Hearing Statement

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Contents

1 Introduction

1.1 Crossman Acquisitions ('CA'), part of the Crossman Group of companies has land interests across Bath and North East Somerset Council's ('the Council') authority area. CA is therefore grateful for the opportunity to attend the examination of the local plan partial update (LPPU).

1.2 CA is currently promoting a site in Bath for purpose-built student accommodation ('PBSA') on Lower Bristol Road, in close proximity to the Locksbrook Campus. Therefore, this hearing statement focuses only on those questions raised by the Inspector concerning student development.

2 Policy H2A: Purpose built student accommodation

Q.115 Is the assessment of the accommodation needs for students undertaken for the Plan robust?

2.1 The assessment of the accommodation needs for students is not robust. As set-out in CA's earlier representations, numerous issues have been identified in the Student Accommodation Topic Paper (the topic paper) that demonstrate that it does not present a robust basis for establishing student accommodation need. These are summarised below:

- The topic paper suggests that the University of Bath is seeking to reduce its undergraduate in-take. No evidence of this has been provided and this objective is not suggested in the University of Bath Strategy 2021 – 26.
- The topic paper claims that undergraduate and postgraduate student numbers at the University of Bath will decline due to the covid-19 pandemic and Brexit, although no evidence of this has been provided.
- For the University of Bath, the topic paper forecasts an increase in distance learning (DL) students and degree apprenticeship (DA) by 1.5% per annum although no evidence that this increase is supported by the university has been provided. Moreover, the topic paper assumes that the DL and DA students (which total 12,528) are in lieu of students attending traditional courses. No evidence has been provided that the university is seeking to replace students on physical courses by DL and DA students.
- Due to the topic paper's treatment of DL and DA students, it assumes that there will be no growth in students who physically attend the university from 2025/26 onwards. This is not

considered realistic for a university ranked within the UK's top ten and which is investing significantly in new campus facilities, in terms of both student accommodation and teaching facilities and would be at odds with the established trend of year-on-year average growth of 3.5% per annum (table 2 of the topic paper).

- Paragraph 227 of the local plan partial update (LPPU) states that *'the Council received updated growth plans from both Universities. They are summarised in the separate Information Paper: Student Numbers and Accommodation requirements in Bath…'*. Following discussions with officers, it has been confirmed that the 'growth plans' are actually a result of the universities verbally briefing officers of their projections and growth plans.

  The National Planning Policy Framework (the Framework) at paragraph 11b) confirms that in relation to plan-making, *'strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses…'.* Having particular regard to student accommodation, the planning practice guidance (ID: 67-004-20190722) acknowledges that, *'Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus.'*. It continues by stating that, *'Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area.'.*

  Taking account of the above, it does appear that the council has simply taken the universities growth plans and incorporated them into the plan, without subjecting this data to appropriate assessment. This cannot be considered to be an objective assessment of the data. Moreover, concerns are raised that this exercise appears to be have undertaken behind closed doors, therefore in the interests of transparency and to afford appropriate scrutiny, the process in which the council arrived at the student forecasts contained in the topic paper should be made available to the examination.

Q.116 Is the Plan positively prepared in terms of meeting the accommodation needs of students and would it be effective in meeting the identified housing need of students in the plan period?

2.2 The plan is not considered to be positively prepared in terms of meeting the accommodation needs of students. As set-out above, the evidence base used to determine the accommodation needs of students is not considered robust, and does not present a suitable basis for informing planning policy, and is highly likely to underestimate the level of student need during the plan period.

2.3 Paragraph 222 of the local plan partial update (LPPU) recognises the historic issue of PBSA undersupply at campuses, which has resulted in the proliferation of HMOs at the expense of traditional housing. To place this issue into context, due to the lack of PBSA delivery, combined with the year-on-year growth of both universities, Bath has a student to bed ratio of 2.5:1 i.e., for every student bed available, there is demand for it from 2.5 students. This is the second highest student to bed ratio in the country, after Bristol, that has a ratio of 2.65. The average bed ratio in the country is 2:1, which to achieve in Bath, would require the delivery of a further 1,938 student bedspaces. It is this history of PBSA under delivery that has resulted in the expansion of the HMO market.

2.4 The current approach set by the LPPU is to provide new on campus PBSA to meet the future growth requirements of the universities. However, whilst topic paper acknowledges that the delivery of PBSA encourages the release of student HMOs back to traditional housing, when identifying the level of PBSA to provide, this is structured against maintaining the number of HMOs at current levels. Whilst acknowledging the issue of too many HMOs, the LPPU makes no attempt to reduce the numbers by additional PBSA delivery.

2.5 To further exacerbate this issue, it is considered that the council is focusing PBSA delivery in the wrong location. The data contained in *'Table 8 Combined forecast demand for student accommodation based on the Universities' Growth Plans'* of the topic paper shows a demand for 640 student bedspaces by 2029/30. The topic paper explains at paragraph 5.5 that this demand is to be met by the delivery of 879 bedspaces at Claverton Campus under the provision of emerging policy SB19.

2.6 The data contained in table 8 has been disaggregated to show the level of student accommodation need for both universities **(see Appendix 1)**. According to the council's data, there would be an overprovision of accommodation for University of Bath (UoB) students of 320 bedspaces, and an undersupply of accommodation for Bath Spa University (BSU) of 960 bedspaces.

2.7 The 879 bedspaces to be provided at Claverton Campus are for the benefit of the UoB, and could therefore not be utilised by BSU students (policy SB19). Whilst allocations exist for BSU (policy SB20 – Newton Park Campus, SB22 – Locksbrook Creative Industry Hub and SB24 – Sion

Hill), these do not make specific provision for student accommodation (aside from 72 bedspaces at Locksbrook Campus which comprise an extant permission). In the absence of allocations, the balance of student accommodation will need to be met either through increased reliance on the private rented sector (HMOs) or through off-campus PBSA delivery, both of which are considered unacceptable. For reasons discussed in the following section, the current wording of policy H2A will hinder the delivery of off-campus PBSA, so the HMO market will continue to pick up the slack, exacerbating the issue of too many HMOs.

2.8 An independent assessment of the need for PBSA in Bath is provided at **Appendix 2**.

Q.117 What is the justification for the policy requirement that need for additional student accommodation of the type and in the location proposed, should be evidenced by a formal agreement between the developer and a relevant education provider for the supply of bed spaces created by the development, and would it be effective?

2.9 It is not considered that any justification for the approach requiring a formal agreement between the developer and education provider has been provided. In effect, this approach results in a sequential approach to the location of PBSA, with a preference for it to be provided at the UoB's Claverton Campus, despite BSU being the university that requires the accommodation. Notwithstanding this, Claverton Campus is located a significant distance from Bath city centre and it would be expected that there will be a desire by students to reside closer to the city centre in order to benefit from its services and amenities. Therefore, by focusing PBSA provision at the campus, and restricting off-campus provision, will exacerbate the spread of HMOs which will be required to meet demand.

2.10 Moreover, it is unclear what planning issue the council is seeking to address by focusing PBSA on campus. Policy BS5 already prevents PBSA development occurring in locations that are of strategic importance to the delivery of local plan objectives. Furthermore, additional policies already exist to protect particular uses such as employment and community facilities, and which also seek to maintain an appropriate mix of residential uses. Therefore, restricting PBSA through the need for a developer agreement with education establishments is unnecessary.

2.11 In addition to the above, it is unclear as to what is actually meant by a formal agreement. If this agreement is in the form of a planning obligation, then for the reasons given above it would fail the statutory test set by regulation 122 of the Community Infrastructure Regulations 2010 on the basis of being unnecessary. If the formal agreement is to take the form of a nomination agreement, then for practical reasons this would be unfeasible.

2.12 Educational institutions typically do not enter into nomination agreements until a planning permission has been issued, in order to avoid potentially expensive abortive works. Irrespective of this, assembling or acquiring land can be a protracted process. Therefore, in the event education establishments acknowledge a need for off-campus PBSA, there will inevitably be a delay for such provision to come on-stream, with this being exacerbated by the uncertainties as to whether a nomination agreement will be forthcoming. The whole notion is simply unrealistic.

2.13 In addition, it should be remembered that nomination agreements are usually agreed for a defined period of time – they do not exist in-perpetuity. It is often the case that nomination agreements with particular institutions expire, with the PBSA becoming available to all institutions. It therefore makes little sense that such a nomination agreement is required to justify the development in the first instance.

2.14 Ultimately, any requirement to obtain a legal agreement with an education institution to justify off-campus PBSA will not be effective. Moreover, the sequential approach of campus first PBSA is not justified, with there being no explanation as to why, in the interests of planning, such an approach is required, with there being a plethora of existing development plan policies to control PBSA development in order to maintain the strategic objectives of the plan. The rationale for this approach really does need careful consideration, when the principal educational institution in the city, the University of Bath, objects to this approach, stating in its representation to the LPPU that:

'…the need for PBSA development in the City has been highlighted in a recent appeal decision and recognising the constraint on delivery on the campus, it should be clear that the policy does not effectively apply a campus first "sequential approach", or even as a "first preference", (as alluded to in para 370c, if not in the policy itself). That would effectively restrict the supply of PBSA and fail to address those needs, potentially exacerbating the impact on the City's housing market.

In respect of the development management criteria, clause ii is unduly restrictive as it effectively seeks to extend the control over PBSA development set out in Policy B5 without any justification.

The provision of student accommodation in the City should not be given a lower priority than other forms of housing provision (and indeed other developments).'

2.15 Finally, there is also the issue of market fairness. It is not considered appropriate for an educational institution, which itself is a business, to be able to control the demand and supply of PBSA.

Appendix 1 – Disaggregated Student Demand Table

Factor	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30
UoB Student Forecast	18001	18062	16745	18031	18211	18393	18577	18763	18763	18763	18763	18763
BSU Student Forecast	7770	7222	6819	6994	7123	7478	7914	8291	8742	8928	9113	9299
Total Student Forecast	**25771**	**25284**	**23564**	**25025**	**25334**	**25871**	**26491**	**27054**	**27505**	**27691**	**27876**	**28062**
UoB Housing Need (approx:78%)	14041	14088	13061	14064	14204	14346	14490	14635	14635	14635	14635	14635
BSU Housing Need All (approx:56%)	4351	4044	3819	3917	3989	4188	4432	4643	4896	5000	5103	5207
Total Housing Need	**18392**	**18133**	**16880**	**17980**	**18193**	**18534**	**18922**	**19278**	**19530**	**19635**	**19738**	**19842**
UoB on-campus PBSA	3543	3586	3586	3586	3586	3586	3586	3586	3586	3586	3586	3586
BSU on-campus PBSA	872	872	872	872	872	872	872	872	872	872	872	872
UoB off-campus PBSA	931	1288	1492	1628	1628	1628	1628	1628	1628	1628	1628	1628
BSU off-campus PBSA	1392	1115	1115	1115	1115	1115	1115	1115	1115	1115	1115	1115
CRM Private PBSA	802	828	891	891	1077	1149	1149	1149	1149	1149	1149	1149
Beds Total	**7540**	**7689**	**7956**	**8092**	**8278**	**8350**	**8350**	**8350**	**8350**	**8350**	**8350**	**8350**
UoB Residual Demand	9166	8800	7538	8405	8452	8558	8702	8847	8847	8847	8847	8847
BSU Residual Demand	1686	1643	1387	1485	1464	1627	1871	2082	2335	2439	2542	2646
Residual demand 2018/19 assumed to be met by HMOs	10852	10443	8924	9889	9915	10184	10572	10928	11181	11285	11388	11492
UoB Additional Bedspaces	0	-366	-1629	-762	-715	-609	-465	-320	-320	-320	-320	-320
BSU Additional Bedspaces	0	-43	-300	-202	-223	-60	185	396	649	753	856	960
Additional bedspaces required to meet the forecasts (cumulative total)	0	**-409**	**-1928**	**-963**	**-937**	**-668**	**-280**	**76**	**329**	**433**	**536**	**640**

*CRM Private PBSA split equally between both universities.

Appendix 2 – Student Need Assessment

Bath Market Demand Report

Frome House

May 2022

Crossman (Frome House) Ltd

CUSHMAN & WAKEFIELD

Introduction and Client Requirements

Bath Market Demand Report

This student accommodation Market Demand Report has been prepared by Cushman & Wakefield for Crossman (Frome House) Ltd in relation to a proposed redevelopment of Frome House in Bath. The Report provides an independent view of market demand and supply conditions, whilst commenting specifically on proposed rental levels, specification and proposed life cycle and operational costs. In particular, the report focuses on:

- Site location and area characteristics
- Demand at Bath and University level
- The demand pool and student to bed ratio
- University applications and acceptances
- University strategy and performance
- University investment
- The supply of accommodation in the area
- Accommodation quality Current market rents and rental growth
- HMO market

Executive Summary

Key Findings

Executive Summary

Frome House and the Bath Student Accommodation Market

Factor		Rating
National Demand	The macro environment in relation to Higher Education and student accommodation is extremely positive, with a 13% increase in student numbers nationally between 2019/20 and 2020/21. This increase is the equivalent of the entire increase seen between 2015/16 and 2019/20, and is higher than the 6% increase seen following The Global Financial Crisis. Coupled with positive demographic trends nationally and internationally, the sector is set to continue to grow.	Positive
Bath Demand	The City of Bath is home to two growing institutions, with the highly regarded University of Bath consistently featuring in the top 10 institutions in the UK. Applications to study at both institutions are growing, and both are investing in their campuses to increase their appeal in a highly competitive market.	Positive
Supply	The Bath PBSA market is relatively small, with only 7,767 beds available for the 2021/22 academic year. At only 2,029 new beds over the last 10 years, the Bath market has seen the fewest number of new deliveries of any major market in the UK. Combined with already high land prices, there is arguably a lack of competition in the market leading to higher than average rents in products that are, on average, lower quality than across the UK as a whole. It is likely that the scheme of 66 beds would be targeting a more affordable price point, and which would have resulting benefits in terms of student accessibility in an expensive market	Positive
Development Pipeline	The PBSA development pipeline in Bath currently stands at 1,084 bed spaces, with one new scheme set to be delivered for the 2022/23 academic year. All but one of the planned deliveries in the City is set to be located in the Twerton area where the proposed Frome House redevelopment is situated.	Positive
Demand and Supply Dynamics	The Bath student to bed ratio* currently stands at 2.50:1, considerably higher than Cushman & Wakefield's nationally-observed average of 2.0:1. Of 15 other large UK markets examined, only Bristol has a higher ratio than in Bath. Analysis in this Report shows that market headroom has been growing over the last four years and that this is likely to force more students into the private rented sector. Modelling demand forwards to 2025, even with the development of all schemes in the pipeline, headroom in the market is still set to grow – necessitating development to avoid additional pressures on housing.	Positive
Proposed Development	The proposed Frome House redevelopment will deliver a range of en-suite and studio bed spaces located close to Bath Spa's new Locksbrook Campus and within commuting distance of both main campuses of the City's universities. The proposed scheme will deliver a range of social and amenity spaces alongside high quality rooms, encouraging interaction and enhancing the student experience.	Positive

*2020/21 demand vs 2021/22 supply

Positive Caution/Risk Risk

Proposed Redevelopment

Frome House

Proposed Redevelopment

Frome House

Cushman & Wakefield understands that the current site occupies a tyre repair centre with office space above. As outlined in the next section of this Report, the area benefits from a wide range of amenities likely to be used by students.

