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Community Infrastructure Levy Consultation 2023

QUESTION SUMMARIES DATA TRENDS INDIVIDUAL RESPONSES

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Page 1: Survey Information

Q1

Do you confirm that you have read and understood the privacy notice? You must select 'Yes' in order to take the survey.

Yes

Page 2: Register for consultation

Q2

Your name:

O'Neil Associates

[redacted]

Contact details:

Organisation (optional)	O'Neill Associates
Address	[redacted]
Address 2	[redacted]
City/town	[redacted]
Post code	[redacted]
Email address	[redacted]

Q4

Do you wish to notified of future updates to CIL by the council? If yes we will use contact details provided above

Yes

Q5

Do you wish to participate in the CIL examination? If yes we will use contact details provided above

Yes

Page 3: Your response

Q6

1a. The Community Infrastructure Levy (CIL) Viability Study informed the production of the proposed rates in the draft CIL Charging Schedule. Do you have any comments on the content of the CIL Viability Study?

Please see attached documents

Q8

2a. Do the proposed levy rates set out in the draft CIL Charging Schedule appropriately reflect the conclusions of the CIL Viability Study?

Please see attached documents

Q10

3a. Do the proposed levy rates set out in the draft CIL Charging Schedule provide an appropriate balance between securing infrastructure investment and supporting the financial viability of new development in the area?

Please see attached documents

Q12

4a. CIL rates should not be set at a level which could render new development financially unviable. To ensure the financial viability of new development in the area, and to take into account variations in land prices and development costs throughout the authority's area, the draft CIL Charging Schedule proposes variable rates for different kinds of development. Do you have any comments on the proposed CIL rates?

Please see attached documents

Q14

5a. Should any types of development be charged a different CIL rate, and if so, why? Where alternative rates are proposed, please provide evidence to demonstrate why a proposed rate should be changed.

Please see attached documents

Page 4: Your response

Q16

6a. To support the financial viability of new development in the area, the draft CIL Charging Schedule includes an Instalments Policy which allows specified levels of levy charges to be paid in instalments over a set period of time. Do you have any comments on the draft Instalments Policy?

Please see attached documents

Q18

7a. Part 6 of the CIL Regulations (as amended) allows the Council to give discretionary relief for certain types of development from paying the levy. The Council has not identified any types of development which may require this beyond the compulsory relief and exemptions outlined in the Regulations. Is there a need to provide discretionary relief from the levy to any types of development, and if so, why?

Please see attached documents

Q20

8a. Do you have any other comments on the draft CIL Charging Schedule?

Please see attached documents

Q22

9a. Do you have any other comments on the CIL evidence base?

Please see attached documents

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Chartered Town Planning Consultants

City of York Community Infrastructure Levy Consultation

27 March 2023

Response on behalf of Askham Bryan College,

the University of York and York St John University

INTRODUCTION

i. These representations are made on behalf of Askham Bryan College, the University of York and York St John University in response to the City of York Community Infrastructure Levy (CIL) Consultation March 2023.

ii. The representation is supported by and should be read in conjunction with the Technical Representation prepared by CBRE and submitted with this representation.

iii. The Council's decision to introduce a CIL is welcomed because it provides greater certainty in terms of development costs, however the evidence base and charging schedule is fundamentally flawed and unsound.

iv. There has been no meaningful consultation with the development industry prior to the publication of the consultation documentation, except for a workshop with development industry representatives on 22 September 2016. Paragraph 1.11 of the CIL Viability Study (CVS) states that little further evidence was submitted to inform the assumptions in the CVS. However, the presentation at the workshop stated that there would be a public consultation on the preliminary draft charging schedule before this formal consultation period. It is hugely disappointing that the consultation on the preliminary draft charging schedule has not happened, as promised, and a significant weakness of the CIL evidence base that it has not been properly informed by specialists who work in the development industry day to day. Planning Practice Guidance (PPG) Viability (§2, Reference ID: 10-002-20190509) states that:

"*It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers*"

v. The CIL is proposed at a time of considerable uncertainty in terms of both the economy, and Central Government's changes to the developers' contributions regime proposed by the Levelling Up and Regeneration Bill. At the time of writing the Government has published its consultation on The Infrastructure Levy, and inflation was expected to be falling but instead has increased to 10.4% (up from 10.1%) and interest rates have risen from 4.0% to 4.25%. This wider economic picture of rising costs has fed through to rapidly increasing construction costs. Barbour ABI, the market leading provider of construction project information, reported that:

"Price rises were at record levels over summer 2022, with many goods seeing 25 per cent annual inflation. This has now dropped closer to 15 per cent, but some products still hover well above 20 per cent and insulation products have recently jumped to 50 per cent."

vi. Against this uncertain economic background, the Government has suggested a delay the full introduction of its proposed new Infrastructure Levy by up to 10 years due to uncertain of impact on the delivery of development. These same uncertainties exist with the current CIL system.

vii. We request to be notified about:

- submission of the CIL Draft Charging Schedule to the Examiner in accordance with Section 212 of the Planning Act 2008;
- the publication of the recommendations of the Examiner and the reasons for those recommendations; and
- the adoption of the charging schedule by the charging authority.

viii. In accordance with Regulation 21 of the CIL Regulations 2010 we wish to exercise our right to be heard by the examiner either as a consortium or as an independent stakeholder organisation.

ix. The questions (1-9) posed by the Council as part of this consultation and our responses are set out below.

QUESTIONS AND RESPONSES

1) Do you have any comments of the content of the CIL viability study?

Response

Yes, as set out below.

i. There is no Infrastructure Funding Statement as part of the consultation. As such it is unclear what will be delivered through CIL and what will be required to be provided by developers through S106 obligations to make a development acceptable in planning terms. Without this detail, it is not possible to fully understand the viability position of schemes. The Council's approach to on-site open space provision highlights this issue. Currently, the Council applies Policy GI6 (new open space provision) of the Publication Draft Local Plan which states:

"all residential development proposals should contribute to the provision of open space for recreation and amenity."

This is based The Open Space and Green Infrastructure Update 2017 (referred to in the local policy) which requires 40.5 sq m of amenity space for a 1 bed dwelling and 17.8 sq m towards sports. This is not typically possible to provide for on urban sites proposing even low densities, there is not the space. As such the Council typically requires an off-site contribution. Clearly, both on site and/or S106 contributions have a significant impact on viability which has not been considered in the CIL viability study. An example of the application of open space policy/ contributions can be found with reference to planning permission 19/00979/OUTM dated 1 July 2020 which relates to a former gas works that had viability issues even without CIL and therefore would have been undeliverable if the draft CIL charging schedule was applied.

ii. Similarly, the Council's approach to sustainable travel contributions and travel plan obligations which are also applied and are not considered as part of the CIL evidence base.

iii. Although the CVS takes account of S106 obligations the assumption about values and costs are averages. Paragraph 5 of the Consultation Information Booklet published with the CVS is explicit in stating:

"it is not required, and would be impossible, to look at every type of development individually, hence the use of typologies."

In practical terms what this means is that where a residential scheme liable for CIL has higher development costs that affect viability, and given that CIL is non-negotiable, it is the section 106 requirements such as affordable housing, that will be negotiated down. Delivery of affordable housing is a key objective of the emerging local plan which will be severely threatened by the introduction of the draft CIL Charging Schedule. Similarly, the

Council has fallen short of its local plan targets for housing delivery for many years which is likely to worsen rather than address the existing backlog.

iv. Paragraph 4.44 of the CVS states that brownfield sites are assumed to include the necessary strategic infrastructure from their existing or previous use. However, this assumption understates the requirement on many brownfield sites to provide reinforced or completely new infrastructure. For example, the Council's drainage and flood risk policies require a 30% betterment for surface water drainage/ SuDS, and flood risk mitigation. As the Local Plans spatial strategy directs development to brownfield sites and the urban area this requirement will impact on a considerable number of development schemes.

v. Similarly, the majority of the city centre is located within an area of archaeological importance, and historic core conservation area. Both of these designations, and associated local plan policies increase development costs and have significant viability implications which are overlooked by the CVS.

vi. The viability evidence base is outdated and doesn't take any account of significant shifts in market conditions in Q3/4 2022. This matter is considered in detail in the CBRE representation.

vii. Viability evidence relies on RICS BCIS build costs. The supporting CBRE report finds these are too low and backward facing. For example, PBSA cannot be built at the costs being assumed and there are a number of errors which, if corrected, would erode any viability headroom for PBSA.

viii. The Planning Practice Guidance (PPG) plan making (paragraph: 039 Reference ID: 61-039-20190315) requires local planning authorities to:

"*prepare a viability assessment in accordance with guidance to ensure that policies are realistic and the total cost of all relevant policies is not of a scale that will make the plan undeliverable*".

This has not been undertaken for the emerging local plan in relation to its latest iteration given most policies have been subject to change during the course of the local plan examination.

ix. Similarly, National Planning Policy Framework paragraph 34, and PPG Paragraph: 002 Reference ID: 10-002-20190509 states that:

"*The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic,* *and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan."*

x. The latest modifications to the emerging local plan increase policy requirements for most developments, particularly major developments. These policies have a cumulative cost impact when taken together. The Council does not appear to have fully considered how sites can also bear CIL given this demanding policy context. A full viability review and justifiable evidence of the modified policy requirements will be necessary. Policy requirements include (not exhaustive), the majority of which are not considered in the CVS:

a) 75% carbon reduction aspirations – policy CC2 (modification) (this is considered within CIL Viability study)

b) 10% Biodiversity net gain (this is considered within CIL Viability study)

c) Accessible Housing Standards (this is considered within CIL Viability study)

d) Archaeology – much of the city centre is within an archaeology area of importance which, taken on its own, gives rise to considerable risk and significant additional delay and development costs

e) H10(i) states:

"higher rates of (affordable housing) provision will be sought where development viability is not compromised".

This implies that development may be subject to additional affordable housing if it can be viably provided, and that a viability assessment will be required for all applications over 5 units which will delay the determination period significantly, particularly given to limited capacity of the District Valuer. Policy H10 requires all viability assessments to be reviewed by the District Valuer.

f) Changes to policy H7 and the requirement for nominations agreements.

g) Air Quality assessments/mitigation for all major applications

h) Flood mitigation measures. Policy requires a 30% betterment for surface water runoff which typically requires attenuation or SuDS, and much of the city centre is within high flood risk area. Again, taken on its own, flood mitigation gives rise to considerable risk and significant additional development costs.

i) Heritage policy. The vast majority of the city centre is within the York Historic Core Conservation Area and contains amongst the highest concentration of listed buildings and scheduled ancient monuments in England. These heritage constraints arising from national and local heritage policies, taken on their own, gives rise to considerable risk and significant additional development costs.

j) Travel Plan obligations e.g. car clubs, free bus travel, cycle equipment contributions, travel plan coordinator.

k) Green infrastructure/ on-site open space provision – the local plan including its evidence base prescribes totally undeliverable targets with regards for open space as part of new development and currently S106 payments are sought for any shortfall. Will this now be provided through CIL and does this mean no on site provision is required? If not, on site provision has significant viability impacts.

2) Do the proposed levy rates set out in the draft CIL Charging Schedule appropriately reflect the conclusion of the CIL Viability Study?

Response

No, the conclusions of the CVS are fundamentally flawed, contain a number of errors and do not justify the draft CIL charging schedule, for the reasons set out below:

i. The proposed rate or rates would seriously undermine the deliverability of the emerging local plan, particularly with regards to residential completions, PBSA completions, delivery of affordable PBSA and housing, new open space delivery, and brownfield first principles, amongst others.

ii. It is essential that the CIL rates are set at a level which ensures that most developments remain robustly viable over time as development costs change – most likely upwards. As such CIL rates should not be set at a marginal viability point. It is vital for the Council to build in a significant degree of flexibility to ensure durability of the CIL charging schedule. The submitted evidence has been overtaken by rapidly changing economic circumstances and an evolving planning policy context and fails to take account of the following, amongst other aspects:

a. National consultations on changes to NPPF and CIL
b. Changes in the housing market and house prices
c. Changes in inflation, interest rates and the cost of borrowing
d. Changes in build costs

iii. The residential rates are too high, unjustified and are amongst the highest, if not the highest across the entirety of Yorkshire and Humber, even when allowing for indexation since adoption in other charging authorities. The Council has not provided comprehensive, robust and up-to-date justification for these charges as required by regulation 14(1) of the CIL Regulations (as amended). This is not the case, as shown in the detailed evidence prepared by CBRE that accompanies this response.

iv. The CVS has not properly understood development costs, particularly for brownfield sites. The notion that allocated sites within the local plan incur greater development costs than other residential sites in unjustified. Significantly, the CVS has not adopted a comprehensive and robust 'policy on' approach with the full cost of the emerging local plan policies (including affordable housing) being accounted for, and taking precedence over, the introduction of CIL rate setting.

v. The proposed PBSA CIL rates are also too high and unjustified. By increasing the cost of student housing, it will reduce the affordability of student accommodation for which there is an immediate and growing need. The CIL rates in relation to student accommodation seriously risk constraining PBSA development, which is contrary to the Council's stated aims of supporting and encouraging Askham Bryan College and the universities' growth and sustainability, and also its draft economic strategy.

vi. Planning applications will no longer be submitted for retail uses, instead they will refer to Class E of the use class order. How will the Council apply the charging schedule to planning permissions that simply apply for class E and do not distinguish between retail or office for example?

vii. It is counter-intuitive that development costs of brownfield sites are lower than greenfield sites for Extra Care accommodation. The proposed CIL rates are contrary to Government and local plan objectives of brownfield first. It is understood that other parties will submit viability evidence challenging the draft CIL charging rates for retirement living.

3) Do the proposed levy rates set out in the draft CIL Charging Schedule provide an appropriate balance between securing infrastructure investment and supporting the financial viability of new development in the area?

Response

No, the proposed CIL rates do not support delivery of the emerging local plan and would have a disastrous effect on local development projects for the reasons set out below:

i. The 'appropriate balance' is the level of CIL which maximises the delivery of development and supporting infrastructure in the area. This has not been justified and there is a lack of clarity in how the CIL will be allocated and spent.

ii. The *CIL Infrastructure Funding Gap Assessment (IFGA)* and *Consultation Information Booklet (CIB)* documents issued with the Draft Charging Schedule set out to identify the cost of infrastructure required to support new development and where it is to be spent. However, there is a lack of clarity between the documents. For example, the IFGA identifies a cost of £47.3 million required for "Education". However, section 10 of the CIB, states that Infrastructure for the purposes of CIL spend "can" include transport, flood defences, schools, hospitals and other health and social care facilities.

iii. This provides no certainty or clarity, for example, for residential developers as to whether they will be paying CIL and a Section 106 contribution for education; flood alleviation; or health facilities.

iv. The Charging Schedule therefore needs to state clearly what the CIL will be spent on so that developers can make a proper assessment of whether the CIL and S106 costs on a scheme be viable or whether necessary development will be inhibited.

4) Do you have any comments on the proposed CIL rates?

