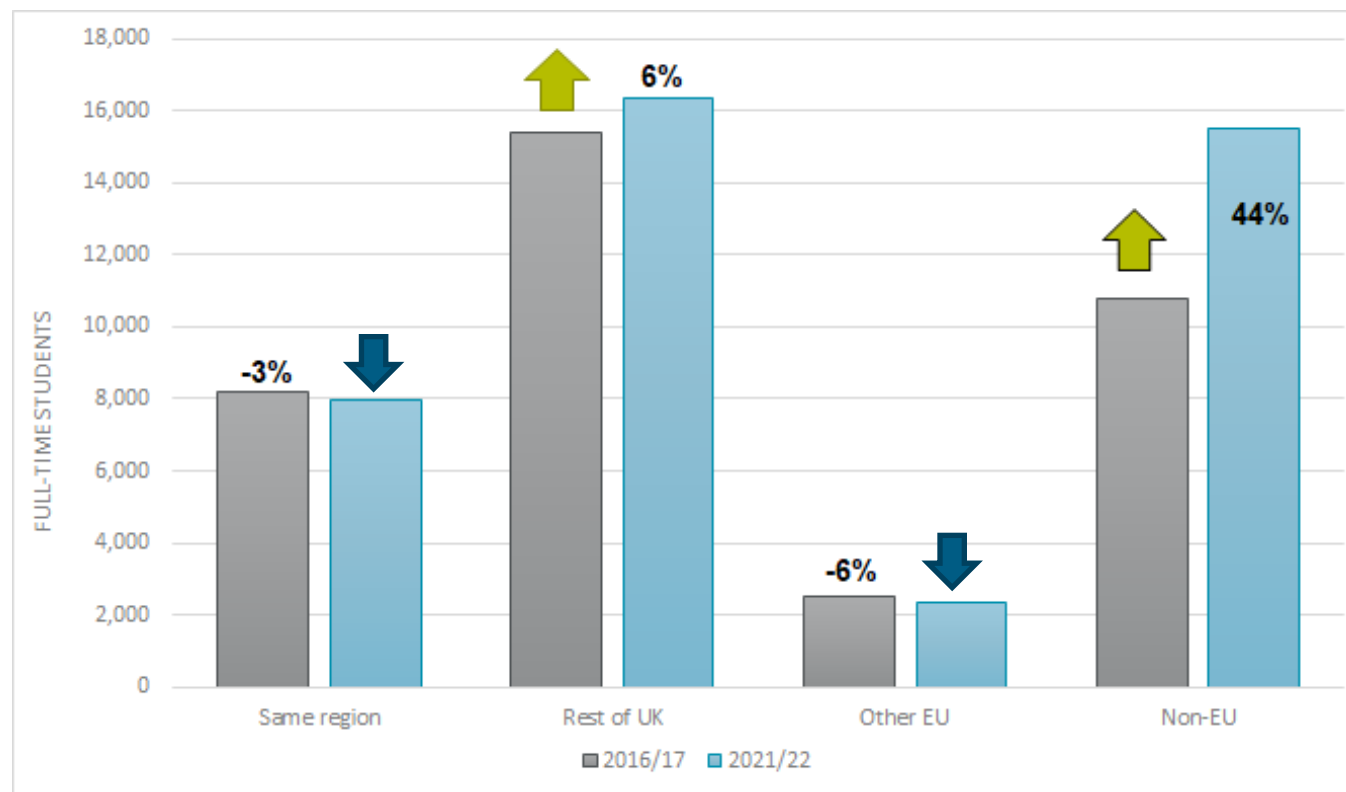
Source: UCAS 2011-2022

# UNIVERSITY OF MANCHESTER

The largest growth at the University of Manchester over the last five years has come from students outside of the EU, as this cohort has grown by 44%. This increase in students equates to 4,740 students, bringing the total non-EU population to 15,525 for 2021/22. Students from other EU Countries and regional students have fallen by 6% and 3% respectively. As students from other EU Countries accounts for a smaller percentage of the student body, this equates to a small loss of 155 students. Students from the same region have fallen by 205 students. Students from the rest of the UK have grown by 6%, totalling an increase of 970 students.

These trends are extremely positive in terms of demand for student accommodation.

University of Manchester students by domicile 2016/17 to 2021/22



Source: HESA 2016/17 to 2021/111

# MANCHESTER METROPOLITAN UNIVERSITY

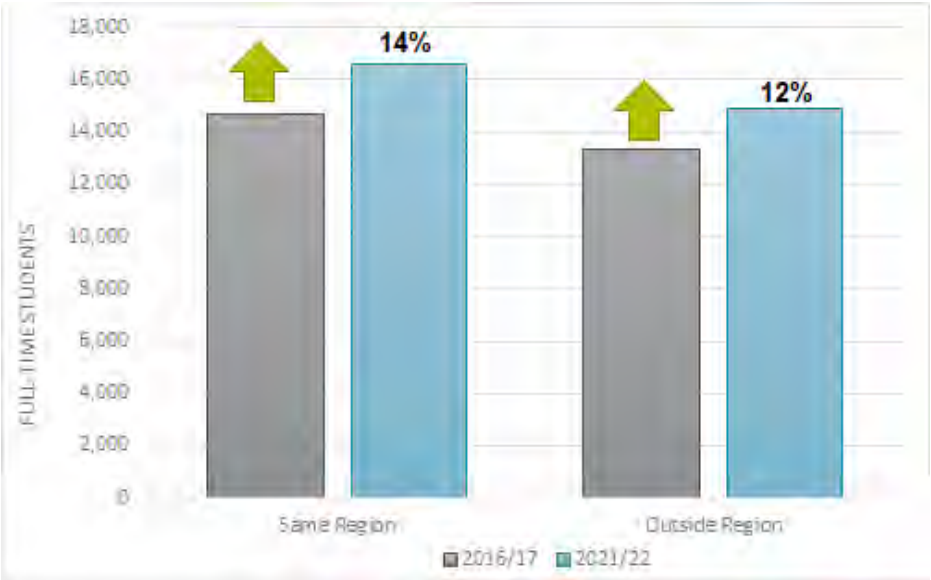
Whilst student numbers at Manchester Metropolitan University have grown since 2016/17, this growth has been at a slower rate than the nationally observed UK average. For 2021/22, overall student numbers at the institution total 31,555, a 13% increase since 2016/17. A huge amount of this growth has come from postgraduates, as this cohort increased by 49%, equating to 1,465 students over the five year period examined. Undergraduate growth has been steady at 8%, and despite this growth being below that of the UK average, this cohort accounts for 86% of the student body, a figure 10% above the nationally observed UK average.

## Full-time student number growth 2016/17 to 2021/22

| Level of Study | 2021/22         |      |                    | 2016/17         |      |                    | Manchester Met            | UK                        |
|----------------|-----------------|------|--------------------|-----------------|------|--------------------|---------------------------|---------------------------|
| FT ESW         | Student numbers | %    | UK Comparat or (%) | Student numbers | %    | UK Comparat or (%) | Growth 2016/17 to 2021/22 | Growth 2016/17 to 2021/22 |
| UG             | 27,075          | 86%  | 76%                | 25,020          | 89%  | 82%                | 8%                        | 12%                       |
| PG             | 4,475           | 14%  | 24%                | 3,010           | 11%  | 18%                | 49%                       | 12%                       |
| Total          | 31,555          | 100% | 100%               | 28,025          | 100% | 100%               | 13%                       | 12%                       |

Source: HESA 2016/17-2021/22

## Student domicile 2016/17 to 2021/22



Source: HESA 2016/17-2021/22

Students from both outside the region and from within the North West have grown steadily since 2016/17, with the largest increase being from regional students at 14%.

Students from outside of the region have increased by 12% across the past five years – a total of 1,545 students. The majority of this growth comes from non-EU students which have increased by 88% since 2016/17, equating to 1,035 students.

# MANCHESTER METROPOLITAN UNIVERSITY

Manchester Metropolitan University have seen a surge in applications over the last year, increasing by 18% or 10,055 students for 2022. Historically, this is the largest single year increase in applications that the institution has ever seen. Similar to the University of Manchester, Manchester Metropolitan University continued to increase the number of applicants following the rise of tuition fees in 2012. From 2012 up until 2014, applications were up by 17%, or 8,525 students.

Acceptances for 2022 totalled 9,770 students, a figure which has increased by 33% since 2019, alongside the large increase in applications. The applications to acceptances ratio at MMU has consistently been relatively in line with the nationally observed UK averages, and for 2022 stands at 6.7:1. Since accepting 20% of students through clearing in 2020, this percentage has continued to fall since and for 2022, MMU accepted 9% of students through clearing. Again, it should be noted that the applications and acceptances outlined above are representative of those who have applied through the UCAS system only, and exclude the large number of postgraduate students now studying at the University.