We understand that the proposed scheme is set to benefit from a wide range of social and amenity spaces, with these assets central to driving the student experience and mental health of residents (explored later in this Report).

Indicative Views

Source: Crossman/ECE Westworks Ltd

The 66 proposed bed spaces will deliver a range of cluster and studio accommodation, with social and amenity spaces aiding interaction between students.

Indicative Social and Amenity Space

Source: Crossman/ECE Westworks Ltd

Site Location

Location and Site Characteristics

Site Location

Proposed Development Location

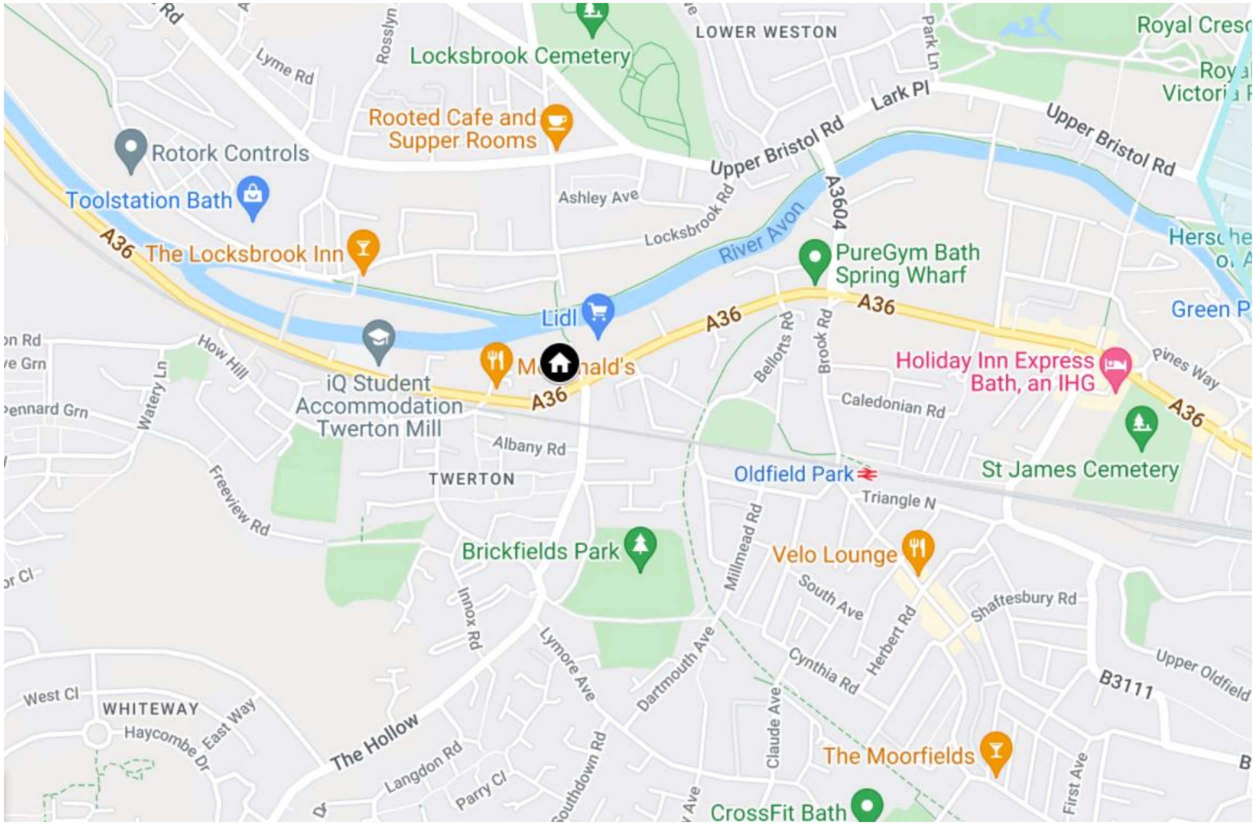
Frome House, site location

The proposed redevelopment site is located at Frome House on Lower Bristol Road, Twerton. The site is a short walk to a range of amenities, including M&S, Lidl and a number of bars and restaurants. The site is less than a five minute walk from Bath Spa University's Locksbrook Art & Design Campus, which is home to around 2,750 students in 2020/21 (around 36% of the student population). Both main campuses of the University of Bath and Bath Spa University are an easy commute away from the site, with the University of Bath being a 30 minute commute with Unibus and Bath Spa University is a 13 minute commute by the same method. The Railway Station is a 13 minute bus journey.

Site Location

In Context

Frome House, site location



As can be seen in the above map, there are a number of amenities nearby the proposed development in Bath. Puregym Bath Spring Wharf is just a six minute walk away, Brickfields Park is an eight minute walk away and Lidl is just a two minute walking commute. In the context of the wider area, the proposed scheme on Lower Bristol Road is extremely well-located.

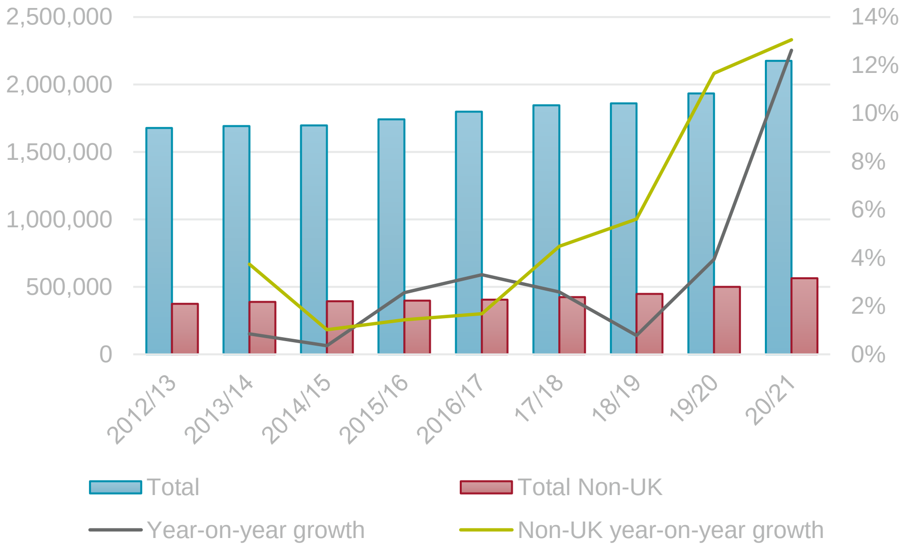
National Demand

The UK Higher Education Environment

STUDENT NUMBER GROWTH

MORE STUDENTS FROM ALL DOMICILES

Student Number Growth Over Time



Source: HESA

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.

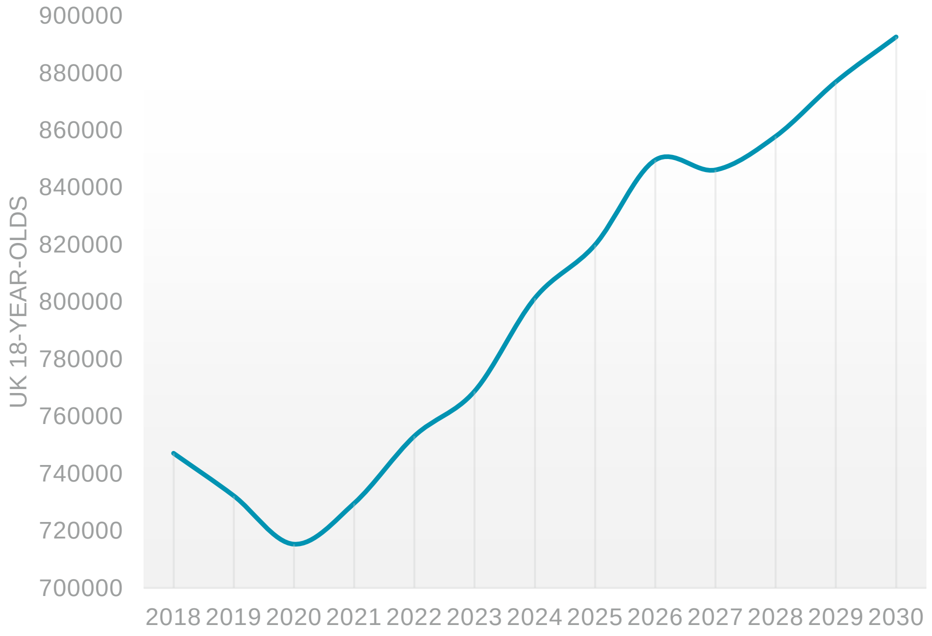
The number of students from outside the UK now totals over 560,000 students, with growth of 43% over this period. UK student numbers have also continued to grow, (+27%) despite the demographic dip in UK 18-year-olds between 2016 and 2020 (examined overleaf).

This 13% 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

THE DEMOGRAPHIC DIP HAS NOW ENDED

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).

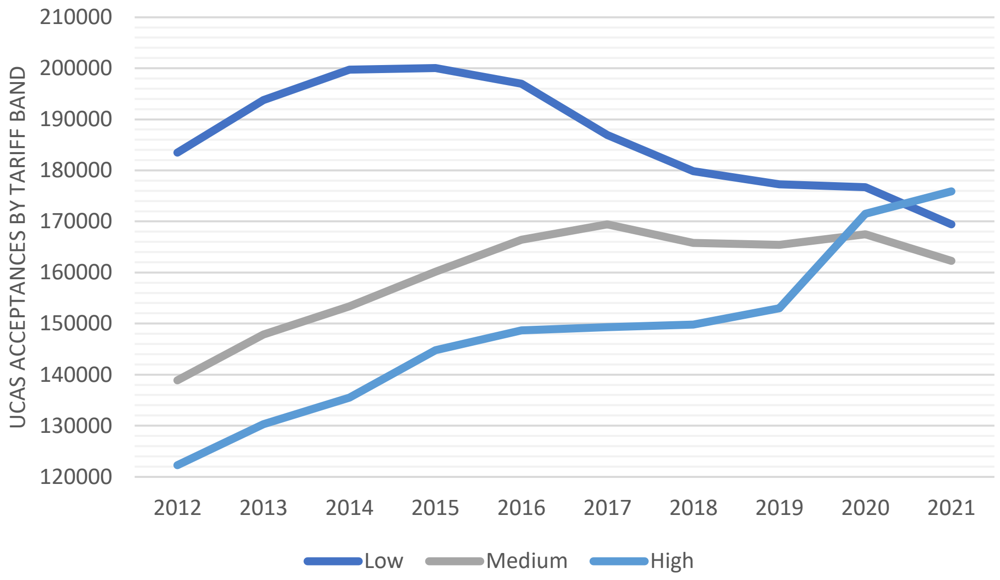
As will be explored in this report, UK students are more likely to demand a HMO bed space than other cohorts.

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



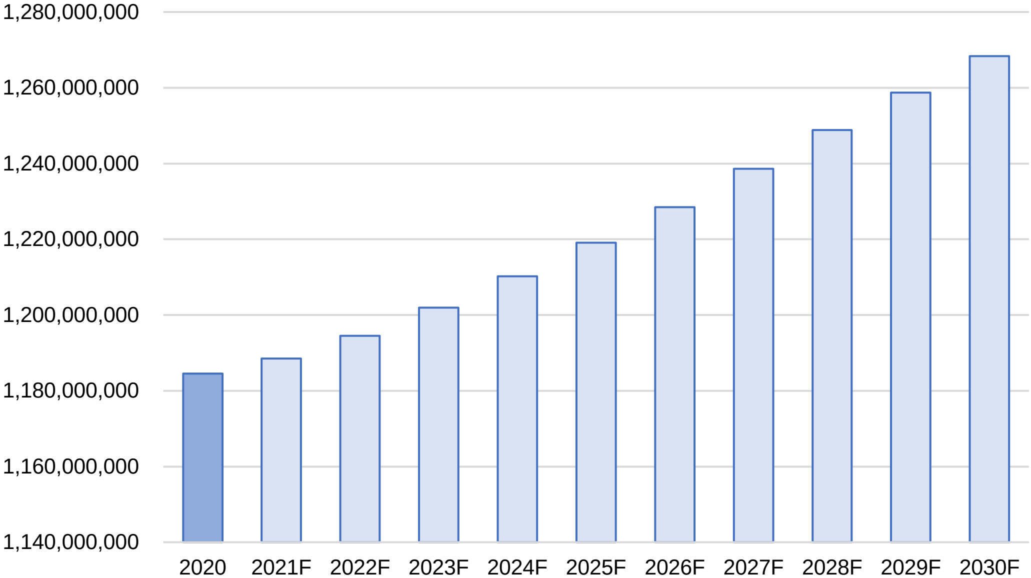
Source: UCAS 2012-2021

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.