Response

Yes, as set out below:

i. The CBRE report provides a detailed analysis of the proposed CIL rates, particularly the residential and PBSA rates, and questions their appropriateness given the current uncertain economic environment facing the property and construction sectors. Viability is becoming more challenging as high levels of inflation in build costs are proving persistent and sales values remain static or at best are increasing at below the rate of build cost inflation.

ii. With regards to the Residential CIL rate, this must be considered in the context of the acknowledged poor delivery of housing in the city over a long run period. Evidence we have presented to the Local Plan Examination, using the Council's own data, demonstrates that in the 10 years 2013/13 to 2021/22, house completion rates fell below the OAH of 790 in 7 of those years. However, the Council's housing completion data includes student accommodation. If student accommodation is excluded, housing completions fell below the OAHN for 9 of the 10 years.

iii. Furthermore, the Council's Housing trajectory set out in supporting evidence to the Local Plan Examination, shows that a cumulative undersupply of housing will persist until 2023/24 – i.e. 7 years into the Plan period. Our analysis indicates it will persist until 2024/25, 8 years into the Plan period (See Appendix A).

iv. In this context of long-term undersupply of housing, the imperative is clearly to implement the NPPF requirement to significantly boost the supply of housing. Against this background, the proposed £200 psm rate for housing, the highest rate in the Yorkshire region, seems clearly anomalous and could seriously impede the delivery of housing so desperately required to make good more than a decade of undersupply.

5) Where alternative rates are proposed, please provide evidence to demonstrate why a proposed rate should be changed

Response

i. Please refer to the City of York CIL Charging Schedule Consultation Technical Representations by CBRE, attached.

6) Do you have any comments on the draft Instalments Policy?

Response

Yes, as set out below:

ii. There is no certainty with regards to larger schemes over £500,000. For example, what happens if the developer and Council are unable to agree a project specific payment schedule?

iii. Please refer to the City of York CIL Charging Schedule Consultation Technical Representations by CBRE, attached.

7) Is there a need to provide discretionary relief from the levy to any types of development, and if so, why?

Response

i. Yes, please refer to the City of York CIL Charging Schedule Consultation Technical Representations by CBRE, attached.

8) Do you have any other comments on the draft CIL Charging Schedule?

Response

Yes, as set out below:

i. Please refer to the City of York CIL Charging Schedule Consultation Technical Representations by CBRE, attached.

ii. The draft CIL Charging Schedule of rates is not well written, particularly in respect of PBSA development.

iii. The definitions are ambiguous e.g. it is unclear what happens in circumstances where PBSA cannot viably provide affordable housing. Will it be subject to CIL because it falls within PBSA without affordable housing? Clearly, if a PBSA scheme cannot support and affordable housing requirement, it is equally, unlikely to be able to support CIL requirement in which case development of necessary student accommodation would be stifled.

9) Do you have any other comments on the CIL evidence base?

Response

i. Yes, please refer to the City of York CIL Charging Schedule Consultation Technical Representations by CBRE, attached.

(ref: ulp2303.CIL reps.v6)

The University's Student Housing Affordability Regime in relation to the Emerging York Local Plan Modifications **23 March 2023**

Harvey Dowdy Director of Technology, Estates and Facilities

1.0 Student Housing Provision in York

1.1 A recent report by Unipol commissioned for the University of York (UoY) and York St John University (YSJU) stated that in 2021-22 there were 27,260 full time students studying in York. Of these, 11% are in PBSA and 31.4% in private rented accommodation. A total of 30.8% live in University of York maintained accommodation, with 6811 campus rooms available.

1.2 There are 10,575 student beds in private and university owned PBSA, whilst 50% of University of York returners in term time are in the private rented sector and 7.2% in PBSA.

1.3 In 2021/22 all PBSA provision in York was filled. With student growth forecasts at +2,318 by 2027, and only a further 776 PBSA beds in the pipeline, this will lead to a potential shortfall of between 1,000 and 1,500. With HMO expansion limited due to regulation changes, the supply of student accommodation could fall behind demand. The price sensitive issues related to the need to increase the supply of mid-price options and reduce the number of high-price options exacerbates a growing issue for future students at the University.

2.0 Major education reorganisation of delivery strategy at University of York

2.1 The education delivery strategy and organisation of the University of York will undergo a major reorganisation in that, from 2023/24, the academic year will move from three terms (Autumn, Spring and Summer) to two semesters. There are four reasons for this:

1) To balance out teaching and assessment throughout the year, rather than have assessments in one concentrated period
2) To create a common design so that there are more opportunities for interdisciplinary study
3) To help align the academic year with other institutions to allow for more foreign exchange and placement opportunities
4) An earlier end to the academic year allows more students to take up employment, placements and internships earlier than they would have been able to under the

current arrangements. Given the current cost of living crisis and the fact that the student loan for living costs has not kept pace with inflation, it is more important than ever that students use the summer vacation to earn or gain work experience to improve their chances of obtaining employment post education.

The University will also be able to deliver modules flexibly via short courses and CPD programmes to non-age 18-21 cohorts.

The process of modularisation and semesterisation will bring York into line with the majority of universities in the UK and abroad.

2.2 These changes fundamentally alter the way in which the need for student housing is assessed. The delivery of teaching of some modules partly on line and partly in person will result in some registered students being taught at the University for short periods. Delivery of CPD programmes will also require short term accommodation. It is essential to ensure that students can rent PBSA bed spaces on flexible contracts which match their period of study which may be from a week to 52 weeks depending on the mode of study. It is the University's view that the management of such bed spaces is a matter for the University – not the local authority.

3.0 Socio-Economic background of University of York students

3.1 The University makes an annual return to the Office for Students (POLAR 4) which looks at students' geographical location as an indicator of socio-economic background which in turn tends to be an indicator of how likely young people are to participate in Higher Education. In 2017/28 c.20% of Undergraduate Home students came from the lowest participation areas. This has improved so that in 2022/23 this figure is c.25%. It is of great importance to the University of York, that as a University for Public Good* these figures continue to improve. We have a very real concern that the high cost of housing will deter students from making an application.

* Guiding principle of the University of York Strategy 2020-2030

4.0 University Student Housing Costs

4.1 Table below shows the University's colleges accommodation and cost ranges.

College	Catering type	Bathroom type	Cost per week
Alcuin	Self-catered	Ensuite	£173

Anne Lister	Self-catered	Ensuite	£179 to £194
Constantine	Self-catered	Ensuite or Shared	£175 to £194
David Kato	Self-catered	Ensuite	£148 to £194
Derwent	Catered + Self-catered	Shared	£156 to £207
Goodricke	Self-catered	Ensuite or Shared	£161 to £194
Halifax	Self-catered	Ensuite or Shared	£99 to £188
James	Catered	Ensuite or Shared	£207 to £224
Langwith	Self-catered	Ensuite or Shared	£175 to £194
Vanburgh	Catered	Ensuite or Shared	£143 to £226
Wentworth	Self-catered	Ensuite	£173 to £208

4.2 The costs for University owned accommodation range from £99 to £224 per week, with the higher prices including catered accommodation. This compares with 2022/23 prices for PBSA housing from £104 to £275, excluding catered services. The HMO market, used predominantly by groups of 2nd and 3rd year students, has traditionally been lower priced, but in the context of rising costs and high demand for this accommodation, these prices are now competitive with on-campus accommodation. Average rent across all short-term lease arrangements in HMOs for first year students arranged by YSJU is £176 per week per bedroom, with the highest at £209 per week per bedroom.*

4.3 For students organising their own accommodation and continuing students in second and third years, there is more limited data, but this suggests that students are paying higher average rates of around £190 per week per bedroom.*

* Statistics taken from YSJU data

5.0 Support for students from University

5.1 University of York owned accommodation acts as a real attraction for prospective students, in particular undergraduate first year students, those with a disability, and international students. In the face of PBSA rent averaging a high cost of £177 per week, the University provides housing support for students who need it most. At a cost of £6m-£7m (2021/22 data) for accommodation bursaries and between £400k-500k in housing energy grants for off-campus students there is a very real affordability issue for the student body.

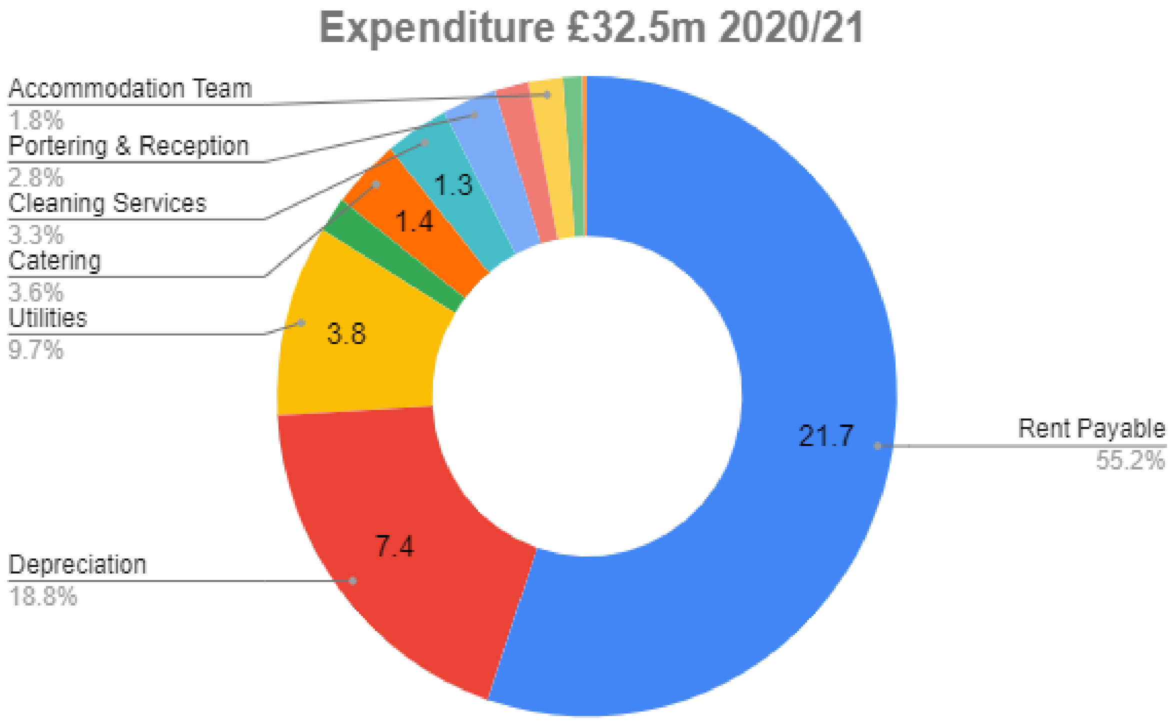
5.2 As the data below shows, the University is making a loss for on-campus accommodation in order to respond to these affordability problems, whilst the PBSA model is associated with profit driven rent prices. The proposed CIL charge of £150 per m^2 GIA levied on any new provision of on-campus accommodation, or a contribution of c.£7k/bed on new PBSA student housing will necessarily be added to student rents, making them less affordable and the education less inclusive.

5.3 **Income & Expenditure Related to Accommodation ***

	2020/21 £m
Income	33.8
Expenditure	39.3
Non Pay	27.9
Pay	4.0
Depreciation	7.4
Net cost	**-5.5**

Category	**Exp £m**
Rent Payable	21.7
Depreciation	7.4
Utilities	3.8
Maintenance	0.7
Catering	1.4
Cleaning Services	1.3
Portering & Reception	1.1
Security	0.7
Accommodation Team	0.7
IT Network costs	0.4
Other	0.1
Total Exp	**39.3**

* The figures above show the total income and expenditure related to accommodation for the financial year 2020/20



5.4 Data taken from the Student Cost of Living Report 2023 (commissioned by the Russell Group Students' Union) shows clearly the immense financial pressure the current cost of living crisis has already placed on students. On average, students are sitting below the poverty line for the UK. 1 in 5 are considering dropping out because they cannot afford to continue, and 1 in 4 are regularly going without food and necessities. With rates for PBSA accommodation in York for the upcoming 2023/24 year rising in some cases by £50-£60 more per week, compared to 2022/23, the cost of rent is only going to intensify the financial pressure on students. Crucially, this crisis will disproportionately affect those students who are most vulnerable to financial constraints (see below). This is completely at odds with our promise to be a University for Public Good, and our ability to support all students to achieve their full potential, regardless of role or background.

The top four groups who reported having less than £100 in savings:

- **Students whose parents have no qualifications** (34%, N = 144/423)
- **Students with a household income of less than £25,001/annum** (32%, N = 574/1801)
- **Students with caring responsibilities** (29%, N = 140/480)
- **International students** (29%, N = 501/1747)

Each of these groups were statistically more likely to have less than £100 in savings.

6.0 Securing the accommodation for university use

6.1 The current wording of local plan policy H7 alters the basis for establishing need for PBSA developments. To date, the test is to establish a shortfall in current provision compared with current demand.

6.2 The revised wording requires need to be projected ahead based on anticipated growth in student numbers at either or both universities. The universities are intended to commit to nomination agreements with developers at the planning application stage, three years ahead of any occupation date.

6.3 The University of York does not consider that the University should be compelled by planning policy to take all the risk of PBSA provision. The use of a long lease or nominations agreement to regulate the contractual arrangement would require the University to guarantee rent to the developer for the duration of the agreement, typically for all or the majority of the bed spaces. Thereby, this reduces the developer's risk to 'very low' or nil. The policy as drafted also assumes that there are a limited number of transactional arrangements for the delivery of PBSA, whereas in reality funders and developers enter into a wide range of contracts which can take into account the legal and financial position of the parties, land ownership etc. which the draft policy does not reflect.

6.4 The University will support a scheme for PBSA where:

a) it judges that the rent negotiated between the parties will be affordable for its students and this should remain a matter between the parties, and

b) the need for the development is evidenced by the Five-Year Student number forecast.

We therefore propose that the policy test should simply ask that any planning applications should be supported by one or more of the three HEIs accompanied by Five Year Student number forecast data.

7.0 Occupation of the accommodation

7.1 iv. Requires that the accommodation shall be occupied only by full-time students enrolled in courses of one academic year or more. This is considered to be too restrictive given our widened teaching routes and semesterisation. The occupation of the accommodation should include students registered at any York HEI university and pursuing studies. The policy should be sufficiently flexible to accommodate short course and CPD attendees plus placement students on schemes supported by the NHS for medicine and nursing. The University runs courses in these subjects related to the Hull York Medical School. The policy should also allow for the use of the accommodation for delegates registered for conferences held at any of the HEIs or one-off events associated with HEI activity. It is likely that these attendees would be accommodated at times outside when undergraduates would be in residence.