Undergraduate applications and acceptances over time (2011-2022)

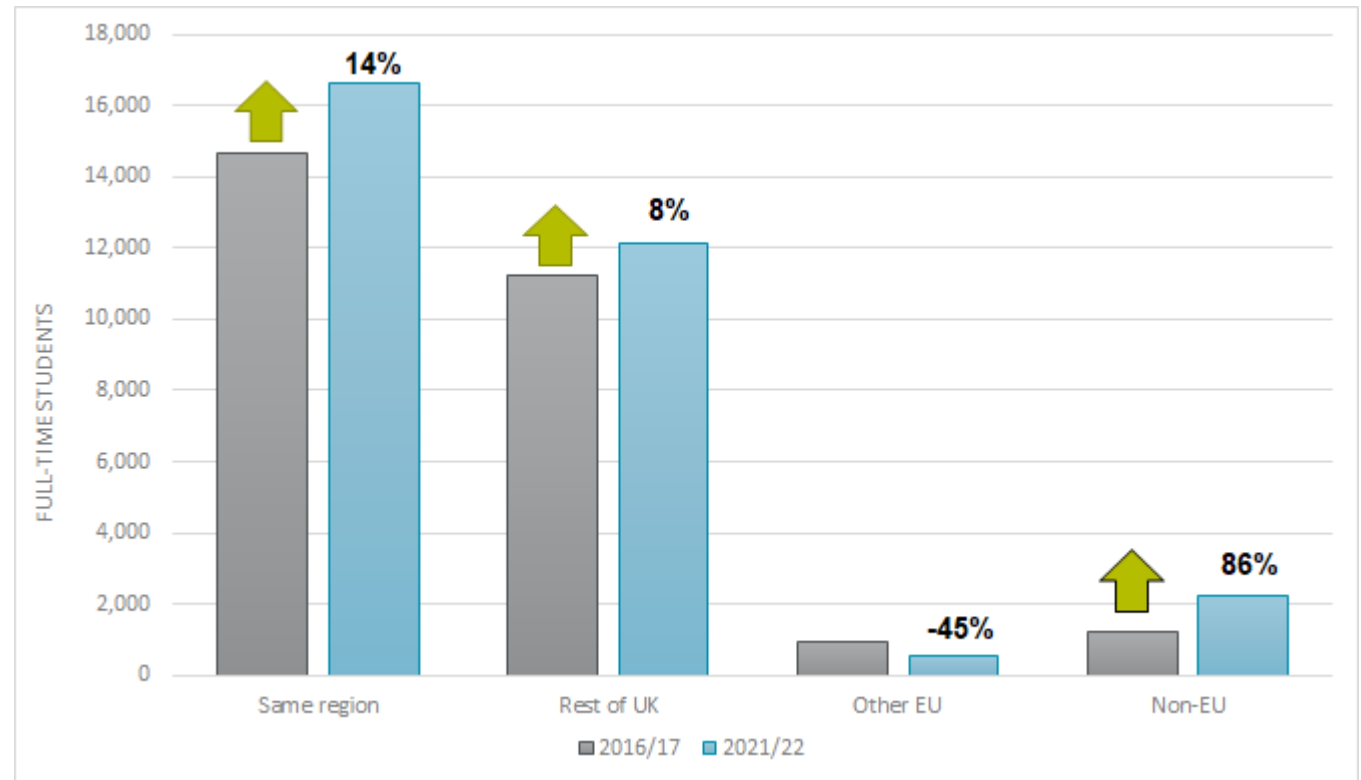


Source: UCAS 2011-2022

# MANCHESTER METROPOLITAN UNIVERSITY

Manchester Metropolitan University has increased student numbers in all domiciles except for students from other EU Countries. This cohort has fallen by 45%. Albeit, student numbers have fallen from a smaller base, however this equates to a loss of 430 students since 2016/17. Despite this, the growth in students from outside of the EU has been strong at 86% or 1,035 students. Behind non-EU growth are regional students, which have increased by 14%, totalling 1,980 students. Finally, students from the rest of the UK have increased by 8% and now account for 12,150 students for 2021/22.

Manchester Metropolitan students by domicile 2016/17 to 2021/22



Source: HESA 2016/17 to 2021/111

# UNIVERSITIES INVESTMENT & PERFORMANCE



# UNIVERSITY OF MANCHESTER



## Manchester Engineering Campus

Completed in 2021, the Manchester engineering campus development (MECD) is a £400+ million investment which houses the faculty of engineering at the University of Manchester. It is now home to almost 7,000 students and 1,300 staff and has a variety of flexible teaching and learning spaces.



## Henry Royce Institute Hub

Opened in 2020, the Manchester hub for the Henry Royce Institute, the national body promoting research and applications in advanced materials. The building is a prominent new landmark on the Manchester skyline at 46 meters high.

The Manchester building enables a wide array of ground-breaking research to be undertaken including investigations into biomedical materials which are at the cutting-edge of regenerative medicine and prosthetics and nuclear materials to support the energy sector.



## Innovation District

This 50/50 joint venture between the University of Manchester and Bruntwood SciTec will create a £1.5 billion innovation district. Which will be home to a global community that will play a vital role in the future of the UK science and technology sector, with the potential to create over 10,000 new jobs in the 10-15 years.

Place design and placemaking will be central to the development of ID Manchester, which when complete will provide over 4 million square feet of new commercial workspace.

Source: University of Manchester

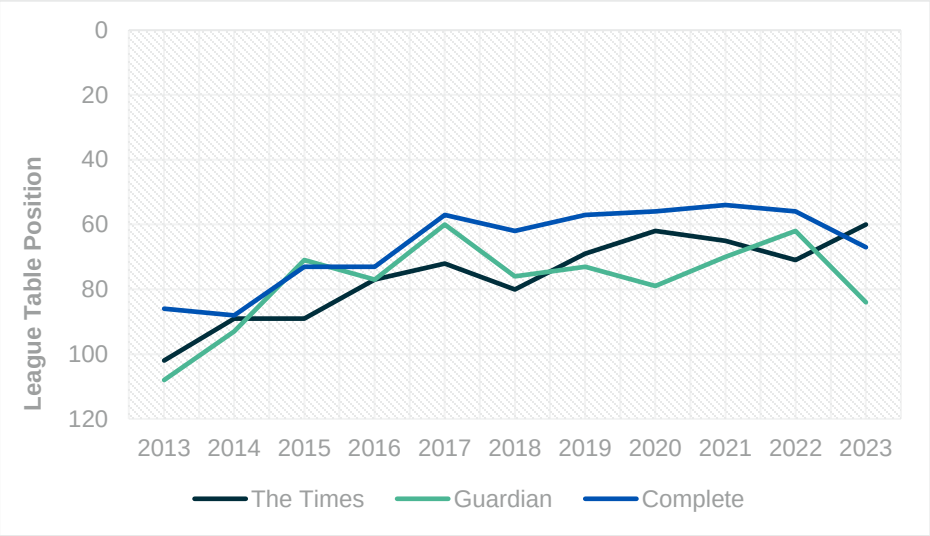
# LEAGUE TABLE PERFORMANCE



The University of Manchester has been consistently ranked in the top 40 UK institutions over the last decade in all three major UK national league tables. In 2023, the University was ranked in 17<sup>th</sup> place by The Complete University, 24<sup>th</sup> by The Times and 30<sup>th</sup> place by the Guardian.

The institution was also ranked in 8<sup>th</sup> place in the 2021 REF (the same position as in the 2014 edition), with 93% of all research classed as world-leading or internationally excellent, and received a silver award in the recent 2017 Teaching Excellence Framework (TEF).

National League Table Performance 2013-2023



Source: The Guardian, The Complete University Guide, The Times 2013-2023

# MANCHESTER METROPOLITAN UNIVERSITY



## Arts & Humanities Building

Completed in 2020, the new flagship Arts & Humanities building, offers 12,500sqm of space, and provides an inspirational venue on the Oxford Road corridor for high-quality teaching by award-winning writers, artists and journalists, and further link MMU to the wider city through shared cultural projects.



## New Science and Engineering Campus

The University has outlined plans to demolish the John Dalton buildings and replace them with a new-build science and engineering campus. The 1970's built 33,000 sq. ft John Dalton West building and the larger 135,000 sq. ft John Dalton East buildings sit together North of the MMU Campus. The University has now set out its plans for a £65m redevelopment of the site, which will see both buildings demolished and replaced with a new-build home for the faculty. The build is set to contain a range of flexible and adaptable state of the art amenities that respond to both modern teaching and research needs.



## School of Digital Arts

Opened in 2021, Fielden Clegg Bradley Studios' £35 million digital arts building at MMU features a 22m-tall vertical LED light wall. The development also includes a five-storey building at MMU's All Saints Campus. The 5,600 sqm building provides a new home for the School of Digital Arts (SODA), the facility has been designed to support Greater Manchester's creative and digital industries and create a 'digital skills powerhouse' in the city.

Source: Manchester Metropolitan University

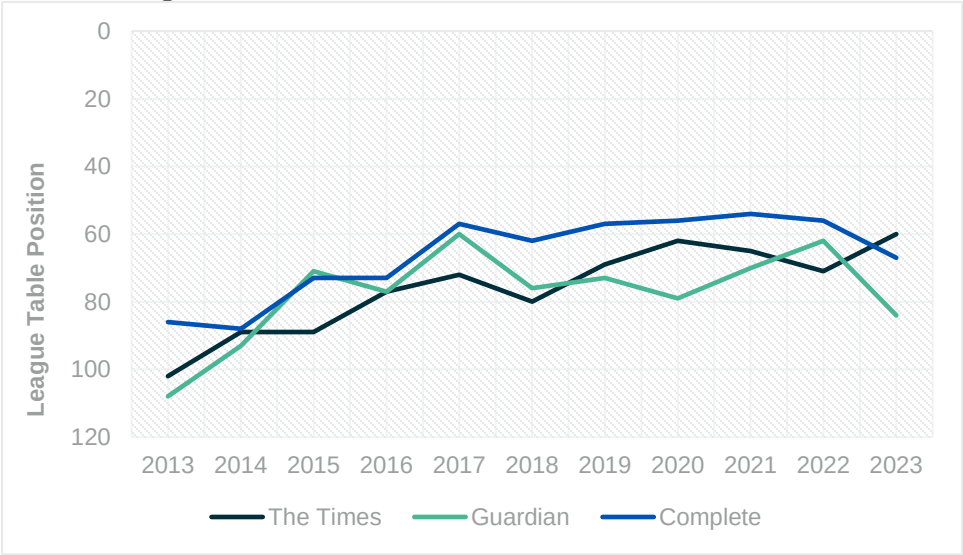
# LEAGUE TABLE PERFORMANCE



In 2023 Manchester Metropolitan University was ranked in 67<sup>th</sup> place by the Complete University Guide, 60<sup>th</sup> place by The Times and 84<sup>th</sup> by The Guardian.

