

Student Lifestyles, Accommodation Choices and the Future

AFS Research Report

April 2013



accommodation
for students.com
The home of Student accommodation!

1. Introduction

www.accommodationforstudents.com is the UK's leading student accommodation website. Founded in 2000 by Simon Thompson, the site has gone from strength to strength and now attracts over 3 million visitors each year. There are over 600,000 students registered with the site and around 20,000 landlords and letting agents with active accounts.

Understanding students and their motivations has always been central to the way the company has operated. Simon Thompson was a student at the time he launched the site and students are involved in every aspect of the business.

Our formal research programme is an important part of our endeavour to understand student behaviour and this report provides an overview of our latest findings from a series of focus groups with 36 students in four major University cities and a survey of over 1,500 students.

2. Executive Summary

The dangers of trying to paint a picture of the 'average' student are apparent; different types of student will have different experiences of University life, which can make an attempt to draw conclusions about an 'average' student a challenge. Therefore in summarising this report we have sought to avoid this and rather, highlight some of the key findings and facts we have been able to draw from our research.

Student loans and parental contributions remain vital aspects of students' personal finances. Students appear to be increasingly restrained in their approach to personal finances, with ¼ considering savings to be a major source of income and 37% relying on work (term time or holidays) as opposed to the 19% of respondents who considered overdrafts and credit cards to be important income sources. Furthermore, around 1/3 of the students we surveyed did not have any current personal debt, and a further 18% had a relatively modest debt of up to £5,000.

Despite this relatively sober approach to personal finances that seems apparent, students recognise the challenges of modern student life. When choosing where to study course quality is the most important factor, followed by University reputation and graduate employability. 'Social' factors are marginal.

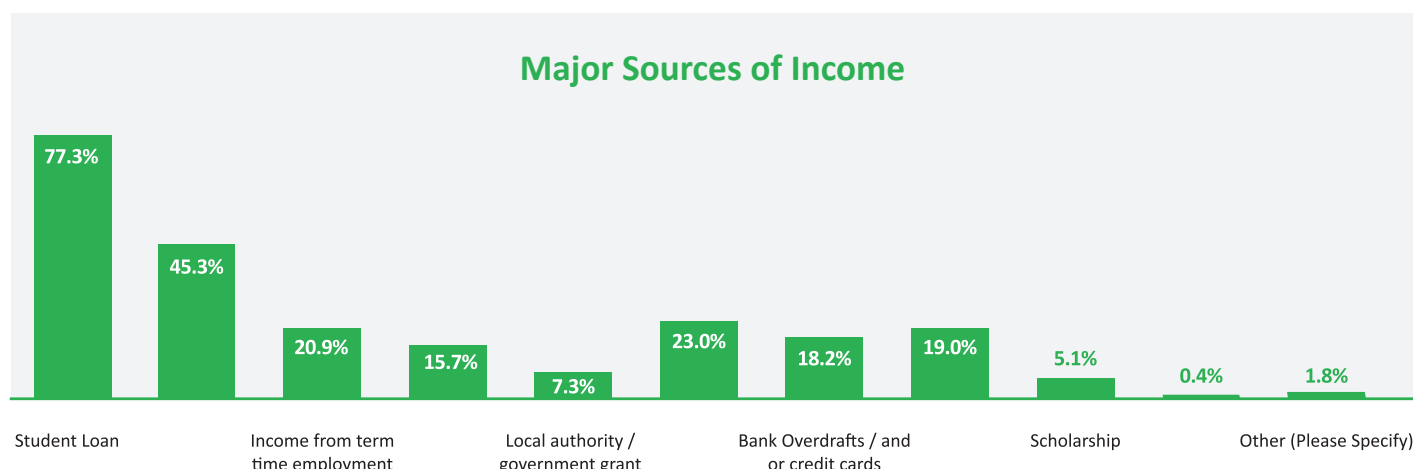
Online methods are an established part of a student's accommodation search and www.accommodationforstudents.com performs an important role as a trusted brand and a key tool in the search for property. Furthermore, it was pleasing to note that feedback from students indicates that the website is much more highly regarded than its close competitors.

When deciding where to live, proximity to University, price and the availability of a fast internet connection are the key features and attributes that students are seeking. Once they have moved in, the research indicates they have 50% chance of believing their rent represents good value for money and are likely to be broadly satisfied with their accommodation and their landlord.

Looking to the future, current students believe they are likely to rent accommodation immediately following graduation, but aspire to get on the property 'ladder' and purchase a home. Perceived barriers to this include the current state of the economy and the challenges of securing graduate level employment. Despite recognising these challenges, current students are fairly optimistic about their future prospects and anticipate taking their first step onto the property ladder between 25 and 35.