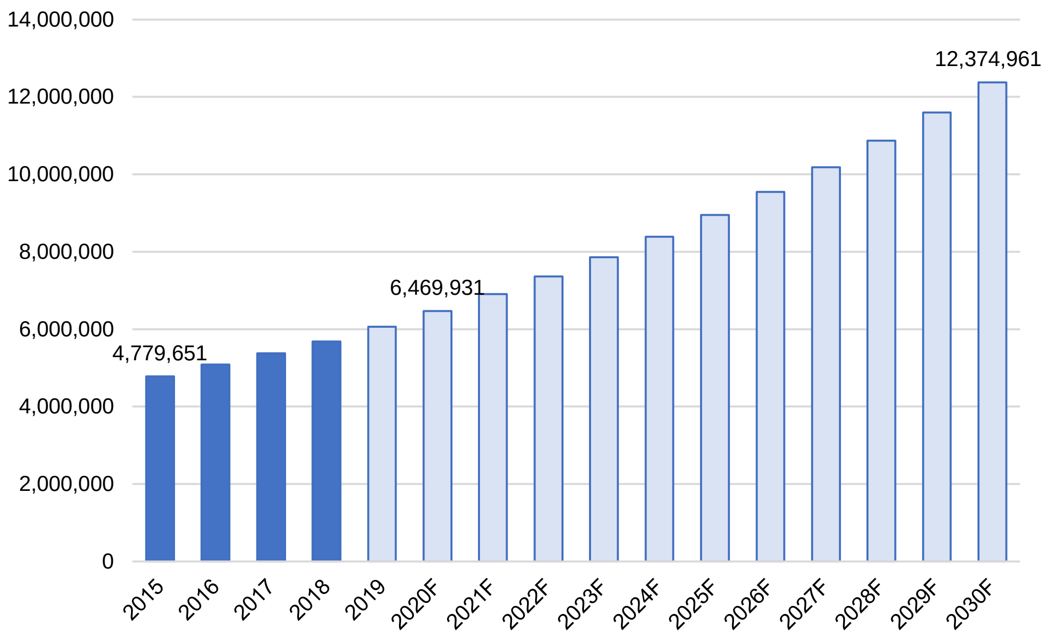
GLOBAL ENVIRONMENT

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

Bath Demand

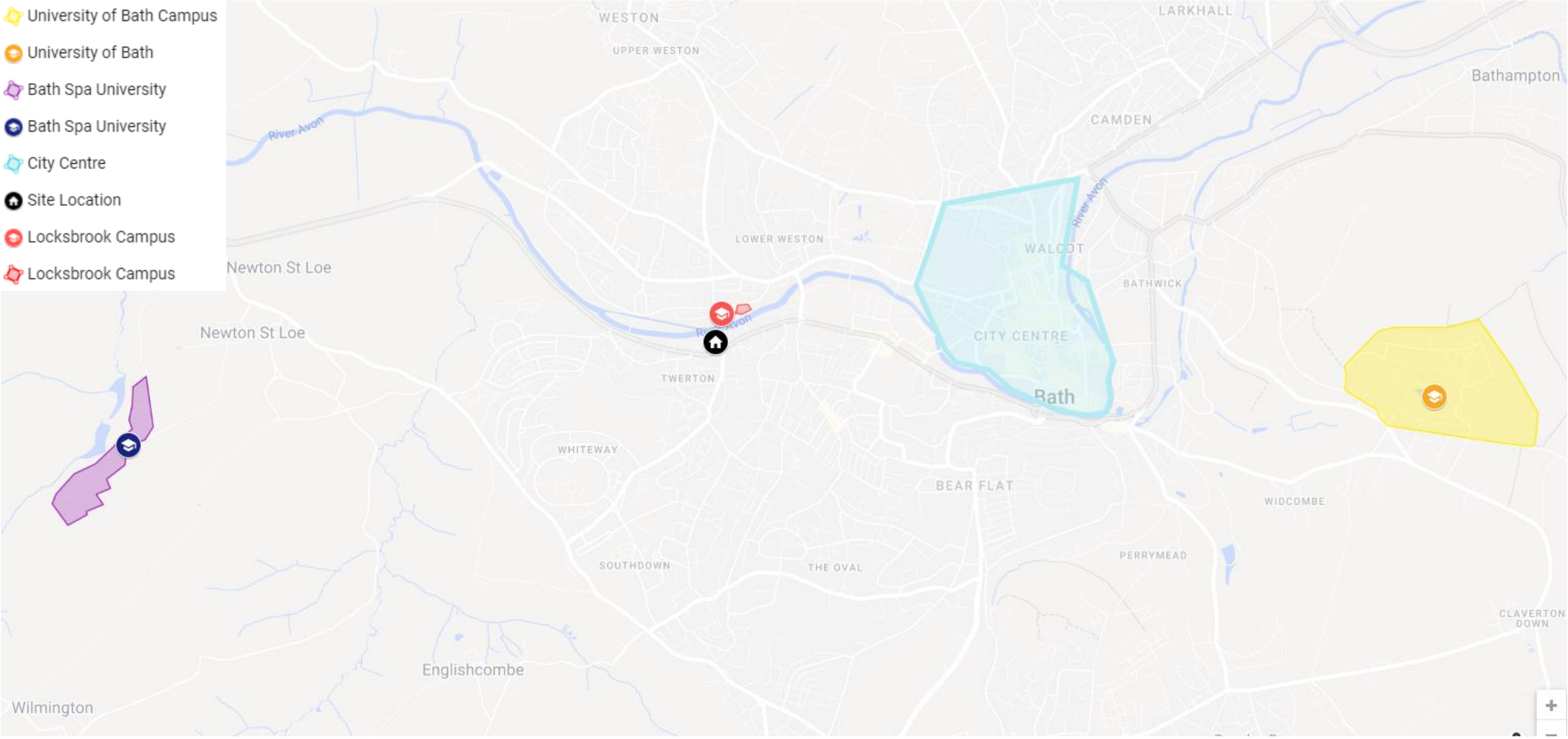
University growth and performance

Sources of Student Demand

Bath

Demand for accommodation in Bath is sourced from two institutions – the University of Bath and Bath Spa University. The former is located immediately to the east of the city centre, with the latter's main campus located to the west of the City. Demand trends at both institutions are explored overleaf.

Campus locations, University of Bath and Bath Spa University



Source: Google Maps adapted by Cushman & Wakefield

Sources of Student Demand

University of Bath

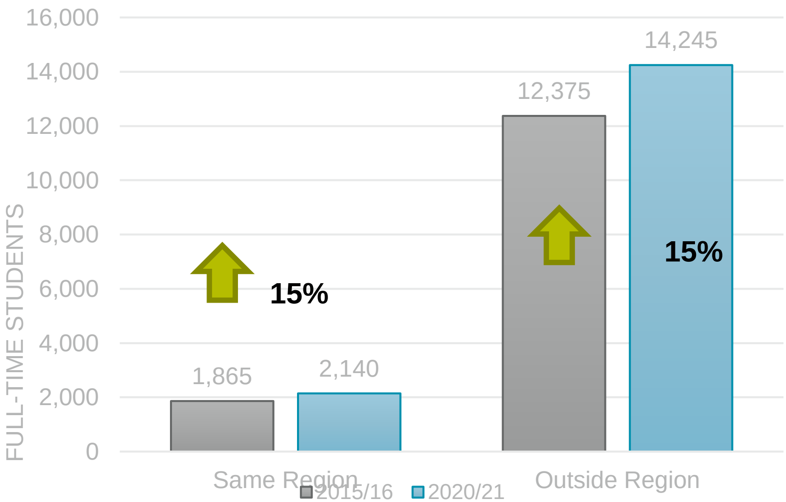
As can be seen from the table below, full-time student numbers at the University of Bath have grown by 15% between 2015/16 and 2020/21, with growth coming from both the undergraduate and postgraduate student population. Overall, full-time numbers have grown by 2,140 over this period. As can be seen, at 83% of the student population, the University's proportion of undergraduates is larger than the national average of 78% which is positive in terms of demand for purpose-built accommodation. The undergraduate population at Bath makes up a higher percentage of the total student population than that of the UK at 83%. 58% of the student population is aged between 18 and 20, higher than the national average of 47%.

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

Level of Study	2020/21			2015/16			Bath	UK
FT &SW	Student numbers	%	UK Comparator (%)	Student numbers	%	UK Comparator (%)	Growth 2015/16 to 2020/21	Growth 2015/16 to 2020/21
UG	13,535	83%	78%	11,975	84%	82%	13%	14%
PG	2,845	17%	22%	2,265	16%	18%	26%	46%
Total	16,380	100%	100%	14,240	100%	100%	15%	19%

Source: HESA 2015/16-2020/21

Student domicile 2015/16 to 2020/21



The University of Bath has successfully recruited students from the same region and outside of the region for 2020/21, with student numbers growing both within and outside the South West region since 2015/16. This highlights the global and local appeal of the institution.

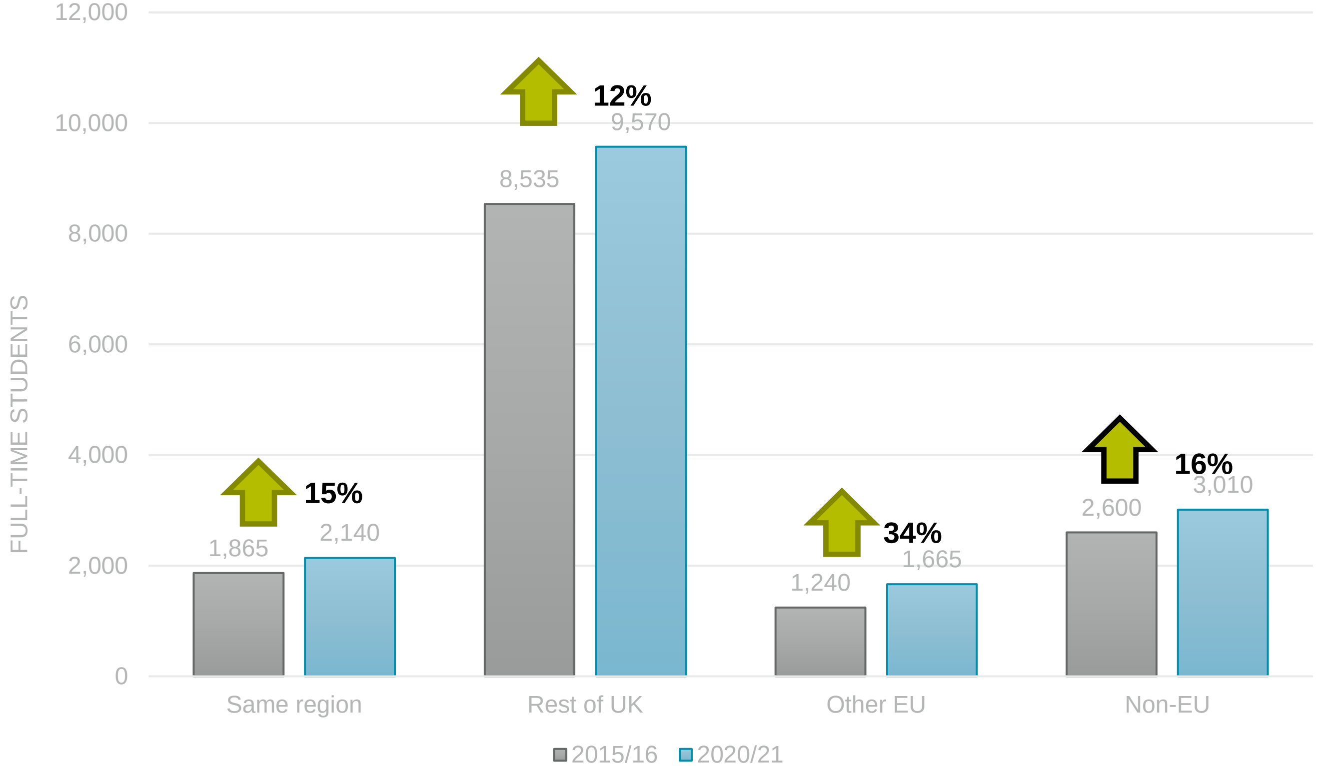
Importantly, students from the region make up only 13% of the entire student population, significantly below the UK average of 39%. Students from the rest of the UK, however, make up 58% of the total student population, a figure which is significantly higher than the UK average of 35%. The domicile make up of the University – including international students – is explored overleaf.

The Changing Nature Of The Study Body

University of Bath, student growth by domicile

As is highlighted on the chart below, student numbers across all domiciles have grown over the last five years, with the largest overall increase coming from students from the UK outside of the South West which have grown by 1,035 students. International students have also grown, with those from the EU increasing by 425 and non-EU students growing by 410. All these trends are positive in terms of demand for student accommodation.

Student growth by domicile 2015/16 to 2020/21



Source: HESA 2015/16-2020/21

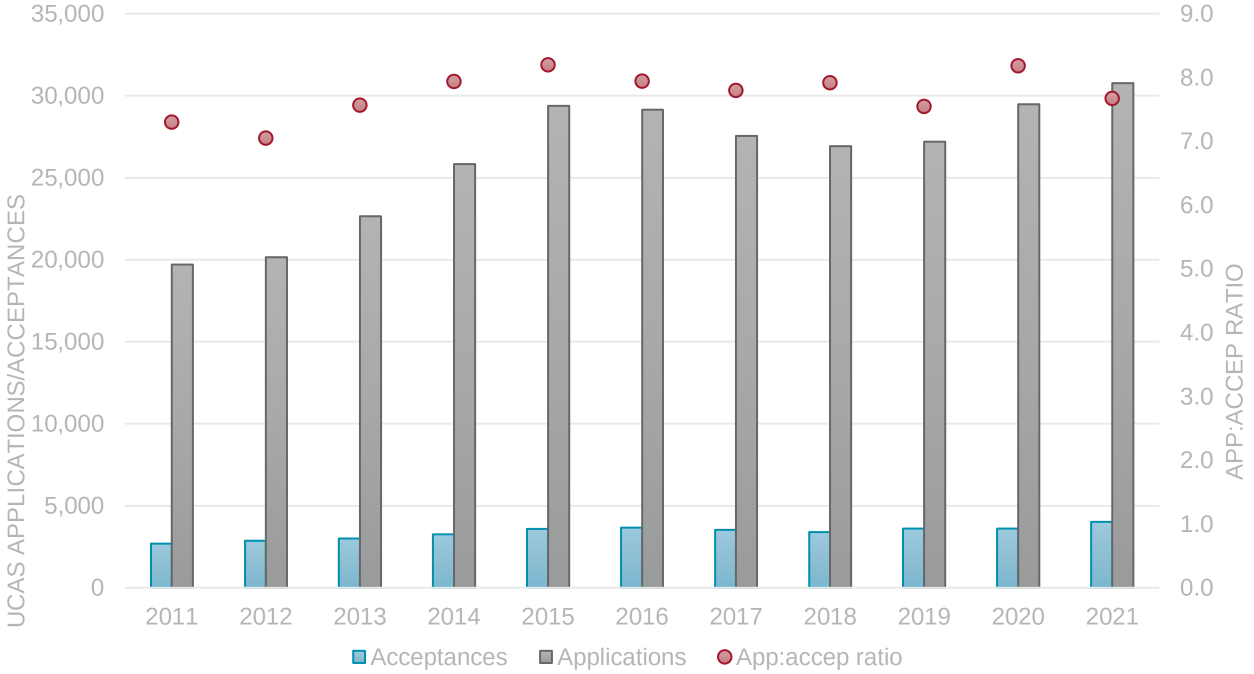
University Applications

The University of Bath

The chart below shows applications to study at the University over time. As can be seen, after a fall in applications between 2015 and 2019, applications have begun to grow strongly again, rising by 6% between 2016 and 2021 and by 13% over the last two years. Significantly, the University's applications to acceptances ratio remains consistently high and currently stands at 7.7:1 – considerably higher than the national average of 6.5:1.

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 some international students and those that apply through separate channels.

