

Student Need Assessment

One Medlock Street, Manchester

Premier Inn Hotels & Dominvs Group

October 2022



Introduction and Client Requirements

Student Needs Assessment

This Student Need Assessment has been prepared for Premier Inn Hotels and Dominvs Group in relation to the proposed development of 1,014 PBSA bed spaces at One Medlock in Manchester. In particular, the report focuses on:

- Site location and area characteristics
- UK Higher Education trends
- Demand at Manchester and University level
- University strategy, performance and investment
- The supply of accommodation in Manchester
- Rental analysis
- The planning pipeline
- The demand pool and student to bed ratio

Introduction	2
Executive Summary	4
Proposed Development & Site Location	6
Demand	9
University Strategy, Investment & Performance	23
Supply	30
Rental Analysis	38
Private Rented Accommodation	41
Planning Environment	45
Demand & Supply Dynamics	48



Executive Summary



Executive Summary

Manchester Student Accommodation Market

Factor		Rating
Demand	The University of Manchester is the UK's largest single institution and attracted 40,305 full-time students in 2020/21, a 12% increase since 2015/16. Growth is being driven by the University's international population, which has grown by 30% over the last five years and 15% in the last year alone. Manchester Metropolitan University (MMU) has enjoyed positive growth of 10% over the past five years. This performance can be considered strong in relation to a large number of post-1992 peers over the same time period. The University has performed well in its recruitment of postgraduate students, which have significantly grown by 76% over the same period. Acceptances to both universities increased by 20% between 2020/21 and 2021/22 which is indicative of another large increase in student numbers for the current academic year.	
Supply	There are 26,830 beds in the Manchester market for the 2022/23 academic year, making it the fourth largest PBSA market in the UK behind London, Liverpool and Sheffield. The Manchester 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 currently stands at 2,132 beds with just over 1,400 beds approved (68%) - a small number for a market of this size. 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.	
SBR	The City-wide student to bed ratio (SBR) stands at 1.91:1, meaning that 24,390 students with a requirement for a bed are currently unable to access one in PBSA. Headroom in the market has grown by 2,410 students between 2016/17 and 2020/21, meaning that demand is not keeping pace with supply and more students are being forced into the HMO market. Conservative demand pool growth modelling of 1.5% indicates that 5,385 more students will be forced into HMOs by 2029/30 even if all schemes in the development pipeline are delivered to the market. At current levels of demand pool growth (3.2% p/a), this could rise as high as 14,772.	
Location	The proposed development site is well located for both key Manchester institutions – the University of Manchester and Manchester Metropolitan University. The site is particularly close to MMU's All Saint's Campus, MMU's Brierly Campus and the University of Manchester's main campus and north campus. The student central location is certain to have significant appeal to students, as it sits minutes from numerous bars, restaurants, and shops, whilst also being a stones throw from Manchester Oxford Road and Deansgate stations. The location is home to a growing number of students.	
Overall development opportunity	The Medlock Street site offers significant opportunity given the wider demand-supply dynamics in Manchester. The location of the scheme and the prevalence of low-quality stock in the existing market means that a new development is like 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 One Medlock Street can play a crucial role in delivering the modern, fit-for-purpose student accommodation needed in the City.	

Proposed Development and Site Location

Location and Area Characteristics



Site Location

The One Medlock St site is located to the west of the Manchester Metropolitan University's (MMU) All Saint's Campus and the University of Manchester's (UoM) North Campus, within walking distance of the majority of campuses and both Deansgate and Oxford Road Railway Stations. It is also located close to MMU's Birley Campus, and connects through a new cycle path which links to the south of the site and runs under Mancunian Way. Manchester is a university City with multiple student-friendly amenities throughout the city centre and these are considered below.

The University of Manchester now operates from three main campuses, the majority of which are accessible within a 20 minute walk of the site (Fallowfield is accessible via a 32 minute bus). Manchester Piccadilly Railway Station (20 minutes by foot) offers onward travel to London and Edinburgh (and the rest of the UK). Manchester Metropolitan University's All Saints Campus is also a 12 minute walk away. The amenities of the city centre and the Arndale Shopping Centre (and other City Centre amenities) are also easily accessible within 20 minutes via foot.

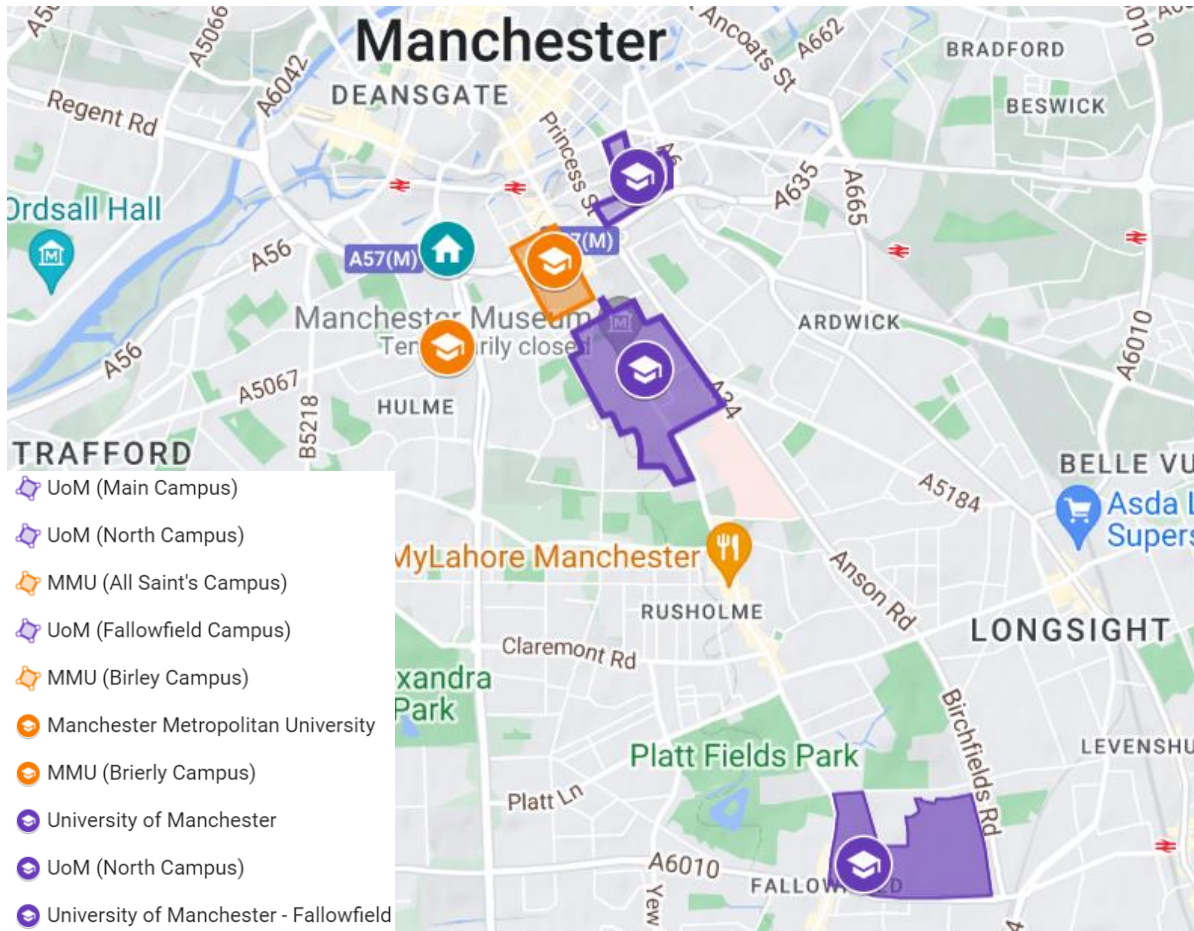
One Medlock St, Manchester



Amenity	Travel time	Method
Fallowfield Campus	32 minutes	Bus
South Campus	18 minutes	Walking
North Campus	9 minutes	Walking
Birley Fields Campus	9 minutes	Walking
MMU All Saints Campus	12 minutes	Walking
Arndale Shopping Centre	19 minutes	Walking
Piccadilly Train station	20 minutes	Walking

Proposed Development

One Medlock Street, Manchester



One Medlock St

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 MMU's All Saint's Campus, MMU's Brierly Campus and the University of Manchester's main campus and north 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 Oxford Road and Deansgate Railway Stations.

Source: Cushman & Wakefield adapted Google Maps

Demand

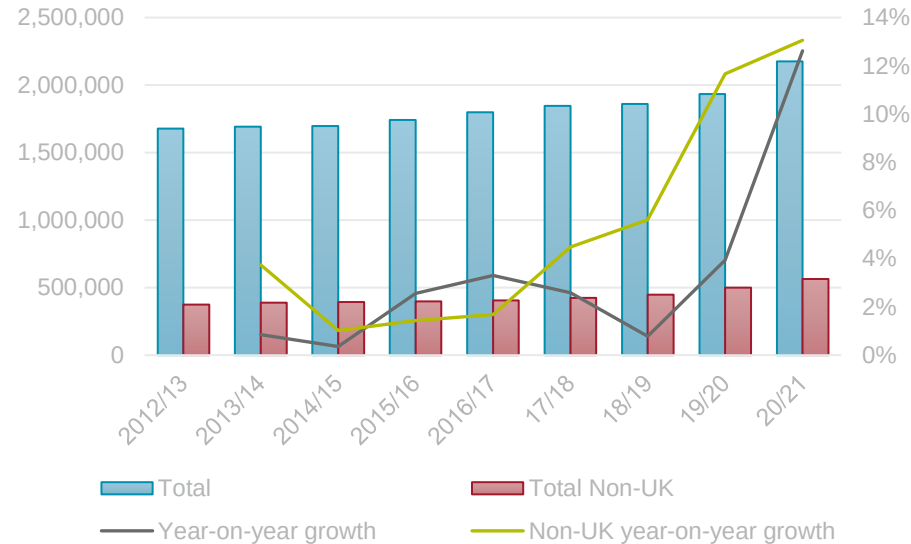
Demand for student accommodation – national trends and Manchester analysis



Student Number Growth

More Students from All Domiciles

Student Number Growth Over Time



The chart adjacent shows levels of full-time student number growth since changes to the UK tuition fee system in 2012/13. As can be seen, growth from both the UK and non-UK student population have been significant over time.

Source: HESA

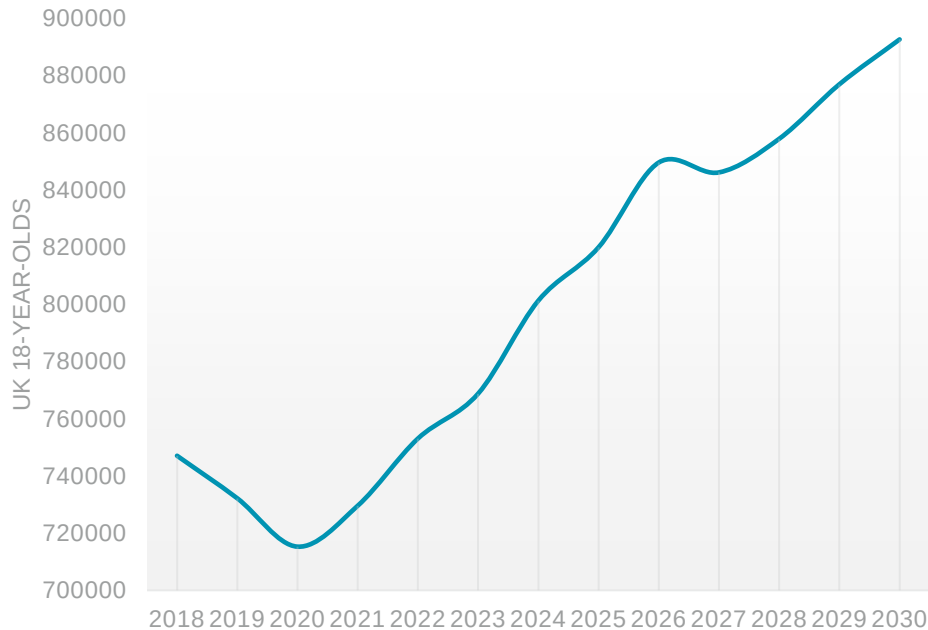
The number of students from outside the UK now totals over 560,000 students, with growth of 43% over this period. UK student numbers have also continued to grow, (+27%) despite the demographic dip in UK 18-year-olds between 2016 and 2020 (examined overleaf).