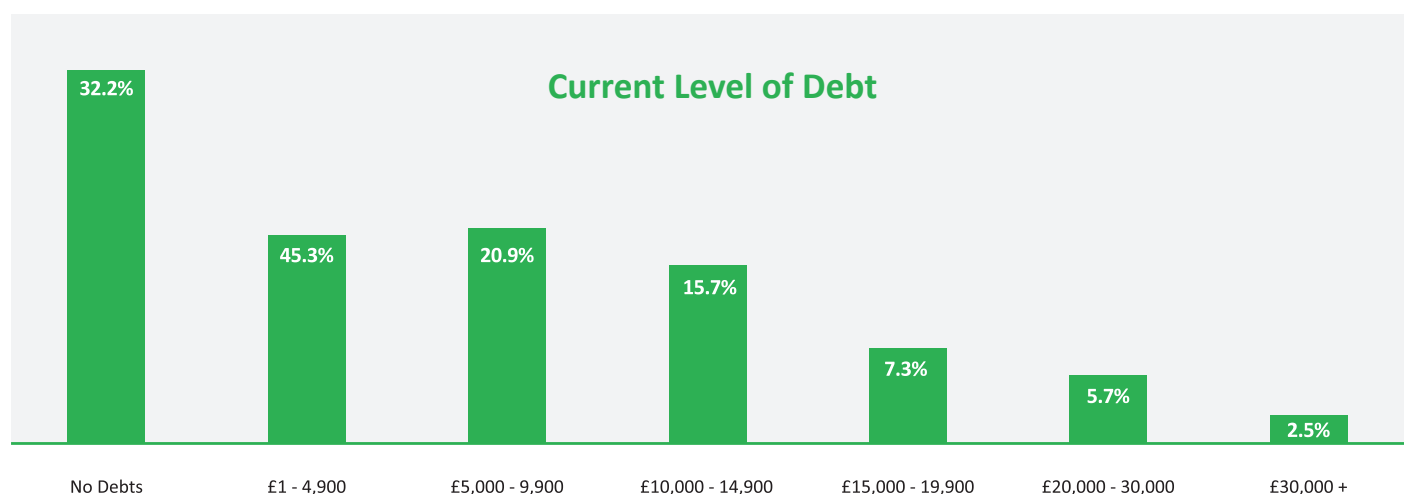
3. Finance and Income

The survey revealed a diverse range of income sources. The majority of students had a student loan and a significant minority considered parental support to be a major source of income, with just under half of students completing the survey considering funding from parents to be a major source of their income.



Base: 1524 students

It was interesting to note that 23% of students considered savings to be a major source of funding and this has proven to be a consistent theme from previous AFS surveys. It is also interesting to note that we have seen a slight growth in the proportion of students who are receiving bursaries this year, 19% up from 15% in the 2011 survey.



Base: 1536

32.2% of students claim to have no current debt. This is slightly down on the 2011 AFS report where 36% of students claimed to have no current debt. This can be surprising to some, as generally the expectation is that students all have high levels of personal debt in addition to the tuition fees costs.

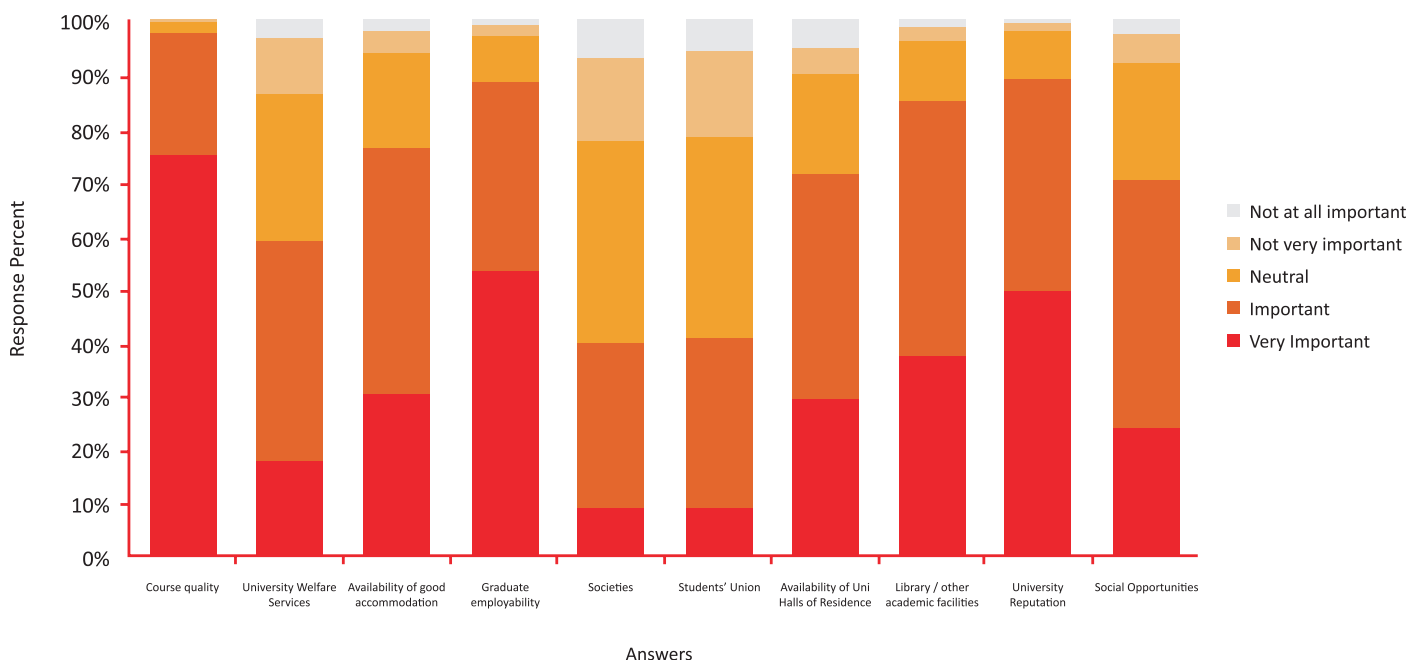
36.4% of students surveyed have debts between £1-10,000. At the other end of the spectrum, a small proportion of the students surveyed had over £20,000 of debt (8.2%).

It is interesting to note that 40% of students in private halls and 54% of international students do not have debt whereas only 27% of British Students don't have any current debt.

4. Where to study

Course quality was considered to be the most important factor when considering where to study; both in focus groups the AFS team carried out and in the survey. The next most important factors are graduate employability and University reputation.

Relative Importance of Factors Influencing the Choice of which University to Study At