MMU was ranked in 51<sup>st</sup> place in the Research Excellence Framework 2014, and was awarded a Silver in the Teaching Excellence Framework 2017.

National League Table Performance 2013-2023



Source: The Guardian, The Complete University Guide, The Times 2013-2023

# SUPPLY STUDENT ACCOMMODATION IN MANCHESTER

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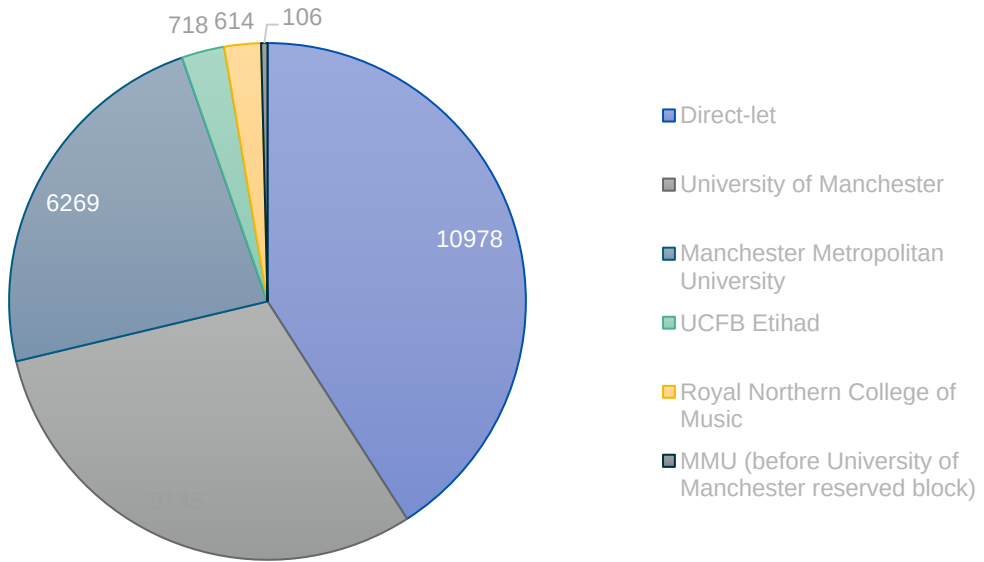


# SUPPLY OVERVIEW

In 2022/23 there are 26,830 purpose-built student accommodation bed spaces available to students in the City of Manchester, making it the fourth largest student accommodation market in the UK. Direct let beds make up the largest offering in Manchester (10,978), followed by beds offered by the University of Manchester (8,145), Manchester Metropolitan University (6,269).

Just under 2,500 new bed spaces have been delivered to the market since 2018 (examined in more detail later in this section), including the 1,184 bed University of Manchester Fallowfield Campus schemes, MMU's 484 bed Archway development, the Canvas Student-operated River Street development (792 beds), Vita Circle Square (383 beds), Unite's Artisan Heights (603 beds, currently nominated by MMU), and Mansion Students' Mansion Point (206 beds). However, over this period a large number of beds have also left the market, including the University of Manchester's 1,075 bed Owens Park development.

Manchester Stock Profile 2022/23



Source: C&W Student Accommodation Tracker 2022/23

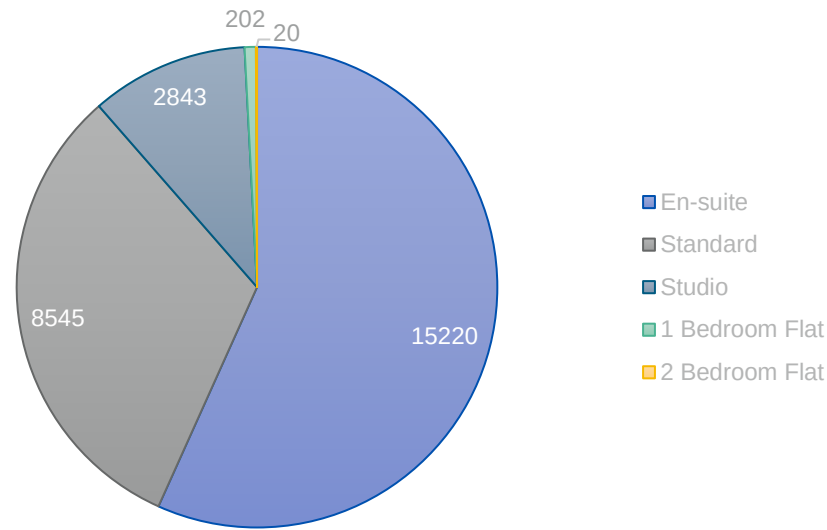
# SUPPLY OVERVIEW



PBSA in Manchester is largely located in and around the “Oxford Road Corridor”, an area just to the south of the City Centre which is bisected by Oxford Road and which is home to the two major institutions in the city (see map overleaf). Some accommodation is based within the City Centre, with roughly 8,000 located largely in the south and south east of this area of the city. Located just under two miles to the south of the two universities, Fallowfield is one of the most populous student areas in the UK with a small number of private sector PBSA schemes, 4,000 university beds and a vast private rented market.

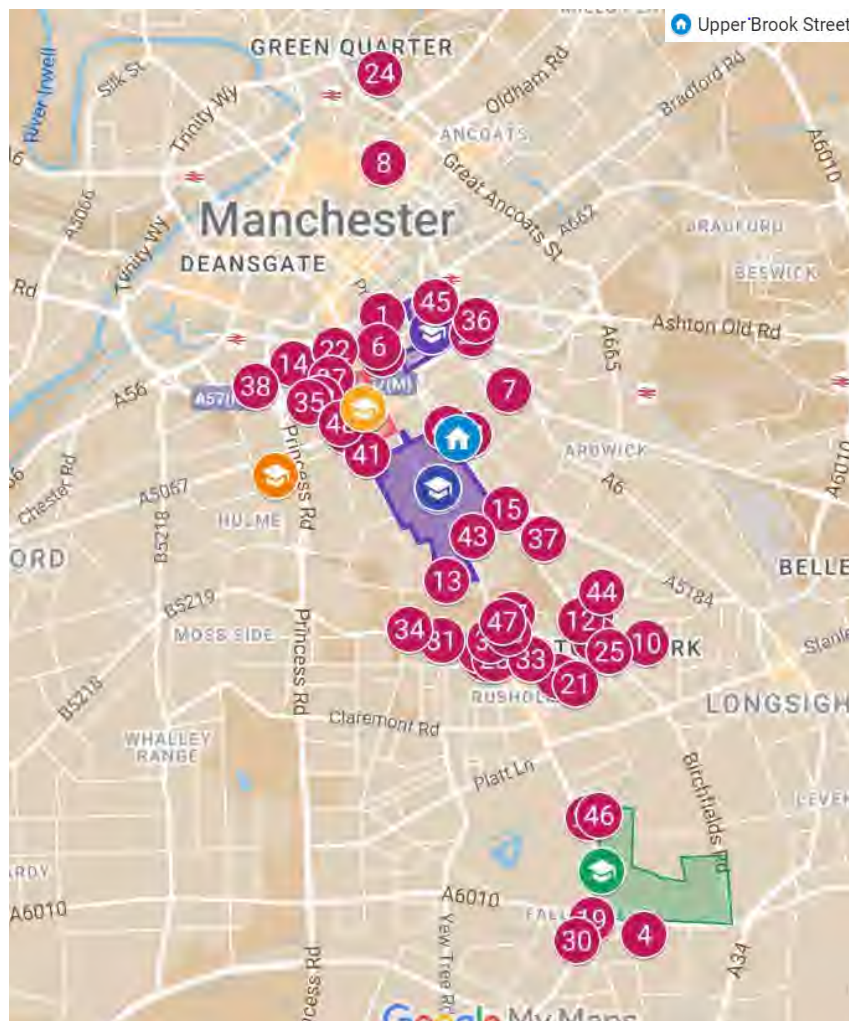
Due to the older nature of much of the University’s stock, standard bed spaces make up a little over a third of the market, 8,545 bed spaces, while studios represent just 11% of beds available, equivalent to 2,843 bed spaces.