York St John University

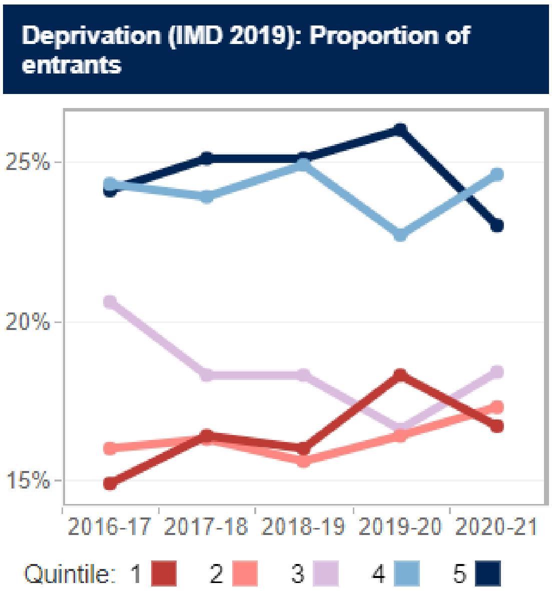
Comments on the University's Student Housing Affordability Regime in relation to the Emerging York Local Plan Modifications **22 March 2023**

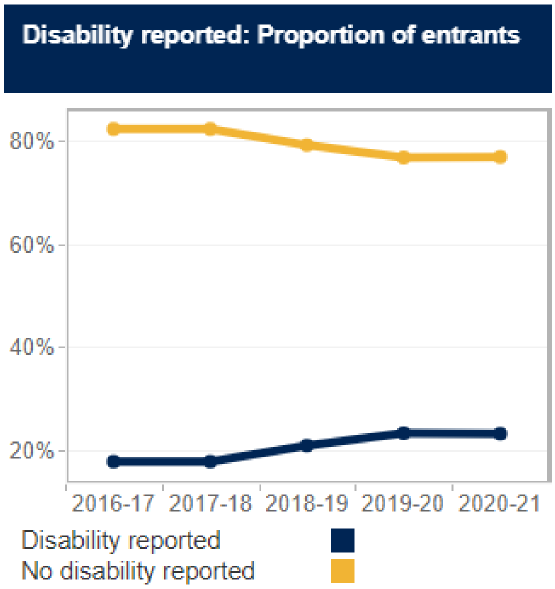
1. Overview

As of March 2023 our student population in York is 7440. Our student body is comprised of a higher proportion of students from more deprived backgrounds than the average higher education institution (based on HEFCE data 2021 - see below), and a similarly higher proportion of students declaring a disability, which is often associated with more exposure to difficulties with increasing cost of living.

Approximately 31% of our students are accommodated in our own accommodation and PBSA accommodation under nomination agreements or leases. These are primarily first year students, as is the norm for all higher education institutions. The remaining 69% are either occupying housing in the private rented sector, with PBSA providers or are commuting students.

For the forthcoming year, 100% of first year students in PBSA not owned or managed by the University (c. 800 students) and around 70% of first year students in HMOs (c. 300 students) leased by the University are currently receiving financial support in the form of subsidised rent. This is because current market rates are deemed too high to sustain application rates. The average rent across private PBSA providers in York is currently 61% higher than York St John University's own accommodation. This is in addition to more general financial support offered to students experiencing hardship, and support for students in private accommodation. The total cost of support across all of these areas is summarised below.





HEFCE Student access data 2021, York St John University

Any attempt to support the viability and growth of the University must address the fundamental substantive concerns that we have as a higher education institution regarding the total omission within the draft local plan of *affordable student housing* from the consideration of wider affordable housing policy. This is despite students making up a substantial portion of York's population, and by extension, of the Council's constituents. These people are owed a duty of care, equal treatment and consideration in relation to wider housing policy, especially since the majority of students are workers themselves across the city, or in key placement roles such as nurses, paramedics, lawyers, scientists, etc.

In simple terms – *affordable student housing* must be considered to be a key part of affordable housing policy in York, and policy must be strongly evidence based.

Further, there is little appreciation of the potentially severe detrimental impact of these draft policies on the basic operational and financial viability of the University given the national context of static tuition fees, or the consequential detrimental impact upon the city's economy.

York has suffered from significant profiteering across the rental market over the past two years, and as referenced throughout this document, we are now spending a considerable sum of money performing a public service by assisting with housing costs. This is simply due to a lack of effective policy bringing forward sufficient accommodation and specifically a lack of effective affordable housing policy. The situation is being made even more difficult due to related policies concerning HMO licensing and license application criteria, which are also increasing costs across the private rented sector and seem not to have been considered with regard to any ambition to encourage more housing development to meet the clear need.

2. Student Profile

We feel a particular ethical obligation to articulate the detrimental impact of these policies at York St John because the impact will be felt more acutely by our students. This is for the following reasons:

- Our population of mature students has increased by 113% in the past five years;
- Our population of students reporting a disability has increased by 32% in the past five years, was already high, and is significantly higher (at 23.3%) overall than the national average (17%);
- Around 20% of our students are the first in their family to go to university, a metric traditionally associated with working class families, and at a significantly higher rate than the national average;
- Our population of students from disadvantaged backgrounds is relatively high and growing. Student numbers from quintile 1 of the Index of Multiple Deprivation (the most deprived areas) have increased by 26% over the past five years;
- Our population of care leavers has increased by 113% over the past five years.

Taken as a whole, it is clear that there is significant vulnerability to economic hardship within our student body. There is simply no way that these students can afford the current market rates for student accommodation in York, since what has been permitted over the past decade is dominated by very high-cost accommodation at the luxury end of the market. We believe that there should be a specific suite of policy measures aimed to support limiting average student rent in York to no more than £165 per week (2023 prices) for a standard bedroom on a 44-week contract term. Our modelling shows that prospective student applications drop off sharply above this cost, many students struggle to obtain guarantors, and it is well beyond the means for the average student, forcing many into working jobs at a much higher number of hours than would have been the case in the past and at too high a rate to effectively study. We have also seen housing costs increase as a factor in mental health referrals and in students' reasons for abandoning their studies altogether after their first year.

3. Student hardship and cost of living impacts

At York St John University we have seen a 47% increase in student hardship applications over the past 3 years to well over 500 student applications, with the average financial value of hardship support deemed necessary per student increasing by 63% in the same period.

The total budget now allocated to student financial support is in excess of £2.1 million in 2023, of which almost 75% relates directly to housing cost support. This has increased tenfold over the past five years and is now a substantial proportion of overall turnover. It is simply not sustainable to maintain this over the long term. We see the proposed planning policies discussed here as severely exacerbating this problem rather than resolving it. The only long-term solution which simultaneously meets the Council's objective of supporting the University's growth and sustainability is the explicit encouragement of a substantial increase in the overall number of affordable housing units in York, specifically PBSA student housing and in the private rented sector.

We have a substantial body of anecdotal evidence reporting a significant increase in the average number of hours that students are working, with many working almost full-time hours and a corresponding impact upon their study.

Around 80% of students applying through the UCAS clearing process (after our own substantially lower cost accommodation has already been allocated) cite high accommodation costs as a factor discouraging them from applying, with the majority not taking up an offer of a place following discussions about available accommodation options and a significant number specifically citing high accommodation costs.

The cost of accommodation in the city is also compiled in various University surveys and league tables, and is an important factor which prospective students consider when deciding where to apply.

Unfortunately, we have also seen a significant recent increase in students dropping out after their first year. This has resulted in a £3.7 million loss of income projected from 2022 -2024, and based on interviews with and data collected from these students, we believe that up to 60% of these students choosing not to continue their studies are doing so primarily on the basis of cost of living pressures, of which accommodation costs are by far the most significant. This view is supported by the fact that we have seen over 100% increase in students applying to stay in University owned accommodation in their second year.

4. Proposed policy H7 and securing additional student housing

York St John University anticipates that over the next three-four years to the 2026 academic year our total number of York-based students will increase to over 10,000 but could easily increase beyond this depending upon national higher education policy. This represents a 52% increase from 2021/22 and is driven by national policy and increasing operating costs forcing growth and diversification in order to remain financially viable.

We anticipate that total demand for student accommodation associated with this change will increase by 46% over the same period, to at least 7,629 bedrooms, and as part of this the total demand for private sector accommodation will increase proportionately to at least 5178 bedrooms, a 53% increase.

We cannot provide this accommodation on campus, because our campus is already at or close to its development limit and is constrained in a number of ways (listed buildings, conservation area, city centre location surrounded by residential areas).

Only one location in York has been designated suitable for development with respect to student accommodation, but discussions have immediately highlighted the severely constraining effect of a very conservative attitude to appropriate massing (a problem for economic development in the city as a whole) with the effect that this site is deemed by CYC only capable of supplying around 400 bedrooms. This also limits the construction efficiency and increases build costs per bedroom.

There is limited scope for significant development of further PBSA sites in York. Current development sites have still not been effectively modelled in relation to University growth, or the impact of these proposed policies on viability or affordability, both in terms of initial construction affordability or consequential rent affordability.

We currently enter into a variety of short-term arrangements with private sector accommodation providers, including nominations agreements of varying terms up to 5 years, and long-term leases of varying terms up to 25 years. However, a nomination agreement is deemed a short-term option for flexibly managing demand and supply problems. It is most certainly not a suitable policy prescription to ensure affordability, since at the end of the nomination agreement, the provider can simply increase rental rates up to or above market rates, which have been spiralling out of control due to lack of supply across the entire housing market in the city. The only appropriate solution to guarantee affordability is based on either a long-term lease requirement with associated permanent planning conditions or permanently binding lease commitments in the form of a section 106 agreement or similar, with specific prescribed reductions in rent against market rates. As above, we have not been consulted on the viability of these proposals but will be very happy to assist in creating a workable and effective policy framework.

In relation to the occupation of new sites, the proposed policy (and recent planning determinations) is too prescriptive in relation to use by non-enrolled students. There needs to be consideration given to students who bring family members with them, whether from overseas, or because they are parent or single parents. There also needs to be flexibility to allow for educational conferences, summer schools, etc, as well as an understanding of the positive effect that allowing short periods of limited commercial use have the potential to ensure that we (and private PBSA providers) can maximise use outside scheduled teaching semesters. Without this provision, there is simply no financial viability for these developments outside scheduled teaching time (currently only half of the year), with a consequentially detrimental effect on affordability for students, which as above, has not been impact-modelled. We can advise in detail on the relative effects of different policy measures in this regard.

York St John University

5. Community Infrastructure Levy or equivalent contributions

The proposed CIL or financial contribution towards affordable housing on new student accommodation is extremely concerning to us. It fails to correlate with the aim of the providing affordable student housing. By increasing the cost of student housing, it will logically prevent that housing from being affordable itself.

York St John University does not have the capital resources or land to build extensive new accommodation developments beyond the allocated site mentioned above. Therefore, if this policy is agreed, it will simply ensure that new student accommodation is not economically viable in York, which is contrary to the Council's stated aims of supporting and encouraging the University's growth and prosperity.

Even cursory impact modelling and a basic evidence-based approach should identify that this proposed measure, coupled with recent long term increases in construction costs will severely impact the viability of new development. In the context of supporting the University's growth and success, and acting to ensure affordable student housing, it does not make any sense at all to impose additional costs on already expensive new construction. Our own modelling based on current schemes indicates that the proposed levy would increase development costs by up to 7-8%. Coupled with higher interest rates to service debt, this would imply an equivalent increase in rents of at least this amount in order to deliver the required yield for private providers. This is simply not affordable.

We have laid out above the existing severe cost of living effects being seen amongst our student body. Any measure that imposes additional development costs on new PBSA in York will exacerbate that problem, and will be directly contradictory to the proposed approach being suggested in policy H7 to make student housing affordable.

We ask that these concerns are taken into account to ensure that planning policy is genuinely supportive of the University's needs as a prime employer and integral part of the city's economy.

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(ref:Local plan NC revised policy H7 comments YSJ.v5)

ASKHAM BRYAN COLLEGE

Askham Bryan College Evidence 27 March 2023

1. Student Profile

In the current year the college has, 3000 students enrolled from entry level provision to honours degrees. The College has substantial residential accommodation for approx. 10% of its student population, with 337 bedrooms across twelve buildings with students drawn from across the UK in residence during the academic year.

Further Education (FE) students:

- 71% of FE students are 16-18yrs
- 44% of FE students have declared learning difficulties and/or disabilities (LLDD)
- 4% of FE students are from the lowest two decile IMD
- 39% students without an English AND/OR maths grade 4 (C) or above
- 2% students are 'looked after children'

A breakdown of Higher Education (HE) students socio-economic background for current enrolments is shown in the tables below. This collects the socio-economic background of students aged 21 and over at the start of their course, or for students under 21 the socio-economic background of their parent, step-parent or guardian who earns the most. It is based on occupation, and if the parent or guardian is retired or unemployed, this is based on their most recent occupation. The College currently has 433 HE students enrolled with 64 (15%) in student residential accommodation. 3.7% of the Colleges current HE students are care leavers.

Socio-economic Class	Percentage
1 Higher managerial & professional occupations	4.27%
2 Lower managerial & professional occupations	6.40%
3 Intermediate occupations	3.79%
4 Small employers & own account workers	4.50%
5 Lower supervisory & technical occupations	3.79%
6 Routine occupations	4.98%
7 Never worked & long-term unemployed	3.32%
9 Not classified (students, occupations not stated or inadequately described or other reasons)	68.96%

POLAR Quintle relates to postcode and levels of participation in HE, 1-2 lowest level	Percentage
1 Lowest rate of participation	22.30%
2	26.38%
3	15.35%
4	17.51%

5 Highest rate in participation	18.47%

IMD Index of Multiple Deprivation	Percentage
1 Highest level of deprivation	8.82%
2	12.85%
3	7.56%
4	8.31%
5	8.31%
6	12.59%
7	11.59%
8	9.82%
9	11.34%
10	8.82%

Ethnicity	Percentage
Any Other White background	3.08%
Chinese	0.24%
English / Welsh / Scottish / Northern Irish / British	94.55%
Indian	0.24%
Irish	0.47%
Pakistani	0.24%
White and Asian	0.95%
White and Black Caribbean	0.24%

Notes

The participation of local areas (POLAR) classification groups areas across the UK based on the proportion of young people who participate in higher education.

It looks at how likely young people are to participate in higher education across the UK and shows how this varies by area.

POLAR classifies local areas into five groups - or quintiles - based on the proportion of young people who enter higher education aged 18 or 19 years old.

Quintile one shows the lowest rate of participation. Quintile five shows the highest rate of participation, i.e. the College is recruiting 48.6% of its student HE population from the 2 most disadvantaged postcode areas

2. Student Hardship

The total budget now allocated to student financial support is in excess of £0.5 million in 2023, of which almost 35% relates directly to residential bursary support.

FE Students can apply for a residential bursary (funding received by the College from the Department of Education) the award of this bursary is means tested. In the current year awards have been given to 57 of the 291 (19%) students that reside in our onsite student residential accommodation. This bursary is only available to FE residential students (usually 16-18 years) and not HE students (usually +18 years).

The maximum amount of an FE residential bursary that can be awarded is £3,458, so based on the cheapest residential package (standard, self-catering) the student would still be liable to pay £639 and the most expensive (ensuite, self-catering) they would still pay £1,336. Based on a 34-week academic year this means the student qualifying to receive an award would be liable for accommodation charges amounting to between £19 and £40 a week dependent on the accommodation.

In addition to the cost of the accommodation a student would be required to pay a £300 security deposit to secure their booking, however this would be refundable assuming no damage and clear account when they return their keys at the end of the academic year.