Base: 1457

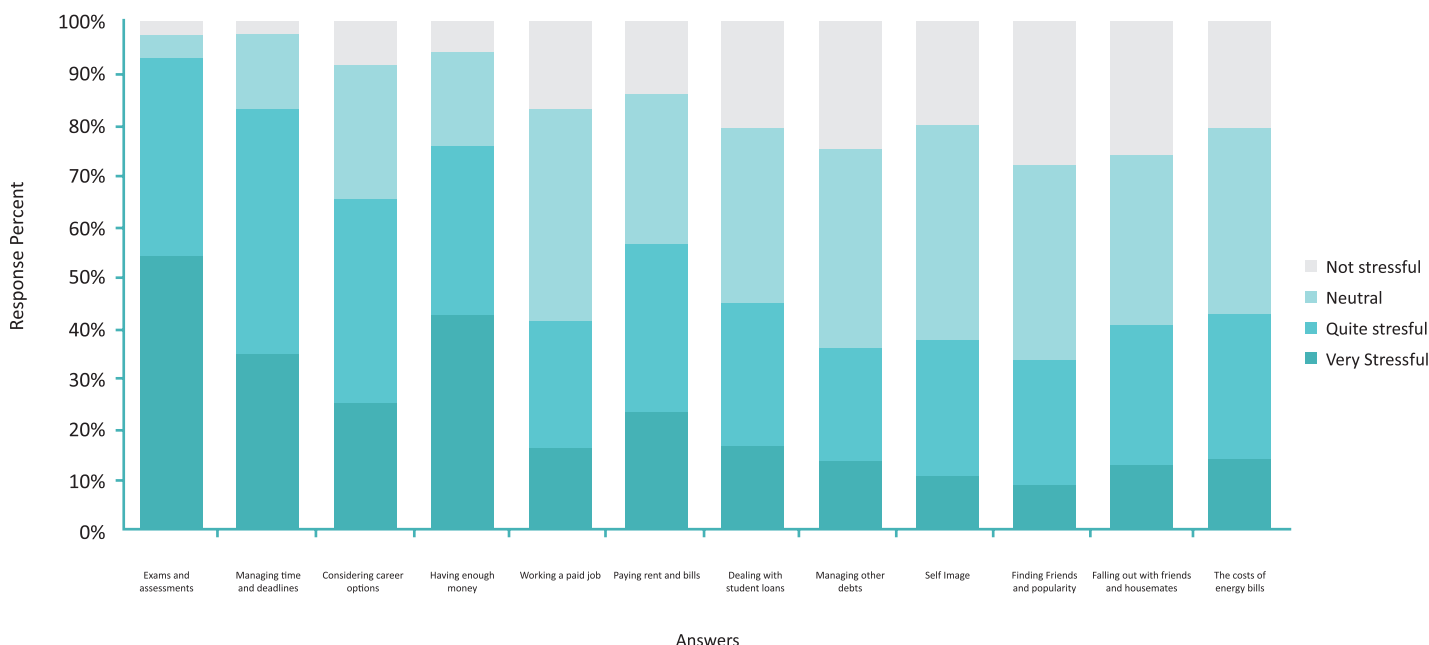
Accommodation tends to be a mid-ranking factor, indicating that whilst it is not vital to the decision making process, it is still a consideration.

Not considered important to the decision making process are things like the Students' Union, welfare services and clubs and societies. Perhaps the more social considerations influence the overall University experience rather than the choice of where to go. This reflects the importance to contemporary students of making the right long term decisions in the context of the long term investment that higher education now represents.

5. Managing Stress

Over half (53%) of students found exams and assignments to be very stressful. This is perhaps a good indication of the serious approach to their studies that most students adopt, as a further 39% found exams and assignments to be quite stressful.

Which aspects of university life cause the most stress? (%)



Base: 1456

Of the students that responded to the survey, 42% found having enough money very stressful and a significant proportion found managing time and deadlines to cause stress.

On the whole students appeared relatively relaxed about managing debts, making and keeping friends and their self image.

6. Choosing Accommodation

6.1 Location

The most important factor when choosing accommodation is proximity to University. 58% considered it to be the most important factor. It was noteworthy that this factor was subject to little regional variance and is generally the key location factor influencing the choice of where students live.

The main regional variance is in London, where proximity to transport networks is actually more important than the

University. Nationally, though this was considered to be the second most important factor; its relative importance in London is likely to be a factor of the sheer scale of the capital.

It was interesting to note that more 'social' aspects, such as living in a community of students or being located close to bars and clubs were not considered major factors in the choice of location by students in this survey.

6.2 Key property factors

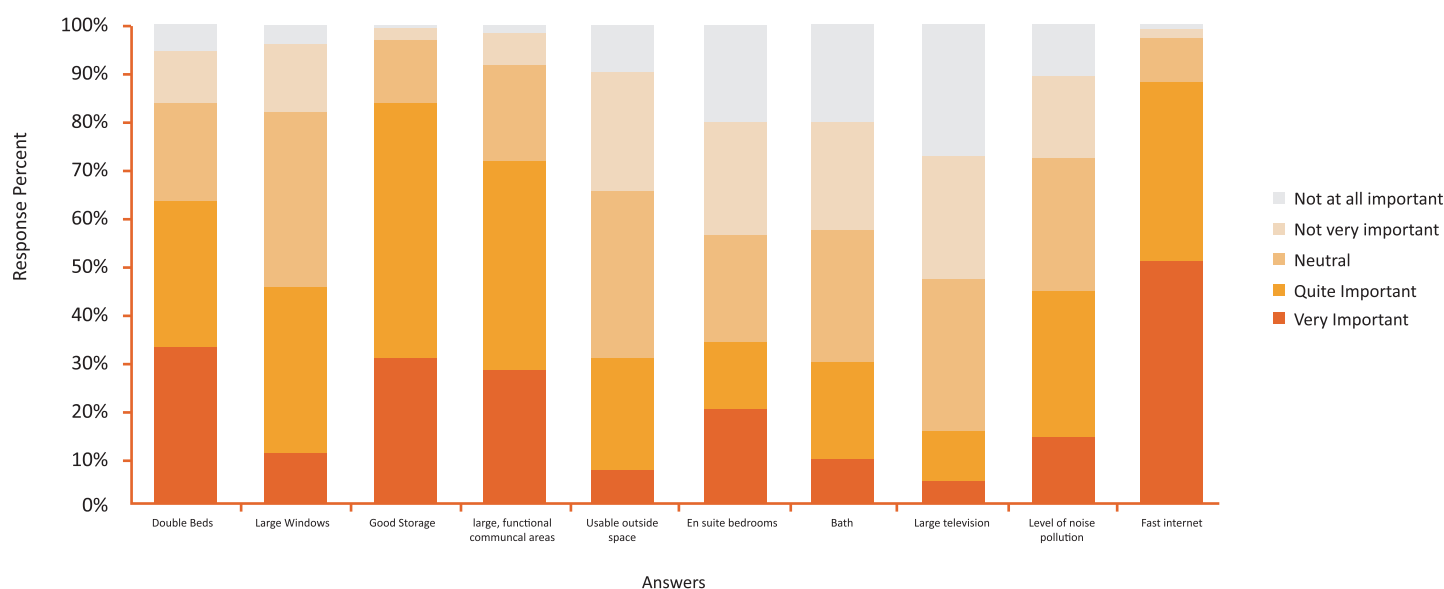
Price is the most important factor influencing students' choice of which property they will live in. 61.8% of students who responded to the survey considered this to be the case. It is noteworthy that even students staying in private halls considered price to be by far the most important factor, despite the relatively high price associated with such accommodation. The next most influential factor was the standard of upkeep of the property – however, relatively few

students considered this to be very important (19%).