This 8% single year increase between 2019/20 and 2020/21 equates to the same percentage increase in students nationally as was seen between 2015/16 and 2019/20. The increase is more significant than the 6% increase seen in 2009/10 following The Great Recession.

Demographic Change

Growing Numbers of UK 18-Year-Olds

Demographic trends in UK 18-year-olds



Source: ONS

In 2016, the UK entered into a demographic dip of its 18-year old population, with this cohort falling by 4% alone between 2018 and 2020 (the equivalent of nearly 32,000 people).

The demographic dip in this population was particularly damaging to largely UK-recruiting institutions which saw a natural fall in their number of potential recruits.

Prior to the COVID-19 pandemic, these trends were expected to impact recruitment until the 2022/23 academic year when institutions would theoretically have seen a full cycle of an increased number of 18-year-olds in Higher Education. However, it can be argued that the impacts of the pandemic have somewhat negated this trend, with an increased number of 18-year-olds overall applying to UK universities.

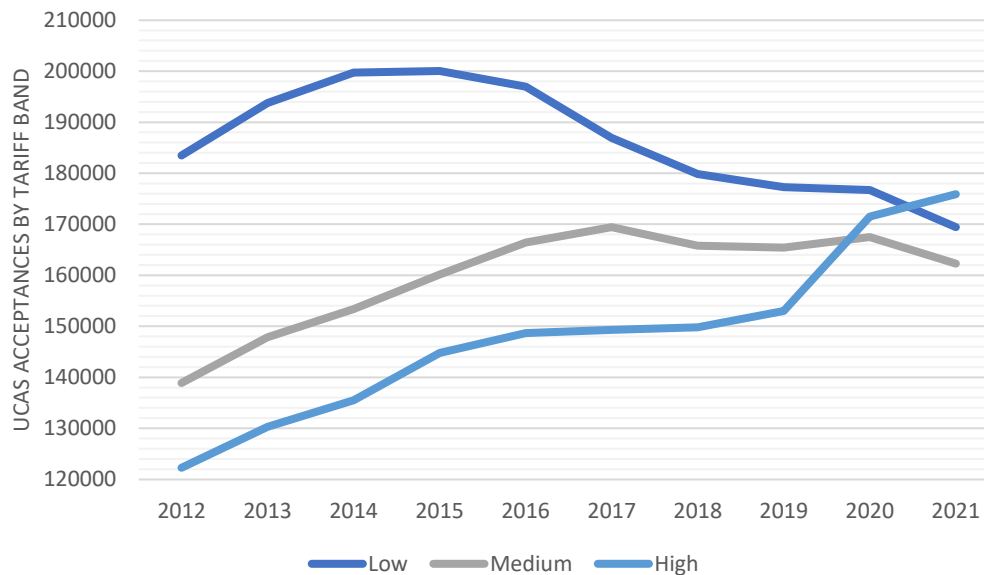
UK Higher Education is therefore well placed to benefit from an increased overall participation rate and the overall increase in the 18-year-old population that has been seen from 2020. This portion of the population is now forecast to grow by 24.8% to 2030 (the equivalent of 177,327 people).

UCAS Acceptances by Tariff Band

2021/22 Entry

For 2021/22 entry the trend of “winners and losers” in the market has accelerated further, with medium tariff institutions recording their first fall in accepted applicants since 2012. Lower tariff institutions saw a further 3.1% fall in acceptances, whilst acceptances at high tariff institutions continued to grow – up 2.6%.

UCAS acceptances by tariff band 2012-2021



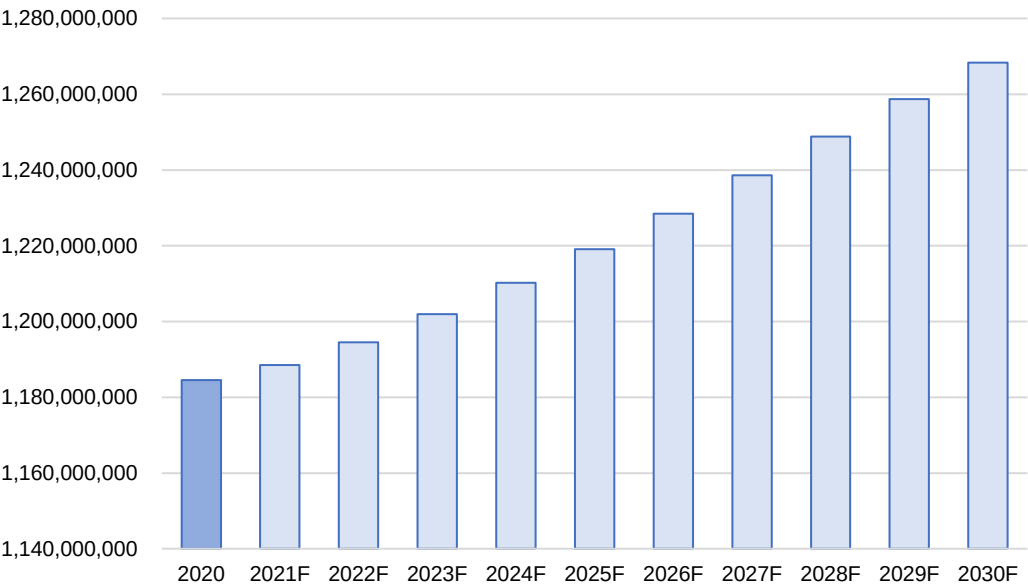
Source: UCAS 2012-2021

Global Environment

More Young People

In terms of the population of 15-24-year olds (the key demographic for Higher Education), this portion of the population is expected to grow from 1.18 billion in 2020 to 1.27 billion in 2030.

Global 15-24 Year Old Population Over Time



Source: UIS

Key to future demand for Higher Education is the proportion of the population that is globally mobile and this is explored in more detail overleaf.

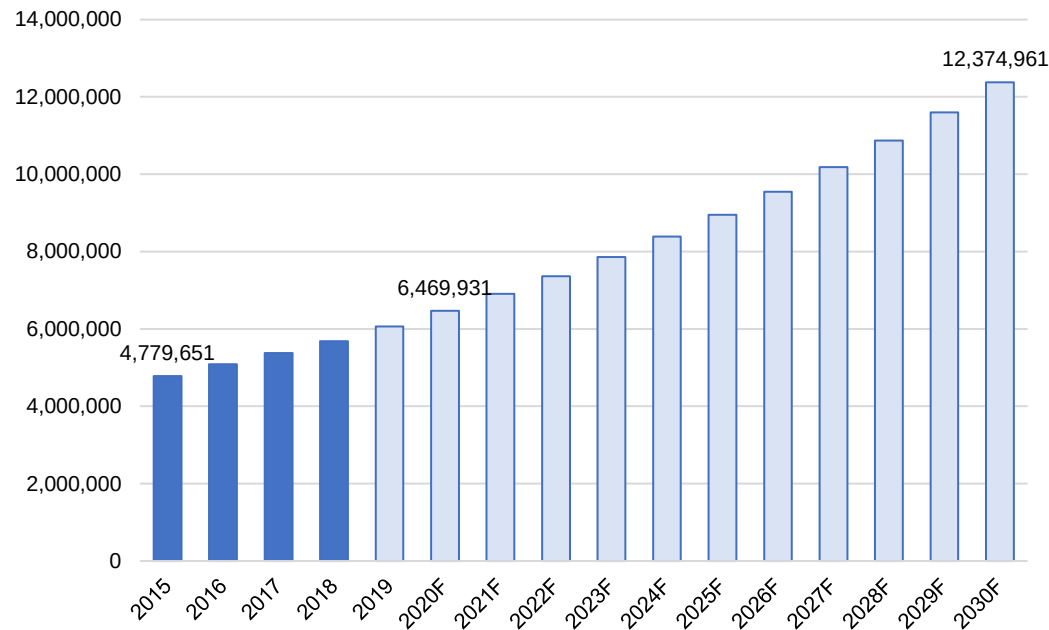
Global Environment

More Young People

In 2019, at a global level there were over 6 million internationally mobile students (i.e. typically those holding a non-resident student visa to study at higher education level).

If these trends were to continue to 2030 the number of internationally mobile students would grow to 12.4 million, a figure 160% higher than that seen in 2015 (modelled by Cushman & Wakefield in the chart below).

Globally Mobile Tertiary Education Population



Source: Unesco 2020

Sources of Student Demand

Manchester Overview

Manchester is the UK's third largest Higher Education location by number of full-time students after London and Birmingham. The City Council notes that "Manchester is in the top tier for higher education internationally" and has ambitions to be a "world class education hub". The University of Manchester is the largest institution in the UK in terms of full-time students, with Manchester Metropolitan University the 11th largest.

Full-time student number growth 2011/12 to 2020/21

	2011/12	2012/13	2019/20	2020/21	Growth 2012/13 - 2020/21	Growth 2011/12 - 2020/21
Full-time & part-time	77,220	73,350	74,795	81,470	11%	6%
Full-time	64,100	61,035	66,160	71,380	17%	11%

Source: HESA 2011/12 to 2020/21

As can be seen from the table, full-time student number growth over this period has been significant at 11% between 2011/12 and 2020/21 (7,280 students) and (10,345 students) between 2012/13 and 2020/21. Crucially, the demography of the student body has also changed over this period, with a growing international student body increasing the demand for quality PBSA bed spaces. This is examined below.

Full-time student number growth 2011/12 to 2020/21

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2016/17 - 2020/21	2019/20 - 2012/13 - 2020/21	2012/13 - 2020/21
Total Non UK	13,275	12,955	13,545	14,140	15,100	15,735	16,160	16,960	17,965	20,200	28%	12%	7,245
Total	64,100	61,035	61,535	61,535	64,450	65,880	65,545	65,430	66,160	71,380	8%	8%	10,345

Source: HESA 2011/12 to 2020/21

As can be seen from the table, since changes to the tuition fee system in 2012/13, students studying in Manchester from outside the UK have increased by 28%, with accelerating growth evident as numbers increased by 2,235 in a single year between 2019/20 and 2020/21. Total non-UK growth over the period 2012/13 to 2020/21 equates to 7,245 students, with this cohort accounting for 70% of all full-time student number growth over this period. Demand by institution is explored later in this section of the Assessment.

Sources of Student Demand

Manchester Overview

Emerging evidence for 2021/22 entry from UCAS indicates that overall student numbers in Manchester for this academic year will be even higher than those seen in 2021/22. The following table shows UCAS applications and acceptances at the University of Manchester and Manchester Metropolitan University over time.

Note that Royal Northern College of Music students do not apply directly through UCAS, with students using the Conservatoire system. Therefore, application data for RNCM is unavailable.

UCAS Applications to University of Manchester and Manchester Metropolitan University

	2016	2017	2018	2019	2020	2021	Change 2020- 2021
Acceptances	15,375	15,005	14,875	15,210	16,855	20,250	20%
Applications	119,925	117,285	114,935	121,340	128,195	143,560	12%

Source: UCAS 2016-2021

As can be seen from the table, acceptances through the UCAS system for 2021/22 entry are 20% higher than in 2020/21 which is indicative of another large increase in student numbers in Manchester. This 20% increase is double the 10% increase in acceptances seen between 2016 and 2020.