3. Student Accommodation Rates

The current year's student accommodation costs are listed below. The College has to provide catering for students under the age of 18, however excluding catering our most expensive package (ensuite) amounts to £4,794, based on a 34-week academic year this amounts to £141 a week, a standard room with shared facilities amounts to £120.50 a week.

The College's cheapest accommodation is self-catered with shared bathroom facilities, this is currently full but we do not have a waiting list. The accommodation which sells out first is self-catered ensuite and those who don't get put in one of those rooms tend to end up in the self-catered shared bathroom rooms. Our ensuite self-catered rooms sold within 30mins but the standard self-catered takes approx. 1 week to fill.

Under 18s Annual Accommodation Rates

Type of Accommodation	Annual Fee (Option A Catering Package)	Annual Fee (Option B Catering Package)
Ensuite Halls	£6,069	£6,579
Standard Halls	£5,372	£5,882

Over 18s Annual Accommodation Rates

Type of Accommodation	Annual Fee (Option A Catering Package)	Annual Fee (Option B Catering Package)	Annual with Self Catering: Over 18's only
Ensuite Halls	£6,069	£6,579	£4,794
Standard Halls	£5,372	£5,882	N/A
Standard Halls – Main Building	£5,372	£5,882	£4,097

* Option A provides a food allowance of £37.50
* Option B provides a food allowance of £52.50.
* At the point of applying for accommodation you must pay a refundable Deposit of £300 in addition to the Accommodation Fee.

The College will always prioritise looked- after students and they are also guaranteed a room for the whole of their course duration. All students with disabilities are offered our Disabled Access rooms over an able-bodied student and then all other students will be discussed with the HE team and the Student Service teams due to risk assessments and level of care required.

The College's Finance and HE Teams work together to offer separate payment plans that run in conjunction with loan dates to assist students in hardship, i.e. some students will not make an initial payment when they first move in as per our contract but will make this payment out of their student finance from the Student Loan Company.

4. Community Infrastructure Levy

The proposed CIL on new student accommodation is of real concern to the College.

The College anticipates a significant rise in student numbers over the next ten years, and its existing student accommodation is hugely oversubscribed. With 1,847 students in 2022/2023 forecasts for 2025/26 estimate a rise of 6-12% in student numbers resulting in 2,000-2,300 students. The waiting list for student accommodation is about 30-40 students annually (10% above 340 accommodation capacity), with the likely figure higher as many students done not join the list once capacity is full. As a result, hundreds of students travel in daily from a wide catchment to the College.

The College has 32 rooms currently within Portakabins which have temporary planning permission until 31st March 2026; and 50 other rooms in 5 separate blocks which date back to 1960s all of which require replacement. The GIA of these current buildings amounts to 1,700sqm. If a rate of £150sqm was levied on any new provision of replacement student accommodation, and assuming 3,000sqm of accommodation was required to accommodate the approximate increase in student numbers projected (3400 students to 4,200 students by 2030, of which 10% would live in on-campus accommodation), this would result in CIL contributions of £450,000. In the context of the low-income profile of students, it would not be possible to pass this financial contribution onto the College's students as it would seriously question affordability to parents and carers of predominantly students under the age of 18. If rates of accommodation were increased, it would result in the College's costs being significantly higher than other competing land-based colleges where students could decide to undertake their studies on similar programmes instead of studying at Askham Bryan in York.

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ASKHAM BRYAN COLLEGE
Learning is in our Nature.

CBRE

City of York CIL Draft Charging Schedule Consultation

Technical representation prepared by CBRE UK Ltd jointly on behalf of the following:

- University of York
- York St John University
- Askham Bryan College

March 2023

Contents

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Introduction

Procedural Matters

Instruction Purpose

1. CBRE UK Ltd ('CBRE') has been instructed by a consortium of higher and further education institutions ('the consortium') to prepare a formal representation document setting out a technical response to the City of York Council ('CYC') Community Infrastructure Levy ('CIL') Draft Charging Schedule ('DCS') consultation 2023 ('the consultation').

2. CBRE's technical representations focus upon the evidence base underpinning the CYC CIL DCS – specifically the City of York CIL Viability Study Final Report ('CIL Viability Study') produced by Porter Planning Economics ('PPE') and dated December 2022.

3. An overarching representation has been prepared by York-based town planning consultancy O'Neill Associates.

The Consortium

4. The consortium consists of the following leading higher education institutions ('HEI's') and a further education institution ('FEI'), all based within York:

   - University of York
   - York St John University
   - Askham Bryan College

The Consultation

5. CYC published the following documents on 13th February 2023:

   - CIL Statement of Representations Procedure ('SORP')
   - CIL Consultation Information Booklet
   - CIL Draft Charging Schedule ('CIL DCS')
   - CIL Viability Study
   - CIL Infrastructure Funding Gap
   - CIL Associated Mapping (for information only)

6. The consultation ran to 27 March 2023.

7. The SORP confirms BCC's intention to submit the CIL DCS for independent examination following the close of the CIL DCS consultation.

The Consortium's Stance

8. The consortium has fundamental concerns regarding CYC's proposal to introduce CIL charging on purpose built student housing (usually referred to as purpose built student accommodation or 'PBSA') development within the CIL DCS.

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9. It is the consortium's firm view that the introduction of the proposed CIL rates will undermine the viability of new development in an environment where recent long-term construction cost inflation, softened funding investment yields, and increased debt servicing costs have placed increasing pressures on development significantly since mid-2022. This is exacerbated by the limited availability of suitable sites in what represents a highly constrained urban context.

10. In parallel, the consortium reports that the student body in York is suffering from the existing severe cost of living pressures. Each member of the consortium has reported that hardship grant application have increased substantially in recent years and the value of hardship support also rising, with housing costs representing the majority of funds required.

11. The only way to absorb additional costs arising from the proposed CIL charges would be to commensurately and significantly increase rents, which would undermine the consortium's objectives of social inclusion by intensifying the affordability challenges already faced. This approach would be wholly contrary to the CYC's policy ambitions to increase the supply of affordable living accommodation in York.

12. In light of above the consortium does not accept the validity and reliability of the published viability evidence base upon which the proposed PBSA charging rates within the CIL DCS relies, and hence the legal compliance of the published CIL DCS with the relevant legislation and guidance.

13. On this basis, the consortium members cannot agree with CYC that there is an appropriately evidenced and legally compliant basis upon which the CIL DCS (as published) could be found sound by an independent Examiner, which should unavoidably lead to the rejection of the Charging Schedule in accordance with Section 212A(2) of the 2008 Act.

14. Should CYC determine to submit the CIL DCS for examination, in its current form and without rectifying the issues identified in this representation and O'Neill Associates overarching representation, the consortium will be left with no choice but to seek that the Examiner rejects the Charging Schedule via the examination process.

Request to be Heard and Notification Requests

15. It is stated on the consultation page of CYC's website that representations must clearly state a request to be heard at the examination of the CIL DCS. It also states that representations must clearly state a request for notification of the submission of the CIL DCS for examination, receipt of the Examiner's Report, and CYC's approval of the Charging Schedule.

16. This constitutes the consortium's formal request to be heard at the examination of the CIL DCS, either as a consortium or as independent stakeholder organisation, and to be notified by CYC of the events listed in paragraph 12 above. This notification should be provided to both O'Neill Associates and CBRE, as instructed joint agents.

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Matters of Representation

Purpose

17. This section of the document sets out the matters of representation that the consortium determine must be raised with CYC and ultimately, if left unresolved by CYC following the consultation, are for the consideration of the appointed Examiner.

Significance of Proposed CIL DCS Rates

18. The CIL DCS proposes a significant increase in costs via the introduction of CIL charging on multiple uses for the first time.

19. Notably, the CIL DCS introduces the following new zonal charges:

Development type	**CIL rate per sqm**
Residential dwellings within the City of York	£200
Residential dwellings within the City of York Local Plan strategic sites ST7, ST8, ST9, ST14 and ST15	£0
Residential dwellings within the remaining City of York Local Plan strategic sites	£100
Sheltered / Retirement accommodation	£100
Extra care accommodation on Brownfield sites	£100
Extra care accommodation on Greenfield sites	£0
Purpose Built Student Housing without an affordable housing contribution	£150
Purpose Built Student Housing with 100 or fewer student bedrooms and an affordable housing contribution	£50
Convenience[1] retail with up to 450 sqm gross internal area	£100
Comparison[2] retail built outside the City Centre boundary	£100
Comparison retail built inside of the City Centre boundary	£0
All other development	£0

20. These are not incremental changes, but rather represent a fundamental shift to introduce substantial rates of CIL charging across multiple uses both city-wide and on a zonal basis.

21. It is notable that the rates proposed are amongst the highest, if not the highest, across the entirety of Yorkshire and the Humber, even when allowing for indexation since adoption in other Charging Authorities.

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CBRE has provided a full schedule of proposed and adopted rates across the region as a comparison within **Enclosure 1**.[1]

22. As a result, such proposals by CYC must necessitate comprehensive, robust, and up-to-date available evidence of financial viability in order to provide appropriate justification that they will strike an appropriate balance in accordance with Regulation 14(1) of the CIL Regulations (as amended).

Illogical Timing

23. The UK property market is experiencing a highly challenging period, which has been driven by substantial economic and geo-political uncertainty nationally and globally over 2022 and which is expected to prevail over the course of 2023. This has led to a high inflationary environment against a backdrop of tightening monetary policy and a UK-wide cost of living crisis. Development and investment across a wide range of sectors are facing headwinds, which commenced in mid-2022 and continue to prevail during 2023.

24. Specifically:

    a. Economic output and outlook has deteriorated as the inflationary squeeze on real incomes weighed on consumer confidence and spending that hit growth momentum. Throughout 2023, CBRE expect unemployment to rise from its current historically low level. In tandem, job vacancies will decrease. Wage growth will not be able to keep up with inflation until late 2023, eroding consumer purchasing power. We expect a moderate recession to occur in 2023, with GDP falling by 0.9%.

    b. Inflation has been rising relentlessly over the past 18 months and is at its highest for 40 years. Inflation has been driven by a post-COVID surge in demand, which could not be met due to supply bottlenecks. Russia's war in Ukraine has exacerbated supply shortages, pushing energy, food, and other commodity prices even higher. Policy choices, such as China's zero-COVID policy, are slowing down the recovery of supply chains, and raising the costs of imported durable goods. In the UK, inflation has been exacerbated by a weak pound, which has made imports more expensive to the UK consumer.

    c. Increased global supply chain disruption has and will continue to put further upward pressure on energy prices, food prices and construction materials. Significant uncertainty persists around the future path of inflation. Inflation remains stubbornly high in early 2023, with the Consumer Prices Index (CPI) rising by 10.4% in the 12 months to February 2023, up from 10.1% in January. CBRE's base case is that CPI inflation will have peaked in Q4 2022 and fall back in the second half of 2023. Implicit in this forecast is the end of the Ukraine conflict by year end with energy - and non-energy commodity prices falling from their current highs.

    d. Monetary tightening is well underway over fears of second-round effects from wage and price-setting. During 2023, the Bank of England will continue to rise interest rates, which CBRE forecast to peak at around 4.5% and push borrowing costs to the highest levels prior to the financial crisis in

[1] Note: this information was obtained from Planning Resource and is understood to have been correct as at August 2022. The rates presented are not indexed, but represent those rates either proposed (latest) or at the date of adoption of relevant Charging Schedules.

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2008. As inflation begins to cool, rates will begin to decrease, declining gradually to a 'new normal' of around 2% from 2026 onwards.

e. Faced with spiraling prices and higher interest rates on loans, businesses and consumers are limiting spending. Consumer confidence has been hit, and retail sales will continue to decline until inflation moderates and consumers restore their purchasing power. Businesses will have to cut costs to preserve margins in a high-inflation environment. This will lead to some job losses and higher unemployment in the first half of 2023.

f. The 10-year gilt yield has risen by almost 200bps since the beginning of 2022 and financial conditions are materially tighter than in Q2 2022. The expectation of future short-term interest rate hikes will continue to push upward on long-term market interest rates until the base rate starts to move down.

g. Inflation and rising interest rates have resulted in an increase in property yields. This ongoing yield shift, which commenced from Q3 2022 has hit values and returns for investors. As the cost of capital, closely related to the interest rates of central banks and therefore to inflation, have risen, valuations have been negatively impacted.

25. Specifically considering the PBSA sector, CBRE's baseline forecast for 2023 is as follows:

    a. Overall, the sector continues to be undersupplied but this is highly nuanced, and an understanding of affordability is key. An in-depth understanding of the submarket dynamics is critical.

    b. Investment yields have softened in H2 2022 and high inflation and rising interest rates will continue to impact the investment and funding market over 2023 and into 2024, until inflation abates and central banks pivot on interest rates.

    c. Overall, the development of new PBSA is slowing due to a combination of factors, and this will carry forward throughout 2023. Specifically, the drivers are as follows:

        i. Rising build costs present viability challenges

        ii. The pace of the planning system remains a significant barrier to delivery

        iii. Rising operational costs will also continue to hinder new development given the negative impact on net rental income.

        iv. Development financing is also increasingly expensive and is increasingly difficult to obtain.

26. CBRE questions the logic and rationale, and efficiency in use of public funds, for introducing a CIL regime at this juncture, given the wider challenges facing development and uncertainty in both the macro-economy and property market.

27. CYC's proposals to increase the cost burden on development at this point will exacerbate uncertainty and slow or stall development and regeneration plans on major sites across the city for PBSA development.

Outdated Evidence

28. The published available evidence to inform the CIL DCS is the CIL Viability Study produced by PPE and dated December 2022.

29. CBRE has reviewed the CIL Viability Study in detail. It is apparent that the input assumptions for PBSA scheme typologies, which are subsequently utilised by PPE in undertaking the viability modelling, analysis, conclusions and recommendations rely substantially upon evidence from Q1-2 2022.

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30. As set out above, and well-documented, have been significant macro-economic headwinds and property market adjustment issues over the period since, as well as substantive ongoing construction cost inflation, which are material considerations that any robust viability evidence base must account for.

31. In addition, the Government is conducting a staged implementation of the Building Safety Act 2022, and has stated that it expects student accommodation to be subject to the regulatory regime under Part Three, which will have implications for the design and construction of new developments.

32. The Government has also recently consulted upon amendments to Approved Document B, which proposes that all new buildings of 30m (circa 10 storeys) or above will require a second separated staircase[2]. The Greater London Authority ('GLA') has pre-empted the Government's conclusions by mandating this requirement for new development in Greater London with immediate effect.

33. The Government is currently considering responses following closure of the consultation on 17 March 2023, but it is widely anticipated that student accommodation will be required to conform to the amendments, which is prompting developers and investors to factor second staircases into plans for new development going forward in order that they can meet regulations, and be insurable, investable and deliverable. Specifically, Government states:

"58. Recognising that many schemes are in development, and this change would represent a significant change, we are proposing a very short transition period before implementing the changes.

59. The transition period will allow time for schemes to be completed but should not allow the opportunity for developments to get off the ground ahead of the new requirements coming into effect.