Students do not seem to prioritise things like space, the standard of decor, or even the landlord when selecting a property. It is also encouraging to note that the majority of students are conducting a detailed property search among a wide variety of alternatives – very few students considered the limited availability of alternatives to be a major factor in their choice of accommodation.

6.3 Property Features

Relative Importance of Key Property Features when choosing accommodation



Base: 1348

A fast internet connection is the most important property feature for students when making a decision about where to live. Of all survey respondents, 88% considered this to be either very or quite important. This was consistent across all forms of accommodation, including private halls, shared housing and University Halls of Residence.

Other important features include the availability of good storage space, large and functional communal spaces and the availability of double beds. However, the relative importance of these does vary with the type of accommodation students are currently living in.

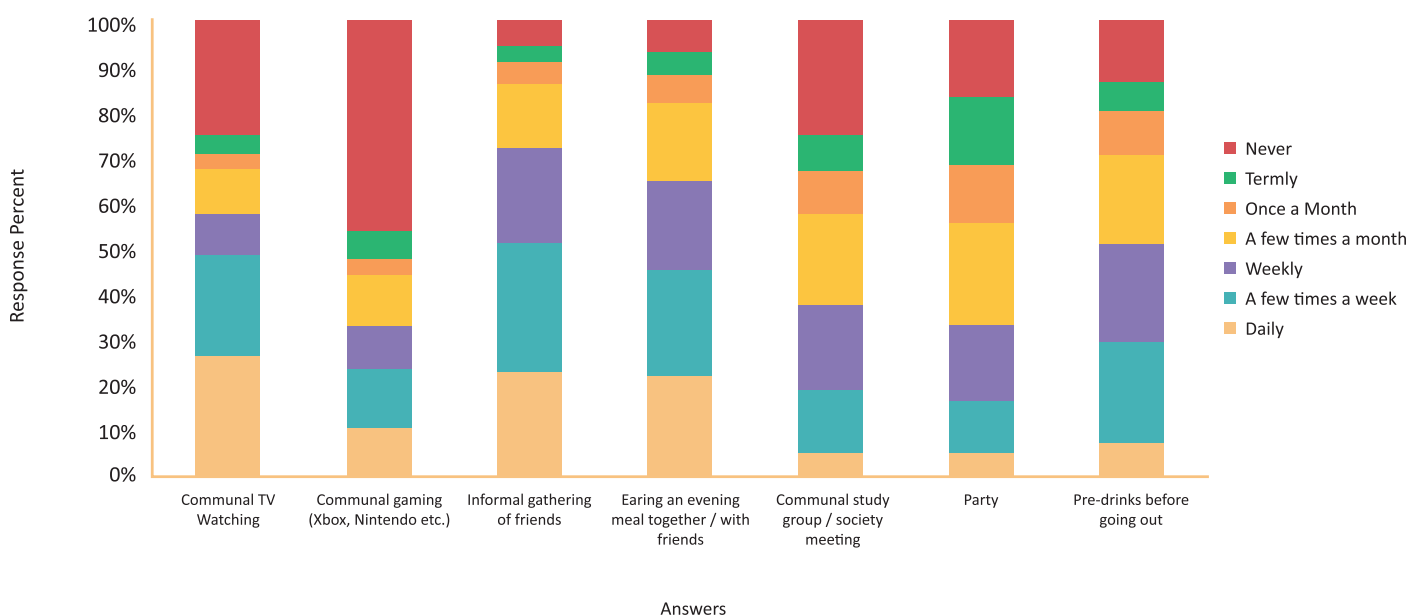
Students in private halls of residence consider en suite accommodation to be much more important than students living in other types of accommodation. Over half of students living in private halls consider the availability of en suite bathrooms to be very important and are less likely to consider double beds to be particularly important and are not concerned about having a communal space. Conversely, students in private rented accommodation are much more likely to consider a double bed to be important and are not concerned about the availability of en suite bathrooms.

7. Social

The importance of socialising at home has become increasingly apparent among students. A recent National Union of Students (NUS) research report into student lifestyles highlighted this trend. The NUS report revealed that 80% of students frequently socialised at home, with the next most important social location being the local pub (56%).

The majority of students attending the AFS focus groups generally socialised more at home, rather than going out, reflecting the importance of student accommodation to their everyday lifestyle.