Sources of Student Demand

University of Manchester

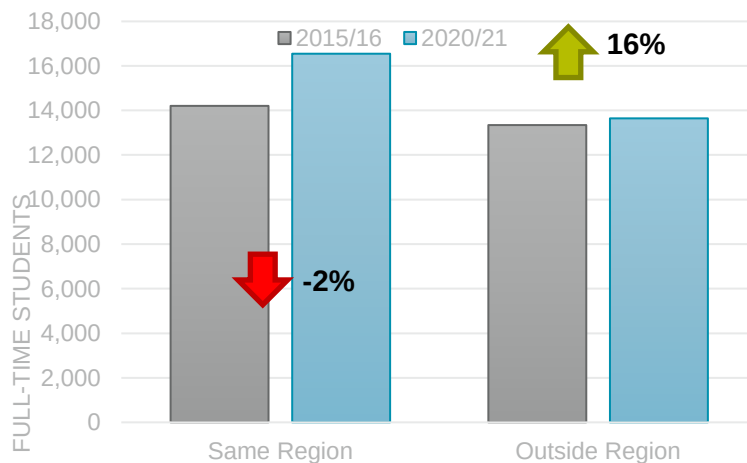
The University of Manchester attracted 40,305 full-time students in 2020/21, making it the largest single institution in the UK. The University has seen a 12% increase in student numbers since 2015/16, with growth accelerating markedly over the last year thanks to increased academic capacity and the growing national and international appeal of the institution. Student numbers grew by a significant 3,565 (10%) between 2019/20 and 2020/21, demonstrating the growing demand for accommodation in the city.

Full-time student number growth 2015/16 to 2020/21

Level of Study	2020/21			2015/16			Manchester Uni	UK
FT & SW	Student numbers	%	UK Comparat or (%)	Student numbers	%	UK Comparat or (%)	Growth 2015/16 to 2020/21	Growth 2015/16 to 2020/21
UG	28,845	72%	78%	27,195	76%	82%	6%	14%
PG	11,455	28%	22%	8,815	24%	18%	30%	46%
Total	40,305	100%	100%	36,010	100%	100%	12%	19%

Source: HESA 2015-2020

Student domicile 2015/16 to 2020/21



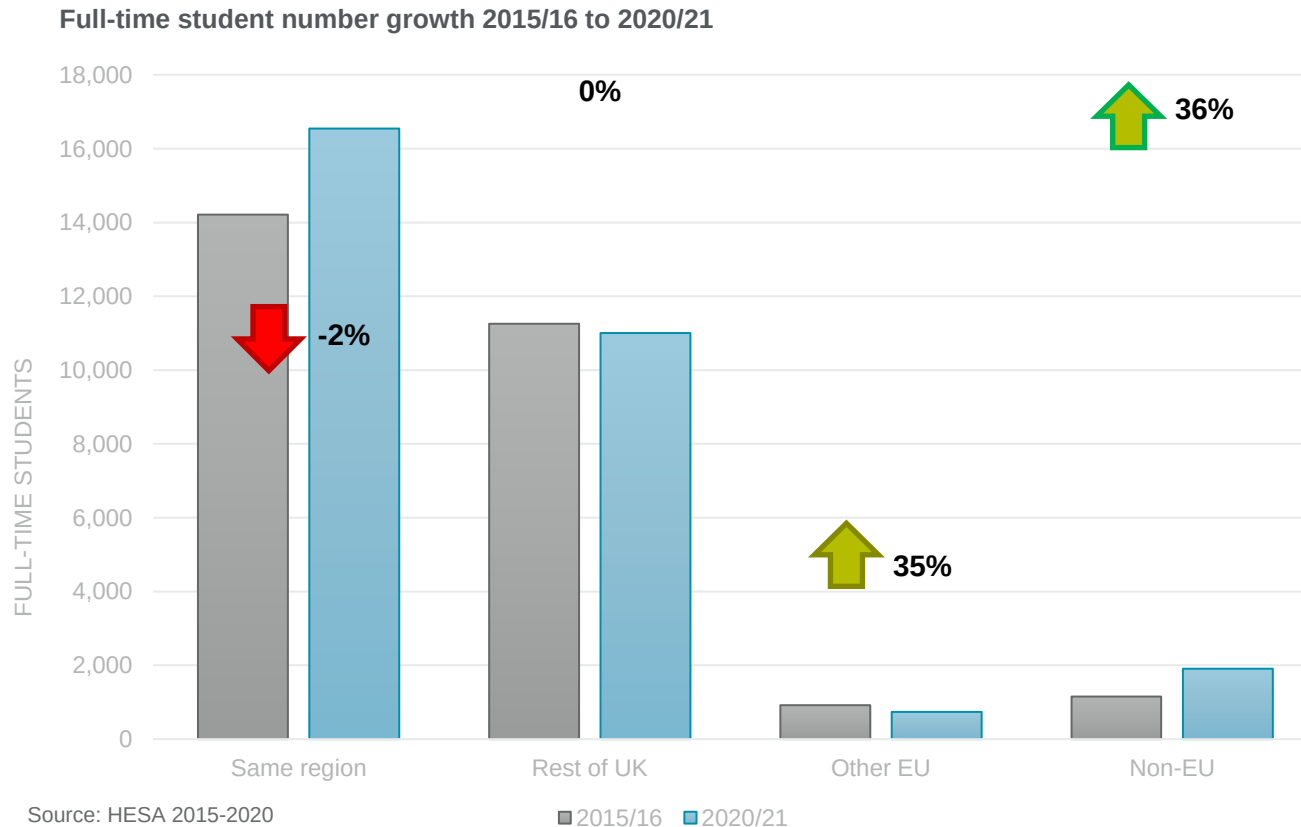
The student body of Manchester University has become more diversified in recent years, with the number of locally domiciled students falling by 2% and the number of students from outside of the North West increasing by 16%, increasing the demand for student accommodation bed spaces.

Source: HESA 2015-2020

Sources of Student Demand

The University of Manchester

As stated the University's student body has become more diverse, with a 2% fall in students from the North West. While students from the rest of the UK have increased by 9% over the past five year, overall growth has been driven by rising numbers of international students with EU student numbers growing by 40% and Non-EU domiciled students increasing by 22% - equivalent to an overall increase of 3,065 additional international students between 2015/16 and 2020/21. 88% of the student body is domiciled outside of the North West of England, far higher than the 61% national average.



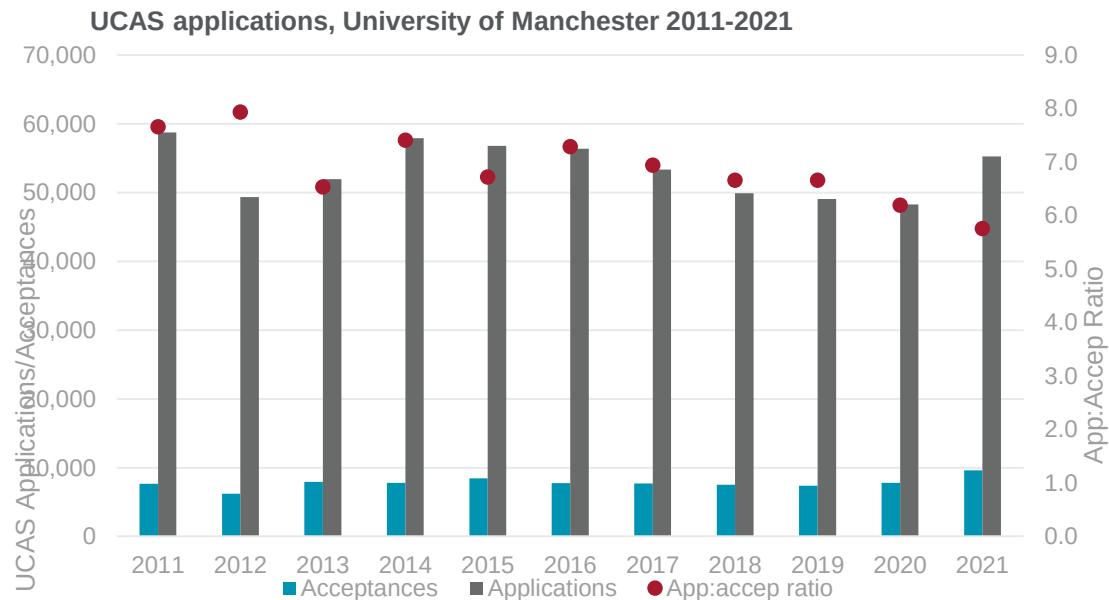
University Applications

The University of Manchester

As can be seen from the chart below, applications to the University of Manchester recovered from a dip in 2012 (reflecting wider national trends following changes to the tuition fee system), and reached 88,330 in 2021. Overall, applications have grown 39% since 2016.

The University's applications to acceptances ratio of 8.3:1 is significantly higher than the national average of 6.3:1, which suggests that the University is able to take its pick from a large pool of quality applicants. 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. UK and EU undergraduate students, and excludes postgraduate students (which have grown considerably over recent years).

As a renowned and research-intensive institution, the University has consistently recruited around 88% of all students through the main UCAS applications scheme over recent years, meaning there is no reliance on Clearing students to maintain or increase student numbers. This rate is in line with other quality institutions such as the University of Nottingham and University of Glasgow.



Source: UCAS 2010-2021

Sources of Student Demand

Manchester Metropolitan University

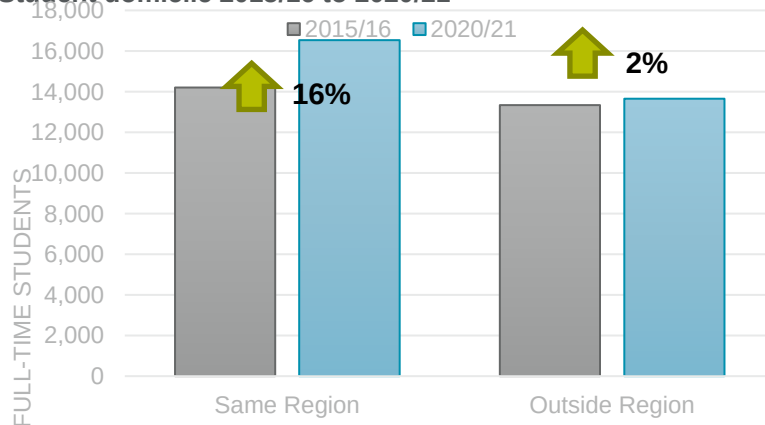
Manchester Metropolitan University has enjoyed positive growth of 10% over the past five years, 2015/16 to 2020/21. This performance can be considered strong in relation to a large number of post-1992 peers over the same time period. The University has performed well in its recruitment of postgraduate students, which have significantly grown by 76% over the same period – an extremely strong performance for a largely teaching-focused University. Undergraduate numbers have grown marginally by 3%, a positive, given the increasingly competitive nature of the higher education sector. Further signs of growth have been observed in recent years, with the overall student body growing by 6% between 2019/20 to 2020/21.

Full-time student number growth 2015/16 to 2020/21

Level of Study	2020/21			2015/16			Manchester Met	UK
FT & SW	Student numbers	%	UK Comparat or (%)	Student numbers	%	UK Comparat or (%)	Growth 2015/16 to 2020/21	Growth 2015/16 to 2020/21
UG	25,905	86%	78%	25,110	91%	82%	3%	14%
PG	4,290	14%	22%	2,435	9%	18%	76%	46%
Total	30,195	100%	100%	27,545	100%	100%	10%	19%

