

AFS guide:

Student Letting Guide



Why let to students?

It's now a pretty well known fact that students make for very attractive tenants.

In fact, over the last 20 years as more young people have gone to University, the student accommodation sector has actually become known as a safe bet among large institutional investors, such as Pension funds, with £4.6 billion invested in 2021 alone.

However, students also remain very appealing to landlords and letting agents. Each year between 500,000 and 600,000 students actively look for shared housing, flats and apartment.

Often sharing together in larger houses of multiple occupation, **students offer the following advantages:**

- High gross yields – typically 15/16% above the rest of the market
- Reliable rent payments – rent guarantors are now required as standard
- Substantial ancillary income opportunities – e.g the provision of inclusive utilities
- Steady flow of new tenants – around the academic cycle

The benefits of the annual cycle of student tenants is easy to underestimate. This is not just about the predictability but also the opportunity to undertake regular, scheduled maintenance work between tenancy periods.

Boom time for student lettings

This is a great time to be involved in student lettings. The main reason for this is a continued growth in the number of students going to University. 2022 has the second highest intake of students on record, and the highest ever for a year when exams have taken place.

At present the main driver behind that growth is UK school leavers choosing to continue their studies:

- 435,830 students accepted onto a University place
- 2m students at university
- 1.2m move away from home to study

Domestic demand for shared housing

UK students are the core market for shared housing and increasing numbers is a good thing for student landlords and the agents that service that demand. If this was not positive enough news it is forecast that 300,000 additional University places will be required over the next 10 years to cope with the demand driven by increasing numbers entering Higher Education.

Some cities are already struggling to meet the demand for accommodation from their student population.

Great place to be:

- Student numbers set to grow still further
- UK/domestic demand strong
- Key audience for shared house

Keys to a successful student let

Over a 20 year period Accommodation for Students has gathered intelligence on what students are looking for. Their key criteria have changed very little over that period, with only a few relatively new trends emerging over the last 5 years.

Recently we sent our survey to our database of over 100,000 students.

Of the responses we analysed **the most popular criteria were:**

1. Price
2. Location
3. Bills inclusive rents

The numbers

2m

students at university

1.2m

move away from home to study

618k

beds in halls of residence

c. 600k

need private accommodation

c. 300k

students entering Higher Education over the next 10 years

Interested in our student accommodation research?

You can see some of our work here or email support@accommodationforstudents.com to speak to one of our research team.

Price

Often regarded by students as the most important factor, it aligns with logic and common sense. After all the amount you can afford will really determine if you can live there.

Location

The second most important criteria is the location of the property. In common with other rental decisions students are looking for well-located properties as a key characteristics.

AFS expert advice

Over 56% of students have increased their budget after starting to search for property.

The most common reasons were:

- The rent a better quality place
- Initial budget was too low
- Their friends had a higher budget

This shows that price closely relates to the other factors and there is a degree of upward flexibility in decision making.

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AFS expert advice

Location is important, however students have different location criteria:

- Close to University
- Near to student friendly amenities
- Proximity to transport

Agents and landlords can address adverse location factors by promoting the more positive benefits, for example proximity to relevant transportation can be highlighted over distance to University, where needed.



Price

Bills inclusive rents

The majority of students want bills inclusive rents, for simplicity and to avoid friction with other housemates around payments and utility usage.

This is a relatively recent trend and one that still offers an advantage to landlords and agents that offer it.

Other important factors

- Security and safety
- Amenities
- Maintenance
- Security
- Other students

AFS expert advice

Work with an all inclusive energy supplier that offers you great commercial terms, a simple management model and provides student tenants with a reliable energy supply from renewable source.

We recommend [One Utility Bill](#)



The student letting cycle

While a well-established website like Accommodation For Students is busy throughout the year, in the majority of University Towns and Cities there are two distinct letting peaks.

Late October

January

August
September

This is known as the traditional house-hunting period, when students who are already at University begin to look for accommodation for the following academic year. Peaks vary per city, with some like Sheffield starting in early October and others like Manchester in mid to late January.

The second peak is mainly associated with students who have found a University place through clearing, international students who start searching a little later and, more recently, students whose house hunting has been delayed by Covid. For many of these students the emphasis is on finding a room in a hall or houseshare.

