

City of York Council
Examination of the City of York Local Plan
2017 – 2033

Phase 3 Hearings

Schedule of Matters, Issues and Questions for the Examination
(EX/INS/37c)

Matter 3 – Student Housing

Response by O’Neill Associates on behalf of

York St John University

5 July 2022



Chartered Town Planning Consultants

City of York Council
Examination of the City of York Local Plan 2017 – 2033

Phase 3 Hearings

Schedule of Matters, Issues and Questions for the Examination
(EX/INS/37c)

Matter 3 – Student Housing

Response by O'Neill Associates
on behalf of York St John University

5 July 2022

CONTENTS

1. Introduction
2. York St John University
3. Student Housing Provision
4. Responses on Matter 3 – Student Housing

ref. ysj2206.MIQ.M3

1. Introduction

- 1.1 This response has been prepared on behalf of York St John University in relation to the 3 Hearings Matter 3 – Student Housing. It is aimed at recounting the position of York St John University in relation to its commitment to housing students, the provision of housing for its students, and its strategy in reviewing the demand for additional housing and proposals during the Plan period.
- 1.2 This statement responds to the Inspectors’ questions as relevant to York St John University set out in the Matters, Issues and Questions (MIQs) (EX/INS/37c) issued on 15 June 2022. These are:-
- Question 3.1* *What is the need for student housing?*
 - Question 3.2* *Is the general approach of the Plan to student housing justified?*
 - Question 3.3* *Is Policy H7 reasonable?*
 - Question 3.4* *Will it adequately address the need for student housing?*
 - Question 3.5* *Is allocation SH1 soundly based and sufficient?*
 - Question 3.6* *Is the manner in which Policy H8 approaches HMOs justified?*

2. York St John University

- 2.1 York St John University is a Higher Education (HE) provider with around 8500 students anticipated to be enrolled in the academic year commencing September 2022, of which around 7491 will be York-based. The University provides a range of courses from undergraduate to post-graduate level and is continuing to experience a period of significant growth. Anticipated further subject expansion into Allied Health courses and analysis of demographic data supports assumptions around our continued growth to 2030.
- 2.2 The University’s main academic campus is at Lord Mayors Walk to the north of the city centre. The Lord Mayors Walk Campus include facilities for teaching, research, staff, social activities, and business linkups. It has a Sports Campus at Haxby Road 1.5km to the north of its academic campus. It also has a campus in London.
- 2.3 The University has been hugely successful, especially in recent years and makes a key contribution to the local economy of over £70 million annually, plus a wide range of community outreach programmes and events. Forthcoming economic impact analyses are expected to confirm that this

investment, coupled with our students' spending, part-time jobs and volunteering indirectly supports over 7,000 jobs locally and regionally. The University is referred to in a number of places in the Emerging Local Plan in terms of its important role in the economic strategy of the City Council and is one of York's largest employers.

- 2.4 The student population has grown from 5,500 in 2016 to approximately 8,500 full time equivalents (FTEs) in 2022, with growth predicted to reach 11,500 students in the next 4 years, of which 9000 are anticipated to be York-based, a 64% growth in 10 years. The number of employees has grown by 54% from 651 in 2016 to almost 1000 in 2022. In the same period, turnover has increased from £58.7m in 2016 to an estimated £75m in 2022, and will continue to grow as the University considerably increases research output and partnerships and delivers increasing numbers of graduates in Allied Health disciplines which are in great demand in the local and regional economy.