Source: HESA 2015-2020

Student domicile 2015/16 to 2020/21



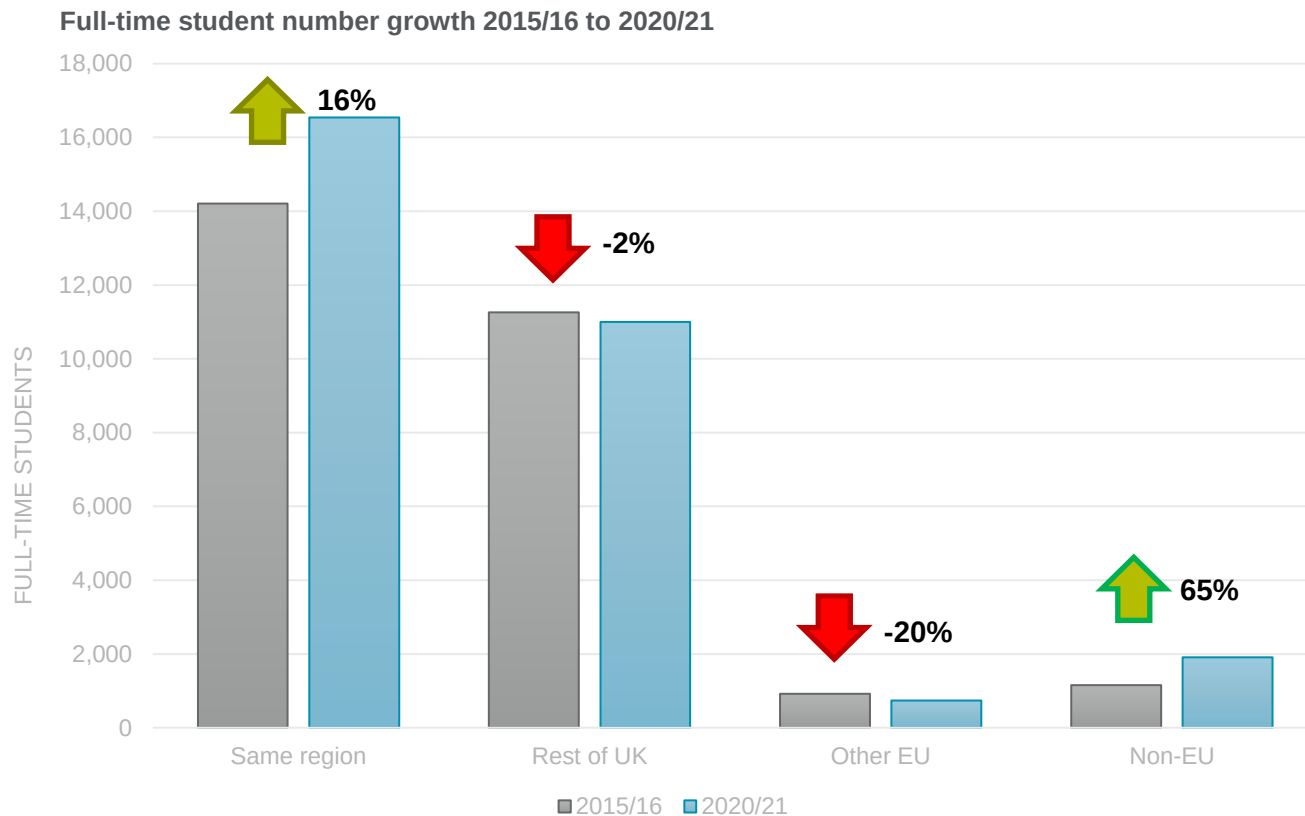
The university's student body has become more localised over the past five years, with students from the North West increasing by 16% (2,335 students), while those from outside of the region have remained stable.

Source: HESA 2015-2020

Sources of Student Demand

Manchester Metropolitan University

As stated, the University's student body has become more localised with an 16% rise in students from the North West. While students from the rest of the UK have declined marginally by 4% over the past five years. Overall international student numbers have increased by 38%, with a 71% rise in Non-EU students masking a fall of 8% EU students. This is very positive in terms of demand for student accommodation.



Source: HESA 2015-2020

University Applications

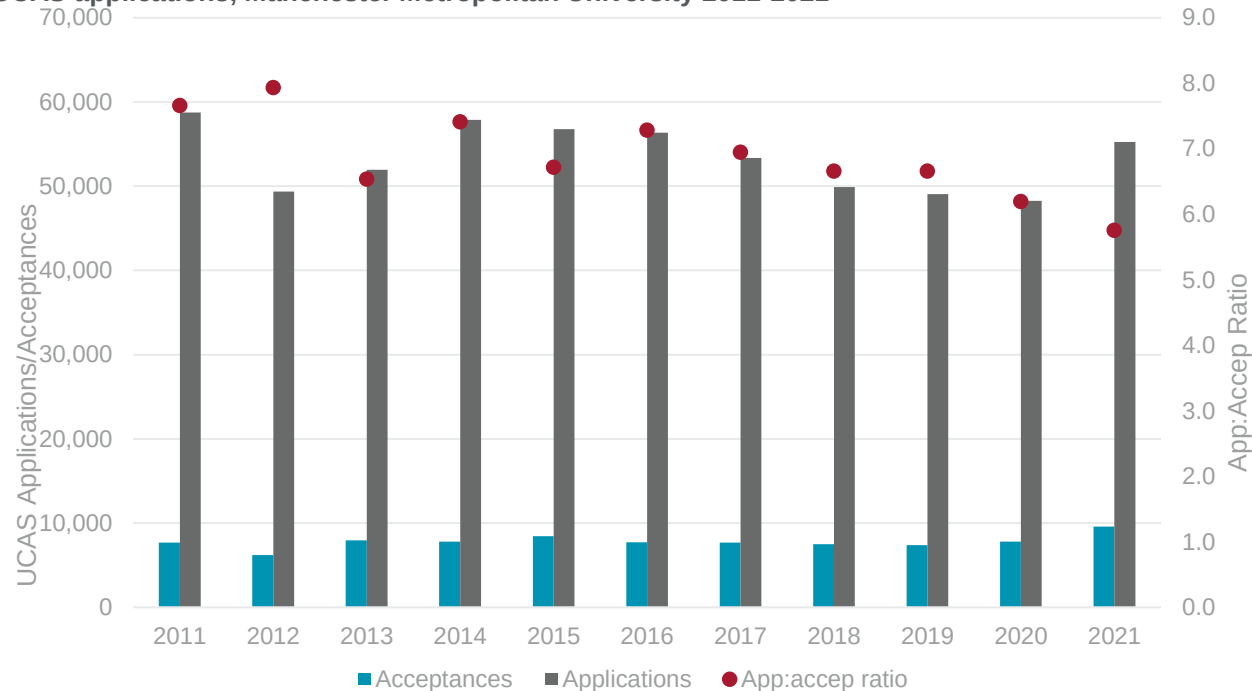
Manchester Metropolitan University

Applications to study at the Manchester Metropolitan University declined steadily between 2016 and 2020 a result of tough market conditions. However, applications recovered significantly in 2021, with a rise of 14% on the previous year. In 2021 the University received 55,230 applications, acceptances also grew by 23% between 2020 and 2021, signalling a change in fortunes for the institution.

Manchester Metropolitan University's applications to acceptances ratio stands at 5.8:1 in 2021, below the nationally observed average ratio of 6.3:1, indicating that the University has lowered the quality of its intake this year.

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. UK and EU undergraduate students, and excludes postgraduate students (which have grown considerably by 76% over recent years).

UCAS applications, Manchester Metropolitan University 2011-2021



Source: UCAS 2011-2021

University Strategy, Investment & Performance

Strategy, Campus Investment and League
table rankings



University of Manchester

Strategic Plan

Priorities

- Great people doing great things
 - Wellbeing
- Equality, diversity and inclusion
- An environment and facilities that support our people
 - Our values

Ambitions

- Be a university to which our students, staff and alumni are proud to belong, and where our values unify us in what we do and how we do it
- Be a place where people can achieve great things, with the finest possible conditions for our staff and students to what they do best and work together as one connected community.
- Embed sustainable, responsible approaches in all our practices, enabling every one of our people to play a part in a healthier future for our planet
- Be committed to equality and diversity, and to equal opportunities for all.
 - Set high expectations of ourselves and hold each other to account for delivery.

Measures of Success

- 85% employee approval
- To be recognised as Europe's most innovative university .
- Top 5 UK REF Ranking
 - Align to the City's decarbonisation pathway and 2038 target for net zero carbon.
- Top quartile sector position for student satisfaction
- Top 25 in the Global Rankings

The University of Manchester

Key Estate Developments



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.

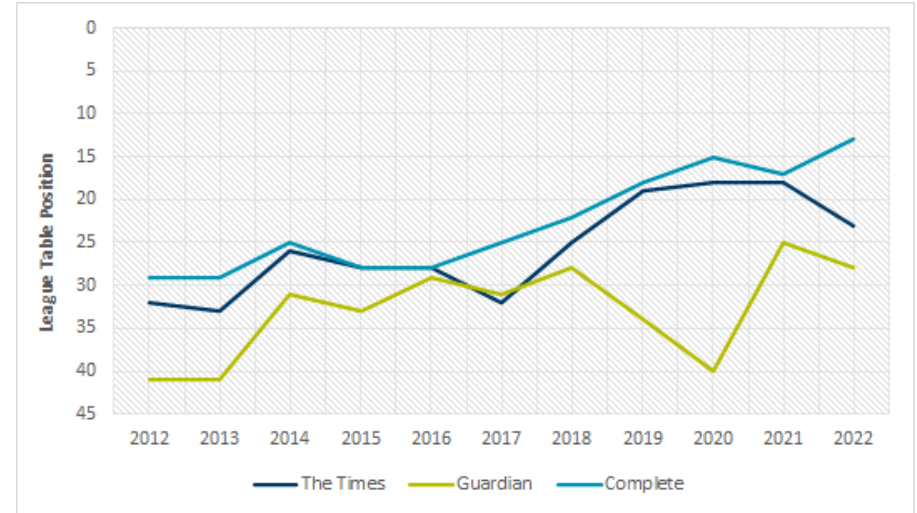
University of Manchester

League Table Rankings

The University of Manchester has been consistently ranked in the top 40 UK institutions for the past five years, 2014-2019, in all three major UK national league tables. In 2022 the University was ranked in 13th place by The Complete University, 23rd by The Times and 28th place by the Guardian.

The institution was also ranked in 8th 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 2012-2022



Source: The Guardian, The Complete University Guide, The Times 2012-2022

Manchester Metropolitan University

Strategic Vision

Student Experience

The university aims provide a forward-looking and dynamic approach to teaching, learning and the holistic student experience (including facilities, course delivery, content, support and environment). Placing students at the heart of the University.

Research

The university will drive for excellence and impact in everything that it does. The university will focus on attracting talented researchers, giving them outstanding support and the environment to succeed.

International

The university has a global ambition and will focus on building purposeful collaborations which will benefit students, research and the city region.

Engaged with Business

The university will cultivate multiple relationships, developing their academic offer in partnership with industry to create opportunities for students and drive business productivity and innovation.

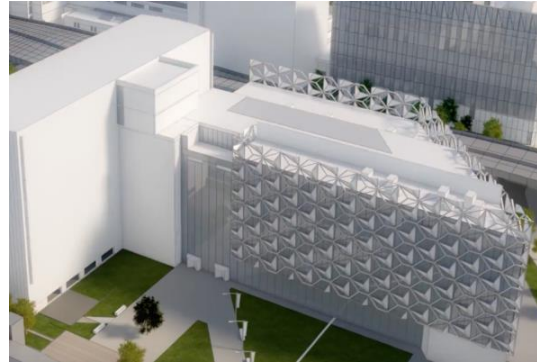
Manchester Metropolitan University

Key Estate Developments



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

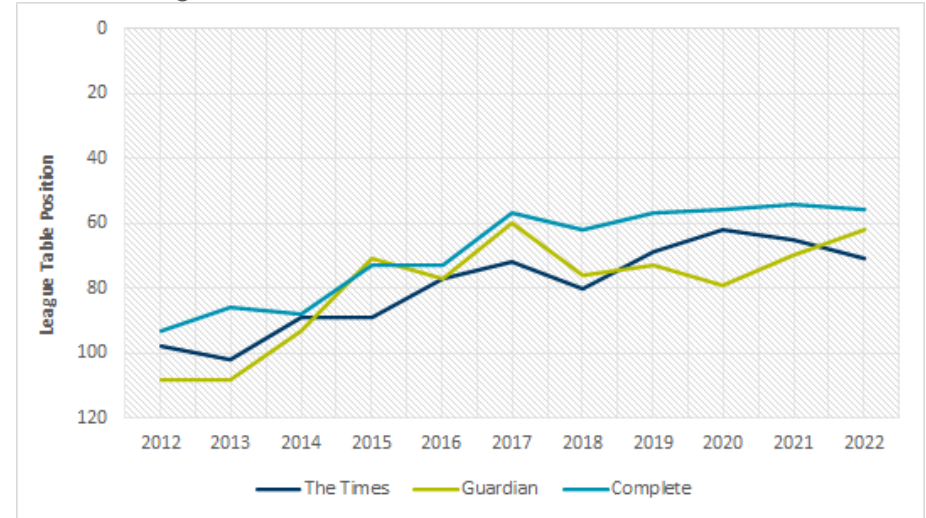
Manchester Metropolitan University

League Table Rankings

In 2022 Manchester Metropolitan University was ranked in 56th place by the Complete University Guide, 71st place by The Times and 62nd by The Guardian. The University has consistently been ranked within the top 80 UK institutions for the past five years.