Manchester PBSA by Room Type 2021/22



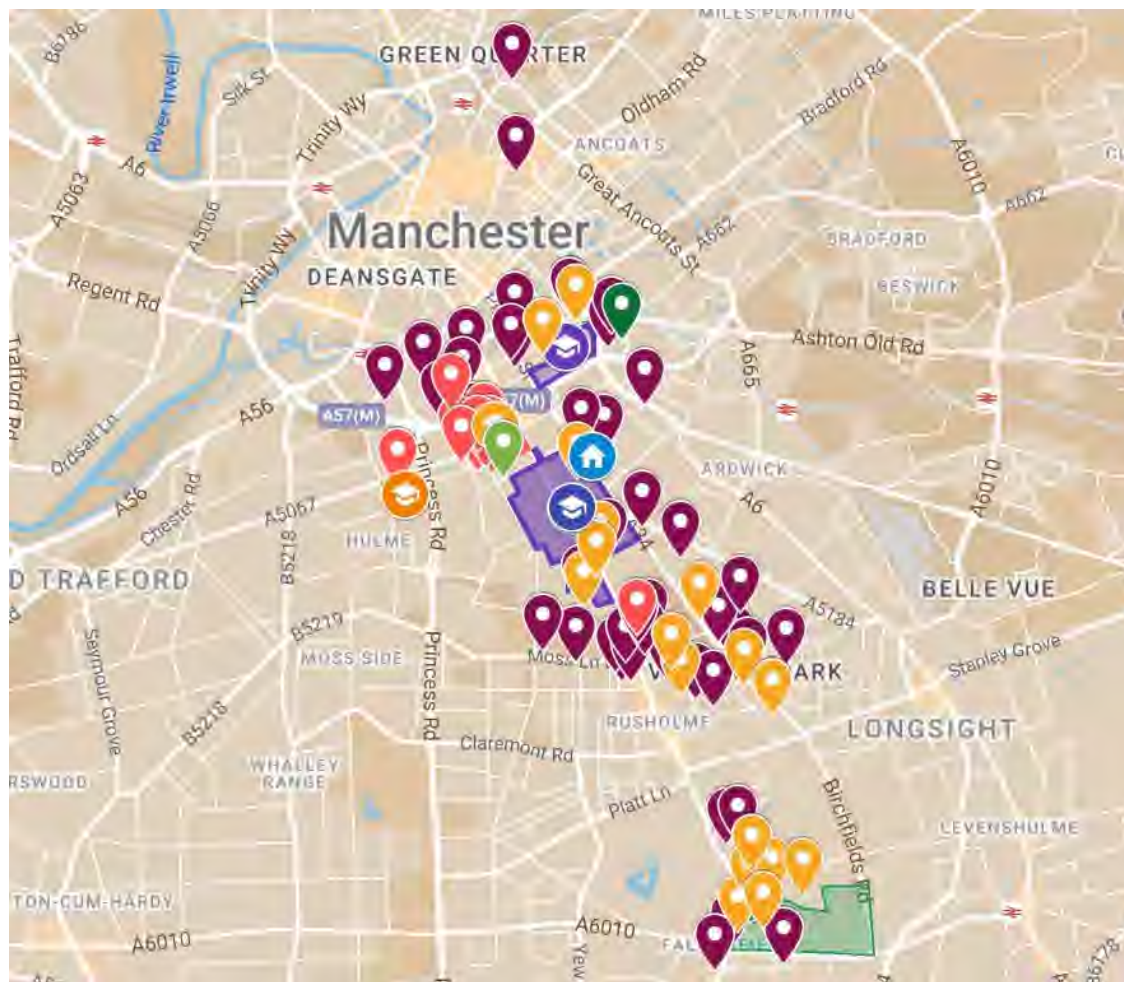
Source: C&W Student Accommodation Tracker 2022/23

# SUPPLY LOCATIONS



- UoM (Main Campus)
  - UoM (North Campus)
  - MMU (All Saint's Campus)
  - UoM (Fallowfield Campus)
  - MMU (Birley Campus)
  - Manchester Metropolitan University
  - MMU (Brierly Campus)
  - University of Manchester
  - UoM (North Campus)
  - Fallowfield Campus
- 1 121 Princess Street
  - 2 Atlas Court
  - 3 Carfax Court
  - 4 Chancellors Court
  - 5 Circle Square (Building 10 & 11)
  - 6 Circle Square (Building 9)
  - 7 City Edge Apartments
  - 8 Clydesdale House
  - 9 Coniston Hall
  - 10 Daisy Bank
  - 11 Daisybank Villas
  - 12 Darbshire House
  - 13 Denmark Road
  - 14 First Street
  - 15 Grafton Street
  - 16 Heald Court
  - 17 Kerria Apartments
  - 18 Kincardine Court
  - 19 Ladybarn House
  - 20 Lambert and Fairfield
  - 21 Langdale Hall
  - 22 Bridgewater Heights
  - 23 Mill Point
  - 24 Manchester Court
  - 25 Manchester Gardens
  - 26 Manchester House
  - 27 Manchester Student Village
  - 28 MSV South
  - 29 Mansion Point
  - 30 Mayfair Court
  - 31 Moss Court
  - 32 New Medlock House
  - 33 Oxney House & Gardens
  - 34 Park View
  - 35 Parkway Gate
  - 36 Piccadilly Point
  - 37 Q3 Apartments
  - 38 River Street Tower
  - 39 Ropemaker Court
  - 40 Rusholme Place
  - 41 Sir Charles Groves Halls
  - 42 The Chapel
  - 43 The Grafton
  - 44 Victoria Point
  - 45 Warehouse One & Two
  - 46 Weston Court
  - 47 Wilmslow Park House
  - 48 Element Manchester

# SUPPLY BY PROVIDER



- Direct Let Schemes
- Manchester Metropolitan University
- University College Football
- University of Manchester.
- Royal Northern College of Music

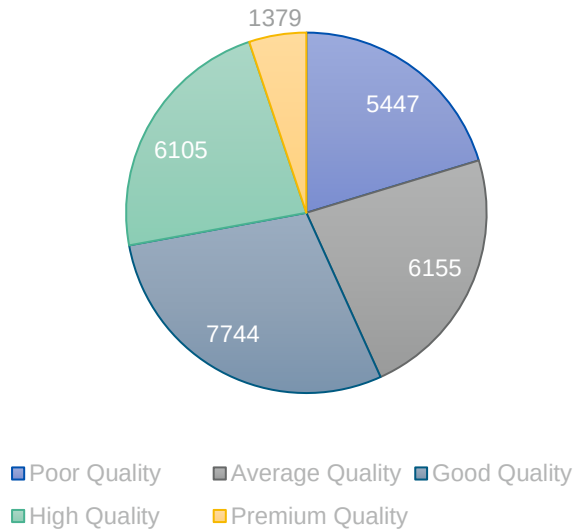
Much of the Manchester PBSA market is extremely well located, with over 14,000 beds within a 10-minute walk of the University of Manchester available to students.

As can be seen from the map, there are a large number of schemes in and around the Manchester Metropolitan University All Saints campus.

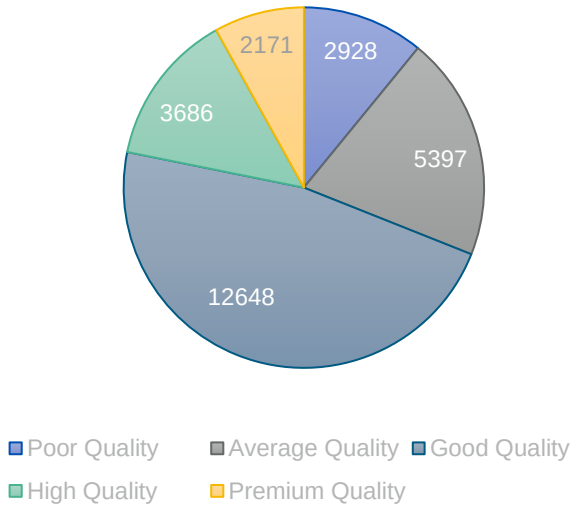
There are 6,475 beds in the “M15 6” postcode area which encompasses Hulme and Castlefield, with a little over 5,000 of these within five minutes of the campus. Over 5,000 beds are located in the city centre, mainly in the south of the city, capturing demand from both universities. Schemes in Ardwick/Rusholme/Victoria Park/Didsbury/Whalley Range just to the south of the University are all relatively spread out, but there are also significant beds in this area of Manchester, representing under a third of the total number of beds in the market.

# ACCOMMODATION QUALITY

Manchester Room Quality 2022/23



Manchester Amenity Quality 2022/23



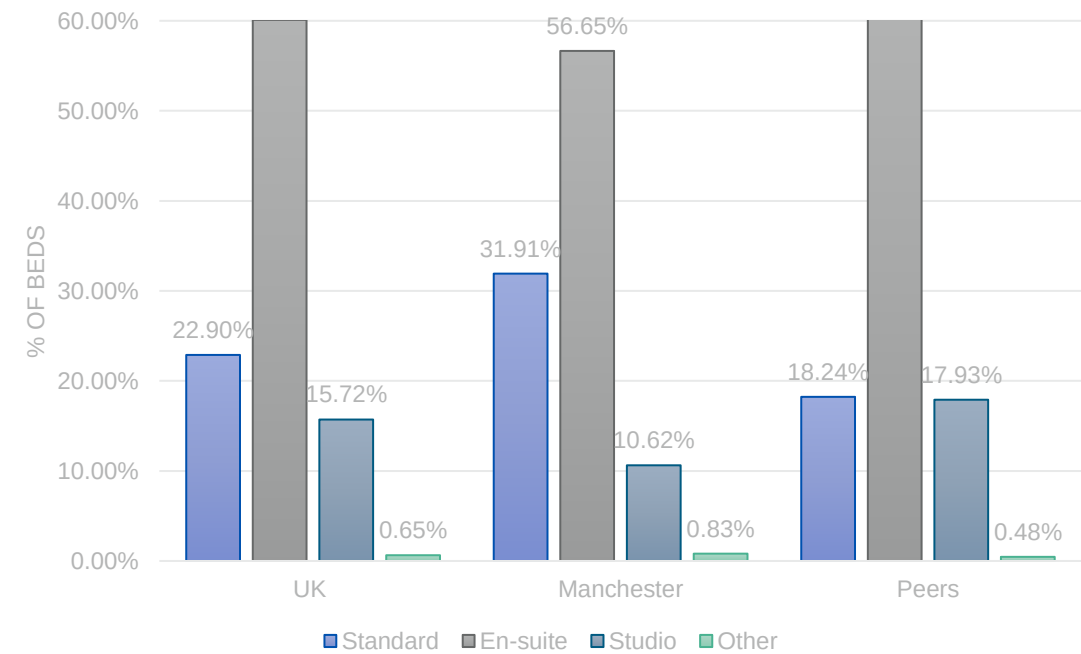
The quality of the accommodation on offer is a key factor for students deciding where they want to live. Lack of development in Manchester has meant that there are very few high quality schemes available to students in the city. Of the 26,830 beds in Manchester, only 6,105 score highly for room quality; and even fewer (c. 3,000) score highly for the quality of facilities and amenities.