Undergraduate applications and acceptances over time, 2011-2021



Source: UCAS 2011-2021

Sources of Student Demand

Bath Spa University

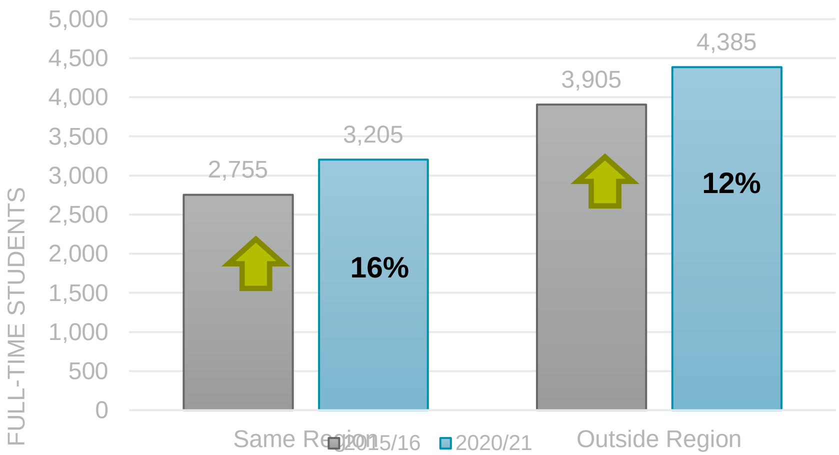
As can be seen from the table below, full-time student numbers at Bath Spa University have grown by 14% between 2015/16 and 2020/21, marginally below the national average rate of 19% over the same period. Significantly for a post-1992 institution, growth has come from both the undergraduate and postgraduate population, which is testament to Bath Spa's growing appeal. Postgraduate students now account for 17% of the student population, which is lower than the national average of 22%.

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

Level of Study	2020/21			2015/16			Bath Spa	UK
FT &SW	Student numbers	%	UK Comparator (%)	Student numbers	%	UK Comparator (%)	Growth 2015/16 to 2020/21	Growth 2015/16 to 2020/21
UG	6,290	83%	78%	5,705	86%	82%	10%	14%
PG	1,300	17%	22%	955	14%	18%	36%	46%
Total	7,590	100%	100%	6,660	100%	100%	14%	19%

Source: HESA 2015/16-2020/21

Student domicile 2015/16 to 2020/21



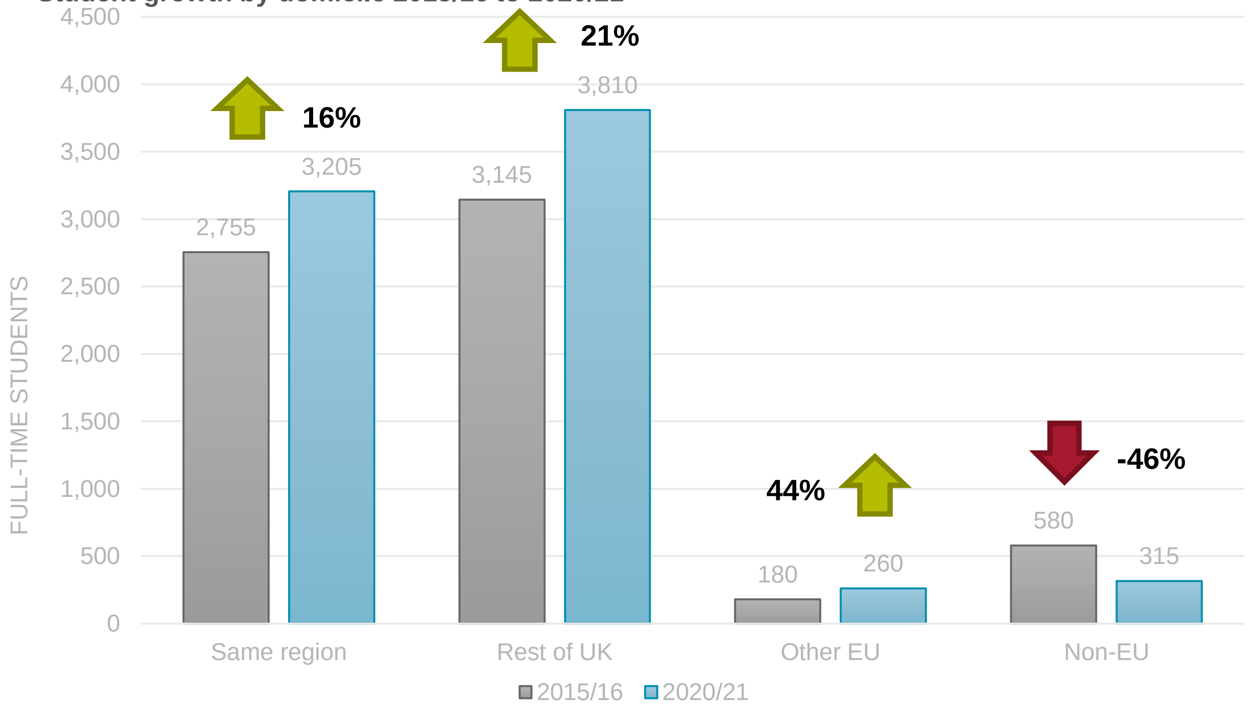
As is the case with the University of Bath, Bath Spa has grown student numbers from both within and outside the South West region between 2015/16 and 2020/21, with the former growing by 16% and the latter by 12%. Overall, there are now 480 more students from outside the South West region studying at the University in 2020/21 than was the case in 2015/16.

The Changing Nature Of The Study Body

Bath Spa University, student growth by domicile

As can be seen from chart below, student numbers from all domiciles have grown at the University between 2015/16 to 2020/21 except non-EU internationals. However, the international population is limited at 4% of the student population (considerably below the national average of 20%) and now totals just 315 students. Conversely, the EU student population have more than doubled across the same five year period, however, this domicile makes up a marginal percentage of the total population, equating just 260 students. In terms of students from the UK from outside the South West, this cohort has grown by 665 students over the last five years, significantly increasing demand from this cohort.

Student growth by domicile 2015/16 to 2020/21



Source: HESA 2015/16-2020/21

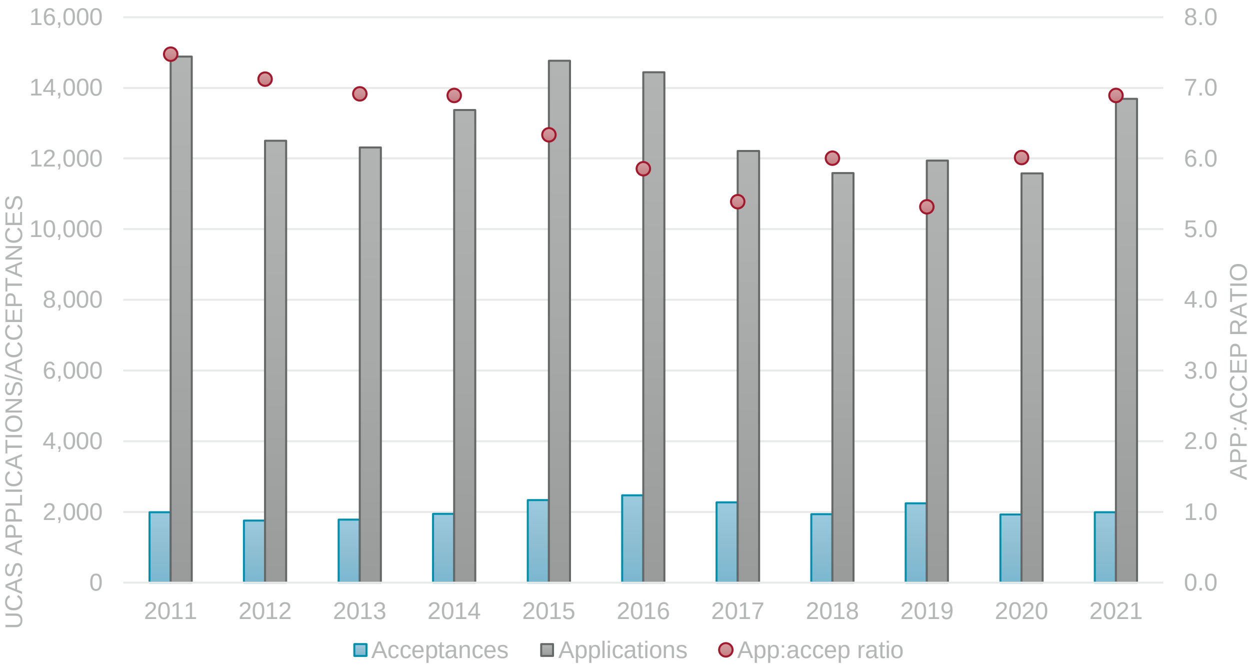
University Applications

Bath Spa University

The chart below shows applications to study at Bath Spa University through the UCAS system between 2011 and 2021. As can be seen, applications over time have fluctuated, with a significant increase of 18% (2,105 applications) evident between 2020 and 2021. Despite this, the University did not increase its number of acceptances significantly, resulting in an applications to acceptances ratio of 6.9:1 – above the national average of 6.5:1. This is positive in terms of the quality of intake at Bath Spa and its sector reputation.

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 some international students and those that apply through separate channels.

Undergraduate applications and acceptances over time, 2011-2021



Source: UCAS 2011-2021

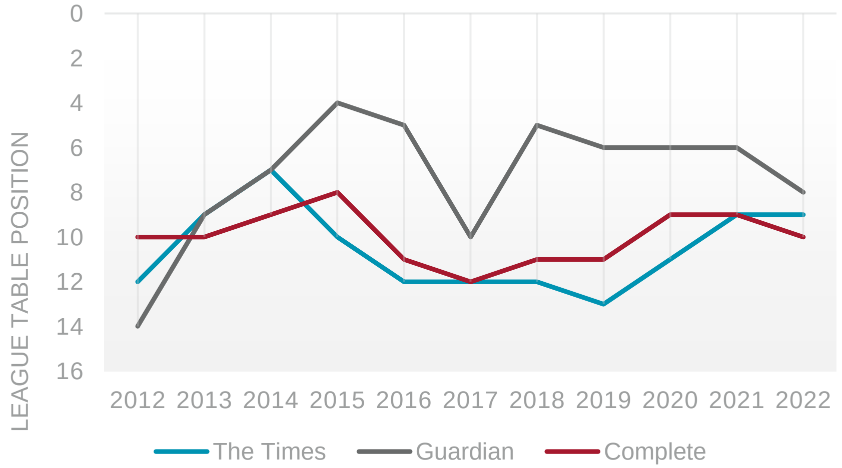
University Performance

League Table Rankings, University of Bath

As can be seen from the chart opposite, the University of Bath is one of the top performing institutions in the country. Rankings for the institution have never fallen below 14, highlighting consistently excellent performance. For 2022, the University is ranked in the top 10 of all major league table rankings. In a market where students are gravitating to the best institutions (outlined earlier in this Report), this bodes well for future growth.

The Teaching Excellence Framework in 2017 awarded the University of Bath with Gold, meaning that the has demonstrated the highest-quality teaching standards and is consistently outstanding. In the 2014 Research Excellence Framework, Brighton was ranked in 14th place.

University of Bath league table rankings 2012-2022



Source: University league tables 2012-2022

Campus Investment

University of Bath

School of Management

the University is investing £70m in a new School of Management building to enable the School to move to the next stage in the development of its teaching, research and student experience; strengthening its position among UK business schools and supporting its aim of becoming a top 50 global Business School.

The building will include a student entrepreneurship lab, an employment hub, eat work and play areas, a behavioural research lab, a HPC supply chain innovation lab, eight lecture theatres and a 250 seat conference auditorium.

The project is anticipated to create over 100 new jobs and will bring considerable benefits to the City and wider economy. It is predicted to add over £240 million of value to the local economy of Bath & North East Somerset over 25 years.

Source: University of Bath

University Performance

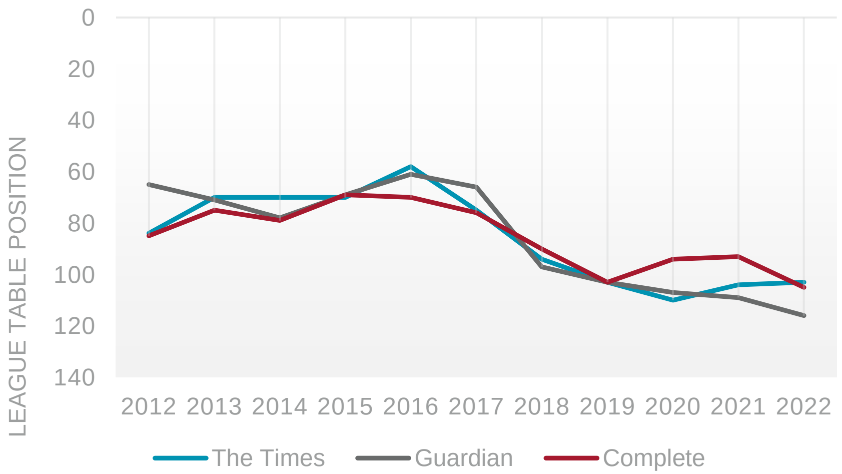
League Table Rankings, Bath Spa University

As can be seen from the chart opposite, rankings for Bath Spa University have fluctuated over the years and the University has suffered from a decline in the rankings from 2016 to 2020. However, this has not resulted in an impact on student numbers.

Rankings have made a recovery since 2020, and for 2022 the institutions ranks 103rd in The Times, 116th in The Guardian and 105th in the Complete University Guide.

The Teaching Excellence Framework in 2017 awarded Bath Spa University with Silver, meaning that the University is of high quality and regularly exceeds the quality expected of them. In the 2014 Research Excellence Framework, Brighton was ranked in 89th place.

Bath Spa University league table rankings 2012-2022



Source: University league tables 2012-2022

Campus Investment

Bath Spa University

Locksbrook Campus

Work started to transform former Herman Miller factory into Bath Spa University's new Art and Design campus in 2018, and was completed in time for the start of the 2019/20 academic year.

Plans for the building include modern teaching facilities, practical workshops, studios, a gallery space, as well as a café and art shop. A new rooftop pavilion will add a third storey to the building providing additional space for reflective and collaborative project working.

Locksbrook Campus is in a central location in the City, and is located close to the Bath Spa student accommodation on the Lower Bristol Road, reached via a pedestrian bridge across the River. The riverside cycle path connecting our Newton Park campus to Bath's Railway and bus stations also borders the site, making it easily accessible from further afield.

There is currently a planning application in the works at the Locksbrook campus scheme which comprises an extension of the existing mezzanine to provide additional floorspace for teaching.