60. We would encourage all developments to prepare for this change now."

34. Based on the impact assessment conducted, the Government has publicly acknowledged that the implications of additional construction costs, and loss of build efficiency, will impact negatively on the financial viability of development and, as a result, is likely to reduce the propensity of higher density schemes to deliver affordable housing as a consequence:

"65. The costs of a second staircase will also impact the viability of high rise buildings, this is likely to reduce the amount of affordable housing that can be provided by developers."

35. The impact will be that gross to net build efficiency is reduced, meaning lower net lettable floorspace against a higher or equivalent gross internal area (GIA).

36. It does not appear that the CIL Viability Study has accounted for the this or addressed the implications.

37. CBRE has provided further details upon this relating to PBSA use within the 'Technical Deficiencies' sub-section of this representation.

[2] https://www.gov.uk/government/consultations/sprinklers-in-care-homes-removal-of-national-classes-and-staircases-in-residential-buildings/sprinklers-in-care-homes-removal-of-national-classes-and-staircases-in-residential-buildings

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Technical Deficiencies

38. There are a range of detailed technical issues identified, which render the CIL Viability Study as an unsound basis for setting the proposed CIL rates for purpose built student housing, and which the consortium advocate will require rectification prior to CYC proceeding with the CIL DCS as presently published:

   a. **Rents, Yields and Capital Values for PBSA Typologies:**

      i. The CIL Viability Study tests 5no. PBSA typologies ranging from 25 beds to 600 beds. An average gross rental income is applied of £177/week over 47 weeks (annual) based on the 2022-23 academic year. This is drawn from a cross-section of PBSA schemes across the city, which is provided in Appendix C of the document.

      ii. CBRE notes that the adoption of an 'average' gross rental rate of £177/week is represents a cross-section of both private sector operator PBSA schemes and HEI operated student accommodation.

      iii. However, the proposed CIL charging rate of £150/m^2 applies to "*Purpose Built Student Housing without an affordable housing contribution*". The proposed modifications to Policy H7: Off Campus Purpose Built Student House within the CYC Local Plan confirms the following:

      "Contributions towards affordable housing provision from new student accommodation will not be sought where the student accommodation site which at the date of adoption of the Plan is owned by a university and which will continue to be owned by a university to meet the accommodation needs of its students"

      iv. On this basis, on campus PBSA development is excluded from contributions towards affordable housing under Policy H7, but will fall within the CIL charging rate referenced above.

      v. CBRE therefore considers the appropriate rental rates to be used in viability testing for on-campus PBSA to reflect the rents charged by the institutions themselves. CBRE has collated this information, which is provided within **Enclosure 2**. It is summarized in **Table 1.**

Table 1: Comparison Analysis: HE / FE Institutions – Average Rental Analysis

HE / FE Institution	£/Annum (Av.)	Weeks (Av.)	£/Week (Av.)
University of York	7,456	42	176
York St John	5,876	43	137
Askham Bryan	4,446	32	138
Average (All)	***5,926***	***39***	***151***
Average (HE only)	***6,666***	***43***	***156***

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vi. This demonstrates that the appropriate rates for applying to the University of York and York St John University within viability typology modelling should be £156/week (not £177/week), with this reducing further to £151/week, if also including the rents charged at Askham Bryan college[3].

vii. CBRE noes not disagree with the CIL Viability Study's usage of the average gross rental income of £177/week to be applied to private sector (non-campus) development typologies.

viii. OPEX is deducted at 30% of gross annual rent to generate a net rental income, which is capitalized at an investment yield of 5.0%. This is stated as generating a capital value of £112,300 per room.

ix. The CIL Viability Study cites, at para 3.75 that the above capital value is a "*cautious sales value for the sole purpose of this planning viability assessment*".

x. CBRE notes that this observation is based on evidence obtained from a Cushman & Wakefield report (non-York specific) drawing on data from H1 2022. It therefore does not represent current market conditions.

xi. Analysing York specifically, there are relatively few recent transactions for which information is available. These are as follows and demonstrate a tone of circa 5.5%-6.5% NIY and capital value of circa £90,000-£100,000 per bed:

1. 62 Layerthorpe: comprising 98 beds transacted in 2019 on a forward fund / commit to iQ Student Accommodation for a total capital value of £92,000 per bed.

2. Haxby Road City Residential: comprising 124 beds transacted in 2018 on a stabilized investment basis at a NIY of 6.5%, reflecting £60,000 per bed.

3. Foss Studios: comprising 220 beds transacted in 2017 on a stabilized investment basis at a NIY of 5.7%, reflecting £106,000 per bed.

xii. The above capital values would suggest that the sum of £112,300 per room adopted in the CIL Viability Study actually exceeds transactional evidence available for York in recent years.

xiii. CBRE's research places York as 21st in the league of the UK's cities with the highest full-time student populations in 2021/22, with circa 27,000 full-time students. This is relatively low compared to the top five regional cities (Birmingham, Glasgow, Manchester, Nottingham, Leeds), which collectively accounted for 374,000 full time students.

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[3] Note: all recorded rents are for self-catered facilities.

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xiv. On the basis of the above, CBRE ranks York as a Prime Regional location for PBSA and understand that other agents such as JLL and Knight Frank regard the city on an equivalent basis.

xv. As stated earlier in this document, investment yields have softened since Q3 2022 due to wider macro-economic conditions, and continue to trend weaker in a high interest environment. The latest available investment yield sheets now record Prime Regional PBSA yields as follows:

1. JLL Monthly Yield Sheet: PBSA Prime Regional at 5.25% in January 2023 (softening from 5.0% in Q3-4 2022[4].
2. Knight Frank Prime Yield Guide – March 2023: PBSA Prime Regional at 5.0% - 5.25% (softening from 4.75%-5% in Q3 2022)[5].
3. CBRE UK Living Sectors Investment Yields – March 2023: PBSA Prime Regional at 5.0% and trending weaker (softening from 4.75% in Q3 2022)[6].

xvi. In summary, three respected agents all report PBSA Prime Regional yields softening to 5.0% - 5.25% at present day. Importantly, these are not development funding yields, but are stabilized investment yields.

xvii. Institutional forward funding has been one of the main delivery routes for financing the development of PBSA schemes in York and elsewhere across the regions, where brought forward by the private sector (i.e. non-University). CBRE's market intelligence is that funding yields are transacting at a discount of circa 25bps in comparison to stabilized investment yields. As a result, if the rates above are adjusted for development funding, this would see yields at 5.25% - 5.5%.

b. **Construction costs**:

i. The construction costs adopted are set out in Table 5.3 on p.49 are cited as being drawn from RICS BCIS. The source data is referenced as being provided in Appendix D. The RICS BCIS cost is cited as £2,112/m^2 (£196/ft^2) and base-dated at Q3 (i.e. Jul.-Sept.) 2022.

ii. Given that circa 6 months has passed since the construction costs were base dated, CBRE has reviewed the RICS BCIS data as published at 11 March 2023. On an equivalent basis the RICS BCIS median cost now stands at £2,166/m^2 (£201/ft^2), which is an increase of 2.6%. The data is provided within **Enclosure 4**.

iii. CBRE comment that the RICS BCIS costs of £2,166/m^2 (£201/ft^2) are extremely low in the context of PBSA developments being brought forward for delivery in regional cities in the current market, and would highlight that RICS BCIS is a significantly lagging indicator due to

[4] Note: this is provided within **Enclosure 3**.
[5] Note: this is provided within **Enclosure 3**.
[6] Note: this is provided within **Enclosure 3**.

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the time taken for tender data be provided and reporting updated. Hence, in an inflationary environment over 2022 and 2023, it has consistently underestimated construction costs being generated in real-time. Moreover, as mentioned prior, RICS BCIS will not yet account for changes to fire safety guidance (Approved Document Part B).

iv. CBRE notes that the CIL Viability Study also cites in para. 5.10 that additional allowance of 15% of build costs for external site works such as utilities, car parking and landscaping is provided.

v. However, reviewing the example 100-bed typology appraisal in Appendix A confirms that there is an error, whereby the viability appraisals only account for a 10% external works cost, which means that there is an omission in the viability testing of this typology of at least £280,262.50. This is greater than the entirety of the CIL headroom of £223,666, which would significantly alter the conclusions and recommendations of the CIL Viability Study. In essence, if corrected, it would eradicate any headroom at all for CIL on Typology 10a or 10b alongside the proposed Policy 10 AH OSFC payment, and CIL would require reducing to NIL for these typologies. As a result, the charging rate of £50/m^2 proposed within the CIL DCS for "*Purpose Built Student Housing with 100 or fewer student bedrooms and an affordable housing contribution*" would be required to be removed altogether via modification.

vi. In a further apparent error, the 100-bed typology appraisal in Appendix A contains only 8% professional fees, as a cost allowance. However, para. 5.10 states clearly that modelling allows for " *10% of build costs and externals for professional fees associated with the build, including architect fees, planner fees, surveyor fees, and project manager fees*". This means a further cost omission within the viability testing of the PBSA typologies, which will further reduce the viability of this use if reintroduced to the viability appraisals for each PBSA typology.

vii. CBRE has set aside the above points, pending clarification from CYC.

viii. Taking a stand back approach, CBRE's cross-section of market intelligence in the sector is that the current minimum construction cost for developer-led mid-specification PBSA schemes in the regions, equates to circa £85,000 per bed. It is CBRE's direct experience that higher specification schemes, which seek to secure higher rents from students (and which primarily target the international student market) are incurring far higher costs.

ix. In **Table 2** overleaf, CBRE has set out both a comparison between the RICS BCIS median rate costs as at Q3 2022 and March 2023. CBRE considers these costs to be more likely representative of construction to a low-mid specification product, which would achieve a lower than average rental price point in the York market. As the definition in RICS BCiS states it would therefore be more appropriate to reflect student halls of residences (i.e. university-led on campus development), rather than the higher specification product being delivered off-campus by private developers, and those which can secure rents at an average for York (i.e. the £177/week) or above.

x. CBRE notes that the RICS BCIS upper quartile rate (£2,389/m^2 | £222/ft^2) generates a construction cost, when allowing for external works, that is commensurate with the level of costs being seen for mid-market specification PBSA schemes in the regions (at circa £84,500/bed). This is provided for comparison in **Table 2**.

xi. For the reasons set out above, CBRE strongly advocates that the RICS BCIS upper quartile rate should represent the base construction cost for viability testing developer-led (i.e. off

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campus) PBSA typologies. The median rate simply isn't a realistic cost benchmark to adopt for this purpose in the current market.

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Table 2: Comparison Analysis: RICS BCIS Costs Q3 2022 vs. Q1 2023 vs. Minimum Market Rates (CBRE Q1 2023)

RICS BCIS Median Q3 2022			Build			External Works @ 10%		Total Costs (Build + Externals)			
£/m2	£/ft2	GIA (m2)	Cost (£)	Beds (Typologies)	£/Bed	Cost (£)	£/Bed	Cost (£)	£/Bed	£/m2	£/ft2
2,112	196	19,288	40,736,256	600	67,894	4,073,626	6,789	44,809,882	74,683	2,323	216
2,112	196	11,251	23,762,112	350	67,892	2,376,211	6,789	26,138,323	74,681	2,323	216
2,112	196	6,429	13,578,048	200	67,890	1,357,805	6,789	14,935,853	74,679	2,323	216
2,112	196	3,215	6,790,080	100	67,901	679,008	6,790	7,469,088	74,691	2,323	216
RICS BCIS Median Q1 2023			**Build**			**External Works @ 10%**		**Total Costs (Build + Externals)**			
£/m2	**£/ft2**	**GIA (m2)**	**Cost (£)**	**Beds (Typologies)**	**£/Bed**	**Cost (£)**	**£/Bed**	**Cost (£)**	**£/Bed**	**£/m2**	**£/ft2**
2,166	201.2	19,288	41,777,808	600	69,630	4,177,781	6,963	45,955,589	76,593	2,383	221
2,166	201.2	11,251	24,369,666	350	69,628	2,436,967	6,963	26,806,633	76,590	2,383	221
2,166	201.2	6,429	13,925,214	200	69,626	1,392,521	6,963	15,317,735	76,589	2,383	221
2,166	201.2	3,215	6,963,690	100	69,637	696,369	6,964	7,660,059	76,601	2,383	221
RICS BCIS Upper Quartile Q1 2023			**Build**			**External Works @ 10%**		**Total Costs (Build + Externals)**			
£/m2	**£/ft2**	**GIA (m2)**	**Cost (£)**	**Beds (Typologies)**	**£/Bed**	**Cost (£)**	**£/Bed**	**Cost (£)**	**£/Bed**	**£/m2**	**£/ft2**
2,389	221.9	19,288	46,079,032	600	76,798	4,607,903	7,680	50,686,935	84,478	2,628	244
2,389	221.9	11,251	26,878,639	350	76,796	2,687,864	7,680	29,566,503	84,476	2,628	244
2,389	221.9	6,429	15,358,881	200	76,794	1,535,888	7,679	16,894,769	84,474	2,628	244
2,389	221.9	3,215	7,680,635	100	76,806	768,064	7,681	8,448,699	84,487	2,628	244

Source: RICS BCIS / CBRE Data

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c. **Site Areas for Typologies**: It is not clearly stated within the CIL Viability Study as to how the site areas applied for each typology were derived and the evidence used to inform this. Given this is an important basis for setting benchmark land values, CBRE requests that this information is provided by CYC to provided transparency and clarity to stakeholders.

d. **Benchmark Land Value**:

i. The CIL Viability Study includes the adopted BLVs for non-residential uses within Table 5.6 on p.52. However, the document contains no supporting justification or evidence to underwrite the proposed BLVs, which CBRE considers a significant omission.

ii. The CIL Viability Study proposes a BLV of £1.5m/ha (£607,000/acre) as the BLV to apply to PBSA typologies. In order to find justification for this BLV, CBRE has had regard to the earlier Technical Note titled *CYC Local Plan Viability Technical Note on Changes to Student Accommodation Policy H7 ('Policy H7 Technical Note')*, which was produced by PPE and which is dated August 2022. An explanation is provided in paras 20-23.

iii. This is predicated on a logic whereby it is proposed that abandoned or unviable locations and/or dilapidated industrial units will be the typical brownfield sites that will be brought forward for alternative uses, such as PBSA schemes. The transactions drawn upon in Table 4 of the Policy H7 Technical Note, which are cited as comparables, are not relevant to York and it is not stated whether any of the transacted sites were ultimately brought forward for PBSA development.

iv. CBRE is not aware of any abandoned, unviable or dilapidated industrial premises that could be redeveloped for PBSA use. There is presently a limited supply of sites suitable for redevelopment for PBSA uses across the city, which necessitates PBSA development competing with other forms of prospective development including hotels, traditional residential, elderly persons accommodation or offices.

v. CBRE is therefore unclear on the logic behind Table 5.6 in the CIL Viability Study, on p.52. This is replicated below. It sets a substantially lower BLV for PBSA development in comparison to competing uses such as Hotel and Care Home uses (both £2m/ha), supermarket use (£2m/ha) and retail warehouse use (£2m/ha).