3. Student Housing Provision

- 3.1 The University's accommodation policy guarantees housing offers to all UK, EU and international first year students who meet application deadlines, and this is a vital recruitment tool. In addition, accommodation is guaranteed for students with special requirements such as certain disabilities throughout their course where necessary.
- 3.2 Unlike the University of York, there is no formal planning obligation requiring that expansion of York St John's student numbers is accompanied by appropriate growth in student housing, and this is sought to be controlled by the Council through Local Plan policy. York St John University also no capacity to deliver student housing on its Lord Mayor's Walk campus, and so this must necessarily be off-campus.
- 3.3 The University manages its own accommodation at a number of locations which it owns or has on long lease around the centre of York. In addition, it controls accommodation on short term leases on which it holds nominations rights at various Purpose-Built Student Accommodation (PBSA) developments and private rented houses in the city.
- 3.4 It is of paramount importance to the University from a recruitment and ethical perspective that the cost of accommodation to students is minimised, particularly due to its above average recruitment of students from lower income families and with registered disabilities. As a result, the University has agreed a maximum ceiling on accommodation costs as a

percentage of student loan payments with the Students' Union. Combined, the accommodation summarised above currently provides a total of approximately 2000 bed spaces for its students.

- 3.5 Occupation of University-controlled accommodation is prioritised to full time, first year students and other students with special circumstances to whom the University guarantees accommodation.
- 3.6 For non-home-based students who do not wish to take up the University's offer of accommodation, or for those not allocated University accommodation, the options are to arrange accommodation with independent providers of PBSA or elsewhere in the private sector. A small proportion of students live in the family home.
- 3.7 Generally, the private rented sector, where three or more students live in a House in Multiple Occupation (HMO) is the most economical of these options, particularly for York St John University where the student demographic includes a higher number of students from less affluent, working-class backgrounds than the University of York. There is evidence that suggests a growing number of students from wealthier backgrounds have the means to look at other private market options (e.g. houses purchased by parents), although for these reasons this is far less likely to apply to York St John students.
- 3.8 The PBSA market in York includes a range of accommodation options but a significant proportion of recent development has been weighted toward provision high-end units with a higher proportion of more costly studio units. These are not affordable for many students, and anecdotal evidence from continuing York St John students suggests that lower cost PBSA accommodation is becoming increasingly difficult to find.
- 3.9 York St John University students compete with peers from the University of York and with York-residents for all types of available accommodation, and students being priced out of accommodation is a particular concern for York St John University.
- 3.10 The University constantly reviews how student housing demand generated by its growth is being met, through site-by-site analysis, engagement with the private sector and appraisal of forthcoming PBSA developments. To date, York St John has been able to successfully meet guarantees for first

year students at University-controlled accommodation, even with recent growth of student numbers, but this is becoming increasingly difficult. This difficulty has resulted in the University subsidising some private sector accommodation to ensure availability to students at an affordable rate, and has required the University to take an increasing number of short-term lets in the private rented / HMO sector. There is now an imminent and growing risk of insufficient supply to meet demand and a resulting market distortion.

4. Responses on Matter 3 – Student Housing

Question 3.1 - What is the need for student housing?

- 4.1 For the University, the minimum provision of student housing is proscribed in its accommodation policy, as outlined above, which requires it to guarantee places for 1st year undergraduates, international students and students with special requirements.
- 4.2 The provision and need for student housing has been assessed over the next five years with regard to proposals under active consideration. The University is bringing forward plans to construct a further circa 215 student rooms at Peppermill Court, off Huntington Road and adjacent to existing YSJ student accommodation known as The Grange, which (subject to planning) is programmed to be ready for the 2024/25 academic year. It is also looking at options for bringing forward proposals for student housing at Heworth Croft, on site SH1 as proposed for allocation in the Local Plan.
- 4.3 Beyond this, further provision of student accommodation by York St John is dependent on the whether the University can acquire its own sites or obtain nomination rights on further PBSA development, and the practicalities of funding and delivering this provision. York St John is considering issues relating to the provision of further student accommodation in coordination with the University of York, using the PBSA sector, and several options are proposed by private providers in the city centre.
- 4.4 Over the next five years, the demand for accommodation from York St John students is forecasted to increase, as shown in the table below.