Source: Cushman & Wakefield Accommodation Tracker 2021/22. Note: the Cushman & Wakefield Student Accommodation Tracker ranks every bed space in the UK from 1-5 in terms of room quality and 1-5 in terms of the quality of social and amenity spaces.

# QUALITY AND RENEWAL

As can be seen, Manchester's supply of en-suite beds is lower than the national and peer group average, with a large number of standard shared bathroom bed spaces available. It should also be noted that the COVID-19 pandemic has the potential to change the demand for student accommodation, with anecdotal evidence of reduced demand for shared bathroom facilities. Nationally, only 5.4% of all new beds delivered over the last five years feature shared bathrooms.

Bed Space Supply by Room Type, Manchester vs Peers vs UK



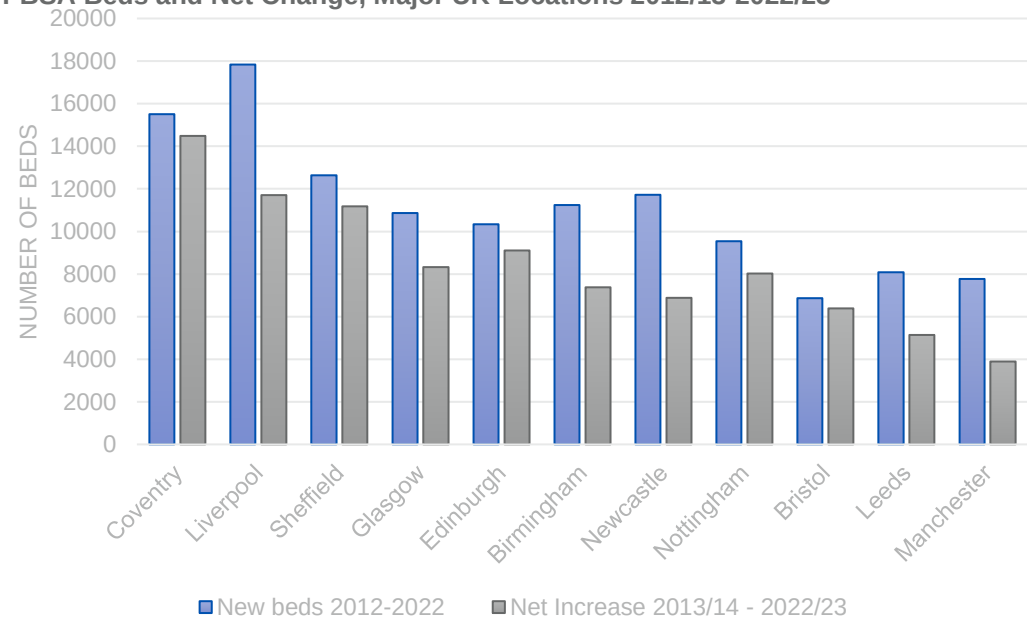
Source: C&W Student Accommodation Tracker 2022/23

# QUALITY AND RENEWAL

The chart opposite shows the scale of new PBSA bed spaces delivery over time in Manchester (total and net excluding beds that have left the market over the same period).

As can be seen from the chart, Manchester has seen the lowest net increase in PBSA beds delivered between 2012 and 2022 (3,889) compared to the comparator average of 8,860, and the second fewest number of new bed spaces delivered over this period after Bristol. A lack of change and renewal in the market is arguably impacting the student experience of those living in PBSA as highlighted by Manchester's larger share of older bed spaces analysed below. Manchester is home to a larger percentage of older, shared bathroom bedrooms than the national average. This can be seen overleaf.

New PBSA Beds and Net Change, Major UK Locations 2012/13-2022/23



Source: C&W Student Accommodation Tracker 2022/23.



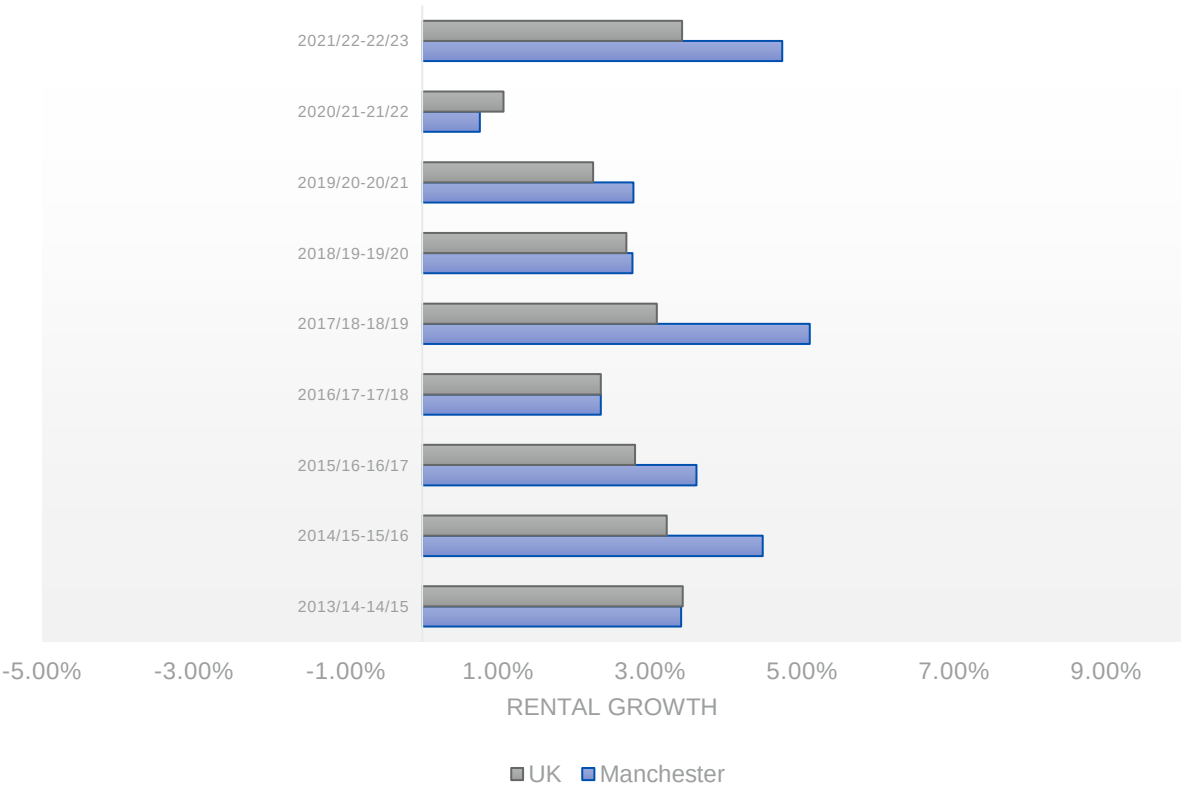
# RENTAL ANALYSIS MANCHESTER

05

# RENTAL GROWTH (ALL)

As can be seen from the chart, at 30% since 2013/14, rental growth in Manchester has outstripped the national average of 24.3% over the same period. This is indicative of the strength of demand in the market and competition for bed spaces.

Rental Growth Over Time vs UK (all beds) 2013-2022



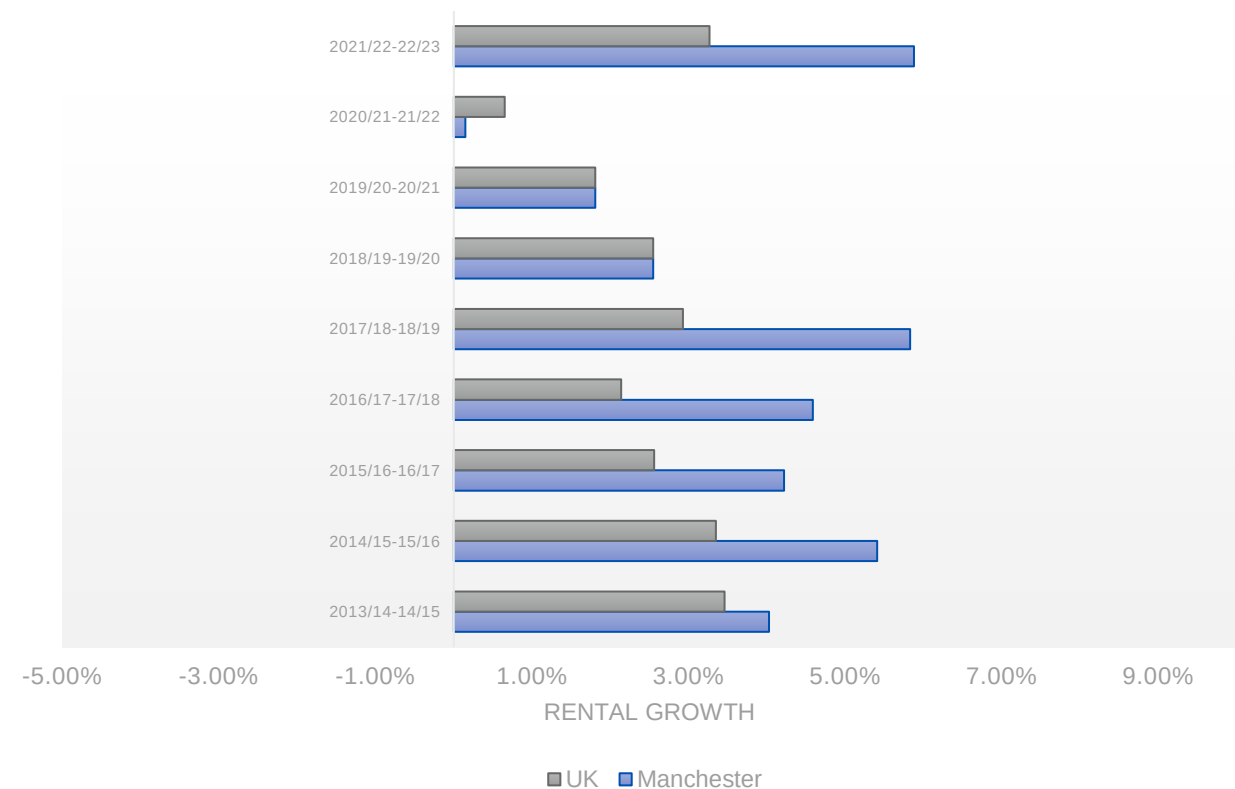
Source: Cushman & Wakefield Student Accommodation Tracker 2022/23

# RENTAL GROWTH (PRIVATE)

Private rental growth in Manchester has outstripped national averages over time, with rents across all stock (university and private sector) growing by 24.5% since 2013/14. This is higher than the national average of 22.7% over the same period and is again indicative of the strength of demand in the market.