Table 5.6 Benchmark land values for non-residential existing uses

Typology	BLV per gross area
1: Town centre office	£1,500,000
2: Business park	£1,000,000
3: Industrial / warehouse	£850,000
4: Small local convenience	£2,000,000
5: Supermarket	£2,000,000
7: Retail warehouse	£2,000,000
8: City Centre retail	£4,000,000
9: Hotel (60 beds)	£2,000,000
10: Student accommodation	£1,500,000
11. Care home (60 bed)	£2,000,000

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vi. In addition, CBRE also notes that the CIL Viability Study adopts a BLV for residential typology viability testing of £1.7m/ha for brownfield land in its existing use as 'City centre / extension' land within Table 4.15 on p.47.

vii. The CIL Viability Study does not adequately justify why competing brownfield land uses have been viability tested against a higher BLV and PBSA against a lower BLV. This warrants further explanation by CYC.

viii. The risk is that this overstates the propensity for PBSA developments to acquire land at lower prices than competing uses, and through the proposed CIL rates applied to PBSA, then places them at a disadvantage when seeking to acquire land due to overstating viability and the further additional CIL costs applied.

ix. A rational approach would be for BLVs for this use to be considered by way of market transactional analysis of sites brought forward for PBSA use within the city of York in recent years. CBRE recommends that CYC seek to source and consider such evidence in taking a 'stand back' approach and a York-specific market sense-check.

Results & Re-appraisal

39. The CIL Viability Study sets out the results of viability modelling within Table 7.1 on p.61. This is replicated below for ease.

Table 7.1 Recommended non-residential psm CIL rates at different financial buffers

Typology	Headroom per CIL liable sqm	After buffer of		
		50%	33%	25%
1: Town centre office	-£1,034			
2: Business park	-£906			
3: Industrial / warehouse	-£333			
4: Small local convenience	£154	£77	£103	£115
5: Supermarket	-£117			
7: Retail warehouse	£134	£67	£90	£101
8: City Centre retail	-£68			
9: Hotel (60 beds)	-£143			
10a: Student accommodation - 25 bed	£127	£64	£85	£95
10b: Student accommodation - 100 bed	£84	£42	£56	£63
10c: Student accommodation – 200 bed	-£16			
10d: Student accommodation - 350 bed	-£50			
10e: Student accommodation - 600 bed	-£152			
11. Care home (60 bed)	-£937			

40. Whilst the CIL Viability Study only appends a summary viability appraisal for PBSA typology 10b, Table 7.1 clearly demonstrates PPE's headroom analysis concludes that only PBSA typologies 10a and 10b can viably accommodate both any CIL and a 2.5% affordable housing equivalent OSFC contribution per student room as proposed under modifications published under CYC's draft Local Plan Proposed Main Modifications public consultation – specifically via modified Policy H7: Off Campus Purpose Built Student Housing.

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41. This is notwithstanding CBRE and the consortium's representations that the conclusions within Table 7.1 and the CIL Viability Study are they themselves outdated and don't reflect deterioration in market conditions since Q3/4 2022.

42. With this in mind, Table 7.1 of the CIL Viability Study shows PBSA typologies 10c – 10e to all fall below the threshold of financial viability. This means they cannot accommodate any CIL, as there is no headroom, but critically these PBSA typologies are also demonstrated as generating negative headroom (shown in red). This means that PPE determine that they are now unable to even partially or fully meet the OSFC costs of Policy H7 whilst remaining financially viable – as they generate negative headroom **before** incurring additional CIL.

43. This directly contradicts Table 6 (replicated below) in the earlier published Technical Note titled *CYC Local Plan Viability Technical Note on Changes to Student Accommodation Policy H7 ('Policy H7 Technical Note')*, which was produced by PPE and which is dated August 2022.

44. The latter document accompanies CYC's draft Local Plan Proposed Main Modifications public consultation – specifically in respect of modified Policy H7: Off Campus Purpose Built Student Housing. The Technical Note, as specifically the conclusions in Table 6, was (and still is) being utilized as the viability evidence base to justify CYC's proposed requirement for off-campus PBSA schemes to provide a 2.5% affordable housing equivalent OSFC contribution per student room. This is replicated below for ease.

Table 6 PBSA scheme viability test at CYC Local Plan full policy and different OSFC rates

Scheme type	Land type	Viability and headroom			
		0% OSFC per student room (0% per Cluster unit)	2.5% OSFC per student room (10% per Cluster unit)	5% OSFC per student room (20% per Cluster unit)	10% OSFC per student room (40% per Cluster unit)
25-bed PBSA	Brownfield	£16,025	£10,276	£4,455	-£7,662
100-bed PBSA	Brownfield	£11,884	£6,151	£417	-£11,732
200-bed PBSA - low density	Brownfield	£11,095	£5,379	-£336	-£12,385
350-bed PBSA	Brownfield	£11,088	£5,386	-£316	-£12,326
600-bed PBSA	Brownfield	£8,794	£3,111	-£2,572	-£14,627

45. The CIL Viability Study now supersedes the earlier Technical Note and clearly demonstrates it is out-of-date. In the intervening period between the Policy H7 Technical Note being produced and the CIL Viability Study being published, market conditions have deteriorated – and continued to do so further since – up to present day.

46. Consequently, based on the CIL Viability Study results, there is no longer any evidenced justification for CYC seeking for off-campus PBSA schemes to provide a 2.5% affordable housing equivalent OSFC contribution per student room (particularly in 200+ bed typologies), as there is no longer sufficient 'headroom' demonstrable within the tested PBSA typologies to support this financial contribution.

47. PPG Plan Making (para. 039 ref: 61-039-20190315) confirms that, in Plan Making, the Council must prepare a viability assessment in accordance with guidance to ensure that policies are realistic and the total cost of all relevant policies is not of a scale that will make the plan undeliverable.

48. Further elaboration is provided in PPG Viability (para. 002 ref: 10-002-20190509):

"The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan."

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49. As clearly set out in both PPG and the RICS Guidance[7], the impact on viability of a CIL, whether proposed or existing, should be considered alongside the full policy requirements of the Plan – this should therefore include the demonstrable viability of PBSA typologies (off-campus) to provide a 2.5% affordable housing equivalent OSFC contribution per student room.

50. In simple terms, a 'policy-on' approach must be adopted with the full costs of Plan policies (including affordable housing) accounted for, and taking precedence over, the introduction of CIL rate setting. It is not appropriate or justified to set policies within a Plan that are not deliverable and where the underpinning evidence demonstrates (as in this case) that it would be necessary to revert to viability at decision taking stage. PPG Viability is explicit on this point, stating the following in para. 002 ref: 10-002-20190509:

"Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage."

51. On this basis, CYC's modifications proposed to Policy H7 to introduce an 2.5% affordable housing equivalent OSFC contribution per student room are not justified on the basis of appropriate and available evidence, would be expected to necessitate direct recourse to viability assessment and negotiation at the determination stage or may pose a material risk to PBSA development typologies being delivered off-campus at all. **It can only be concluded that this proposed required of Policy H7 is unsound and requires removal.**

52. Noting this issue, the CIL Viability Study also runs viability testing on PBSA typologies, specifically with the cost of meeting the 2.5% affordable housing equivalent OSFC contribution per student room **removed**, to determine CIL headroom to apply to on-campus PBSA. This is replicated in the following table.

Table 7.2 Recommended on campus student accommodation, psm CIL rates at different financial buffers

Typology	Headroom per CIL liable sqm	After buffer of		
		50%	33%	25%
10a: Student accommodation - 25 bed	£421	£211	£281	£316
10b: Student accommodation - 100 bed	£374	£187	£249	£281
10c: Student accommodation - 200 bed	£272	£136	£181	£204
10d: Student accommodation - 350 bed	£238	£119	£159	£179
10e: Student accommodation - 600 bed	£135	£68	£90	£101

53. CBRE cannot support the levels of CIL headroom being identified within Table 7.2 above for the PBSA typologies, for the reasons set out earlier within this representation.

54. Firstly, there is an inconsistency in the level of buffer back from the calculated maximum headroom being recommended by PPE. For residential typologies (and proposed CIL rates) a buffer of 60% is advocated by PPE, citing market risk and uncertainty. However, for PBSA typologies only 25%-50% buffer is recommended

[7] RICS Guidance Note (March 2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England. Para. 3.7.14

for allowance in proposing the setting of the CIL charging rate at £150/m^2. CBRE considers this to be irrational and advocates for consistency in the applying of any buffer – which should be at the very least 50% across all typologies.

55. Even taken on basis presented in Table 7.2 above, scheme typologies of 200+beds do not demonstrate sufficient headroom to accommodate the proposed rate of £150/m^2 for off-campus PBSA development within the CIL DCS.

56. Secondly, the CIL Viability Study makes a 'leap of faith' in trying to bridge the viability gap (given inadequate headroom) by seeking (via para 7.6 on p.62) to place a reliance on the consortium effectively accepting a write down or waiving in the value of land within their control in order 'absorb' the impact of any CIL being charged – irrespective of BLVs, EUV or AUVs or the wider commercial and funding responsibilities and pressures on these institutions.

57. The consortium firmly reject this statement as representing a presumption, without evidence, that does not reflect the commercial or practical reality of the consortium's operations and land interests. Moreover, it is inconsistent with both the CIL Guidance and Regulations as a basis for setting rates.

58. Finally, given CBRE's analysis set out above firmly highlights both technical issues with the CIL Viability Study evidence base and that market conditions have deteriorated since its publication, CBRE has run independent viability modelling on PBSA typologies to determine the implications for CIL headroom in the current market.

59. This is set out in the following sub-section.

CBRE Updated Appraisal Modelling – On Campus PBSA Development

60. Firstly, CBRE has replicated (as far as possible given the limited transparency) the viability appraisals for the PBSA typologies 10b – 10e as set out in the CIL Viability Study.

61. Secondly, to replicate the approach currently taken by the consortium in providing student accommodation, CBRE has adjusted the rental rates from £177/week to adopt £156/week. As per the CIL Viability Study, OPEX is deducted at 30% of the gross annual rent to generate a net rental income[8].

62. Thirdly, CBRE has capitalised the net rental income at an investment yield of 5.0%. This is consistent with the CIL Viability Study. However, given CBRE's analysis[9], this yield is now expected to be overly strong for the current market and likely unachievable for the foreseeable. Hence, this represents an absolute best case illustrative position and is likely overambitious.

63. Fourthly, CBRE has increased the construction costs to reflect the RICS BCIS median cost as published at March 2023. This simply updates the costs from those utilised in the CIL Viability Study to the present day. Again, CBRE considers this dataset as lagging actual construction costs in the market, which are notably higher, but acknowledges that the rental point adopted for CBRE's appraisals is modest and hence assumes

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[8] Note: supporting justification for this approach, based on evidence, has already been set out earlier in this representation and is not repeated here for the reason of brevity.

[9] Note: see CBRE's earlier commentary and supporting evidence from CBRE and other leading agents.

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a lower-mid-market specification would be acceptable. CBRE consider this to pose a risk given cost pressures, and hence again this represents an absolute best case illustrative position and is likely overambitious.

64. Finally, CBRE has not adjusted the external works and professional fees allowances utilised in the CIL Viability Study modelling – utilising the lower rates in the example appraisal appended to the document, rather than the higher figures referenced in the text. This therefore, again, adopts the most optimistic position absent of clarification from CYC.

65. For all other aspects, CBRE has attempted to mirror the approach in the CIL Viability Study modelling. This should not be taken as an endorsement, but is deemed reasonable and rational for the purposes of comparison – given it is not the responsibility of the consortium to prepare CYC's evidence.

66. Firstly, CBRE has run the appraisals inclusive of the (modified) Policy H7 requirement to provide a 2.5% affordable housing equivalent OSFC contribution per student room. A headroom analysis is provided below. Appraisal summaries are provided within **Enclosure 5**.

Table 3: Headroom Analysis (for CIL) Incorporating Modified Policy H7 OSFC – On-campus PBSA Development

		Headroom	After Buffer of:		
Typology	PBSA Beds	£/CIL Liable sqm	50%	33%	25%
10b	100-bed	-381	-190	-254	-286
10c	200-bed	-451	-225	-301	-338
10d	350-bed	-469	-234	-313	-352
10e	600-bed	-538	-269	-359	-404

Source: CBRE

67. In summary, the analysis in Table 3 above reiterates that there is no headroom for on-campus PBSA schemes to provide the affordable OSFC sought via Policy H7 (as modified) and CIL liability.

68. Subsequently, CBRE has removed the cost of the affordable OSFC sought via Policy H7 (as modified), which then solely assesses the propensity of the PBSA typologies to accommodate CIL[10]. A headroom analysis is provided below. Appraisal summaries are provided within **Enclosure 6**.

[10] Note: this replicates the methodology used in the CIL Viability Study and should be cross-referenced with the results shown in Table 7.2 from that document, which is used to inform the CIL rates proposed in the CIL DCS.

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Table 4: Headroom Analysis (for CIL) Excluding Modified Policy H7 OSFC – On-campus PBSA Development

		Headroom	After Buffer of:		
Typology	PBSA Beds	£/CIL Liable sqm	50%	33%	25%
10b	100-bed	-166	-83	-111	-125
10c	200-bed	-236	-118	-157	-177
10d	350-bed	-255	-127	-170	-191
10e	600-bed	-325	-162	-217	-244

Source: CBRE

69. In summary, the analysis in Table 4 demonstrates that, in taking the most optimistic position in the current market and applying realistic university-led rents on-campus[11], that **there is no headroom for the PBSA typologies to accommodate CIL liability**.

70. It is also evident from this that the assertion within the CIL Viability Study that the consortium can absorb the cost of CIL liability proposed within an effective write-down of land value is fundamentally flawed.

71. In fact, it demonstrates the viability challenges being faced by the consortium in delivering additional student accommodation, which may necessitate the consortium needing to seek to gap fund viability deficits, which should not be further hindered through the introduction of a CIL charge.

CBRE Updated Appraisal Modelling – Off-Campus PBSA Development (Private sector-led)

72. In order to take a comprehensive approach, CBRE has also replicated the above methodology utilising present-day input assumptions for off-campus (developer-led) PBSA development scheme typologies.

73. Firstly, CBRE has set the rental rates back to £177/week to represent an average rate across the York market. OPEX is deducted at 30% of the gross annual rent to generate a net rental income. This is consistent with the CIL Viability Study inputs.

74. Secondly, CBRE has capitalised the net rental income at an investment yield of 5.0%. As set out earlier in this representation, most private-sector driven PBSA development has, and is expected to continue to be, institutionally funded. PBSA development funding yields are presently at circa 5.25% - 5.5% for prime regional locations, such as York. CBRE has taken the more optimistic stance of provisionally retaining the rate adopted

[11] Note: the rents chargeable by Askham Bryan College are demonstrably lower – and need to be so in order to remain affordable and competitive to their students (versus other equivalent institutions). As a result, the viability challenges faced in delivering new accommodation are even more acute. Separate appraisals have

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in the CIL Viability Study, which represents a best case illustrative position as it would be unlikely to be achievable in today's market.