Academic Year	Students at York-based courses			Provision of accommodation (beds)		
	Total	Students eligible for guaranteed accommodation	Students not guaranteed accommodation	Total Demand	University Controlled*	Private Sector**
2021/22	6,569	2,380	4,189	5,233	1,852	3,381
2022/23	7,491	2,756	4,735	5,855	2,067	3,788
2023/24	8,418	2,979	5,439	6,628	2,234	4,394
2024/25	9,295	3,195	6,100	7,276	2,396	4,880
2025/26	9,740	3,268	6,472	7,629	2,451	5,178

* Comprising University managed/owned units; accommodation on long lease; and accommodation on which YSJ holds nominations rights at PBSA developments and at private rented houses

** Accommodation provided by independent PBSA or elsewhere in the private sector

4.5 This suggests that by 2025/26, demand for University controlled accommodation, mainly for first year undergraduate and international postgraduate students will increase by around 32%, with demand for other student accommodation, in HMOs and purpose build stock, increasing by 53%.

4.6 If the Local Plan seeks to encourage growth in this sector and the corresponding benefits for the city and region, there is clearly a requirement for an active policy framework which considers and meets this long-anticipated housing need in an affordable way.

Question 3.2 - Is the general approach of the Plan to student housing justified?

4.7 The Plan’s overall approach to student housing is that the University must address the need for any additional housing which results from future expansion of its student numbers. In assessing need, it states consideration will be given to the capacity of independent providers of student housing and whether it is economically prudent to provide additional accommodation.

4.8 However, the Plan has no meaningful overview on student housing provision during the Plan period in terms of the likely need across the sector or specific locations. The only control is Policy H8 which seeks to control the density of HMOs in any street or neighbourhood for the benefit of existing residents.

- 4.9 There is no explicit strategy to aim to reduce the number of houses in use as HMOs in order to release them back into the private housing market. Neither are there any specific allocations for student housing to meet this objective, save for allocation SH1, a small site put forward by York St John University as landowner. Whilst this allocation is supported by York St John, it cannot (and is not intended to) meet the University's needs in relation to student housing. The Plan instead relies on the private market and delivery of windfall sites to meet the need for student accommodation related to the continued growth of both universities.
- 4.10 The University is not opposed to this general approach since it does not have the capacity to provide student accommodation on-campus and is reliant on the private market to help meet the need for housing its students. However, the absence of further student housing allocations and dependence on the private market to help meet demand does mean that it is undetermined how and where, or if at all, student housing needs will be met during the Plan period.
- 4.11 New PBSA in York has largely been through delivery of city centre sites which come on the market and are available for redevelopment or change of use, generally from employment or commercial uses. This method of site finding does not appear to have constrained the increasing provision of student housing in the PBSA sector in the city centre so that it appears serviceable.
- 4.12 However, if a continued adequate supply of new PBSA is not delivered to help meet growing student accommodation needs, it does have potential to have a significant impact on the York housing market in the future. It would place further pressure on the local private housing market from students taking residence in HMOs or arranging own lets in private residential accommodation which could otherwise be available for family use or for first time buyers, creating a market distortion that will exacerbate existing problems in a city which already has a significant housing need.
- 4.13 The Plan does not seek to address the growing need to provide lower cost student housing, which is of particular concern to York St John University given the demographic of its students. The University would welcome inclusion in Policy ED5 and/or H7 of text that supports the provision of lower cost student accommodation and encourages independent

developers to build schemes that cater for all students, not just those that can afford to pay at the top of the market.

Question 3.3 - Is Policy H7 reasonable?

- 4.14 Policy H7 is not unreasonable but has a narrow sphere of influence. It requires York St John University to address the need for any additional student housing which arises because of their future expansion of student numbers. However, it is silent on how and where this is to be provided, and acknowledges that the extent of provision will to a degree depend on the ability of independent providers of student housing to meet demand. Whether there is adequate existing provision to relieve pressure on the private rented sector is not addressed.
- 4.15 The policy states that consideration will be given to whether it is economically prudent to provide additional student accommodation, which is somewhat superfluous given that no developer or university would risk capital on a scheme that may not have a very high occupancy rate to fund loan repayments.

Question 3.4 - Will it adequately address the need for student housing?