Growth from 2021 to 2022 in particular has sky rocketed in Manchester, growing at 5.9% (almost double that of the UK's growth at 3.3%).

Rental Growth Over Time vs UK (private sector beds) 2013-2022

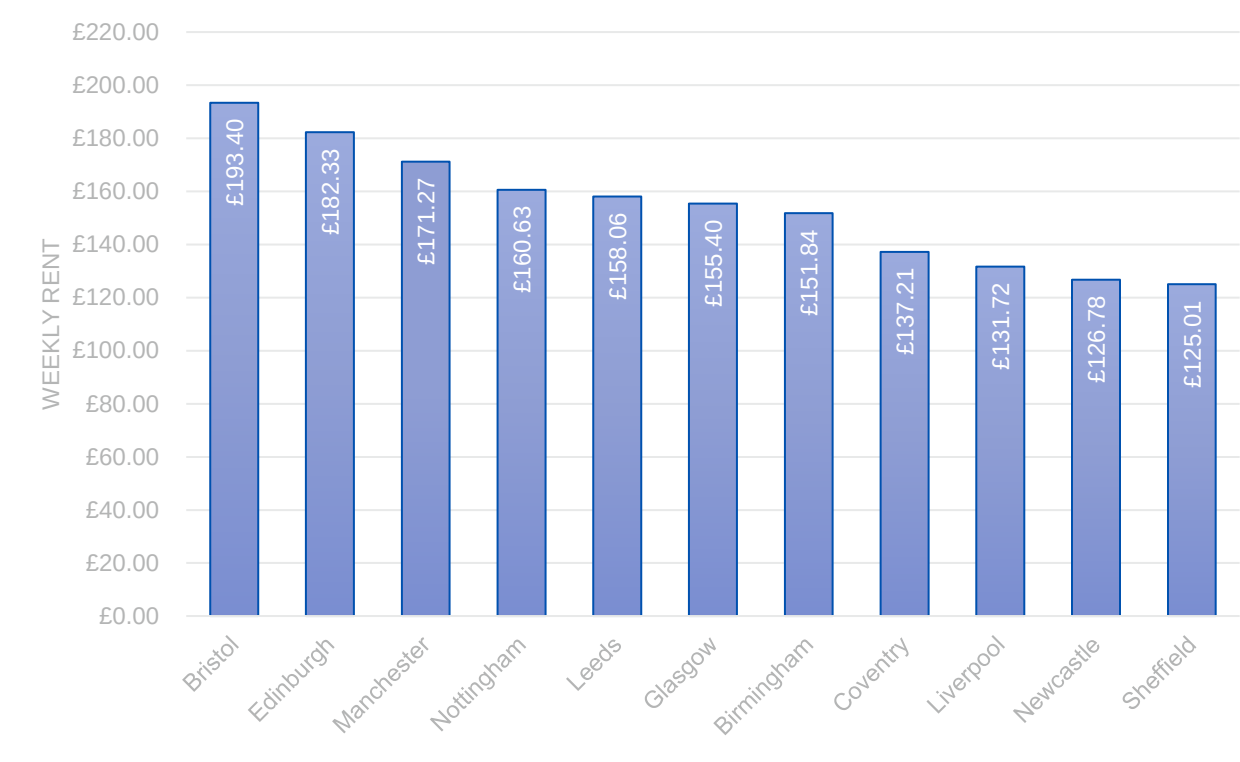


Source: Cushman & Wakefield Student Accommodation Tracker 2022/23

# MANCHESTER VS THE MARKET

The average price of a private sector en-suite bed in Manchester is £171.27 per week (2022/23), making Manchester one of the most expensive major markets in the UK, behind Bristol and Edinburgh. This average price is 37.01% higher than in Sheffield, which benefits from a considerably higher standard of overall product than Manchester. Arguably, restricted competition and lack of innovation through new products has meant that strong rental growth could be maintained without major investment in communal facilities and amenities on site.

Average Private Sector En-suite Rents vs Peers (2022/23)

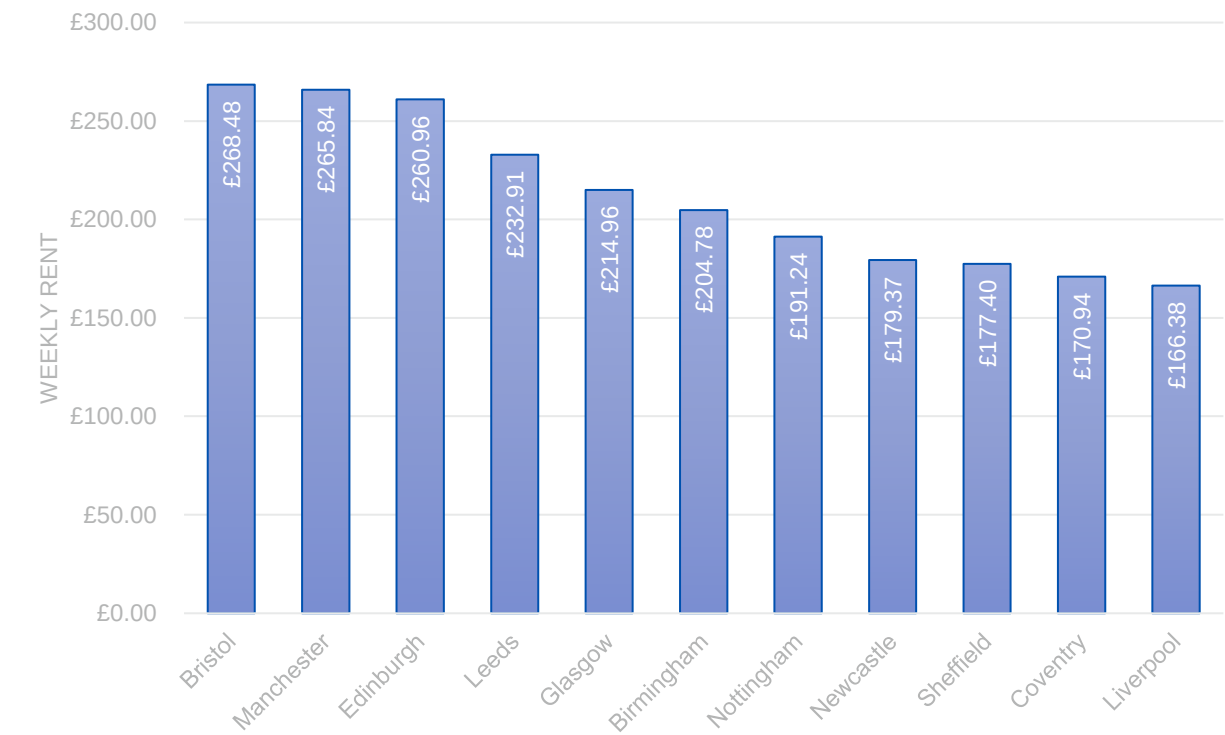


Source: Cushman & Wakefield Accommodation Tracker 2022/23

# MANCHESTER VS THE MARKET

The average price of a private sector studio bed in Manchester is £265.84 per week (2022/23), one of the most expensive weekly studio rents in the UK. This average price is 59.8% higher than in Liverpool. Although studios in Manchester are of a higher quality than those available in Liverpool, there is not a striking difference.

Average Private Sector Studio Rents vs Peers (2022/23)



Source: Cushman & Wakefield Accommodation Tracker 2022/23

A photograph of three people in a modern office environment. A woman with glasses and a denim jacket is on the left, resting her chin on her hand. A woman with curly hair is in the center, leaning over a laptop. A man is on the right, smiling and looking at the laptop screen while holding a pen. The image is split diagonally by a dark blue overlay that contains the text.