The Frequency of Different Social Events Occuring in Student Accommodation

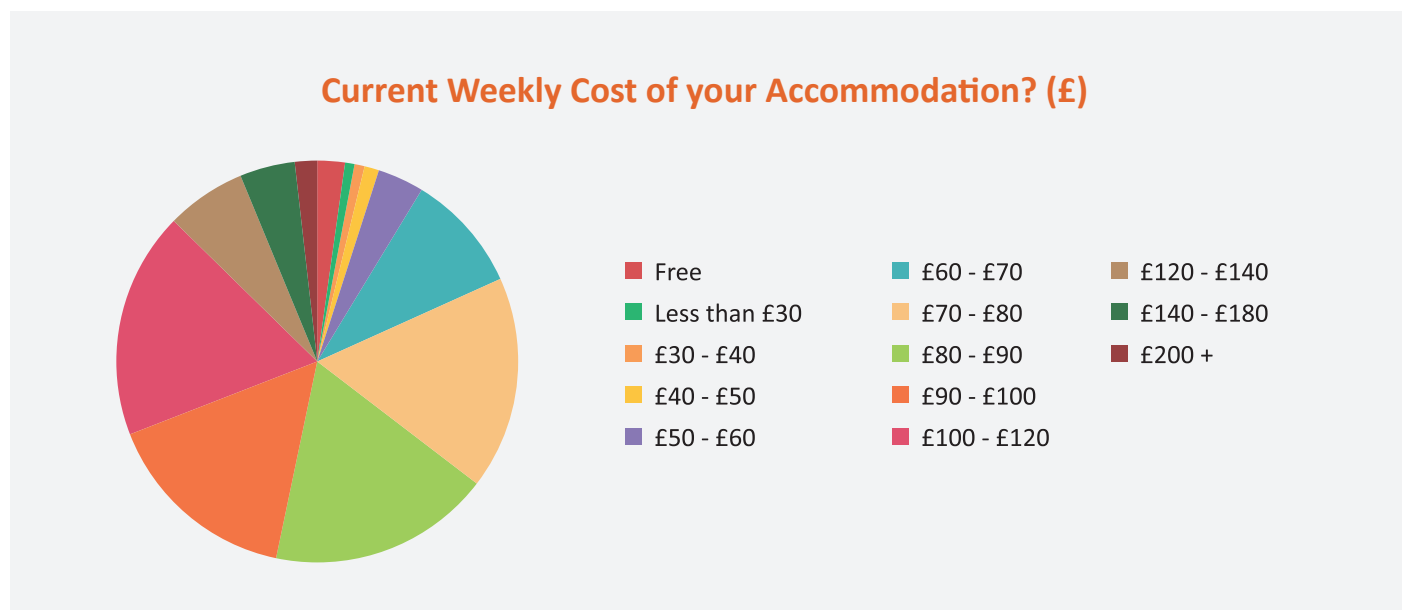


Base: 1344

Students frequently watch TV, eat together and regularly enjoy an informal gathering of friends in their homes. Pre-drinks before going out are more likely to take place once or twice per week. Parties and communal study are less frequent and almost half of students (47%) have never engaged in communal gaming.

8. Value For Money

Of the students that responded to the survey, almost 80% were paying between £60 and £120 per week for their rent. 18% of students claim to pay between £100 - £120 per week in rent.



Base: 1333

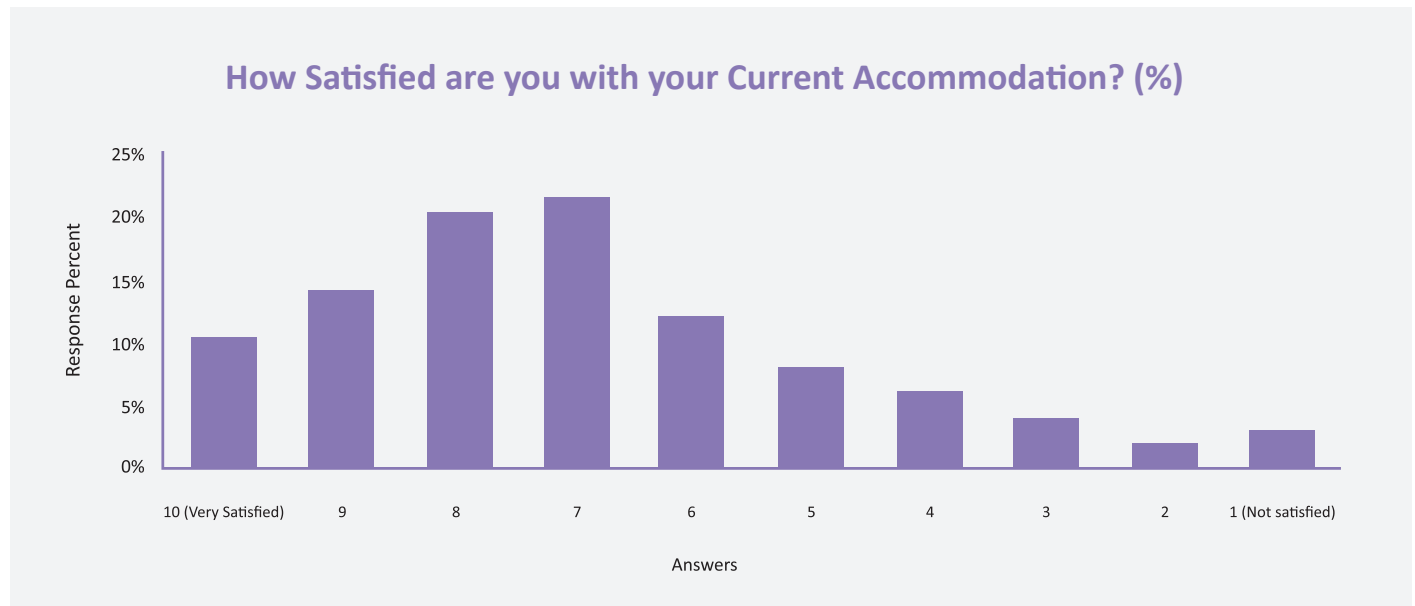
Students in halls of residence (either University or Private) are more likely to be paying more than students in shared private accommodation. To illustrate, almost ¼ of students in private accommodation are paying between £70 and £80 pounds per week while over 1/3 of students in halls are paying between £100 and £120 per week.

The majority of students believe that this represents value for money. 51% of students that responded to the survey felt the amount of rent they were paying represented value for money while 1/3 did not. However there are significant differences in levels of satisfaction between students in different types of accommodation.

Students sharing private rented accommodation were more likely (55%) to feel that the rent they were paying represented value for money than students in private halls of residence (43%) and university halls (43%). It was noteworthy that 43% of students in private halls did not think that their accommodation represented value for money and 37% of those in University Halls did not either. This is a significant factor when you consider the overall cost of accommodation.

9. Satisfaction

Just under ¼ of students were very satisfied with their accommodation, scoring 9 or 10 out of 10. Overall, it is fair to say that the majority of students are broadly happy with their accommodation with 70% of students who responded to the survey scoring it 7 out of 10 or higher. Students who are disappointed seem to be in the minority with 22% scoring 5 or under.