Source: Bath Spa University

Supply

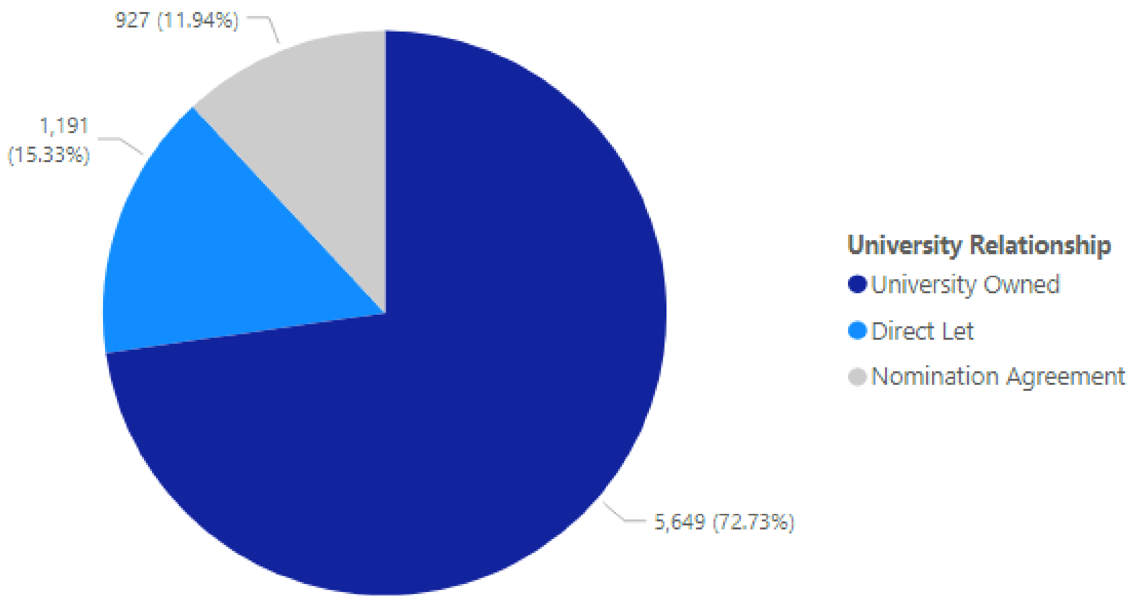
PBSA supply in Bath

Supply Overview

Bath PBSA Market Overview

Bath is one of the smaller PBSA markets in the UK with 7,767 beds available for the 2021/22 academic year. The direct let market in Bath only accounts for less than a quarter of the beds in the market. For the 2021/22 academic year, no new schemes have been delivered, a recurring theme since the last introduction of new beds in 2018. Despite this, there are two new schemes that are ready to be introduced to the market for 2022/23, including Host Students' Centurion House. The planning environment of Bath means that four potential schemes have previously been refused, withdrawn or are on hold. The City's two universities provide 72.73% of all beds, with only 15.33% of beds directly let to the market. This is considerably lower than the national average of 40.71% and is indicative of a market where a large number of private sector beds are secured under agreement in order to increase the supply of beds available through the universities.

Bath Stock Profile by Provider



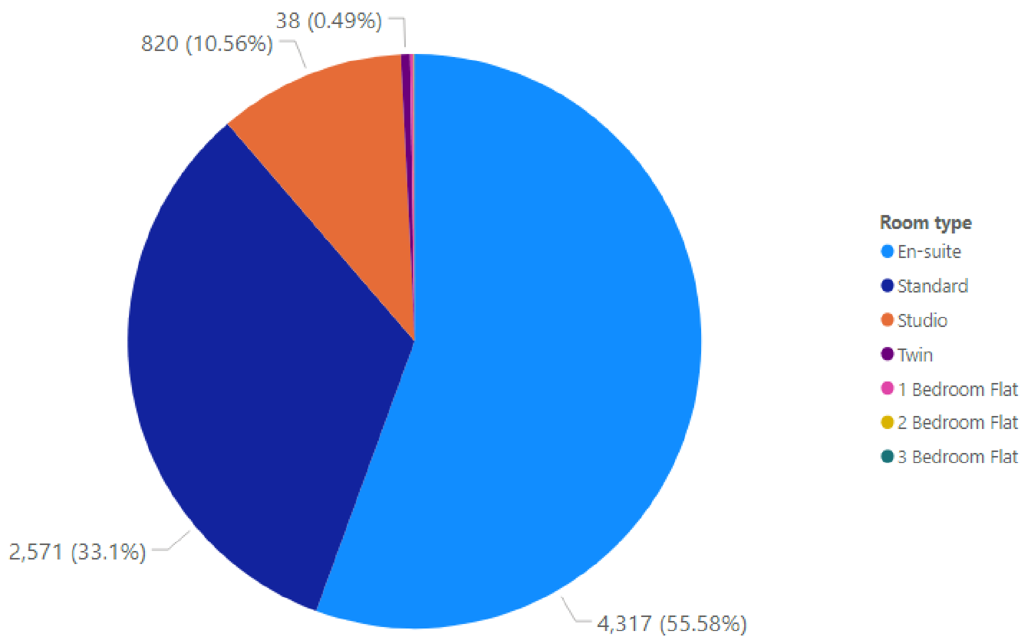
Source: Cushman & Wakefield Accommodation Tracker 2021/22

Supply Overview

Bath PBSA Market Overview

As can be seen from the chart, the Bath market is dominated by en-suite supply at 55.58% of all beds. However, this figure is lower than the national average of 59.32% and is indicative of the older nature of much of the supply in the City. 33.1% of all beds comprise standard, shared bathroom beds, higher than the national average of 24.23%. Stock by operator is examined overleaf.

Bath Stock Profile by Room Type



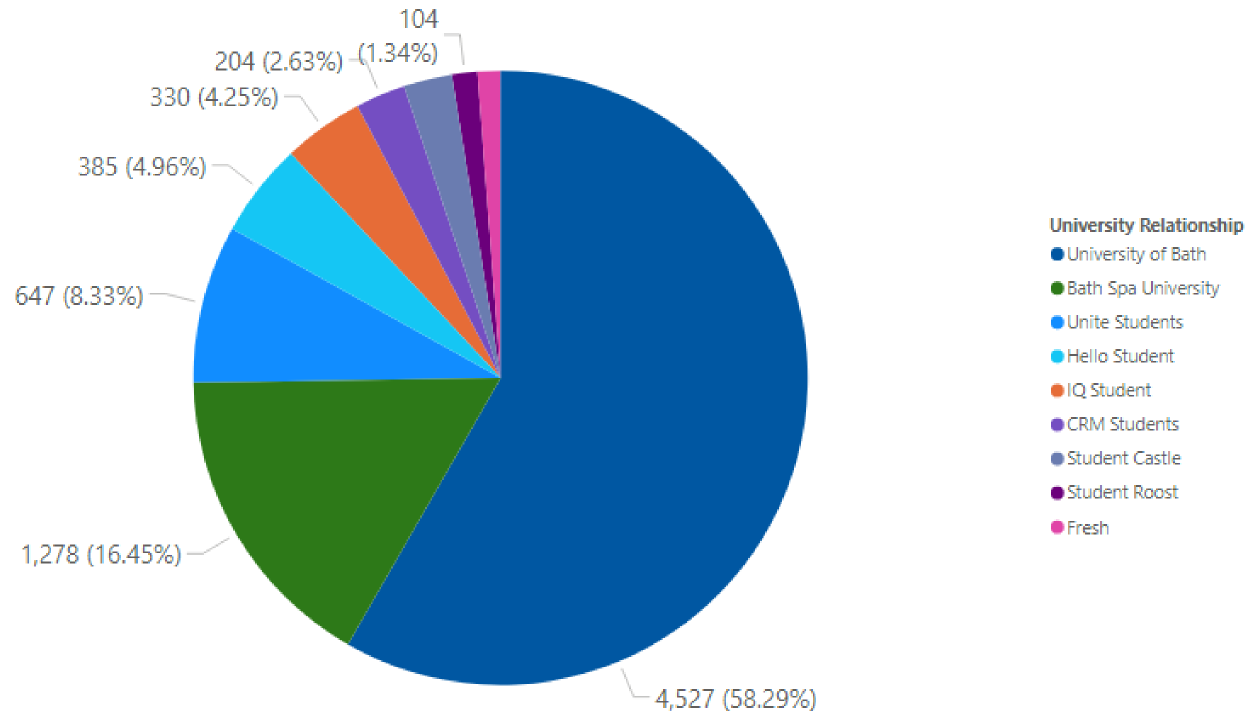
Source: Cushman & Wakefield Accommodation Tracker 2021/22

Supply Overview

Bath PBSA Market Overview

As can be seen from the chart, the University of Bath provides the largest number of beds in the City, controlling nearly 60% of all supply. Bath Spa is the second largest operator with 16.45% of all beds. Major national operators – Unite, Hello Student, iQ Student, CRM, Student Castle, Student Roost and Fresh – all have a presence in the City, but only operate a total of 1,764 beds. Stock location is examined overleaf.

Bath Stock Profile by Operator

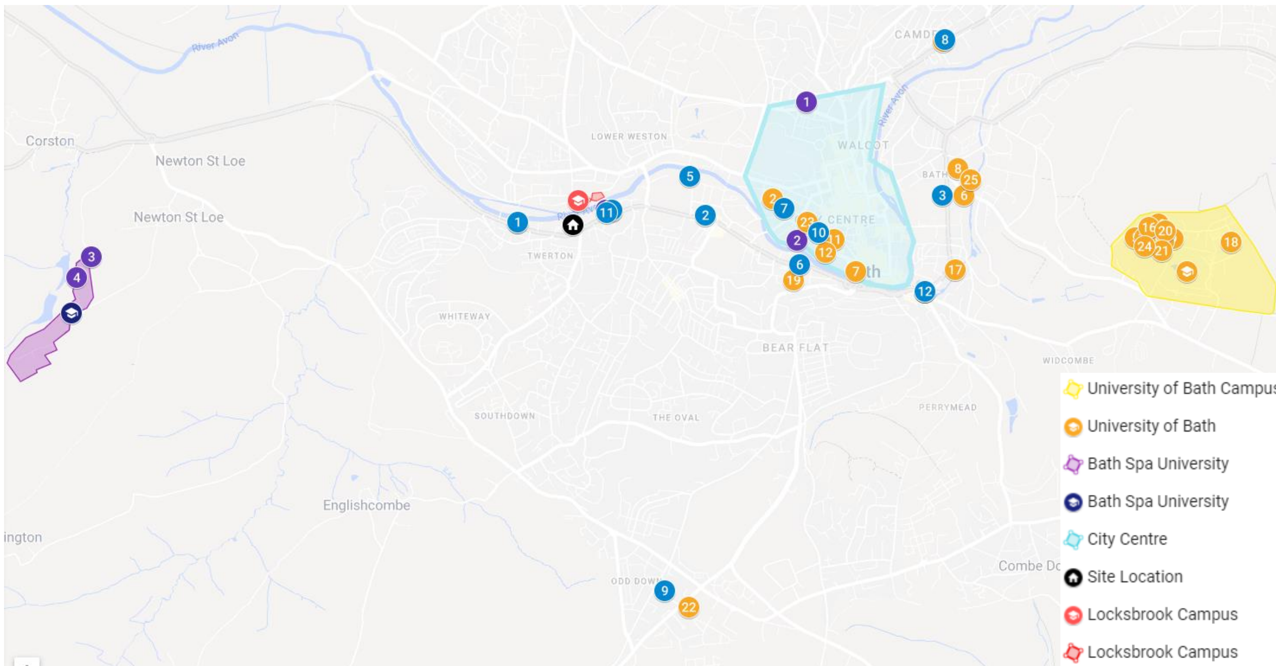


Source: Cushman & Wakefield Accommodation Tracker 2021/22

Supply Overview

Purpose-built Student Accommodation by Location

Bath PBSA by Location 2021/22



Bath Spa University Accommodation

1. Bankside House
2. Green Park House
3. Newton Park - Lakeside
4. Newton Park - The Gardens
5. Twerton Mill
6. Charlton Court
7. Waterside Court

University of Bath Accommodation

1. Canal Bridge
2. James House
3. Piccadilly Place
4. Widcombe Wharf
5. Brendon Court
6. Canal Wharf
7. Carpenter House
8. Clevelands Buildings
9. Eastwood 1-19
10. Eastwood 24-51
11. John Wood Building
12. John Wood Court
13. Marlborough and Solsbury Court
14. Norwood House
15. Osborne House
16. Polden Court
17. Pulteney Court
18. The Quads
19. Thornbank Gardens
20. Westwood
21. Woodland Court
22. Radway House
23. The Exchange
24. Polden
25. Canal Wharf

Private Accommodation

1. Twerton Mill
2. The Depot
3. Student Castle
4. Charlton Court
5. Avon Studios
6. Aquila Court
7. James House
8. Piccadilly Place
9. Radway House
10. The Exchange
11. Waterside Court
12. Widcombe Wharf

Private student accommodation in Bath is mainly located in and around the city centre, Twerton, Odd Down and Bathwick. Whilst the majority of stock for the University of Bath is located on campus, there are several schemes also located in the city centre only a short commute away. Bath Spa University accommodation is located either on campus, in the city or in Twerton.

As can be seen from the map, the proposed redevelopment site is located close to a number of existing developments in the Twerton area of the City, including Twerton Mill, Charlton Court and Waterside Court.