MMU was ranked in 78th place in the Research Excellence Framework 2014, and was awarded a Silver in the Teaching Excellence Framework 2017.

National League Table Performance 2012-2022



Source: The Guardian, The Complete University Guide, The Times 2012-2022

Supply

Purpose-built Student Accommodation in
Manchester



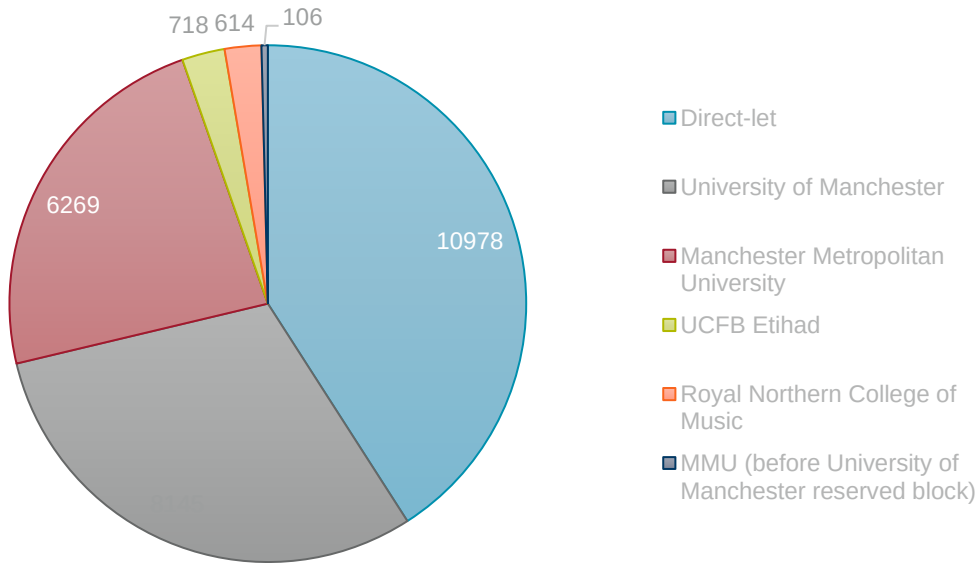
Supply Overview

Manchester

Just under 2,500 new bed spaces have been delivered to the market since 2018, including the 1,184 bed University of Manchester Fallowfield Campus schemes, MMU’s 484 bed Archway development, Downing Student’s River Street Tower (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 (which will likely be the subject of redevelopment).

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 the University of Manchester (8,145), Manchester Metropolitan University (6,269), and the smaller Manchester based higher education institutions.

Manchester Stock Profile 2022/23



Source: C&W Student Accommodation Tracker 2022/23

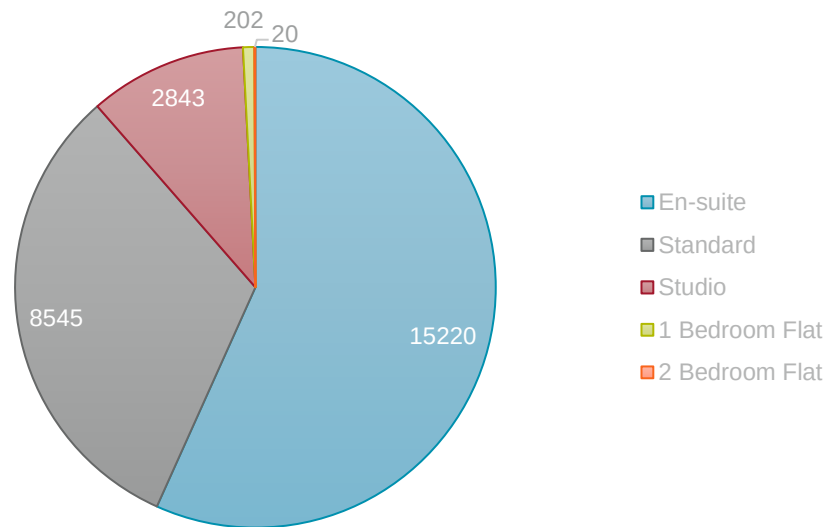
Supply Overview

Manchester

PBSA in Manchester is largely located in and around the “Oxford 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.

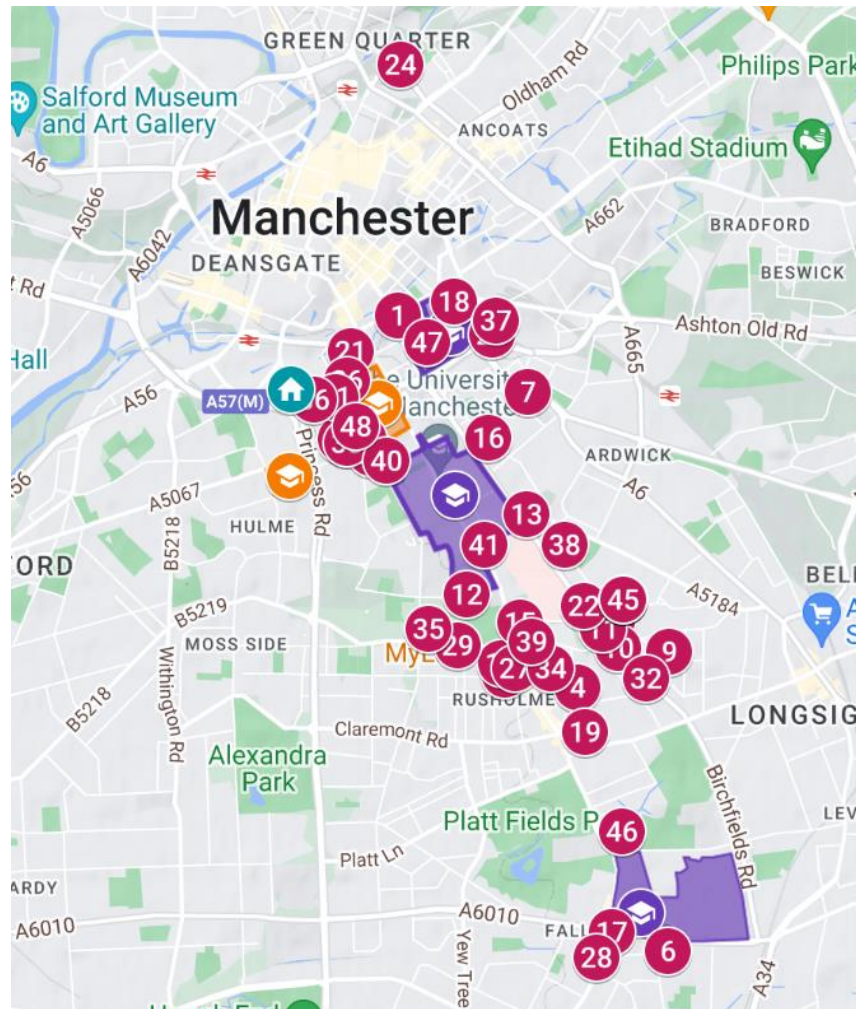
Manchester PBSA by Room Type 2021/22



Source: C&W Student Accommodation Tracker 2022/23

Supply Overview

Private PBSA Locations in Manchester



- 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)
- University of Manchester - Fallowfield
- One Medlock St

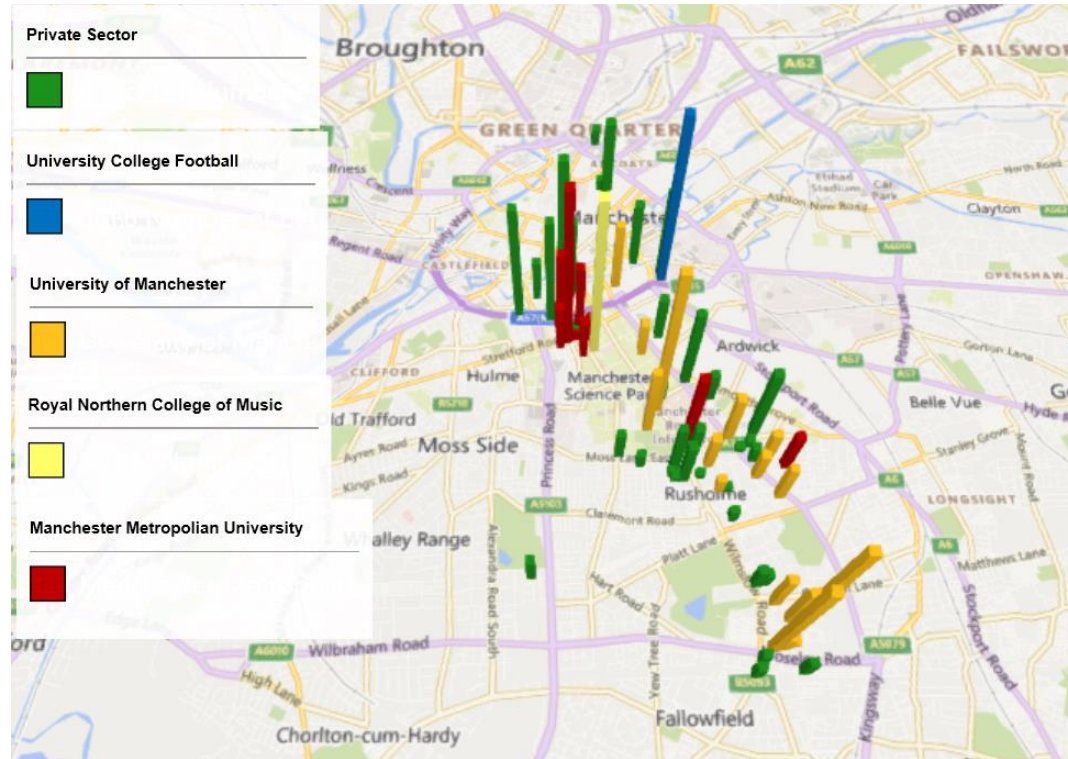
Private

- | | |
|--|-------------------------------------|
| 1 121 Princess Street | 23 Liberty Point |
| 2 75 Heald Grove | 24 Manchester Court |
| 3 Briarfields Hall | 25 Manchester House |
| 4 Carfax Court | 26 Manchester Student Village |
| 5 Cavendish Place | 27 Manchester Student Village South |
| 6 Chancellors Court | 28 Mayfair Court |
| 7 City Edge Apartments | 29 Moss Court |
| 8 Coniston Hall | 30 Needham Court |
| 9 Daisy Bank | 31 New Medlock House |
| 10 Daisybank Villas | 32 Opal Gardens |
| 11 Darbshire House | 33 Oxford Court |
| 12 Denmark Road | 34 Oxney House & Gardens |
| 13 Grafton Street | 35 Park View |
| 14 Heald Court | 36 Parkway Gate |
| 15 Kerria Apartments | 37 Piccadilly Point |
| 16 Kincardine Court | 38 Q3 Apartments |
| 17 Ladybarn House | 39 Rusholme Place |
| 18 Lambert and Fairfield | 40 Sir Charles Grove Hall |
| 19 Langdale Hall | 41 The Grafton |
| 20 Liberty Central | 42 Victoria Point 1 & 2 |
| 21 Liberty Heights (formerly Student Castle) | 43 Victoria Point 3 & 4 |
| 22 Liberty Park | 44 Victoria Point 5 |
| 23 Liberty Point | 45 Victoria Point 6 |
| | 46 Weston Court |
| | 47 Weston Hall |
| | 48 Element Manchester |

Source: C&W Student Accommodation Tracker 2022/23

Supply Overview

Location of Schemes in Manchester by Institution of Offer



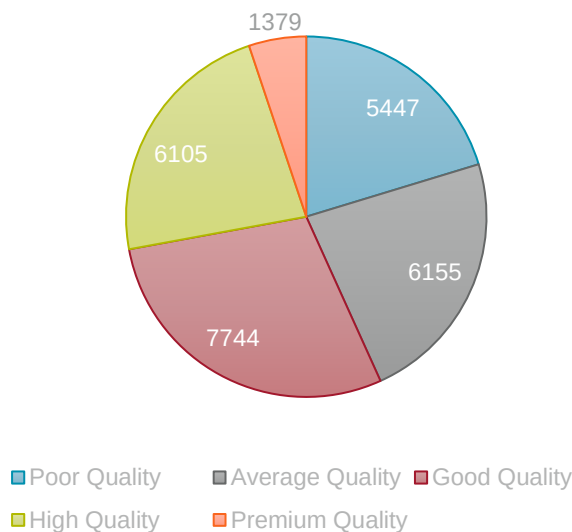
Much of the Manchester PBSA market is well located, with over 14,000 beds within a 10-minute walk of the University of Manchester available to students. As can be seen from the map, there are a large number of schemes in and around the Manchester Metropolitan University All Saints campus. There are 6,475 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.