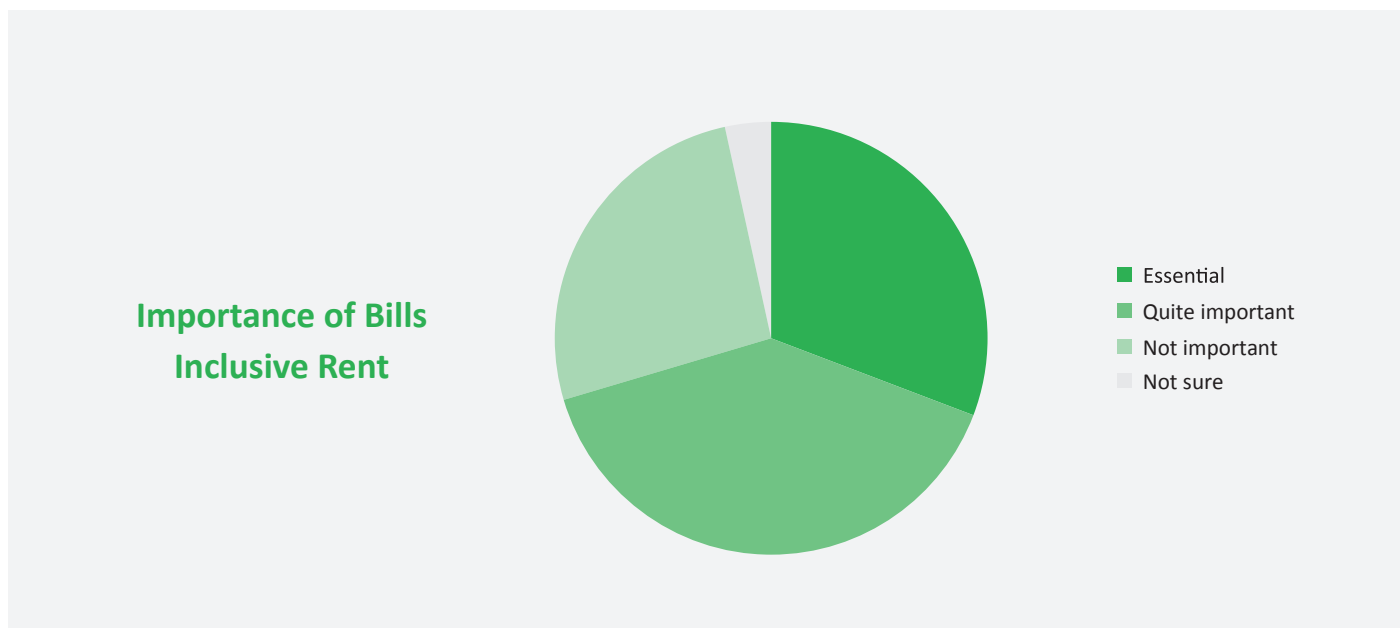


Base: 1330

Overall, students who live in University Halls of Residence are more likely to be more satisfied with their accommodation than students living in shared private rented accommodation or private halls of residence. It is interesting to note that this is despite a relatively large % of them feeling that their accommodation did not represent value for money. Students who live at home with their parents are the most satisfied with their accommodation.

10. Utility Bills

30% of students who responded to the survey felt that having bills included within the rent was very important. A further 40% believed that it was quite important. Only 26% of students who took part in the survey felt that it was not important.



Base: 1321

Students who were living in shared private rented accommodation were less likely to consider having bills included to be very important (20%). However, 40% of these students still felt it was quite important. Perhaps surprisingly it is a minority of these students – 36% who believe that bills inclusive rentals are not at all important. Students in private halls of residence are most likely to want to see bills included, with over 50% considering it to be very important.

It is also interesting to note that first year students are more likely to consider bills inclusive more important, even amongst those that are currently in private shared accommodation (45%)

This increasing desire for bills inclusive rents is likely to reflect the need for convenience. Only a minority of students have fallen out with other students over the payment of utility bills (16%). Students in shared private rented accommodation were more likely to have fallen out with housemates over bills (23%). It is interesting to note that while first years are more likely to be favourable towards bills included, second and third years are more likely to have fallen out with housemates over bills.

13% of students have at some time been left with a bill because others haven't paid. Students in private rented accommodation are more likely to have been left with a bill (18%) and this figure rises again among final year students who are in private rented accommodation. Students in London who are in private rented accommodation are much more likely to have been left with an unpaid bill than the norm.

11. Graduation

Upon graduation the majority of students anticipate renting somewhere to live. 60% of current students think this will be the case and this is fairly consistent regardless of age or current accommodation type. Students currently studying in London are more likely than those in other regions to think they are likely to rent – 65%, perhaps indicating that students who have chosen to study in the capital anticipate staying there rather than going home after graduation.

Students anticipate paying between £75 and £150 weekly rent upon graduation. Within this there are regional differences, with, for example students in London expecting to pay on average, more than this.