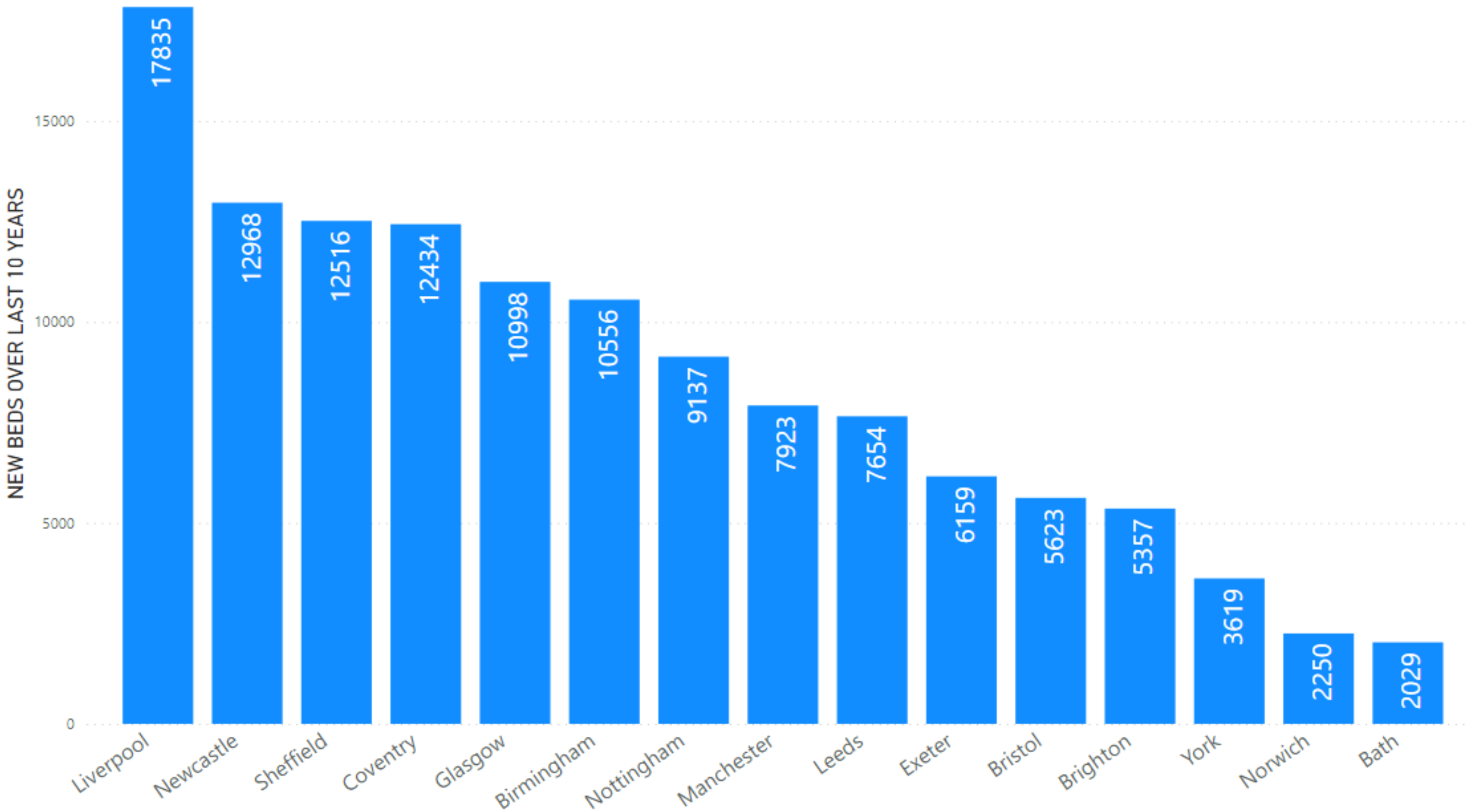
Source: Cushman & Wakefield Accommodation Tracker 2021/22

Supply Overview

New Bed Delivery

The chart below shows new bed space delivery over the last decade in major UK markets. As can be seen, at only 2,029 bed spaces, new bed spaces in Bath are the lowest of the 15 locations examined, despite the significant growth in student numbers identified in this Report. Average delivery across these markets stands at 8,471 bed spaces.

New bed space delivery over time, major UK locations (2011-2021)



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

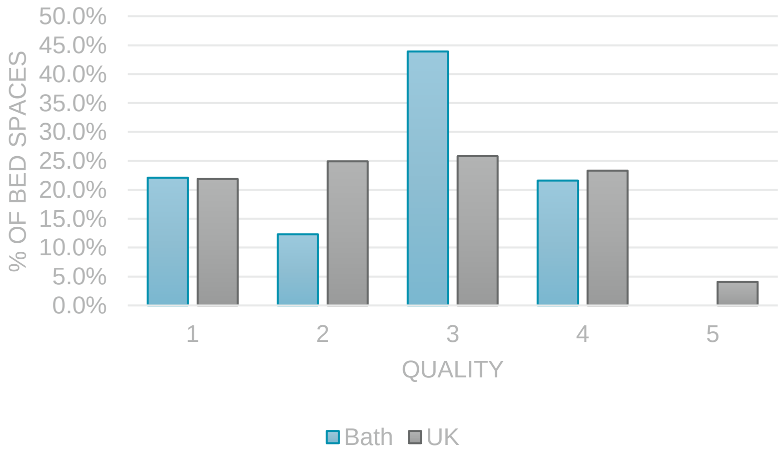
Room Quality

Where does the Bath market sit?

For almost ten years, Cushman & Wakefield has rated the quality of rooms and amenity spaces across the UK using a range of qualitative and quantitative factors. Both rooms and amenity spaces are scored on the basis of 1-5, where '1' is the poorest quality and '5' is the highest.

The Bath market is compared to the national average below in terms of room quality.

National Room Quality vs Bath 2021/22



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

As can be seen from the chart, the Bath market is characterised by a large number of beds at quality rating '3' and a lower than average percentage of beds at quality level '4'. It can be argued that there is a lack of diversity in the stock profile and the proposed Frome House redevelopment can help to deliver a greater variety of stock in the market.

Amenity space quality is examined overleaf.

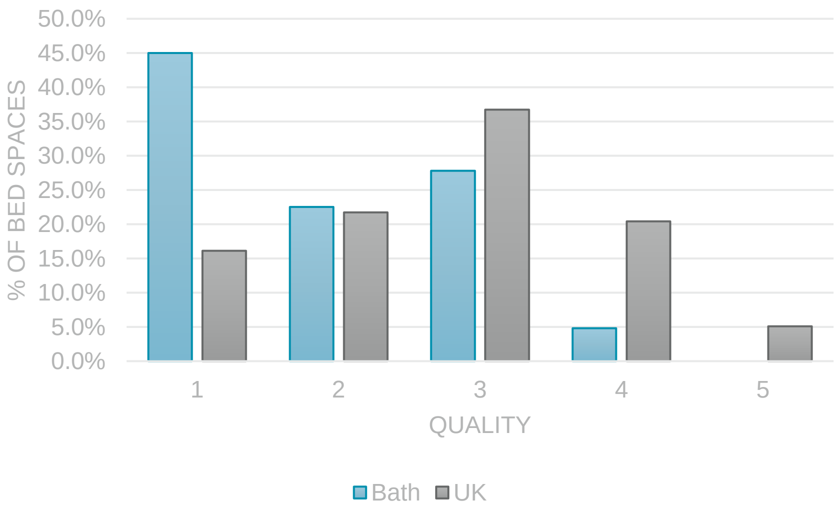
Amenity Quality

Where does the Bath market sit?

For almost ten years, Cushman & Wakefield has rated the quality of rooms and amenity spaces across the UK using a range of qualitative and quantitative factors. Both rooms and amenity spaces are scored on the basis of 1-5, where '1' is the poorest quality and '5' is the highest.

The Bath market is compared to the national average below in terms of amenity space quality.

National Amenity Quality vs Bath 2021/22



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

As can be seen from the chart, a lack of recent development in the market means that Bath is dominated by stock with poor quality social and amenity spaces. 45.0% of beds have no or very poor amenity spaces compared with a national average of 16.1%. This is potentially damaging to the student experience and arguably, a lack of market competition means there is no incentive for existing operators to improve the quality of their amenity spaces.

This can be considered especially important at a time when 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. The importance of these spaces should not be underestimated, with HEPI reporting that "there is sector-wide and consumer consensus that social spaces are important to the student experience and community building, and are therefore a priority".

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/
https://www.hepi.ac.uk/wp-content/uploads/2020/08/HEPI-Student-Accommodation-Report-FINAL.pdf

Rental Analysis

Bath PBSA

Rental Analysis

Bath vs the Market

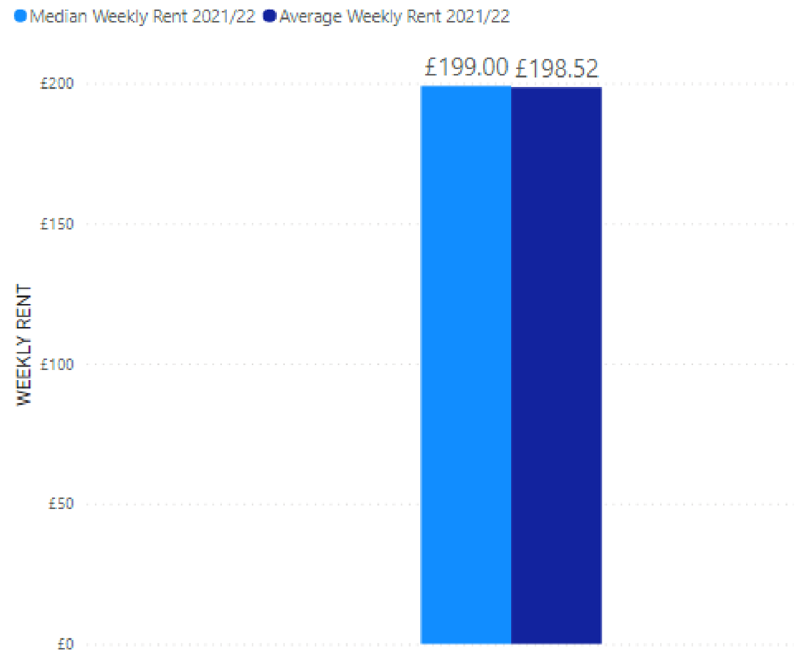
As we understand it, all rooms in the proposed Frome House redevelopment is set to benefit from en-suite and studio beds. Therefore, the rental analysis in this section focuses on these room types. The chart below shows average and median weekly en-suite rents in private sector accommodation in the UK (excluding London and self-catered accommodation only).

Average & Median Weekly En-suite Rents 2021/22

Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

As can be seen from the chart, the average weekly rent stands at £149.09, with the median price marginally lower at £147.98. Average rents in the Bath market are outlined below.

Average & Median Weekly En-suite Rents, Bath 2021/22



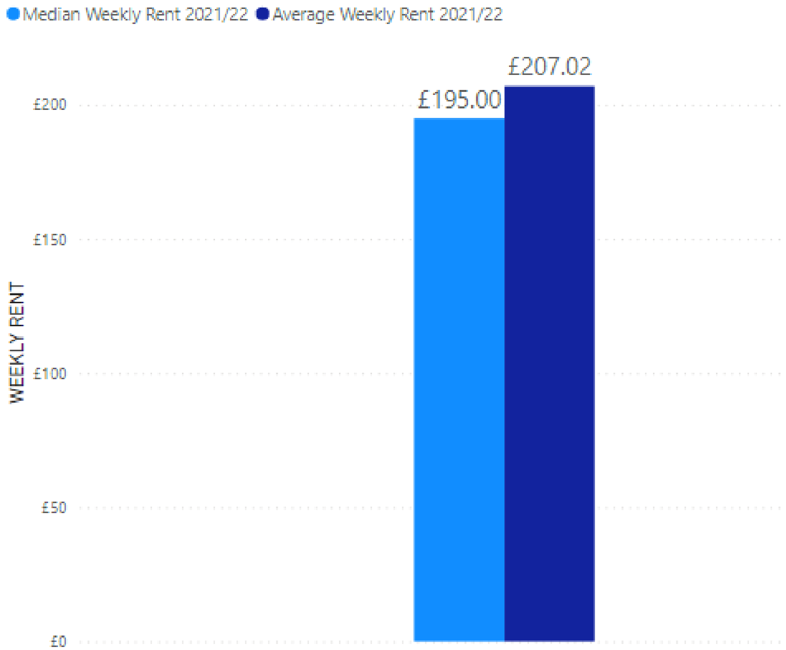
Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

Rental Analysis

Bath vs the Market

As can be seen, despite the fact that accommodation quality in Bath is lower than the national average, prices are considerably higher (33% on average). Whilst this is somewhat a function of land prices and development costs, this is indicative strong levels of rental growth and a need for market competition to stabilise increases. Studio accommodation is examined below.

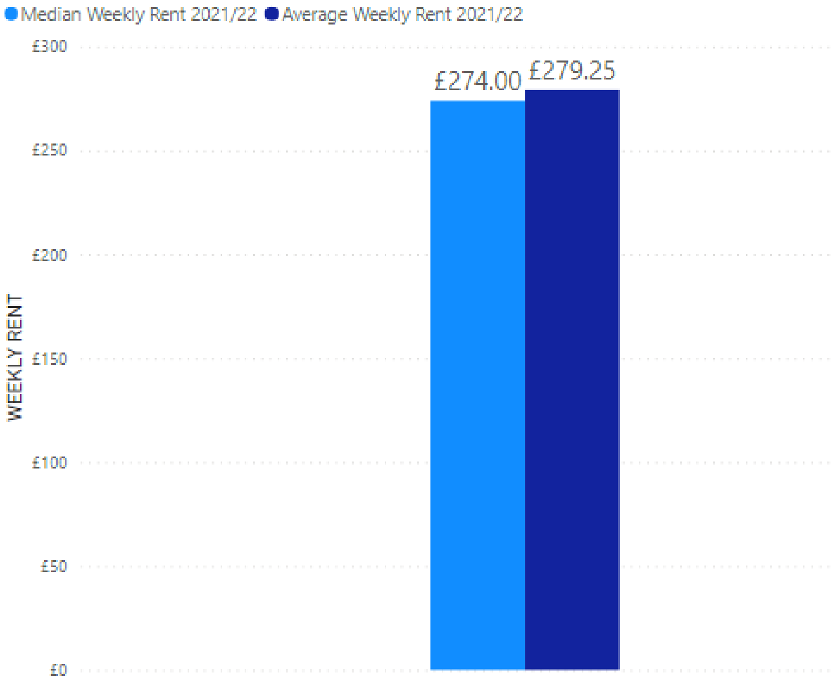
Average & Median Weekly Studio Rents 2021/22



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

As can be seen from the chart, the average weekly rent stands at £207.02, with the median price lower at £195.00. Average rents in the Bath market are outlined below.

Average & Median Weekly Studio Rents, Bath 2021/22



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

Rental Analysis

Bath vs the Market

Again, studio stock is considerably more expensive than the market average (35%) despite the fact that the quality of stock in Bath – particularly in terms of social and amenity spaces – is considerably lower than average.