Source: C&W Student Accommodation Tracker 2022/23

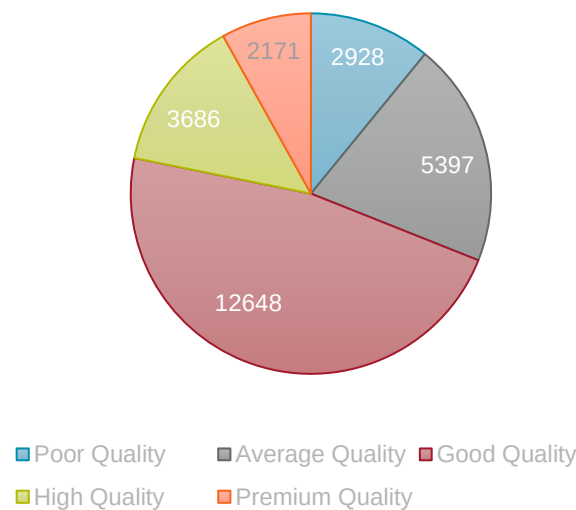
Accommodation Quality

Room & Facilities quality in Manchester

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.

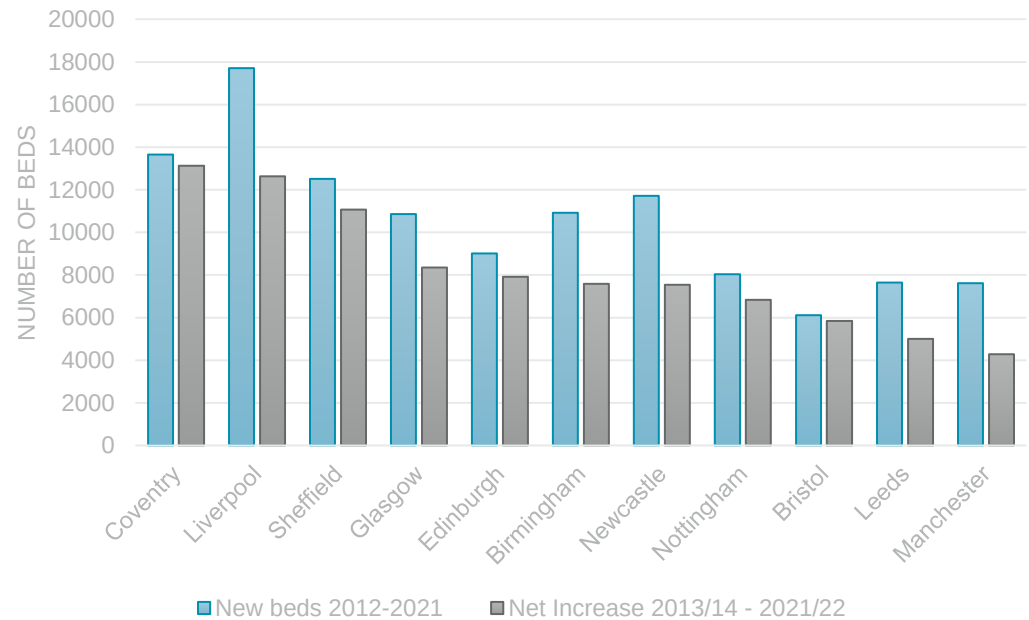
Source: Cushman & Wakefield Accommodation Tracker 2021/22. Note: the Cushman & Wakefield Student Accommodation Tracker ranks every bed space in the UK from 1-5 in terms of room quality and 1-5 in terms of the quality of social and amenity spaces.

Quality and Renewal

New Bed Spaces in the Manchester Market

The chart below 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).

New PBSA Beds and Net Change, Major UK Locations 2012/13-2021/22



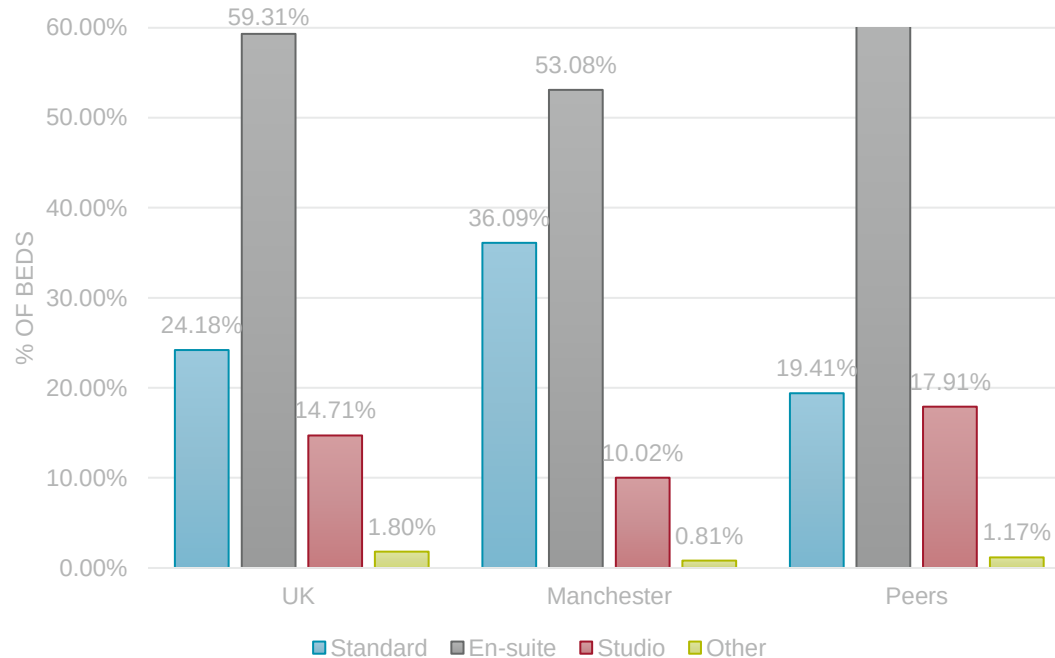
Source: C&W Student Accommodation Tracker 2021/22. Note confirmed 2022/23 deliveries at a national level still to be finalised

As can be seen from the chart, Manchester has seen the lowest net increase in PBSA beds delivered between 2012 and 2021, 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.

Quality and Renewal

Supply of Accommodation by Room Type

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



Source: C&W Student Accommodation Tracker 2021/22. Note confirmed 2022/23 deliveries at a national level still to be finalised

As can be seen, Manchester's supply of en-suite beds is considerably 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.

Rental Analysis

Market Rents and Trends in Manchester

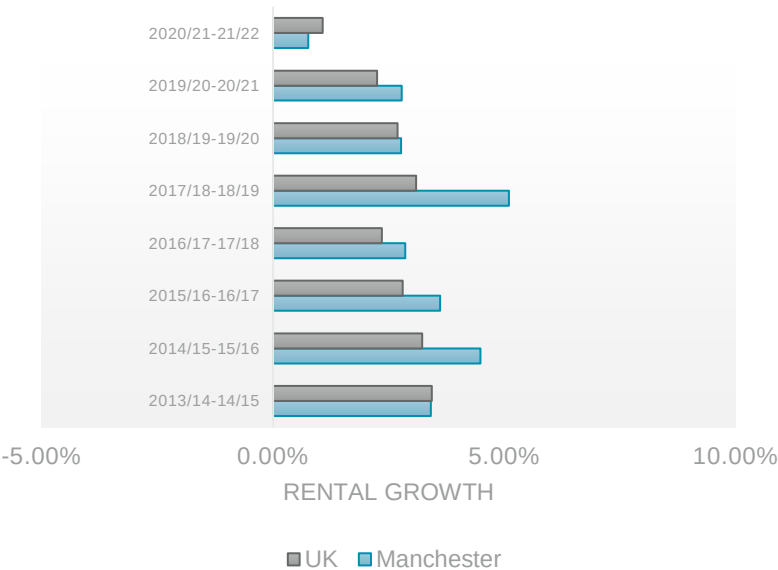


Pricing

Rent Levels in Manchester

Rental growth in Manchester has outstripped national averages over time, with rents across all stock (university and private sector) growing by 25.77% since 2013/14. This is higher than the national average of 20.90% over the same period and is indicative of the strength of demand in the market.

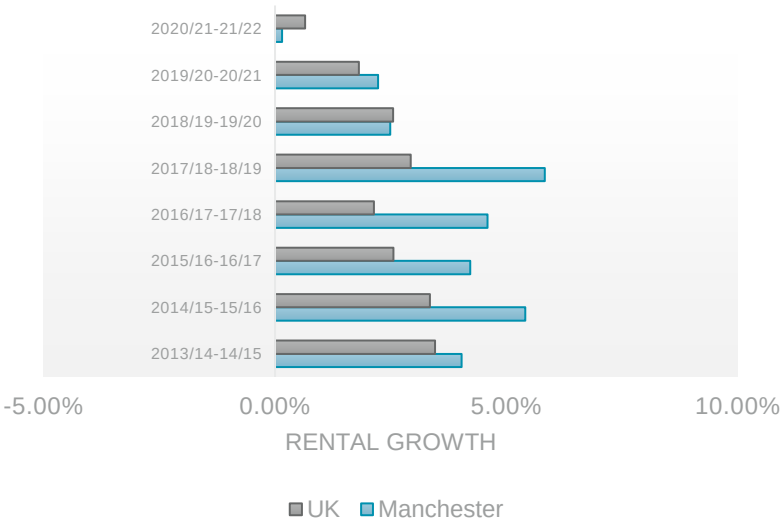
Rental Growth Over Time vs UK (all beds)



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

As can be seen from the chart, at 28.95% since 2013/14, private sector rental growth has considerably outstripped the national average of 19.45% over the same period. Again, this is indicative of the strength of demand in the market and competition for bed spaces.

Rental Growth Over Time vs UK (private sector beds)



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

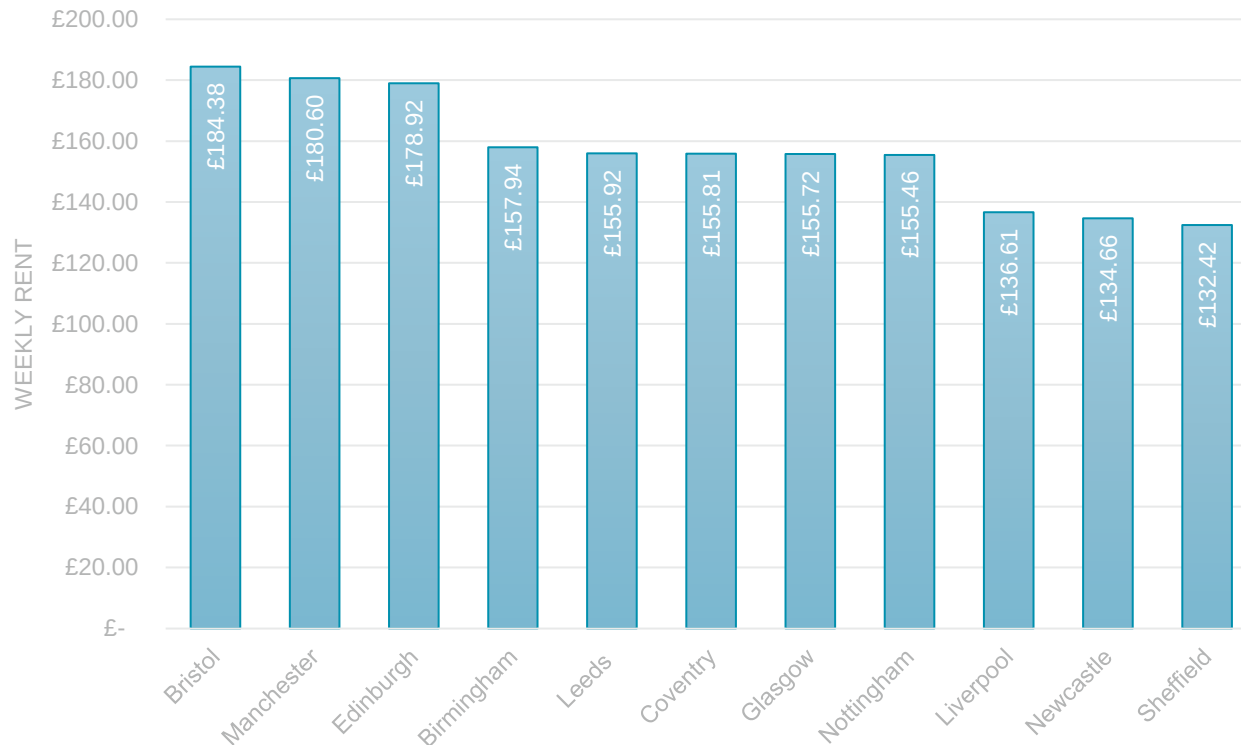
Private sector rental growth in isolation is examined opposite.