75. Thirdly, CBRE has increased the construction costs to reflect the RICS BCIS upper quartile cost as published at March 2023. This is deemed the most representative benchmark rate for current market construction costs for mid-market specification private-sector led PBSA schemes being brought forward in regional cities.

76. Finally, CBRE has not adjusted the external works and professional fees allowances utilised in the CIL Viability Study modelling – utilising the lower rates in the example appraisal appended to the document, rather than the higher figures referenced in the text. This therefore, again, adopts the most optimistic position absent of clarification from CYC.

77. For all other aspects, CBRE has attempted to mirror the approach in the CIL Viability Study modelling. As previously, this should not be taken as an endorsement, but is deemed reasonable and rational for the purposes of comparison – given it is not the responsibility of the consortium to prepare CYC's evidence.

78. Firstly, CBRE has run the appraisals inclusive of the (modified) Policy H7 requirement to provide a 2.5% affordable housing equivalent OSFC contribution per student room. A headroom analysis is provided below. Appraisal summaries are provided within **Enclosure 7**.

Table 5: Headroom Analysis (for CIL) Incorporating Modified Policy H7 OSFC – Developer-led PBSA Development

		Headroom	After Buffer of:		
Typology	PBSA Beds	£/CIL Liable sqm	50%	33%	25%
10b	100-bed	-173	-86	-115	-129
10c	200-bed	-251	-126	-168	-189
10d	350-bed	-276	-138	-184	-207
10e	600-bed	-355	-178	-237	-267

Source: CBRE

79. In summary, the analysis in Table 5 above reiterates that there is no headroom for off-campus developer-led PBSA schemes to provide the affordable OSFC sought via Policy H7 (as modified) and CIL liability.

80. Subsequently, CBRE has removed the cost of the affordable OSFC sought via Policy H7 (as modified), which then solely assesses the propensity of the PBSA typologies to accommodate CIL[12]. A headroom analysis is provided below. Appraisal summaries are provided within **Enclosure 8**.

[12] Note: this replicates the methodology used in the CIL Viability Study and should be cross-referenced with the results shown in Table 7.2 from that document, which is used to inform the CIL rates proposed in the CIL DCS.

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Table 6: Headroom Analysis (for CIL) Excluding Modified Policy H7 OSFC – Developer-led PBSA Development

		Headroom	After Buffer of:		
Typology	PBSA Beds	£/CIL Liable sqm	50%	33%	25%
10b	100-bed	34	17	22	25
10c	200-bed	-44	-22	-29	-33
10d	350-bed	-68	-34	-45	-51
10e	600-bed	-146	-73	-98	-110

Source: CBRE

81. In summary, even when removing the cost of the affordable OSFC sought via Policy H7 (as modified), the developer led PBSA typologies remain marginal at best. Only typology 10b (100-beds) generates a surplus, and this is relatively nominal once allowing for a 50%+ buffer. No other typologies have any headroom available for either the affordable OSFC sought via Policy H7 (as modified) or CIL.

82. It is also important to note that the Table 6 appraisals include a 5.0% funding yield. If adjusted out to 5.25%, a sensitivity test in Table 7 below shows that this eradicates any prospective surplus to be directed either into the affordable OSFC sought via Policy H7 or CIL. Introducing a CIL liability on this typology would therefore risk the setting of the rate being at or beyond the margin of viability.

Table 7: Headroom Analysis (for CIL) Excluding Modified Policy H7 OSFC – Developer-led PBSA Development (Yield)

		Headroom	After Buffer of:		
Typology	PBSA Beds	£/CIL Liable sqm	50%	33%	25%
10b	100-bed	-77	-39	-51	-58

Source: CBRE

83. On the weight of the above (and enclosed) evidence, CBRE is of the firm professional opinion that there is no financial viability headroom in the current market for PBSA typologies to either meet the costs of the affordable OSFC sought via Policy H7 (as modified) or CIL. The appraisal summary is provided within **Enclosure 9**.

Lack of Transparency

84. There is a lack of transparency in the CIL Viability Study that CBRE deems falls short of the requirements and expectations of PPG CIL (Paragraph: 019 Reference ID: 25-019-20190901), PPG Viability (Paragraph: 010

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Reference ID: 10-010-20180724), the NPPF (para. 58), the RICS Guidance[13] and RICS Professional Standards[14], and which does not facilitate the viability evidence being genuinely 'available' for stakeholders to analyse.

85. Specifically, only one example appraisal is provided for the PBSA typology (100-bed). This is inadequate and all appraisals for non-residential typologies (notably PBSA) should be issued. Notably, none of the typology appraisals are provided for the proposed CIL charging Zone *"Purpose Built Student Housing without an affordable housing contribution"*.

86. Without this stakeholders cannot see what the gross development value (GDV), construction and other costs, finance roll-up and other various key metrics represent within the typology appraisals – which means the actual viability testing evidence utilized to set proposed CIL rates is not published, available, and cannot be interrogated appropriately.

Failure to Strike an Appropriate Balance

87. In setting CIL rates, BCC must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments. In accordance with CIL Regulation 14(1)[15], BCC must be able to demonstrate and explain how the proposed CIL rate(s) will contribute towards the implementation of the Plan and support development across city.

88. As set out in PPG[16], Charging Schedules should be consistent with, and support the implementation of, up-to-date relevant plans.

89. The charging authority must take development costs into account when setting CIL rates, particularly those likely to be incurred on strategic sites or brownfield land. Importantly, development costs include costs arising from existing regulatory requirements, and any policies on planning obligations in the relevant Plan.

90. As also clearly set out in the RICS Guidance[17], the impact on viability of a CIL, whether proposed or existing, should be considered alongside the policy requirements of the Plan. In simple terms, a 'policy-on' approach must be adopted with the full costs of Plan policies (including affordable housing) accounted for, and taking precedence over, the introduction of CIL rate setting.

91. Moreover, CBRE concludes that it is illogical and counter-intuitive for CYC to introduce the proposed CIL rates for PBSA use development for the published CIL Viability Study document does not constitute up-to-date appropriate available evidence to underpin the proposed rates within the CIL DCS.

[13] RICS (2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England, RICS Guidance Note
[14] RICS (2019) RICS Professional Statement: Financial viability in planning: conduct and reporting, 1st Edition
[15] CIL Regulations 2010 (as amended)
[16] PPG CIL: Paragraph: 011 Reference ID: 25-011-20190901
[17] RICS Guidance Note (March 2021) Assessing viability in planning under the National Planning Policy Framework 2019 for England. Para. 3.7.14

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92. As a result, if submitted to PINS for examination in its present form and with the current evidence base, the consortium would strongly contend that the CIL DCS is unsound and should not be endorsed by the Examiner for the above fundamental reasons and further technical deficiencies expanded upon below.

93. If non-compliance could not be rectified via modification(s), the Examiner would be requested to reject the CIL DCS in accordance with Section 212A(2) of the 2008 Act.

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Conclusions and Recommendations

95. The consortium cannot endorse or support the CIL DCS, and its underpinning evidence base in the form of the CIL Viability Study, as presently published.

96. In fact, for the reasons set out in this document and its enclosures, the consortium has fundamental doubts regarding the appropriateness of the timing of this consultation on a new CIL DCS. The consortium also has severe reservations regarding the questionable validity and dependability of the published viability evidence base upon which the proposed new charging rates for PBSA use development within the CIL DCS is reliant, and hence the legal compliance of the published CIL DCS with the relevant legislation and guidance.

97. On this basis, the consortium members cannot agree with CYC that there is an appropriately evidenced and legally compliant basis upon which the CIL DCS (as published) could be found sound by an independent Examiner, which should unavoidably lead to the rejection of the Charging Schedule in accordance with Section 212A(2) of the 2008 Act.

98. The consortium therefore hopes that this feedback prepared by CBRE, and the accompanying commentary from O'Neill Associates, is useful to CYC in reconsidering whether it is rational, prudent and justified to be proceeding with pursuing adoption of a CIL charging regime under the current circumstances.

99. To rectify the issues identified, the consortium advocate that the CIL rates proposed to apply to PBSA development should be reduced to £0/m^2. CYC should undertake this action via modification to the published CIL DCS.

100. CBRE's evidence demonstrates this modification to the CIL DCS should also be undertaken in tandem with the removal of proposed modifications CYC's to Policy H7 to introduce an 2.5% affordable housing equivalent OSFC contribution per student room on sites brought forward outside of land held by the consortium.

101. Nevertheless, should CYC determine to submit the CIL DCS for examination, in its current form and without rectifying the issues identified in this representation, the consortium will be left with no choice but to continue to pursue this matter and will seek that the Examiner rejects the Charging Schedule via the examination process.

102. Should CYC wish to engage directly with the consortium on the matter, CBRE will be able to facilitate such arrangements.

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Enclosures

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Enclosure 1: Schedule of Proposed & Adopted CIL Rates in Yorkshire & Humber Region

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Local Authority	CIL status	Date	Residential Charges	Retail/Commercial Charges	Others
Barnsley	Draft Charging Schedule Published	17/10/2016	Four large residential charging zones with rates of £80, £50, £10, and £0 per square metre. Four small residential charging zones with rates of £80, £50, £30, and £0 per square metre.	Retail developments (A1) will be charged £70 per square metre.	No charge for all other uses.
Bradford	**Adopted**	21/03/2017	Four residential development charging zones with rates of £100, £50, £20 and £0 per square metre. No charge for specialist older persons housing.	Two retail warehouse development charging zones with rates of £85 and £0 per square metre. Large scale supermarket developments will be charged £50 per square metre.	No charge for all other uses.
Calderdale	Charging Schedule Submitted	11/01/2019	Six residential housing charging zones with rates of £85, £40, £25, £10, £5 and £0 per square metre. Two residential institutions and care home development charging zones with rates of £360 and £60 per square metre. Hotel developments will be charged at £60 per square metre.	Large convenience retail developments will be charged £45 per square metre. Retail warehouse developments will be charged at £100 per square metre.	All other chargebale uses will be charged £5 per square metre.
East Riding of Yorkshire	Draft Charging Schedule Published	23/01/2017	Five residential development charging zones with rates of £90, £60, £20, £10 and £0 per square metre.	Retail warehouse developments will be charged £75 per square metre.	No charge for all other uses.
Hambleton	**Adopted**	17/03/2015	Private market housing (excluding apartments) will be charged £55 per square metre.	Retail warehouses are to be charged £40 per square metre. Supermarkets are to be charged £90 per square metre.	No charge for all other uses.
Harrogate	**Adopted**	08/07/2020	Small scale residential developments will be charged £50 per square metre. Two charging zones for all other residential developments with rates of £50 and £0 per square metre. Two sheltered housing development charging zones with rates of £60 and £40 per square metre.	Three retail development charging zones for shops with rates of £120, £40 and £0 per square metre. Large supermarket and retail warehouse developments will be charged £120 per square metre. Small supermarkets will be charged £40 per square metre. Distribution developments will be charged £20 per square metre.	No charge for all other uses.
Hull	**Adopted**	23/01/2018	Two residential housing development charging zones with rates of £60 and £0 per square metre. Residential apartment developments will be charged £0 per square metre.	Large scale supermarket developments will be charged £50 per square metre. Small scale supermarket developments will be charged £5 per square metre. Retail warehouse developments will be charged £25 per square metre.	No charge for all other uses.
Kirklees	Examination Report Published	10/01/2020	Four residential charging zones with rates of £80,£20, £5 and £0 per square metre.	No charge for all commercial or industrial uses.	No charge for all other uses.
Leeds	**Adopted**	12/11/2014	Four residential charging zones with rates of £5, £23, £45 and £90 per square metre.	Two charging zones for supermarket developments with rates of £110 and £175 per square metre. Two charging zones for large comparison retail with rates of £35 and £55 per square metre. City centre offices will be charged £35 per square metre.	Publicly funded or not for profit developments will not be charged CIL. All other uses will be charged £5 per square metre.
Richmondshire	Preliminary Draft Charging Schedule Published	24/10/2016	Three residential development charging zones with rates of £120, £50 and £0 per square metre.	Supermarket developments will be charged £120 per square metre. Retail warehouse developments will be charged £60 per square metre. Neighbourhood convenience retail developments will be charged £60 per square metre.	No charge for all other uses.
Rotherham	**Adopted**	07/12/2016	Three residential charging zones with rates of £55, £30 and £15 per square metre. Retirement living developments will be charged £20 per square metre.	Large scale supermarket developments will be charged £60 per square metre. Large scale retail warehouse and retail park developments will be charged £30 per square metre.	No charge for all other uses.
Ryedale	**Adopted**	14/01/2016	Two residential charging zones with rates of £85 and £45 per square metre. No charge for apartment developments.	Supermarkets will be charged £120 per square metre. Retail warehouses will be charged £60 per square metre.	No charge for all other uses.
Selby	**Adopted**	03/12/2015	Three residential charging zones with rates of £50, £35 and £10 per square metre.	Supermarkets will be charged £110 per square metre. Retail warehouses will be charged £60 per square metre.	No charge for all other uses.
Sheffield	**Adopted**	03/06/2015	Four residential (C3 and C4) charging zones with rates of £80, £50, £30 and £0 per square metre. Hotel developments will be charged £40 per square metre. Student accommodation developments will be charged £30 per square metre.	Large retail developments are to be charged £60 per square metre. Three retail development (A1) charging zones with rates of £60, £30 and £0 per square metre.	No charge for all other uses.
Wakefield	**Adopted**	20/01/2016	Three residential charging zones with rates of £55, £20 and £0 per square metre.	Large supermarkets will be charged £103 per square metre. Retail warehouse developments will be charged £89 per square metre.	No charge for all other uses.