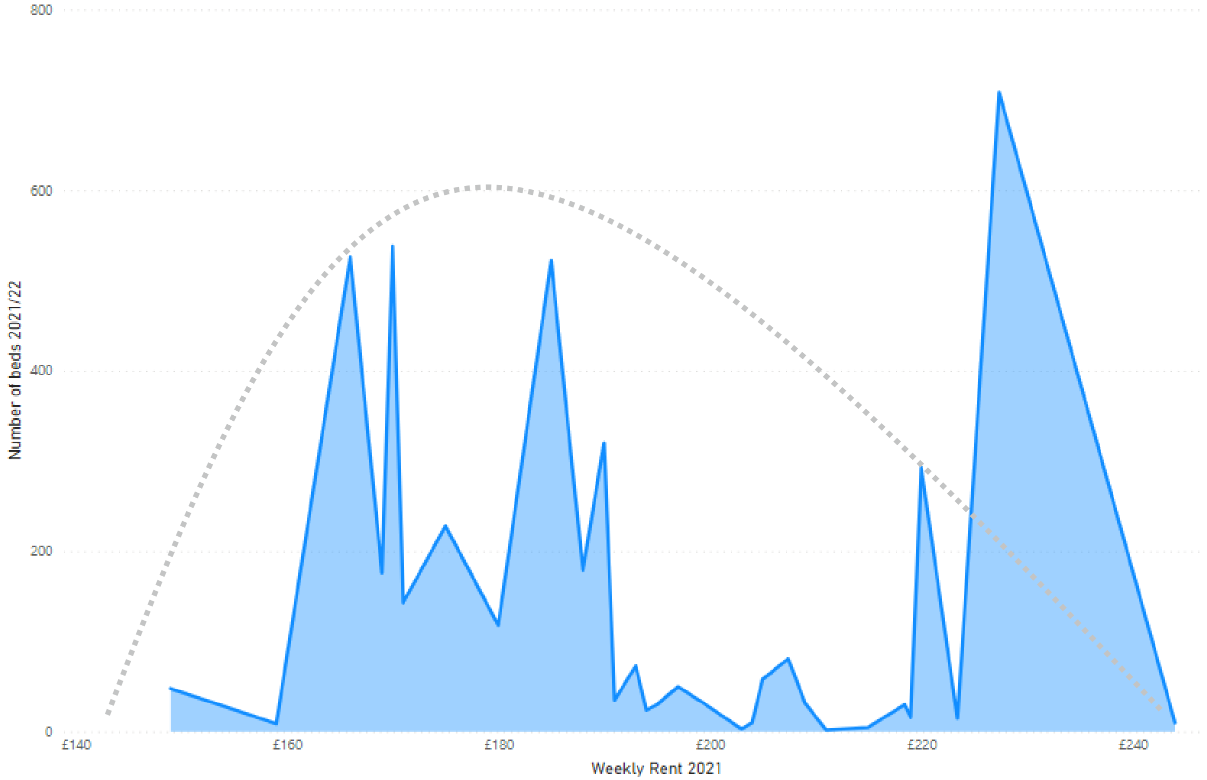
Market rental profiles are examined overleaf.

Rental Analysis

Market Rental Profile

The chart below profiles en-suite stock in Bath in 2021/22. As can be seen, there are clear peaks and troughs in the rental profile, with the potential for new developments such as Frome House to deliver new areas of pricing in the market. An ideal “bell curve” of pricing is also modelled. In national terms, university-provided en-suite stock is expensive, as can be seen from the average price of £185.43 referenced below. Studio accommodation is examined overleaf.

Bath market rental profile, en-suite accommodation, 2021/22



Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

University-provided average en-suite rent 2021/22

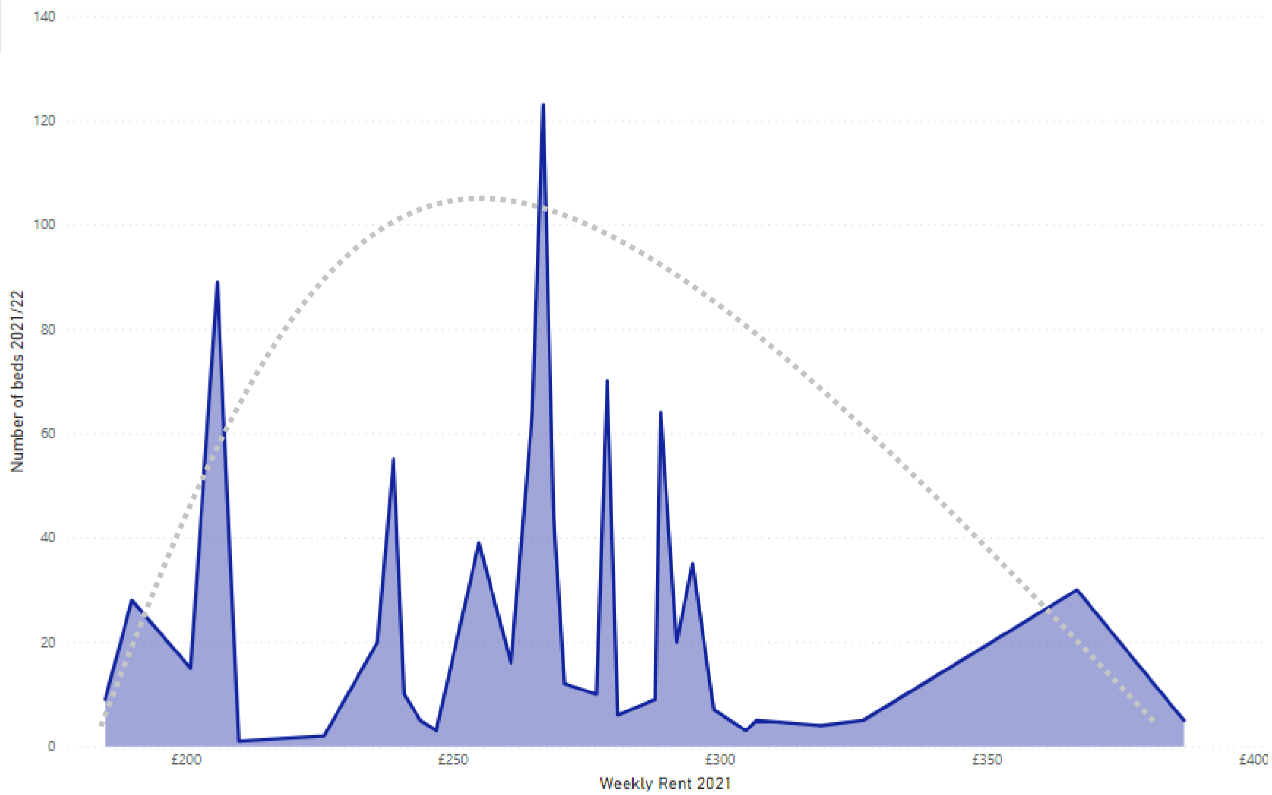
Private sector average en-suite rent 2021/22

Rental Analysis

Market Rental Profile

The chart below profiles studio stock in Bath in 2021/22. As is the case with the en-suite rental profile, it is likely that the proposed scheme of 66 beds would be targeting a more affordable price point as shown by the bell curve below, and which would have resulting benefits in terms of student accessibility in an expensive market.

Bath market rental profile, studio accommodation, 2021/22



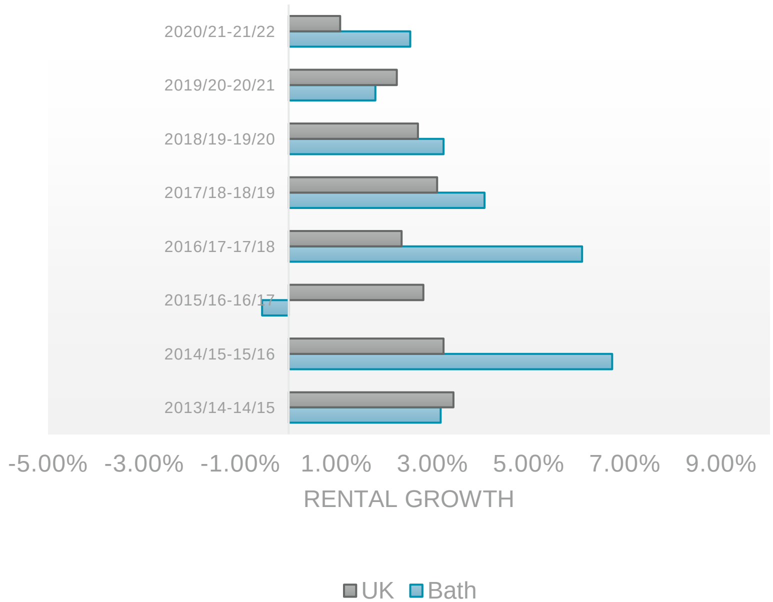
Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

Pricing

Rent Levels in Bath

Rental growth in Bath has outstripped national averages over time, with rents across all stock (university and private sector) growing by 27.06% 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)

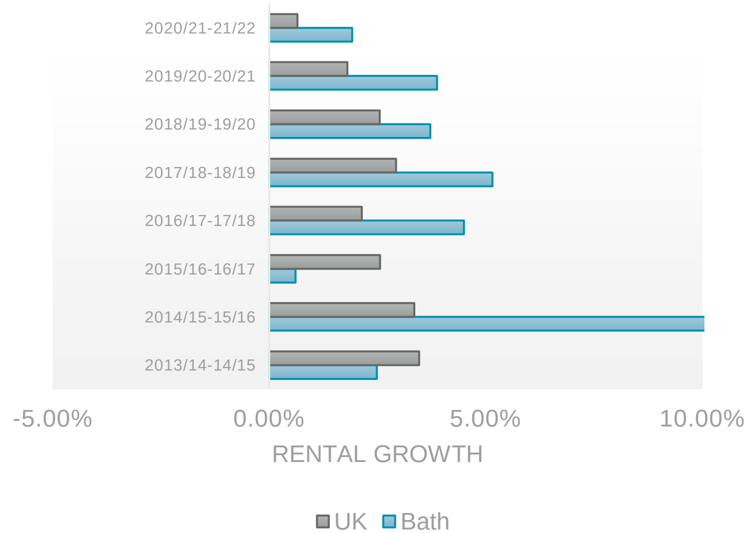


Source: Cushman & Wakefield Student Accommodation Tracker 2021/22

Private sector rental growth in isolation is examined opposite.

Whilst it should be recognised that the Bath private sector market is limited in scale, as can be seen from the chart, at 38.98% 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

Planning Policy and the HMO Market

Bath

Planning Policy

Overview

Students living in HMOs 2020/21

Source: HESA 2020/21

Bath and North East Somerset Council's current policy framework seeks to enable the universities to fulfil their ambitions, as far as possible, without those ambitions having a negative impact on the realisation of the Council's wider strategic planning requirement for the City.

The Council acknowledges the need to develop more PBSA in the City in order to take some pressure off the private rented (HMO) sector and avoid further conversion of family homes.

As highlighted in the map opposite, HMOs in Bath are mainly concentrated in and around the city centre, predominantly to the west of the city centre. Twerton, Bathwick, Odd Down, Primrose Hill and Bathampton are also popular student areas for HMOs.

For 2020/21, 9,825 students reported themselves as living in HMO accommodation in the City (note, it should be recognised that such data is self-reported by students and differs to Cushman & Wakefield's own analysis which is outlined later in this Report).

Development Pipeline

Planned PBSA in Bath

Development Pipeline

Proposed accommodation

Development Pipeline, Bath

Address	Postcode	Planning reference	Application date	Status	Number of beds	Studios	Clusters	Applicant
Bath Cricket Club, North Parade Bridge Road, Bathwick	BA2 4EX	17/04338/FUL	Sep-17	Approved	138	14	124	Gilltown Limited
The Old Bakery, Jews Lane	BA2 3DG	18/02831/FUL	Jun-18	Approved	63	2	61	Deeley Freed
Hartwells Of Bath, Newbridge Road	BA1 2PP	19/01854/OUT	May-19	Outline Approval	186	0	186	Oakhill Group Ltd
Plumb Center, Locksbrook Road	BA1 3EU	20/00023/FUL	Jan-20	Approved	103	61	42	Summix Ltd
Dick Lovett Mini Garage, Lower Bristol Road	BA2 3DR	20/03071/EFUL	Aug-20	Approved	335	90	245	Dick Lovett Companies Ltd
Jubilee Centre, Lower Bristol Road	BA2 9ES	21/02354/FUL	May-21	Approved	120	48	72	Watkin Property Ventures
The Scala, Shaftesbury Road, Oldfield Park	BA2 3LH	21/04049/FUL	Aug-21	Submitted	72	0	72	Co-Operative Group Ltd
Frome House, Lower Bristol Road	BA2 1EY	21/04147/FUL	Sep-21	Submitted	67	23	44	Crossman Homes Ltd

Source: Bath City Council

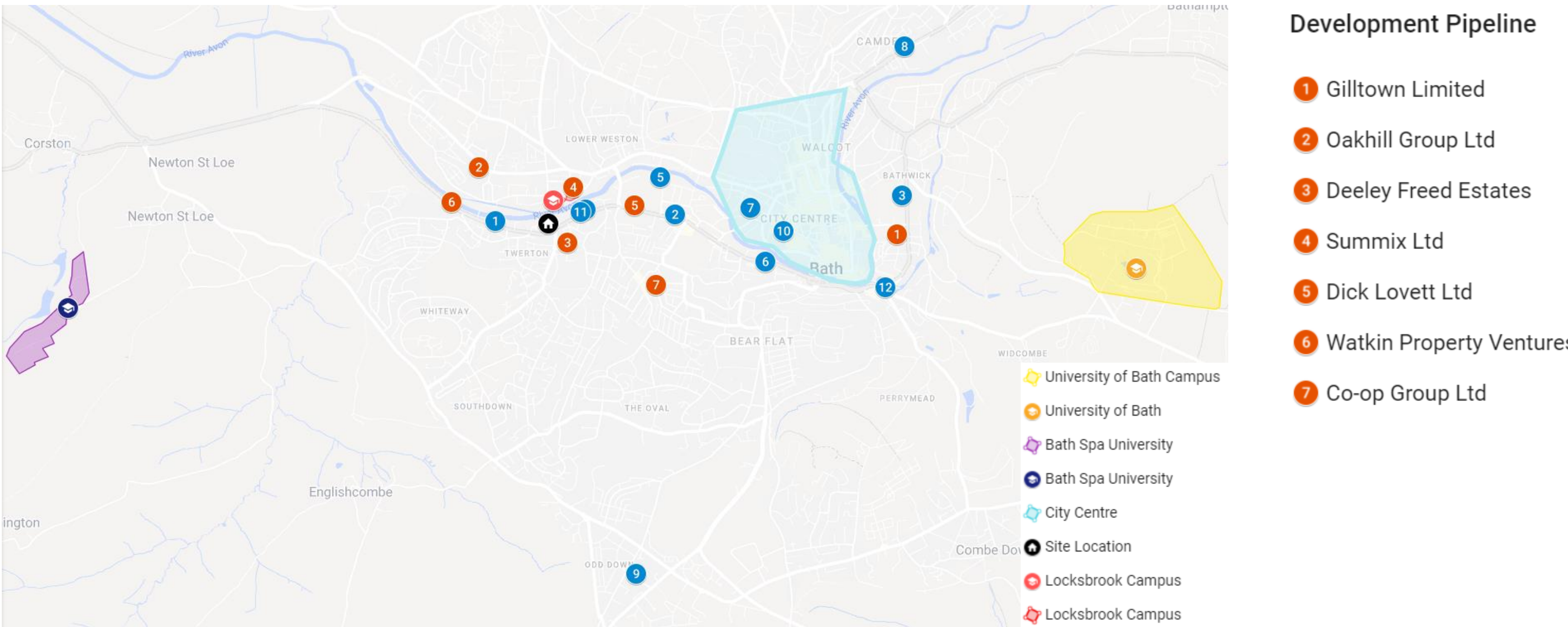
There are a total of 1,084 bed spaces in the Bath development pipeline, 70% of which have received full planning approval. However, Cushman & Wakefield understands that only the Bath Cricket Club site (to be called Centurion House, operated by CRM) and the Old Bakery are currently under construction and both are due to open in time for the 2022/23 academic year. If all bed spaces in the development pipeline were delivered, then the market would increase in size by 14%. The proposed Frome House redevelopment only accounts for 6% of the development pipeline.