12. Landlord and Letting Agent Relationships

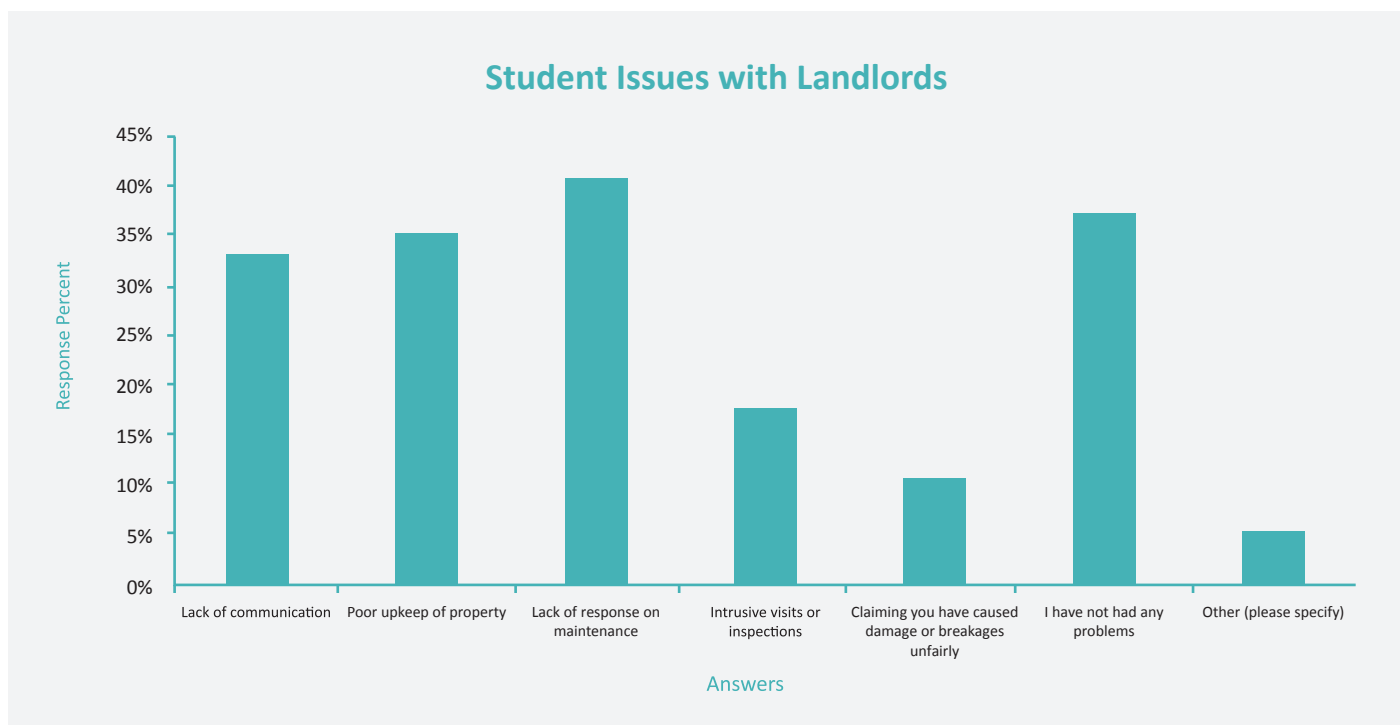
The majority of students (66%) who responded to the survey lived in properties which were managed by landlords and letting agents. Almost 60% of these had a positive relationship with their landlord or letting agent. ¼ of them had a slightly or very negative relationship with their landlord or agent.



Base: 859

First year students are most likely to be happy with their landlord (69%) and second years the least happy, with almost 30% slightly or very negative towards their landlord.

Students experience a wide range of issues with landlords - the most frequently cited related to communication issues; either a perceived lack of response on maintenance issues (40%) or a general lack of communication (32.5%). A significant minority of students claim not to have experienced any problems at all (36%).



Base: 836

13. Deposits

Only 64% of respondents said that their deposit was held within a tenancy deposit scheme. 15% claimed that their deposit was not held in such a scheme and 20% were not aware of how their deposit was held.

Of the overall respondents, only 19% had lost a deposit. This increases though with year of study with 35% of third year students who are currently living in private rented accommodation claiming to have lost a deposit.

Interestingly only half (51%) of the students who had lost all or part of a tenancy deposit felt that the deposit had been withheld unfairly. The other 49% of students either felt that the deposit had been withheld for valid reasons or were not sure.

14. The essentials

Just over ¼ of the surveyed respondents have been provided with a copy of the Gas Safety certificate for their property. If we look at only those students who are living in private rented accommodation this figure increases to 36%, which still leaves a considerable shortfall in the number of students who appear to have been given this information.

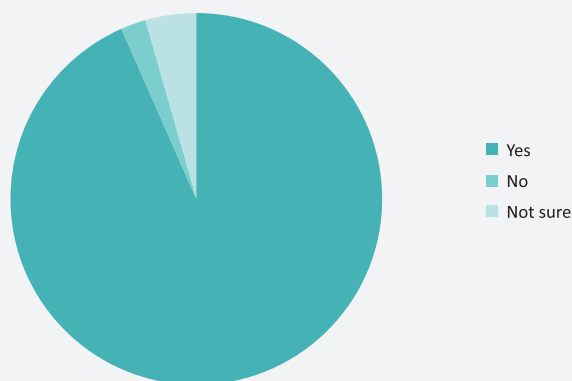
Just over half (53%) of students responding to the survey have been provided with an inventory. 26% of students claimed not to have been provided with one and a further 20% did not know whether they had or not.

15. Accreditation

48% of students did not know whether their property was accredited and 9% of students told us their property was not accredited. Of the 43% of students that were aware that their property was accredited, 44% of them were accredited by the University and 38% did not know who was responsible for accreditation.

94% of students would like to see their property accredited to ensure that it meets minimum standards. From a student perspective they are supportive of an accreditation standard that meets minimum standards, and clearly there is an issue with the understanding and awareness of accreditation schemes so far. This is an opportunity and the accessibility of the AFS/Unipol code is a major positive.

**% of respondents in favour
of student properties to be
inspected and accredited**



Base: 1297

16. Halls of Residence

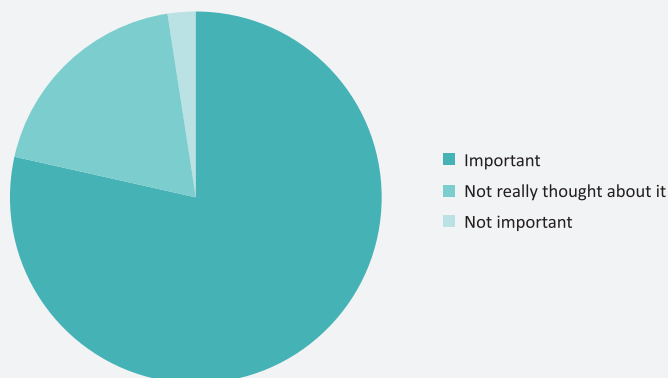
The majority (80%) of students completing the survey had lived in halls of residence at some point during their time at University. Almost all of these (97%) had done so during their first year and 82% of them had stayed in University owned halls. The vast majority of students who had stayed in halls (95%) would recommend staying to other students – in particular to first year students. Students who had stayed in private halls were more likely to recommend it to any student regardless of year of study.