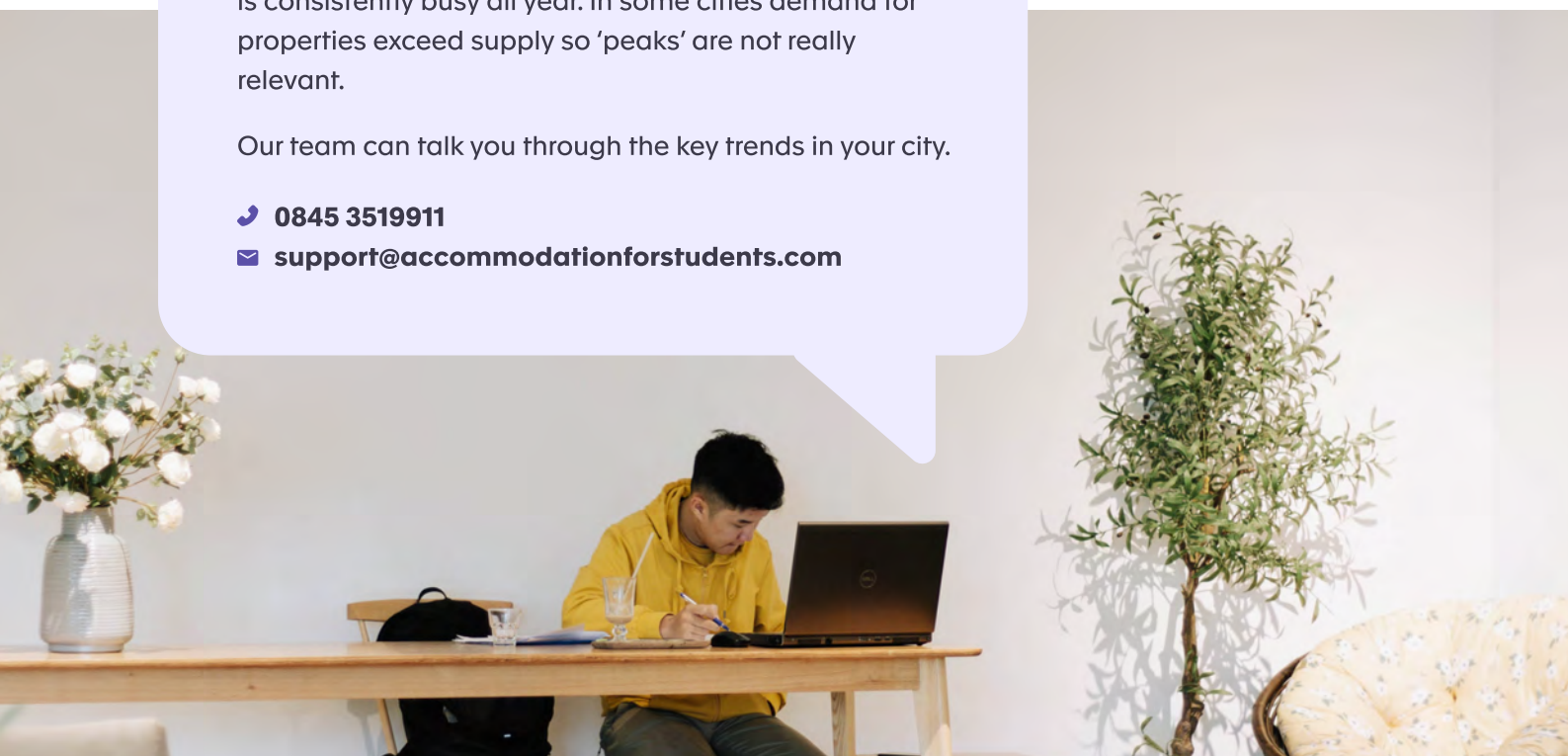
AFS expert advice

London tends not to have major peaks and troughs and is consistently busy all year. In some cities demand for properties exceed supply so 'peaks' are not really relevant.

Our team can talk you through the key trends in your city.

📞 0845 3519911

✉️ support@accommodationforstudents.com



Segmenting the student market

Within the overall market there are some distinct groups that are growing. The first is international students.

International students

International students account for 17% of students currently studying for a full time degree and a whopping 56% of the (almost) half a million students on full time post-graduate courses. **It is likely that this trend is going to continue as:**

- The UK is a really attractive place to study for international students
- Many lower ranked Universities are targeting international post-graduate students

It is important to understand that international students are not just interested in living in Halls of Residence and are equally interested in shared housing.

Post Graduate students

There are now almost $\frac{3}{4}$ of a million people studying for postgraduate courses in the UK. Of these 470,000 are on full time courses and are therefore most likely to require student accommodation. **Over the last 10 years the number of 'post-grads' has increased by 25%, driven by:**

- Increasing demand for a more highly educated workforce
- Graduate career uncertainty following Covid

- The marketing strategy of a large number of Universities

Our research shows that both international students and post graduate students make excellent tenants.

It is also important to recognise that different cities may have a high concentration of international or postgraduate students and this may need to be reflected in your marketing strategy.

This is exactly where the AFS team can help you – you can get advice and support at support@accommodationforstudents.com

Top cities by enquiries from international students on AFS

- | | |
|--------------|------------|
| 1 Hull | 6 Derby |
| 2 Hatfield | 7 Glasgow |
| 3 Exeter | 8 Dundee |
| 4 Bradford | 9 Bolton |
| 5 St Andrews | 10 Norwich |
| | 11 Chester |

How AFS Helps

With over 21 years of experience we have seen the key trends in the student accommodation market evolve over time.

In addition to establishing our brand and building an audience of over 1 million students it has helped us refine what works. Accommodation for Students has developed a simple service which enables our landlord and letting agent partners to easily promote their properties directly to our students.

The most important aspects to marketing your properties on AFS are:

- Quality Images
- Video or virtual tours
- Detailed description
- Fast responses to enquiries.

If you advertise your properties on AFS you can expect a substantial interests from students, it is important to respond quickly as the majority of our visitors make more than one enquiry.

Our team can help you set up your adverts and connect any property feeds to our website.

Key trend

Since the Covid 19 pandemic students have increasingly shifted their property search online.

In this period AFS has seen a 40% growth in traffic and a 90% increase in enquiries.

Emerging trends

88%

of Students think environmental and sustainability issues are important when finding accommodation

83%

of students think environmental issues will become more important in the future

38%

of students would pay more rent to have sustainable accommodation

Contact our team

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