# PRIVATE RENTED SECTOR MANCHESTER

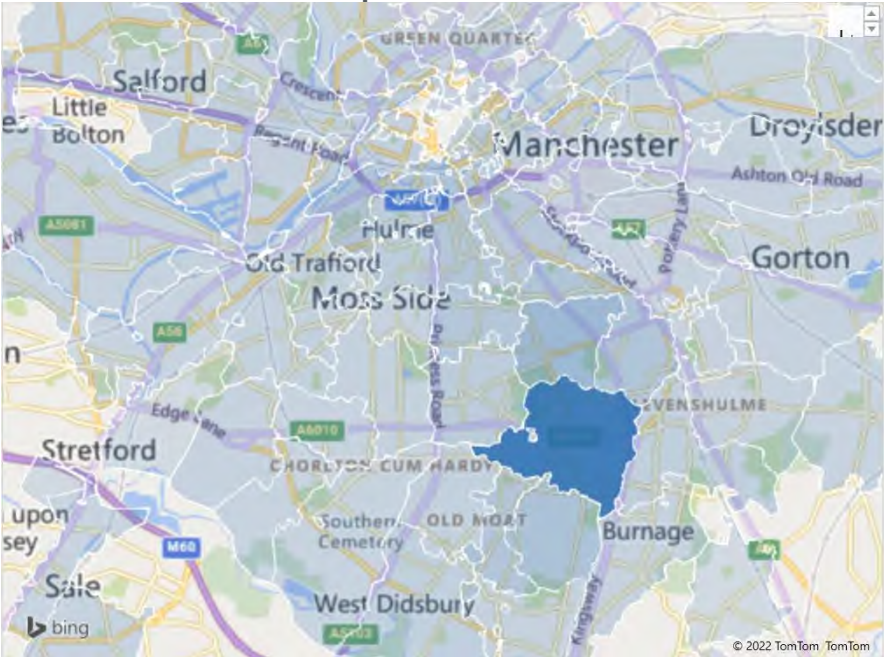
06

# PRIVATE RENTED SECTOR

Cushman & Wakefield has analysed students living in the private rented sector in Manchester according to 2021/22 HESA data. This is the most recent data which has been released since 2020/21, data which was not used due to differences in the collection of data during the COVID-19 pandemic.

In 2021/22, there were 25,940 students living in HMOs across Manchester. Just over 10,000 students live in the four postcode areas highlighted in the table below. A large proportion of students live in South Manchester, with over 6,000 students in the popular student area of Fallowfield.

Manchester HMO Heat Map 2021/22



Source: HESA 2021/22

Key postcode areas 2021/22

| Area                   | Postcode | Number of Students |
|------------------------|----------|--------------------|
| City Centre            | M1 5     | 1,105              |
| Withington             | M20 4    | 1,215              |
| Ardwick                | M12/M13  | 1,720              |
| Rusholme/Victoria Park | M14 5    | 1,930              |
| Fallowfield            | M14 6    | 6,640              |

Fallowfield is the most populous HMO area of Manchester and is home to over 4,700 more students than the next most popular area. This postcode area is over 30 minutes walk to the University of Manchester’s South Campus but is usually reached by bus, due to the extensive services available on Wilmslow Road/Oxford Road.

# DEVELOPMENT PIPELINE

## PLANNED BEDS



# DEVELOPMENT PIPELINE



Manchester PBSA Development Pipeline, March 2023

| Address                                                        | Postcode | Planning Reference | Application date | Status           | Number of beds | Studios | Clusters | Applicant             | Anticipated opening |
|----------------------------------------------------------------|----------|--------------------|------------------|------------------|----------------|---------|----------|-----------------------|---------------------|
| Hulme Street                                                   | M1 5GL   | 121252/FO/2018     | Sep-18           | Approved         | 853            | 853     | 0        | Student Castle        | Jan-24              |
| Harry Lord House, 120 Humphrey Road                            | M16 9DF  | 101155/OUT/20      | Jul-20           | Outline Approved | 66             | 66      | 0        | QP2 Ltd               | Jul-24              |
| Land At Chester Road(A56), Deansgate, /Bridgewater Viaduct     | M3 4LB   | 129406/FO/2021     | Feb-21           | Approved         | 534            | 289     | 245      | Fusion Students       | May-25              |
| New Medlock House                                              | M15 6JX  | 132707/FO/2022     | Jan-22           | Approved         | 19             | 0       | 19       | UNITE Group Plc       | Aug-23              |
| 88 - 90 Carmoor Road                                           | M13 0FB  | 135576/FO/2022     | Nov-22           | Submitted        | 172            | 35      | 137      | Tiger Developments    | Oct-26              |
| St. Gabriel's Hall, 1 Oxford Place                             | M14 5RP  | 135278/FO/2022     | Nov-22           | Submitted        | 319            | 199     | 120      | McLaren Property      | Nov-24              |
| Medlock Street/River Street &, Mancunian Way                   | M15 5FJ  | 135419/FO/2022     | Nov-22           | Submitted        | 1,014          | 272     | 742      | Dominvs Group         | May-27              |
| 466 - 472 Moss Lane East                                       | M14 4PJ  | 135544/FO/2022     | Nov-22           | Submitted        | 261            | 36      | 225      | CS Moss Lane East Ltd | Dec-24              |
| The River Medlock, Cambridge Street, To The East, Hulme Street | M1 5GG   | 136170/FO/2023     | Mar-23           | Submitted        | 576            | 476     | 100      | Vita Student          | Mar-25              |

Source: Manchester City Council

The development pipeline currently stands at 3,814 beds with just over 1,400 beds approved (37%) - a small number for a market of this size. Student Castle, Fusion and Vita all have proposed schemes in the city, due for delivery in January 2024, May 2025 and March 2025 respectively. The majority of the developments are located to the north of the Oxford Corridor, near Manchester Metropolitan University and 5-10 minutes from the northern end of the University of Manchester’s main campus.

A map of proposed developments can be seen overleaf.



# DEMAND & SUPPLY

## STUDENT TO BED RATIO



# DEMAND AND SUPPLY

The pool calculation below sets out our assumptions of demand for student accommodation in Manchester taking into account students studying at the University of Manchester and Manchester Metropolitan University. In arriving at our demand pool, Cushman & Wakefield have excluded a number of students who are unlikely to demand a bed in the city. This includes a number of students from nearby counties which are in commuting distance of the institutions. Note that the table below includes latest demand information (2021/22) and latest supply data (2022/23).

The student to bed ratio in Manchester currently stands at 2.04:1, with 27,895 students unable to access a PBSA bed space in the City. The demand-supply imbalance in Manchester and the implications of future development are examined in more detail overleaf.

Demand-Supply Dynamics, Manchester

| MANCHESTER CITY-WIDE 2021/22                                                  |        |
|-------------------------------------------------------------------------------|--------|
| Total Full-time & Sandwich Students                                           | 73,200 |
| From which                                                                    |        |
| Deductions from the pool of students                                          |        |
| Students from the region who do not require accommodation                     | 17,195 |
| Sandwich students currently on a placement year and unlikely to demand a room | 1,280  |
| TOTAL POOL                                                                    | 54,725 |
| Number of beds (university & private)                                         | 26,830 |
|                                                                               |        |
| Student:Bed ratio                                                             | 2.04   |

Source: HESA 2021/22, Cushman & Wakefield Student Accommodation Tracker 2022/23

# DEMAND AND SUPPLY (IN-DEPTH)

As part of our analysis, we have modelled the impact of development on the Manchester market over time. For completeness, two different scenarios have been considered, along with a range of sensitivities. These are outlined below.

- **Scenario 1** The first model considers a scenario where the demand pool for accommodation in Manchester grows at a rate of 1.5% per annum from 2022/23 – i.e. a level considerably below recent market performance: **The Conservative Scenario**. The Scenario assumes that all 3,814 bed spaces in the development pipeline are delivered, based on our currently assumed year of delivery to the market for each. The scenario considers the following:
  - The student to bed ratio over time
  - The number of students unable to access PBSA over time
  - The number of beds required in the market each year to maintain the current number of students unable to access PBSA (i.e. to avoid pressures on the housing market worsening)
  - The difference between anticipated deliveries and the number of beds needed to avoid pressure increasing on the housing market
- **Scenario 2** The second model considers a scenario where the demand pool for accommodation in Manchester grows at a rate of 3.5% per annum from 2022/23 – i.e. a level consistent with performance over recent years: **The Realistic Scenario**. Given the strong appeal of the City's universities and the growing non-local demographic – combined with a Higher Education funding model that encourages growth – this scenario can currently be considered realistic. The Realistic Scenario also considers the four key analysis areas above.

**Both scenarios also consider an environment where an additional 500 bed spaces are delivered per annum over and above bed spaces in the development pipeline – i.e. 3,500 additional beds to 2029/30.**

# DEMAND AND SUPPLY (CONSERVATIVE SCENARIO)

Modelled Demand Supply Dynamics Over Time (modelled Conservative 1.5% demand pool growth)

|                                                                        | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Conservative Demand Pool Growth (1.5% growth) p/a post 2021/22         | 42,765  | 43,365  | 44,025  | 44,700  | 45,395  | 46,110  | 46,845  | 47,600  | 48,375  | 49,170  | 50,000  | 50,865  | 51,765  | 52,695  | 53,655  | 54,645  | 55,665  |
| Number of Beds (all pipeline post-2022/23)                             | 22,803  | 23,250  | 23,710  | 24,180  | 24,655  | 25,140  | 25,640  | 26,150  | 26,670  | 27,200  | 27,740  | 28,290  | 28,850  | 29,420  | 30,000  | 30,590  | 31,190  |
| Student to bed ratio                                                   | 1.87    | 1.86    | 1.89    | 1.89    | 1.96    | 1.97    | 1.84    | 1.91    | 2.02    | 2.07    | 2.10    | 2.08    | 2.03    | 1.99    | 1.96    | 1.99    | 2.01    |
| Students unable to access PBSA                                         | 19,872  | 20,109  | 22,906  | 21,020  | 22,940  | 23,382  | 21,665  | 24,420  | 27,607  | 28,763  | 29,579  | 29,778  | 29,528  | 29,373  | 29,244  | 30,144  | 31,054  |
| Beds Needed to Maintain 2021/22 HMO numbers                            |         |         |         |         |         |         |         |         |         | 27,938  | 28,773  | 29,618  | 30,476  | 31,348  | 32,233  | 33,133  | 34,043  |
| Difference between maintaining 2021/22 HMO numbers and bed delivery    |         |         |         |         |         |         |         |         |         | 1,768   | 1,633   | 1,548   | 1,426   | 1,375   | 1,386   | 2,589   | 2,997   |
| Additional delivery scenario = all pipeline + 500 additional per annum |         |         |         |         |         |         |         |         |         | 27,282  | 27,301  | 27,947  | 29,057  | 29,557  | 30,057  | 30,557  | 31,057  |
| SBR                                                                    |         |         |         |         |         |         |         |         |         | 2.04    | 2.07    | 2.05    | 2.00    | 1.99    | 1.99    | 1.99    | 1.99    |
| Students unable to access PBSA                                         |         |         |         |         |         |         |         |         |         | 28,263  | 29,079  | 29,278  | 29,026  | 29,398  | 29,788  | 30,183  | 30,593  |
| Beds Needed to Maintain 2021/22 HMO numbers                            |         |         |         |         |         |         |         |         |         | 27,938  | 28,773  | 29,618  | 30,476  | 31,348  | 32,233  | 33,133  | 34,043  |
| Difference between maintaining 2021/22 HMO numbers and bed delivery    |         |         |         |         |         |         |         |         |         | 332     | 226     | 360     | 580     | 650     | 545     | 1,050   | 1,450   |