Rental Analysis

Manchester vs the Market

The average price of a private sector en-suite bed in Manchester is £180.60 per week (2021/22), making Manchester one of the most expensive major markets in the UK. This average price is 36.4% 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 (2021/22)



Source: Cushman & Wakefield Accommodation Tracker 2021/22

The Private Rented Sector

HMOs



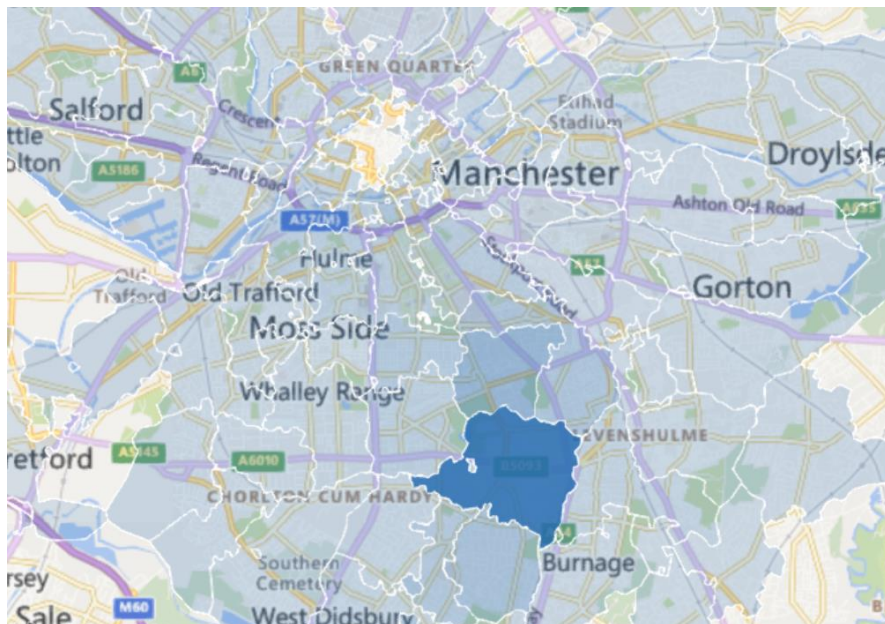
HMO Accommodation in Manchester

Overview

Cushman & Wakefield have analysed students living in the private rented sector according to 2019/20 HESA data (2020/21 data has not been used due to differences in the collection of data during the COVID-19 pandemic)

In 2019/20, there were 20,175 students living in Manchester Houses in Multiple Occupation (HMOs), Private Rented Stock (PRS) or Build to Rent (BTR) apartments. Just over 10,000 students live in the four-digit postcode areas highlighted below. A large proportion of students live in South Manchester, with over 5,000 students in the popular area of Fallowfield.

Manchester Private Rented Stock Locations 2019/20



Source: HESA 2019/20

Area	Four Digit Postcode	2019/20
Fallowfield	M14 6	5485
Rusholme/Victoria Park	M14 5	1935
Withington	M20 4	1220
Withington	M20 3	860
Ardwick/University	M13 0	1060

Fallowfield is the most populous HMO area of Manchester and is home to over 5,400 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.

Locational Trends

Where Students Want to Live

Our Manchester - The Manchester Strategy (CD-G9), notes that “freeing up former student lets and, therefore increasing the supply of good quality homes for sale and rent will provide the opportunity for Manchester residents to raise their individual and collective aspirations”. The analysis above shows that more students are likely to be forced into HMO accommodation as the demand pool for beds in Manchester grows. Further, MCC Executive PBSA in Manchester Report December 2020 (CD-G12) noted that “Students are exempt from paying Council Tax and in 2019/20 Manchester will forego almost £17m in tax revenue due to this exemption. There is potential to improve the Council’s Council Tax revenue through a reduction in student Council Tax exemptions in city centre and south Manchester properties by directing students to purpose built student accommodation (PBSA)”.

It is clear that students are increasingly looking to live in central areas of Manchester where a higher quality of housing is available. MCC Executive PBSA in Manchester Report December 2020 (CD-G12) notes that in “four areas in South Manchester with the highest concentration of student HMOs” ...” the number of student exemptions has reduced by 32% between 2010 and 2019. In the city centre, the number of student exemptions has increased by 24% over the same period”. This reflects Cushman & Wakefield’s own analysis of HESA data between 2015/16 and 2019/20 which shows clear evidence of a movement of students from South Manchester to the City Centre.

Largest Changes/Reductions in Student Numbers

Largest Reduction			Highest Gains		
Postcode 2015	Change in Students 2015/16 to 2019/20	Location	Postcode 2015	Change in Students 2015/16 to 2019/20	Location
M14 6	-1655	Fallowfield	M1 7	305	Central/MMU
M20 4	-235	Withington	M1 5	265	Central/MMU
M20 3	-165	Withington	M15 6	160	Central/MMU
M14 5	-160	Victoria Park	M15 5	145	Central/MMU
M4 5	-50	Ancoats	M15 4	130	Central/MMU
M14 7	-45	Fallowfield	M1 6	100	Central/MMU
M19 2	-40	Fallowfield	M5 4	95	Salford
M3 6	-40	Salford	M3 7	70	North City Centre
M4 4	-20	NOMA	M3 4	70	North City Centre
M16 7	-15	Moss Side	M16 9	70	Old Trafford

Source: HESA 2019/20. Note 2020/21 data is not included due to HESA reporting changes due to COVID-19

It is likely that a lack of quality stock in central locations means that students are living in PRS and BTR stock that could otherwise be occupied by Council Tax-paying residents.

The City Council itself acknowledges that there are “issues that are currently being expressed in the City Centre with students choosing to live in normal family homes”...and they are “occupying homes that should be occupied by working people” (Manchester City Council Planning and Highways Committee transcript, Thursday 1 July 2021). The proposed development has the potential to free up such accommodation by providing purpose-built stock suited to the needs of students. Overleaf, a selection of City Centre private rented stock is examined.

Locational Trends

Private Rented City Centre Stock

Private Rented Stock Examples, Manchester City Centre

West Tower, Owen Street	Headline Figures
	Number of Units: 350 Rents averages / achieved: 1 bed – fully let, prices from £1,150 pcm 2 beds – £1,480 - £2,300 pcm 3 beds – £2,150 - £2,600 pcm 4-bed penthouse - £8,000 pcm Parking additional £100-£150 pcm

South Tower – Deansgate Square, Owen St	Headline Figures
	Number of Units: 496 Quoting rents (average): 1 bed – from £1,100 pcm 2 beds – £1,450 - £1,600 pcm available 3 beds – from £2,100 pcm – none available

Source: Cushman & Wakefield

As can be seen, 1 beds close to the proposed development site are priced in the region of £1,100 pcm, with rooms at nearby Vox, Castlefield, and Middlewood Locks priced at £895-£1,050 and “from” £900 respectively. These prices equate to around £250 per week, considerably above the average private sector weekly en-suite rent in Manchester of £172.39 in 2022/23 and close to the studio price of £265.84 (excluding Vita Circle Square this average stands at £236.58).

There is, therefore, clear potential for appropriately priced products to draw students out of City Centre private rented stock into PBSA, which will better support their needs – especially at a time of increased student mental health concerns. UCAS reports that there has been a 450% increase in student mental health declarations over the last decade, with over half of students reporting their mental health had worsened during the pandemic. Dedicated social and amenity spaces, a critical mass of students with which to interact with, and staff trained in such issues can play an important role in supporting students.

<https://www.ucas.com/corporate/news-and-key-documents/news/450-increase-student-mental-health-declarations-over-last-decade-progress-still-needed-address>

<https://www.officeforstudents.org.uk/news-blog-and-events/blog/making-student-mental-health-a-priority/>

Planning Environment

Proposed purpose-built Student
Accommodation in Manchester



Development Pipeline

Proposed accommodation

Manchester PBSA Development Pipeline, July 2022

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	Aug-23
Harry Lord House, 120 Humphrey Road	M16 9DF	101155/OUT/20	Jul-20	Outline Approved	66	66	0	QP2 Ltd	Jun-24
Land At Chester Road(A56), Deansgate, /Bridgewater Viaduct	M3 4LB	129406/FO/2021	Feb-21	Approved	534	289	245	Fusion Students	May-25
The Gamecock, Boundary Lane	M15 6GE	130387/FO/2021	May-21	Submitted	261	37	224	Curlew Capital Ltd	Apr-27

Source: Manchester City Council

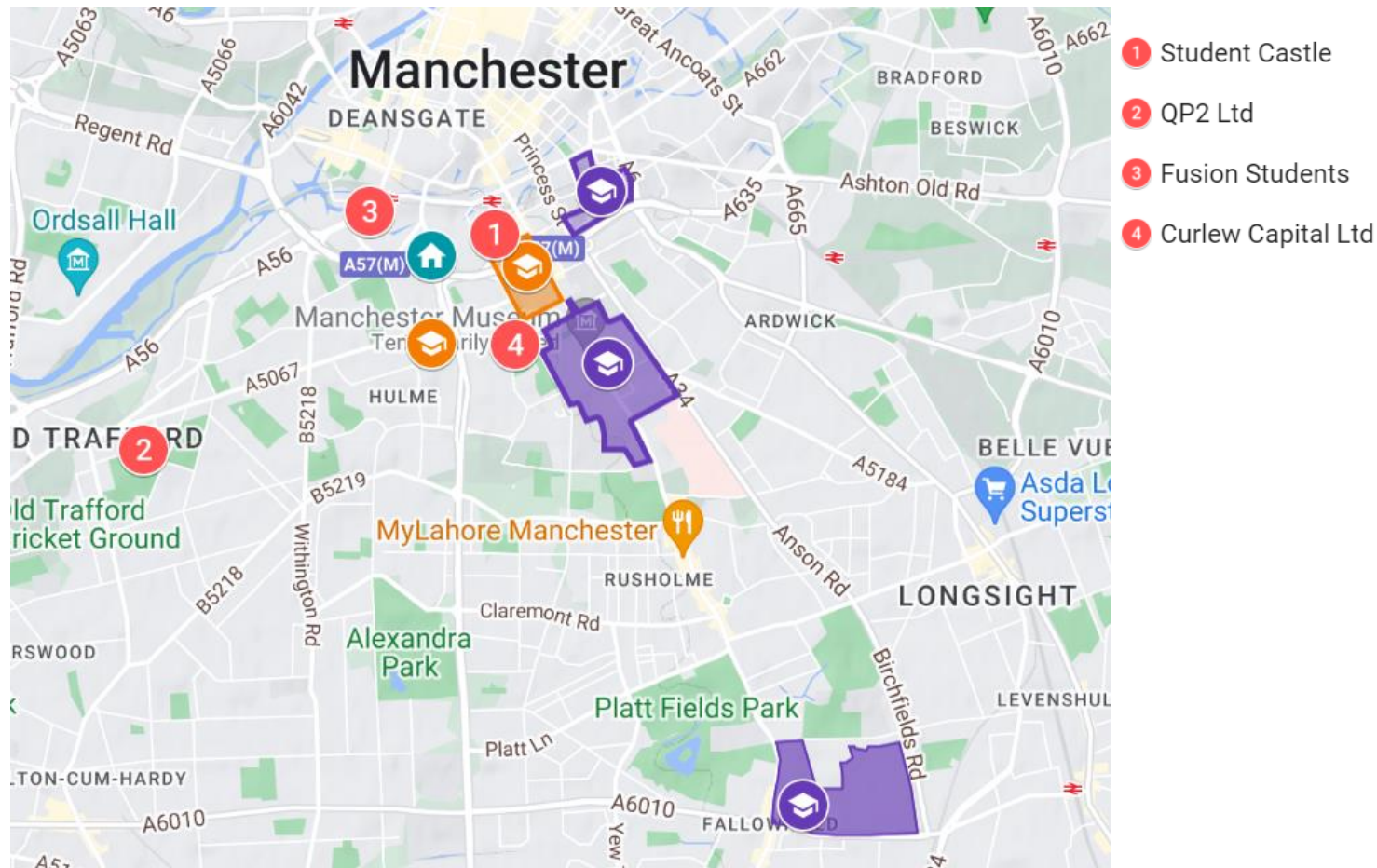
The development pipeline currently stands at 2,132 beds with just over 1,400 beds approved (68%) - a small number for a market of this size. Student Castle and Fusion all have proposed schemes in the city, due for delivery in August 2023 and May 2025 respectively. The majority of the developments are 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.