- 4.16 Policy H7 does not, and is not intended to, address the need for student housing. Instead, the policy seeks to control the details of any schemes that do come forward to meet this need.
- 4.17 The allocation of the Heworth Croft site for York St. John University student housing is welcomed and will contribute to the needs of the University, but evidently these cannot be addressed by a sole allocation.
- 4.18 The University would like to note recent new schemes developed by independent providers have seen a focus on the top of the market, providing accommodation for those that can afford to pay a premium. The overwhelming majority of York St John students do not fit into this category, and the University consider that the Policy should contain additional support for schemes that cater for a range of student requirements, not just premium provision.

Question 3.5 - Is allocation SH1 soundly based and sufficient?

- 4.19 This site is the only student housing allocation in the local plan and was put forward by York St John University as landowner. The University support the allocation and consider it soundly based, but is not sufficient to meet the need for student housing. There is no indication in the policy that SH1 is accepted as the only site needed, just that it is considered acceptable.
- 4.20 The University are assessing options for re-locating the gymnasium adjacent to the Heworth Croft allocation, so that this site can also be brought forward for student housing. The Haxby Road Sports Park would represent a suitable re-location site for these facilities (perhaps the only financially viable site), but the proposed Green Belt designation of the Northfield site would critically constrain the University's ability to bring forward these proposals and increase the student housing provision at Heworth Croft.

Question 3.6 - Is the manner in which Policy H8 approaches HMOs justified?

- 4.21 The concept of a balanced community is to be supported, however the University has concerns whether the prescriptive thresholds at neighbourhood and street level are justified.
- 4.22 HMOs are a complicated area for the Council to try to control. The move towards serviced student accommodation in the PBSA, plus on-campus housing may reduce the need for further HMOs. However, HMOs constitute a lower cost option for students which is a particularly valuable component of the range of options for York St John University students.
- 4.23 The uniform application of the thresholds across the city has the effect of discounting this option in areas which are in sustainable locations close to the University, but already at or exceeding the threshold. Many of these areas will already have a student character, as the HMOs will pre-exist the Article 4 Direction and application of the thresholds by the Council. Students looking for a cheaper HMOs option will therefore look to areas which are under the threshold, but these will be further afield in less convenient locations to campuses, conflicting with the need for sustainable patterns of development and transport. Ultimately, the policy could result

in a dispersal of HMOs across the city, when it may be more appropriate to allow higher thresholds in certain locations close to the University.

5. Conclusion

- 5.1 The Plan's overall approach to student housing as set out in Policies ED5 and H7 is that the University must address the need for any additional housing which results from future expansion of its student numbers. In assessing this need, consideration will be given to the capacity of independent providers of student housing.
- 5.2 The University is broadly supportive of this approach, since it cannot provide accommodation on-campus and its student housing needs will be met by a combination of University-owned and managed accommodation, with reliance on the private market to meet the remaining need.
- 5.3 Affordability of student accommodation is a key concern of the University, particularly due to its above average recruitment of students from lower income families and with registered disabilities. For its own accommodation it is able to exert some control of this, and the University sets maximum ceiling on rental costs as a percentage of student loan payments. However, the Plan does not acknowledge or address the growing need to provide lower cost student housing at PBSA developments. **The University would therefore welcome inclusion in ED5 and/or H7 of wording that actively supports the provision of lower cost PBSA and encourages independent PBSA developers to build schemes that cater for a range of student needs.**
- 5.4 In relation to Policy H8, the University would like to highlight the important role that HMOs can play in providing a lower cost housing choice. This again is of particular concern to the University given the demographic of its student body. Whilst it acknowledges the Council's objective of achieving balanced communities and recognises that negative impacts of HMOs can arise without appropriate control, the University is concerned that Policy H8 overly constrains an important reasonably priced housing option for its students. **It therefore considers that Policy H8 should include acknowledgement of the important role HMOs can play in providing lower cost tenancies and includes wording that would where appropriate allow some flexibility in the application of HMO thresholds in sustainable locations close to the University.**

Janet O'Neill
Director

ref. ysj2206.MIQ.M3