Source: HESA/Cushman & Wakefield/Cushman & Wakefield Student Accommodation Tracker/Manchester City Council Planning

# DEMAND AND SUPPLY (CONSERVATIVE SCENARIO)

Under The Conservative Scenario the demand pool for accommodation in Manchester grows from 54,725 in 2021/22 to 61,650 by 2029/30. The number of bed spaces rises from 26,782 in 2022/23 to 30,596 in 2029/30 (assuming no beds leave the market over this period).

- **Student to bed ratio** – under this scenario, the student to bed ratio moves from 2.02:1 in 2021/22 to 2.01:1 in 2029/30
- **Students unable to access PBSA** – the number of students unable to access PBSA moves from 27,607 in 2021/22 to 31,054 in 2029/30
- **Implications for the housing market** – under this scenario, 3,447 additional beds would be required over and above all bed spaces currently in the development pipeline just to maintain to the number of students currently living in the private rented sector
- **Additional sensitivity** – considering an additional 500 beds delivered to the market each year to 2029/30, the student to bed ratio would move from 2.02:1 in 2021/22 to 1.99:1 in 2029/30. However, the number of students unable to access PBSA would continue to rise, with almost an additional 3,000 bed spaces required to maintain the current number of students in the private rented sector

**As can be seen, even under a Conservative Scenario, additional bed spaces are required to meet demand, over and above those already in the development pipeline. The proposed Upper Brook Street development is ideally located to meet this growing need.**

The Realistic Scenario is considered overleaf.

# DEMAND AND SUPPLY (REALISTIC SCENARIO)

Modelled Demand Supply Dynamics Over Time (modelled Realistic 3.5% demand pool growth)

|                                                                                                                | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23                                                                                                                                                | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|----------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Consistent Demand Pool Growth (pool continues to grow at 3.5% p/a in line with performance 2013/14 to 2021/22) | 42,765  | 43,365  | 44,025  | 44,200  | 44,915  | 47,495  | 47,405  | 51,220  | 54,725  | 58,640                                                                                                                                                 | 58,623  | 60,675  | 62,798  | 64,886  | 67,271  | 69,625  | 72,082  |
| Student to bed ratio                                                                                           | 1.87    | 1.86    | 1.99    | 1.99    | 1.96    | 1.97    | 1.84    | 1.91    | 2.02    | 2.11                                                                                                                                                   | 2.19    | 2.21    | 2.20    | 2.20    | 2.20    | 2.28    | 2.36    |
| Students unable to access PBSA                                                                                 | 19,872  | 20,109  | 22,906  | 23,020  | 22,940  | 23,382  | 21,665  | 24,420  | 27,607  | 29,856                                                                                                                                                 | 31,822  | 33,228  | 34,241  | 35,414  | 36,675  | 39,029  | 41,466  |
| Beds Needed to maintain 2021/22 HMO numbers                                                                    |         |         |         |         |         |         |         |         |         | 35,033                                                                                                                                                 | 31,016  | 33,088  | 35,191  | 37,389  | 39,664  | 42,018  | 44,455  |
| Difference to bed delivery                                                                                     |         |         |         |         |         |         |         |         |         | -10,217 (2022/23), -10,217 (2023/24), -10,217 (2024/25), -10,217 (2025/26), -10,217 (2026/27), -10,217 (2027/28), -10,217 (2028/29), -10,217 (2029/30) |         |         |         |         |         |         |         |
|                                                                                                                |         |         |         |         |         |         |         |         |         |                                                                                                                                                        |         |         |         |         |         |         |         |
| Additional delivery scenario = all pipeline + 500 additional per annum                                         |         |         |         |         |         |         |         |         |         | 26,782                                                                                                                                                 | 27,301  | 27,947  | 29,057  | 29,557  | 30,057  | 30,557  | 31,057  |
| SBF                                                                                                            |         |         |         |         |         |         |         |         |         | 2.11                                                                                                                                                   | 2.15    | 2.17    | 2.16    | 2.10    | 2.24    | 2.28    | 2.32    |
| Students unable to access PBSA                                                                                 |         |         |         |         |         |         |         |         |         | 29,856                                                                                                                                                 | 31,322  | 32,728  | 33,741  | 35,439  | 37,214  | 39,088  | 41,005  |
| Beds Needed to maintain 2021 HMO numbers                                                                       |         |         |         |         |         |         |         |         |         | 29,033                                                                                                                                                 | 31,016  | 33,088  | 35,191  | 37,389  | 39,664  | 42,018  | 44,455  |
| Differences between maintaining 2021 HMO numbers and bed delivery                                              |         |         |         |         |         |         |         |         |         | -2,251 (2022/23), -2,251 (2023/24), -2,251 (2024/25), -2,251 (2025/26), -2,251 (2026/27), -2,251 (2027/28), -2,251 (2028/29), -2,251 (2029/30)         |         |         |         |         |         |         |         |

Source: HESA/Cushman & Wakefield/Cushman & Wakefield Student Accommodation Tracker/Manchester City Council Planning

# DEMAND AND SUPPLY (REALISTIC SCENARIO)

Under The Realistic Scenario the demand pool for accommodation in Manchester grows from 54,725 in 2021/22 to 72,062 by 2029/30. The number of bed spaces rises from 26,782 in 2022/23 to 30,596 in 2029/30 (assuming no beds leave the market over this period).

- **Student to bed ratio** – under this scenario, the student to bed ratio moves from 2.02:1 in 2021/22 to 2.36:1 in 2029/30
- **Students unable to access PBSA** – the number of students unable to access PBSA moves from 27,607 in 2021/22 to 41,466 in 2029/30
- **Implications for the housing market** – under this scenario, 13,859 additional beds would be required over and above all bed spaces currently in the development pipeline just to maintain to the number of students currently living in the private rented sector
- **Additional sensitivity** – considering an additional 500 beds delivered to the market each year to 2029/30, the student to bed ratio would move from 2.02:1 in 2021/22 to 2.32:1 in 2029/30. However, the number of students unable to access PBSA would continue to rise, with almost an additional 13,400 bed spaces required to maintain the current number of students in the private rented sector

**As can be seen, even under a Conservative Scenario, a significant number of additional bed spaces are required to meet demand, over and above those already in the development pipeline. The proposed Upper Brook Street development is ideally located to meet this growing need.**

**Without significant additional development, a growing number of students will be forced into the private rented sector, placing additional pressure on the housing market, with a large number of students potentially living in unsuitable accommodation.**

# MAY 2023 EXECUTIVE PAPER

## MANCHESTER CITY COUNCIL

# MANCHESTER CITY COUNCIL - PBSA

On 16<sup>th</sup> May, Manchester City Council released its latest Report for Resolution in relation to PBSA in Manchester. Key to the Report is the establishment of a pipeline of schemes to address a projected shortfall of accommodation to 2030.

The Report notes that “It is now broadly recognised and accepted that there is a shortfall of PBSA in Manchester” and that “sufficient new accommodation had not been delivered in appropriate locations”. The City Council estimates that demand for new PBSA could be up to 11,320 beds by 2030.

20 sites have been identified by the City which could potentially support around 12,500 bed spaces. The Upper Brook Street site, along with a number of others, has been assessed as to its suitability, availability and deliverability. It should be noted that Upper Brook Street has been assessed by the City Council against a range of deliverability criteria which are outlined opposite.

## **Deliverability criteria assessed**

- The site’s planning history
- Potential land ownership issues or constraints
- Accordance with planning policy
- Potential contribution to regeneration
- Any technical constraints
- Any known infrastructure capacity limitations
- Known viability issues
- Adjacent land use and impact considerations
- Buildability/construction logistics
- Whether proposals have university support (or will be delivered by universities themselves)

# CONCLUSION



To conclude, the 753 bed spaces provided at the Upper Brook Street site will prove an attractive prospect to students studying at either the University of Manchester or Manchester Metropolitan University. The site location, being situated within Ardwick and central to all campuses, is ideally located for both institutions. The development is particularly close to the University of Manchester's main South Campus and MMU's All Saint's Campus. The student central location and suitable PBSA development is likely to have significant appeal to students, as it sits minutes from numerous bars, restaurants, and shops, whilst also being within a short walk of Manchester Piccadilly, Oxford Road and Deansgate Railway Stations, whilst also being a short distance from the University campuses.

The supply-demand dynamics in Manchester show a requirement for bed spaces, with more students being forced into the private rented sector as demand continues to outstrip supply in the City. Upper Brook Street will provide modern, fit-for-purpose student accommodation in the City.