The largest site in the development pipeline is the Dick Lovett Mini Garage site which Cushman & Wakefield understands is mixed-use with a student element.

The impact of the development pipeline on the health of the market is explored in more detail in the next section of this Report.

Development Pipeline

Location of Proposed Schemes



Source: Bath City Council 2022 adapted by C&W

The Bath development pipeline is shown by location on the above map. As can be seen, the focus of the development pipeline is in and around Twerton, with the proposed Frome House redevelopment site in the heart of a planned cluster of developments totalling 946 bed spaces.

The majority of schemes are well-located for access to either the University of Bath or Bath Spa University, with a short commute time into the city centre and the new Locksbrook campus.

Demand and Supply Dynamics

The Bath Student to Bed Ratio

Demand and Supply Dynamics

The Bath Demand Pool

The pool calculation below sets out our assumptions of demand for student accommodation in Bath taking into account students studying at both the University of Bath and Bath Spa 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 both institutions. These areas include all Bath and NE Somerset, those not in PBSA (Bristol, North Somerset, South Gloucestershire, Swindon, Wiltshire).

Demand-supply dynamics, Bath

BATH CITY-WIDE	2020/21
Total Full-time & Sandwich Students	**22,835**
From which:	
Deductions from the pool of students	
Students from the region who do not require accommodation	**2,225**
Sandwich students currently on a placement year and unlikely to demand a room	**1,200**
TOTAL POOL	**19,410**
Number of beds (university & private)	**7,767**
Student:Bed ratio	**2.50**

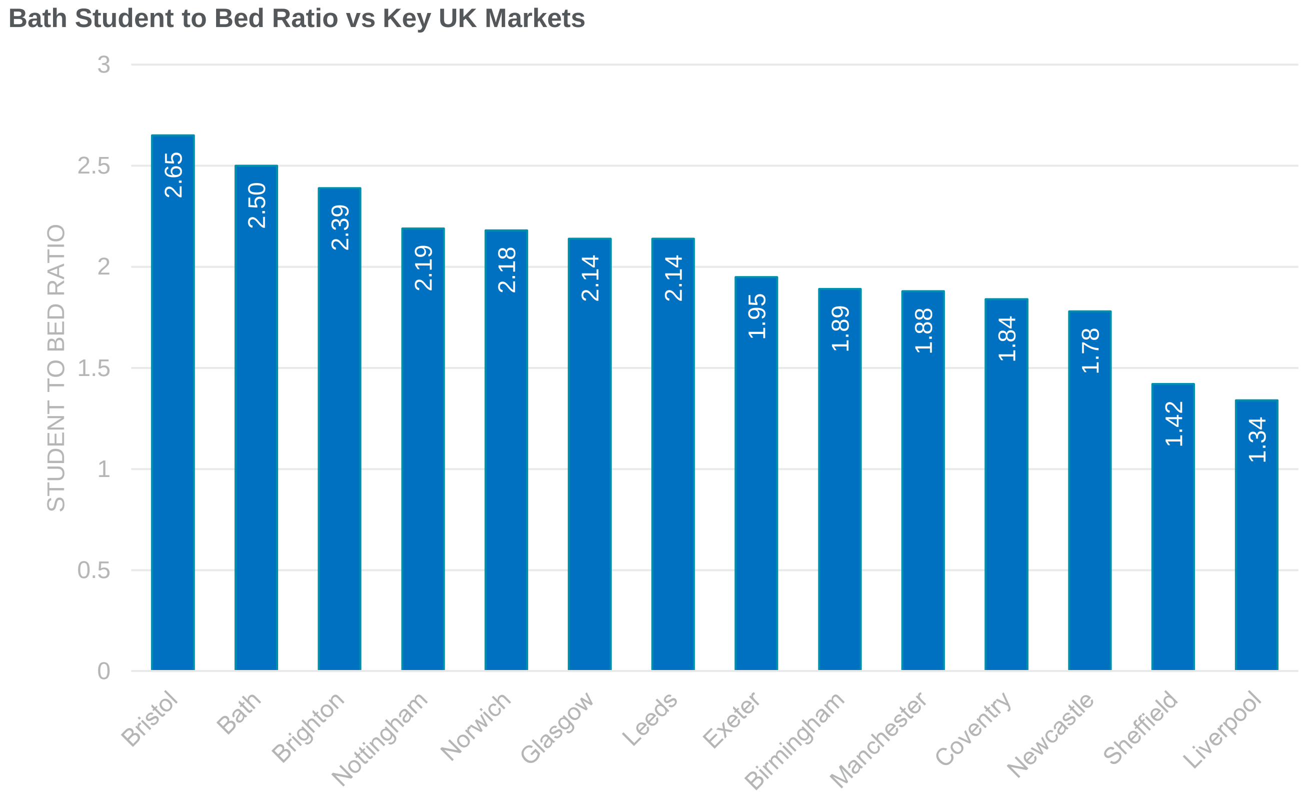
Source: HESA, Cushman & Wakefield Student Accommodation Tracker 2021/22. Note, analysis compares latest available demand (2020/21) vs latest available supply (2021/22)

As can be seen from the table, the demand pool in Bath currently stands at 19,410 beds, with 11,643 students requiring a bed unable to access a PBSA bed space. The student to bed ratio of 2.50:1 is considerably higher than Cushman & Wakefield's nationally-observed average ratio of 2.0:1 and to arrive at the national average, the Bath market would be home to 1,938 additional bed spaces. 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

The Bath Demand Pool

The chart below outlines the previously examined Bath student to bed ratio compared with the range of other UK markets examined earlier in this Report. As can be seen, the Bath student to bed ratio is the second highest of all markets examined and is indicative of a market in need of additional development. The demand pool over time and likely impacts on the housing market in the City are examined in more detail overleaf.



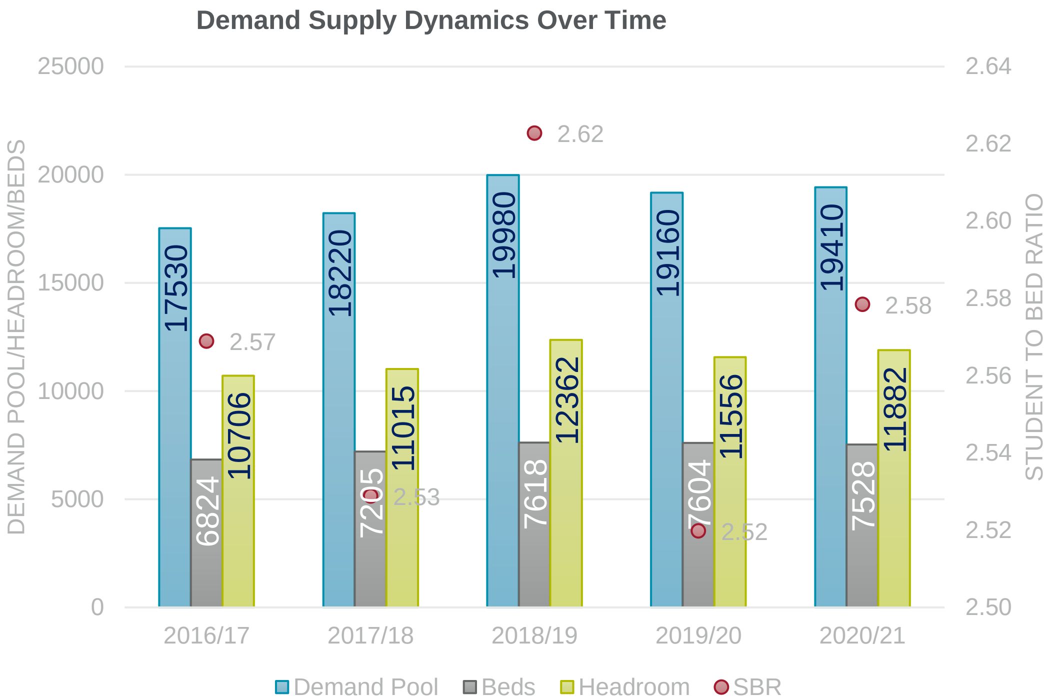
Source: HESA, Cushman & Wakefield Student Accommodation Tracker 2021/22. Note, analysis compares latest available demand (2020/21) vs latest available supply (2021/22)

Demand and Supply Dynamics

Change over Time

The chart below shows trends in demand-supply dynamics in bath 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



Source: HESA/Cushman & Wakefield Student Accommodation Tracker

As can be seen from the chart, the demand pool for accommodation in Bath has grown by 1,880 students since 2016/17 (11%). Over the same period, the number of bed spaces has increased by 704 (10%). Headroom in the market has grown by 1,176 students over this four year period. Demand trends are modelled into the future overleaf.

Demand and Supply Dynamics

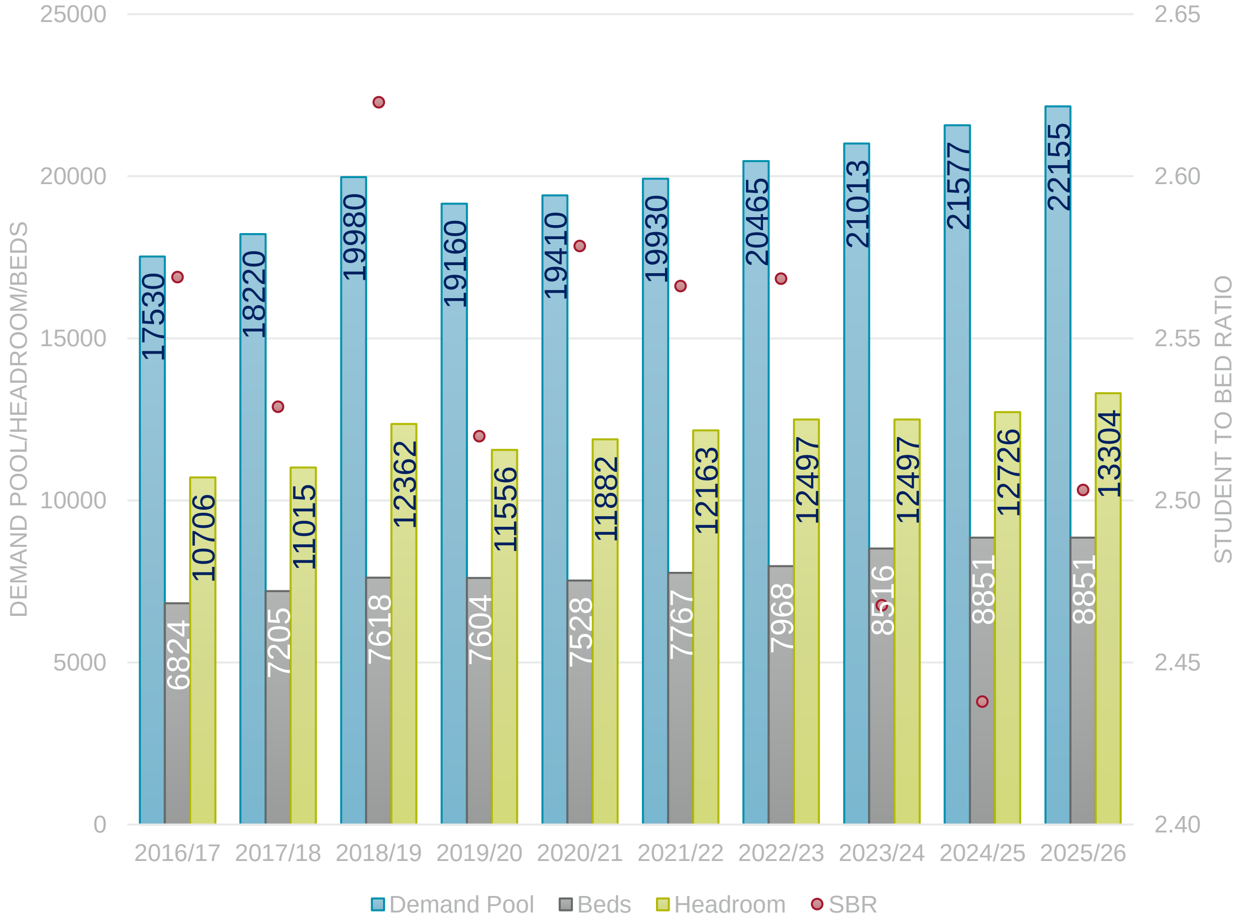
Change over Time

The chart opposite models demand pool growth continuing at the same rate as previously (2.8%) and the following deliveries of all schemes in the development pipeline.

- 2022/23 – 201 new beds, Centurion House and the Old Bakery
- 2023 – 548 new bes, all planned deliveries except the Dick Lovett Mini Garage site
- 2024 – 335 new beds at the Dick Lovett site

Given the large number of applications to study at both universities, this growth projection can be considered conservative.

Modelled Demand Supply Dynamics Over Time



Source: HESA/Cushman & Wakefield Student Accommodation Tracker

Demand and Supply Dynamics

Change over Time

As can be seen from the chart, the demand pool in Bath is set to continue to grow, rising to 22,155 in 2015/26. Assuming all beds in the development pipeline are delivered, there will be 8,851 beds available to students assuming no bed spaces leave the market.

The student to bed ratio would stand at 2.50:1, just 0.02 below the position in 2019/20. The student to bed ratio would still stand considerably above the 2.0:1 national average. At the same time headroom in the market would increase, likely forcing additional students into HMO accommodation.

There is, therefore, likely to be a strong need for additional PBSA development.

Conclusion

Bath market and the proposed development

Conclusions

Market opportunity

This Report has identified clear market opportunity for additional development to meet unmet demand and to reduce growing pressures on the City's housing market.

The proposed Frome House redevelopment will deliver a range of en-suite and studio bed spaces located close to Bath Spa's new Locksbrook Campus and within commuting distance of both main campuses of the City's universities. A range of social and amenity spaces alongside high quality rooms will encourage interaction and enhance the student experience – important considerations at a time of increasing mental health concerns amongst the student body in the UK.

The Bath student to bed ratio currently stands at 2.50:1, considerably higher than Cushman & Wakefield's nationally-observed average of 2.0:1. Of 15 other large UK markets examined, only Bristol has a higher ratio than in Bath. Analysis in this Report shows that market headroom has been growing over the last four years and that this is likely to force more students into the private rented sector.

Modelling demand forwards to 2025, even with the development of all schemes in the pipeline, headroom in the market is still set to grow – necessitating development to avoid additional pressures on housing.

CUSHMAN & WAKEFIELD