During the focus groups, a number of students felt that finding information on the best halls of residence for their needs was quite difficult – there was perhaps the absence of an independent review or information that would enable students to make an informed decision about where to stay. In the survey ¼ of students did not feel that they had enough information to make an informed decision, but the majority of students did think they had the right information available to them.

17. Home Ownership

The concept of home ownership remains very important to students. 78% of the respondents to the survey considered it to be important. Only 2% of the respondents felt that it was not important – the rest simply had not considered it.

The importance of home ownership in the future



Base: 1233

Students studying in London were less likely to consider it to be important. Only 66% of students from the capital thought it was important, as over 30% of them 'had not really thought about this'. Qualitative feedback from the focus groups suggests that this is due to the high cost properties in London. Students in Wales were most likely to consider home ownership to be important (84%) with students studying in other regions fairly consistent to the national average.

Perhaps unsurprisingly students in their final year were more likely to considering the importance of home ownership (81%). Only 66% of international students considered the prospect of owning their own home to be important, reflecting differing approaches to home ownership internationally.

Whilst students are interested in owning their own home, they are concerned about a number of factors that may have an impact on their ability to do so in the future.

Do you think any of these factors will delay your purchase of your first home?

Answer Options	Response % Yes/Maybe	Response % No	Response % Don't Know
Personal debts built up during University	80.9%	17.1%	2.0%
Difficulty finding a suitable full time job on graduation	88.3%	9.5%	2.1%
The difficulty of saving for a deposit	87.6%	10.7%	1.7%
The general economic conditions	90.1%	7.1%	2.3%
Limited availability of mortgages	86.4%	8.2%	5.1%
Desire to travel or work abroad before settling down	74.6%	19.5%	5.3%

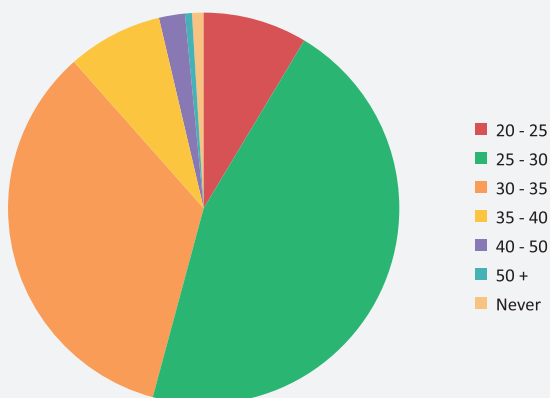
Base: 1242

What concerns students are the potential difficulty of getting a suitable job on graduation (89%), the general economic conditions (90%), the difficulty of saving for a deposit (87%) and the limited availability of mortgages (87%).

Perhaps unsurprisingly students who currently have debt are likely to think that personal debts built up during University are going to have an impact on them and their ability to purchase a house.

Despite these concerns, students seem relatively optimistic about the age at which they are likely to get on the property ladder. 45% of respondents think they will own a house between 25-30 and 34% between 30-35. Therefore the majority of students think they will own their first home in the decade between 25-35.

Age at which students think they will buy their first home



Base: 1243

Given earlier survey responses it is perhaps no surprise that students in London see themselves owning a property slightly later than the average – with only 29% in the 25-30 bracket and 40% in the 30-35% bracket. Almost 50% of British students expect to buy a home between the ages of 25 and 30, whereas international students are more circumspect, 32% anticipating that they will be on the property ladder at this time.

55% of students believe they will pay between 100,000 – 200,000 for their first house and of these 32% expect to pay between £100,000 and £150,000.

18. Students, Media and Technology

90% of the students that responded to the survey have a smart phone. 46% of these are iPhones, which shows the growth of this brand among students. In the 2011 AFS survey only 26% of students claimed to have an iPhone. During that period, the amount of Blackberry users has dropped from 20% to 13%, with Samsung now the second most popular device (19% of respondents).

Facebook continues to dominate the student media landscape, with 85% of students claiming to use the social networking service daily. In terms of daily usage, Twitter is now the next

most used website. 39% of students now claim to use this service daily, a significant increase from the 2011 survey when this was just 15%, and 58% of respondents claimed never to have used the service.

Youtube also continues to be an important service for students. 35% of respondents use the service daily, but 36% of students use it weekly - the most frequently visited media on a weekly basis.

Do you use or read the following?

Answer Options	Never	Occasionally	Monthly	Weekly	Daily
Facebook	30	57	10	79	1053
Twitter	403	111	56	162	480
Google +	676	156	65	115	189
Myspace	1087	60	12	14	14
Youtube	57	203	88	440	425
University or Students' Union website	211	312	214	298	171
Pinterest	936	110	42	61	38
studentbeans.com	747	210	83	125	25
thestudentroom.co.uk	736	300	89	45	18
On demand TV	496	148	99	289	163
Gaming	605	211	92	133	148
National newspaper	380	251	138	243	182
Regional or city newspaper	541	276	130	160	88
University or Students' Union newspaper	690	249	150	81	21

Base: 1232

It is interesting to note that the largest student specialists on this survey, Student Beans and the Student Room continue to make little impact on the average Student media radar. University and Students' Union newspapers remain important and play a role, as they are read by students on a fairly regular basis.

19. Demographics

1541 students completed the survey, which was distributed to the database of registered AFS users. The majority of respondents (76%) were aged between 18-21 with 17% of respondents aged between 22 and 24.

Within this there was a fairly even split between first (34%) second (30%) and third years students (22%). 5% were fourth year students and a further 5% were postgraduate students. The majority of students claimed to be from Britain (80%) with the rest international students. There was a good regional spread, in terms of the locations in which the students were currently studying.

The majority of students responding to the survey (53%) were living in shared, private accommodation, while 38% were in some form of halls of residence. The majority of these were in University owned halls.

In November/December 2012 AFS held four focus groups in London, Manchester, Newcastle and Edinburgh which included 36 students.