Development Pipeline

Location of Proposed schemes

Manchester Pipeline Locations



Source: Manchester City Council July 2022

Demand and Supply Dynamics

The Manchester Student to Bed Ratio



Demand and Supply Dynamics

The Manchester Demand Pool

The pool calculation below sets out our assumptions of demand for student accommodation in Manchester taking into account students studying at both the University of Manchester and Manchester Metropolitan University. In arriving at our demand pool, C&W 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 City's institutions. Note that the table below includes latest demand information (2020/21) and latest supply data (2022/23)

Demand-Supply Dynamics, Manchester

MANCHESTER CITY-WIDE	2020/21
Total Full-time & Sandwich Students	69,865
From which:	
Deductions from the pool of students	
Students from the region who do not require accommodation	17,655
Sandwich students currently on a placement year and unlikely to demand a room	990
TOTAL POOL	51,220
Number of beds (university & private)	26,830
Student:Bed ratio	1.91

Source: HESA, Cushman & Wakefield Student Accommodation Tracker 2021/22. Note, analysis compares latest available demand (2020/21) vs latest available supply (2022/23)

As can be seen from the table, the demand pool in Manchester currently stands at 51,220 students, with 24,390 students requiring a bed unable to access a PBSA bed space. The demand pool over time and likely impacts on the housing market in the City are examined in more detail overleaf.

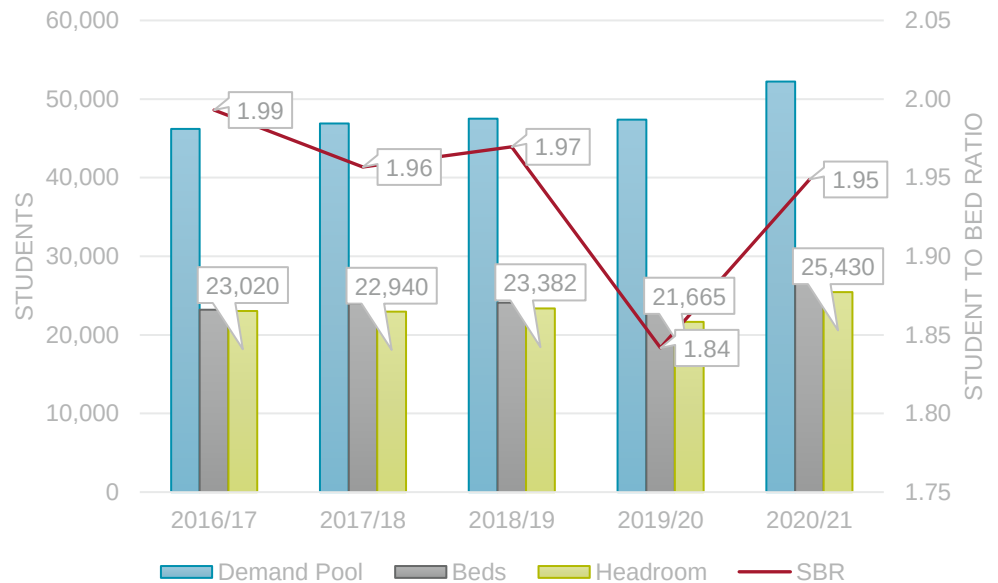
Demand and Supply Dynamics

Change over Time

The chart below shows trends in demand-supply dynamics in Manchester over time with an analysis of the following areas:

- The demand pool for accommodation
- The supply of accommodation available in each year
- Headroom – i.e. the number of students unable to access PBSA
- The student to bed ratio

Demand Supply Dynamics Over Time



Source: HESA/Cushman & Wakefield Student Accommodation Tracker

As can be seen from the chart, market headroom for accommodation in Manchester has grown by 2,410 students since 2016/17 meaning that more students are required to find accommodation in HMOs or other private rented stock.

The demand-supply position and impacts of the development pipeline are examined in more detail overleaf.

Demand and Supply Dynamics

Change over Time

The table below models conservative demand pool growth of 1.5% over time (i.e. lower than has been achieved since 2013/14 and takes into account all bed spaces in the development pipeline (i.e. approved and unapproved). Additionally, a scenario is also modelled where an additional 500 bed spaces are delivered to the market every year to 2029/30 over and above those in the development pipeline.

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
C & W Conservative Growth (1.5% growth)	42,765	43,365	46,025	46,200	46,915	47,495	47,405	52,230	53,015	53,810	54,615	55,435	56,265	57,110	57,965	58,835	59,720
Number of Beds (all pipeline post-2021)	22,893	23,256	23,119	23,180	23,975	24,113	25,740	26,800	27,178	26,830	26,849	27,015	28,663	28,905	28,905	28,905	28,905
SBR	1.87	1.86	1.99	1.99	1.96	1.97	1.84	1.95	1.95	2.01	2.03	2.05	1.96	1.98	2.01	2.04	2.07
Students unable to access PBSA / number in private housing	19,872	20,109	22,906	23,020	22,940	23,382	21,665	25,430	25,837	26,980	27,766	28,420	27,602	28,205	29,060	29,930	30,815
Beds Needed to Maintain 20/21 HMO numbers									27,585	28,380	29,185	30,005	30,835	31,680	32,535	33,405	34,290
Difference between maintaining 20/21 HMO numbers and bed delivery									-407	-1,550	-2,336	-2,990	-2,172	-2,775	-3,630	-4,500	-5,385
<i>Additional delivery scenario = all pipeline + 500 additional per annum</i>										27,330	27,349	27,515	29,163	29,663	30,163	30,663	31,163
SBR										1.97	2.00	2.01	1.93	1.93	1.92	1.92	1.92
Students unable to access PBSA										26,480	27,266	27,920	27,102	27,447	27,802	28,172	28,557
Beds Needed to Maintain 20/21 HMO numbers										28,380	29,185	30,005	30,835	31,680	32,535	33,405	34,290
Difference between maintaining 20/21 HMO numbers and bed delivery										-1,050	-1,836	-2,490	-1,672	-2,017	-2,372	-2,742	-3,127

Source: HESA/Cushman & Wakefield Student Accommodation Tracker

Demand and Supply Dynamics

Change over Time

As can be seen from the table, under the conservatively modelled growth scenario, the demand pool is set to grow by 14% between 2020/21 and 2029/30. Over the same period the supply of PBSA is set to grow by 8% if all planned bed spaces are delivered. The number of students unable to access PBSA over this period is set to grow from 25,430 in 2020/21 to 30,815 in 2029/30. Over the period, the difference between maintaining 2020/21 numbers in private rented stock and PBSA bed delivery is set to grow by 5,385, placing further pressure on HMOs and apartments in Manchester.

Under the theoretical additional pipeline scenario where 500 additional beds are delivered each year from 2023/24 (the forthcoming academic year), the number of students unable to access PBSA will still rise – from 25,430 in 2020/21 to 28,557 in 2029/30. Even under this additional pipeline scenario, the difference between maintaining 2020/21 private rented sector numbers and PBSA delivery will be 3,127.

Of course, analysis has already shown the 1.5% increase to be conservative and overleaf growth in the demand pool is modelled at 3.2% per annum – i.e. annual average growth in the demand pool between 2013/14 and 2020/21. This analysis can be seen overleaf.

Demand and Supply Dynamics

Change over Time

Modelled Demand Supply Dynamics Over Time (modelled conservative 3.2% 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
Revised Projections (3.2% growth)	42,765	43,365	46,025	46,200	46,915	47,495	47,405	52,230	53,880	55,583	57,340	59,151	61,021	62,949	64,938	66,990	69,107
SBR	1.87	1.86	1.99	1.99	1.96	1.97	1.84	1.95	1.98	2.07	2.14	2.19	2.13	2.18	2.25	2.32	2.39
Students unable to access PBSA	19,872	20,109	22,906	23,020	22,940	23,382	21,665	25,430	26,702	28,753	30,491	32,136	32,358	34,044	36,033	38,085	40,202
<i>Beds Needed to Maintain 20/21 HMO numbers</i>									28,450	30,153	31,910	33,721	35,591	37,519	39,508	41,560	43,677
<i>Difference to bed delivery</i>									-1,272	-3,323	-5,061	-6,706	-6,928	-8,614	-10,603	-12,655	-14,772
<i>Additional delivery scenario = all pipeline + 500 additional per annum</i>										0	27,349	27,515	29,163	29,663	30,163	30,663	31,163
<i>SBR</i>										#DIV/0!	2.10	2.15	2.09	2.12	2.15	2.18	2.22
<i>Students unable to access PBSA</i>										55,583	29,991	31,636	31,858	33,286	34,775	36,327	37,944
<i>Beds Needed to Maintain 20/21 HMO numbers</i>										30,153	31,910	33,721	35,591	37,519	39,508	41,560	43,677
<i>Difference between maintaining 20/21 HMO numbers and bed delivery</i>										-30,153	-4,561	-6,206	-6,428	-7,856	-9,345	-10,897	-12,514

Source: HESA/Cushman & Wakefield Student Accommodation Tracker

Demand and Supply Dynamics

Change over Time

Under this scenario, the demand pool is set to grow by 32% and the number of students unable to access PBSA over this period is set to grow from 25,430 in 2020/21 to 40,202 in 2029/30. Over the period, the difference between maintaining numbers in the private rented sector at 2020/21 levels and new PBSA bed delivery will be 14,772, placing further significant pressure on HMOs and apartments in Manchester.

Under the theoretical additional pipeline scenario where 500 additional beds are delivered each year from 2023/24 (the forthcoming academic year), the number of students unable to access PBSA will rise – from 25,430 in 2019/20 to 37,297 in 2029/30. Even under this additional pipeline scenario, the difference between maintaining the number of students in private rented stock vs new bed delivery will stand at 12,514.

Therefore, even under the most conservatively modelled scenarios, and with additional theoretical pipeline beds delivered to the market, need is set to increase from a position where 25,430 students are already unable to secure a PBSA bed. Of course, this has implications for the housing market and students studying in Manchester in terms of pastoral care and student experience.

Our Manchester - The Manchester Strategy (CD-G9), notes that “freeing up former student lets and, therefore increasing the supply of good quality homes for sale and rent will provide the opportunity for Manchester residents to raise their individual and collective aspirations”. The analysis above shows that more students are likely to be forced into HMO accommodation as the demand pool for beds in Manchester grows. Further, MCC Executive PBSA in Manchester Report December 2020 (CD-G12) noted that “Students are exempt from paying Council Tax and in 2019/20 Manchester will forego almost £17m in tax revenue due to this exemption. There is potential to improve the Council’s Council Tax revenue through a reduction in student Council Tax exemptions in city centre and south Manchester properties by directing students to purpose built student accommodation (PBSA)”. There are likely to be further exemptions without additional PBSA development