Enclosure 2: Schedule of 2022/23 Student Rents – Consortium Accommodation (excludes catering)

PROPRIETARY INFORMATION

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2023/24 Prices | Undergraduate University of York

Band	Catering	College or Halls	Bathroom	Let length (wks)	Per week	Per year
1	Self-catered	Halifax	Shared Bathroom	40	£99	£3,960
3	Self-catered	Halifax	Shared Bathroom	40	£156	£6,240
3	Self-catered	Derwent (Edens Court)	Shared Bathroom	40	£156	£6,240
2	Self-catered (weekly college meal)	David Kato	Ensuite	44	£148	£6,512
3	Self-catered	Alcuin	Ensuite	40	£173	£6,920
3	Self-catered (weekly college meal)	Goodricke	Shared Bathroom	44	£162	£7,128
4	Self-catered (weekly college meal)	Langwith	Shared Bathroom	44	£175	£7,700
4	Self-catered (weekly college meal)	Constantine	Shared Bathroom	44	£175	£7,700
3	Self-catered (weekly college meal)	David Kato	Ensuite	44	£179	£7,876
3	Self-catered (weekly college meal)	Anne Lister	Ensuite	44	£179	£7,876
3	Self-catered (weekly college meal)	Goodricke	Ensuite	44	£179	£7,876
3	Self-catered (weekly college meal)	Goodricke	Shared Bathroom	50	£161	£8,050
4	Self-catered (weekly college meal)	David Kato	Ensuite	44	£194	£8,536
4	Self-catered (weekly college meal)	Langwith	Ensuite	44	£194	£8,536
4	Self-catered (weekly college meal)	Anne Lister	Ensuite	44	£194	£8,536
4	Self-catered (weekly college meal)	Constantine	Ensuite	44	£194	£8,536
3 Large	Self-catered (weekly college meal)	Goodricke	Ensuite	44	£194	£8,536
				42		**£7,456**

2023/24 Prices York St John

College or Halls	Building	Type	Bathroom	Let length (wks)	Per week	Per year
St John central		Standard ensuite	Ensuite	41	£145.68	£5,973
St John central		Large ensuite	Ensuite	41	£153.35	£6,287
St John central		Studio	Ensuite	41	£198.57	£8,141
Limes Court		Standard room	Shared	44	£108.17	£4,759
Limes Court		Large room	Shared	44	£111.77	£4,918
City Residence		Standard ensuite	Ensuite	44	£127.83	£5,625
City Residence		Standard ensuite (refurbished)	Ensuite	44	£135.82	£5,976
City Residence		Large ensuite	Ensuite	44	£133.97	£5,895
City Residence		Large ensuite (refurbished)	Ensuite	44	£141.91	£6,244
The Grange	St Mary's	Standard room (communal area)	Shared	37	£116.74	£4,319
The Grange	St Mary's	large room (communal area)	Shared	37	£122.24	£4,523
The Grange	Grange House	Standard ensuite (communal area)	Ensuite	44	£135.82	£5,976
The Grange	Grange House	large ensuite (communal area)	Ensuite	44	£142.08	£6,252
The Grange	Grange House	Standard room (communal area)	Shared	44	£116.74	£5,137
The Grange	Grange House	Large room (communal area)	Shared	44	£122.23	£5,378
The Grange	Baldwin House	Standard room (communal area)	Shared	37	£109.65	£4,057
The Grange	Muir House, Lang House	Standard room	Shared	44	£107.15	£4,715
Garden Street		Standard ensuite	Ensuite	44	£121.70	£5,355
Garden Street		Large ensuite	Ensuite	44	£134.00	£5,896
49 Clarence Street		Standard ensuite	Ensuite	45	£135.27	£6,087
49 Clarence Street		Large ensuite	Ensuite	45	£145.88	£6,565
University Managed Housing		Standard - single bed (communal area)	Unknown	45	£160.00	£7,200
University Managed Housing		Large - double bed (communal area)	Unknown	45	£170.00	£7,650
University Managed Housing		Large - double bed ensuite (communal area)	Ensuite	45	£180.00	£8,100
				43		**£5,876**

2022/23 Prices (over 18 accommodation) Askham Bryan

College or Halls	Catering	Type	Bathroom	Let length (wks)	Per week	Per year
Coverdale	Self-catered	Single room	Ensuite	Unknown	-	£4,794
Standard Halls - Main Build	Self-catered	Single room	Shared	Unknown	-	£4,097
				32.29		**£4,446**

Enclosure 3: Investment Yield Guides – Q1 2023

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Prime Yield Guide – March 2023

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 1 March 2023.

Knight Frank

Based on rack rented properties and disregards bond type transactions

Click here to view previous data

SECTOR		MAR-22	SEP-22	DEC-22	JAN-23	FEB-23	MAR-23	1 MONTH CHANGE	MARKET SENTIMENT
Offices (Grade A)	City Prime (Single let, 10 years)	3.75%	4.00%	4.50% - 4.75%	4.75%	4.75%	4.75%		STABLE
	West End: Prime Core (Mayfair & St James's)	3.25%	3.25%	3.50% - 3.75%	3.75%	3.75%	3.75%		STABLE
	West End: Non-core (Soho & Fitzrovia)	3.75% - 4.00%	4.00%	4.25% - 4.50%	4.50%	4.50%	4.50%		STABLE
	Major Regional Cities (Single let, 15 years)	4.75% - 5.00%	5.00% - 5.25%	5.75% - 6.00%	5.75% - 6.00%	5.75% - 6.00%	5.75%	-	STABLE
	Major Regional Cities (Multi-let, 5 year WAULT)	5.75% -	5.25% - 5.50%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%		WEAKER
	South East Towns (Single let, 15 years)	5.00% - 5.25%	5.25%	6.00% - 6.50%	6.00% - 6.50%	6.00% - 6.50%	6.00% - 6.50%		WEAKER
	South East Towns (Multi-let, 5 year WAULT)	6.50%	6.75% - 7.00%	7.00% - 7.50%	7.00% - 7.50%	7.00% - 7.50%	7.50%	+	WEAKER
	South East Business Parks (Single let, 15 years)	5.25% +	5.50% - 5.75%	6.75% - 7.00%	6.75% - 7.00%	6.75% - 7.00%	7.00%	+	WEAKER
	South East Business Parks (Multi-let, 5 year WAULT)	6.75% +	7.25% +	7.75% - 8.00%	7.75% - 8.00%	7.75% - 8.00%	8.50% +	+0.50%	WEAKER
	Life Sciences (Oxford, Cambridge)	3.75%	3.75%	4.25%	4.25%	4.25% - 4.50%	4.25% - 4.50%		WEAKER
Warehouse & Industrial Space	Prime Distribution/Warehousing (20 years [NIY], fixed/indexed uplifts)	3.00%	3.50% - 3.75%	4.75% - 5.00%	4.75% - 5.00%	4.75% - 5.00%	4.75%	-	STABLE
	Prime Distribution/Warehousing (15 years, OMRRs)	3.50%	4.00% - 4.25%	5.25% - 5.50%	5.25% - 5.50%	5.25% - 5.50%	5.25%	-	STABLE
	Secondary Distribution (10 years, OMRRs)	4.00%	4.50% - 4.75%	5.50% - 6.00%	5.50% - 6.00%	5.50% - 6.00%	5.50% - 5.75%	-	STABLE
	South East Estate (excluding London & Heathrow)	3.25% - 3.50%	4.00%	5.00% - 5.50%	5.00% - 5.50%	5.00% - 5.50%	5.00% - 5.25%	-	STABLE
	Good Modern Rest of UK Estate	3.50% - 3.75%	4.25% - 4.50%	5.25% - 5.75%	5.25% - 5.75%	5.25% - 5.75%	5.25% - 5.50%	-	STABLE
	Good Secondary Estates	4.75% - 5.25%	5.25% - 5.75%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%	6.50% - 7.00%		WEAKER
Specialist Sectors	Car Showrooms (20 years with fixed uplifts & dealer covenant)	5.00%	5.25%	5.75%	5.75%	5.75%	5.75%		STABLE
	Budget Hotels London (20 years, 5 yearly RPI / CPI uplifts)	3.25% - 3.50%	3.25% - 3.50%	4.50% - 4.75%	4.50% - 4.75%	4.50% - 4.75%	4.50%	-	STABLE
	Budget Hotels Regional (20 years, 5 yearly RPI / CPI uplifts)	4.00%	4.00%	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%	5.00%	-	STABLE
	Student Accommodation Prime London (Direct Let)	3.75%	3.50%	3.75% - 4.00%	3.75% - 4.00%	3.75% - 4.00%	3.75% - 4.00%		STABLE
	Student Accommodation Prime Regional (Direct Let)	5.00%	4.75% - 5.00%	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%	5.00% - 5.25%		STABLE
	Student Accommodation Prime London (25 years, Annual RPI)	3.00% - 3.25%	3.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00%	-	STABLE
	Student Accommodation Prime Regional (25 years, Annual RPI)	3.25% - 3.50%	3.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25%	-	STABLE
	Healthcare (Elderly Care, 30 years, 5 yearly indexed linked reviews)	3.50%	3.25% - 3.50%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%	4.00% - 4.25%		STABLE
	Data Centres (Operational)	4.00% -	4.00%	4.00%	4.00%	4.00%	4.50%	+0.50%	STABLE
	Data Centres (Leased, 15 years, Annual Indexation)	4.00%	4.00% +	4.25% +	4.25% +	4.25% +	4.75%	+0.50%	STABLE
	Income Strip (50 years, Annual RPI/CPIH+1%, Annuity Grade)	2.25%	2.50% +	3.75% - 4.00%	4.00%	4.00%	4.00%		STABLE

Your partners in property.

Prime Yield Guide – March 2023

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 1 March 2023.

Based on rack rented properties and disregards bond type transactions

Click here to view previous data

SECTOR		MAR-22	SEP-22	DEC-22	JAN-23	FEB-23	MAR-23	1 MONTH CHANGE	MARKET SENTIMENT
High Street Retail	Bond Street	2.75%	2.75% +	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%	2.75% - 3.00%		WEAKER
	Oxford Street	3.50% +	3.50% +	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%	4.25% - 4.50%		WEAKER
	Prime Towns (Oxford, Cambridge, Winchester)	6.25%	6.25%	6.75% +	6.75% +	6.75% +	6.75%	-	STABLE
	Regional Cities (Manchester, Birmingham)	6.50% +	6.50%	7.00% +	7.00% +	7.00% +	7.00%	-	STABLE
	Good Secondary (Truro, Leamington Spa, Colchester etc)	8.25% - 8.50%	8.25% 8.50%	9.00% - 9.25%	9.00% - 9.25%	9.00% - 9.25%	9.00% - 9.25%		STABLE
Shopping Centres (sustainable income)	Regional Scheme	7.50%	7.50%	8.00%	8.00% +	8.00% +	8.00% +		WEAKER
	Sub-Regional Scheme	8.50%	8.50%	9.00% +	9.00% +	9.00% +	9.00% +		WEAKER
	Local Scheme (successful)	9.00%	9.25%	9.75% +	9.75% +	9.75% +	9.75% +		WEAKER
	Neighbourhood Scheme (assumes <25% of income from supermarket)	9.00% - 9.25%	9.00% - 9.25%	9.50% - 9.75%	9.50% - 9.75%	9.50% - 9.75%	9.50% - 9.75%		WEAKER
Out of Town Retail	Open A1 Parks	5.25% -	5.00%	6.00% +	6.00% +	6.00% +	6.00%	-	STABLE
	Good Secondary Open A1 Parks	6.25% - 6.50%	6.25%	7.25% +	7.50% +	7.50% +	7.50%	-	STABLE
	Bulky Goods Parks	5.25% -	5.00%	6.00% +	6.00% +	6.00% +	6.00%	-	STABLE
	Good Secondary Bulky Goods Parks	6.25% - 6.50%	6.25%	7.25% +	7.50% +	7.50% +	7.50%	-	STABLE
	Solus Open A1 (15 year income)	4.75%	5.00%	5.75% - 6.00%	5.75% - 6.00%	5.75% - 6.00%	5.75% - 6.00%		STABLE
	Solus Bulky (15 year income)	4.75%	5.00%	5.75% - 6.00%	5.75% - 6.00%	5.75% - 6.00%	5.75% - 6.00%		STABLE
Major Foodstores	Annual RPI Increases [NIY] (20 year income)	3.50%	3.75% - 4.00%	5.00%	5.00%	5.00%	5.00%		STABLE
	Open Market Reviews (20 year lease)	4.00%	4.25% - 4.50%	5.50%	5.50%	5.50%	5.50%		STABLE
Leisure	Prime Leisure Parks	7.00% +	7.00% +	7.50% +	7.50% +	7.50% +	7.50% +		STABLE
	Good Secondary Leisure Parks	8.00% +	8.00% +	8.50% - 8.75%	9.00% +	9.00% +	9.00% +		WEAKER

Prime Yield Guide – March 2023

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 1 March 2023.

Knight Frank

LEADING INDICATORS

The changing structure of the UK economy. Overall, UK economic output grew by +1% year on year in Q4, however, some sectors have recorded a significant increase. Indeed, the Arts & entertainment (+9%), Construction (+5%) and Professional & Scientific (+4%) industries saw increased output year on year in Q4 2022. However, some sectors including Production (-4%) and Manufacturing (-6%) saw output moderate. Here, the higher costs of materials, energy and labour likely weight on output. For the year ahead, the Bank of England forecast inflation to fall to 4% from 10%, which could alleviate some pricing pressures on these sectors that have seen output decline.

UK inflation continued to slow falling, for the third consecutive month, to 10.1% ahead of expectations. Producer price inflation also moderated, to 14.1%. The positive inflation news has left market commentators deliberating the BoE's next interest rate decision on 23 March. Capital Economics outlined that the likelihood of its forecast of 4.50% peak is lower now, while Oxford Economics expects the central bank to lift its rate by 25bps to 4.25% in March, where it will remain until at least the end of the year.

Flash PMIs for the UK surprised on the upside, with UK services businesses reporting growth for the first time in eight months (figure above 50). Indeed, the UK Services PMI increased to 53.3 in February, from 48.7 in January, beating market expectations of 49.2. Meanwhile, the Manufacturing PMI rose to 49.2 from 47.0 in January, exceeding market forecasts of 47.5.

DEBT MARKET – 27 FEBRUARY 2023

Debt margins have drifted out over the last quarter as a reflection of wider economic uncertainty and dislocation in the market.

Source: Macrobond

BONDS & RATES (01/03/2023)	MAR 2022	JAN 2023	FEB 2023	MAR 2023
SONIA Rate	0.445%	3.427%	3.927%	3.927%
Bank of England Base Rate	0.50%	3.50%	4.00%	4.00%
5-year swap rates	1.794%	4.050%	3.582%	4.308%
10-year gilts redemption yield	1.34%	3.53%	3.17%	3.81%

ESG

Refurbishing Offices

What are the economic and green challenges and opportunities from refurbishing office buildings?

Intelligence Lab

UK Retail Sales Dashboard – January 2023

An overview of UK retail performance, including key metrics on core sub-sectors and e-commerce.

Prime Yield Guide – March 2023

Knight Frank Intelligence

This yield guide is for indicative purposes only and was prepared on 1 March 2023.

KEY RESEARCH

UK CRE Quarterly Review – February 2023

The Quarterly UK RE Review outlines the key occupier and investment trends across the different sectors within commercial real estate.

Knight Frank V&A

Did you know

In addition to valuing assets in the main property sectors and having award winning teams in the Healthcare, Student and Automotive sectors, Knight Frank also has expertise in :

- Waste and Energy
- Infrastructure
- Garden Centres
- Film Studios
- Serviced Offices
- Data Centres
- Life Sciences
- Income Strips
- Ground Rents
- Trading assets
- Expert Witness
- IPOs

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We like questions. If you would like some property advice , or want more information about our research, we would love to hear from you.

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JLL SEE A BRIGHTER WAY

JLL Monthly Yield Sheet

January 2023

Best in Class Yields – Commercial

Sector	Trending	Jan-23 %	Dec-22 -1 Months %	Oct-22 -3 Months %	Jan-22 -12 Months &
Shops- High Street					
Prime	Weaker	**6.50**	6.50	6.50	6.50
Functional Towns	Weaker	**8.50**	8.50	8.25	8.00
Small Market Towns	Weaker	**10.50**	10.50	10.25	10.00
Shopping Centres					
Dominant Regional	Weaker	**7.25**	7.25	6.75	6.75
City Centre / Sub Regional	Weaker	**8.50**	8.50	8.00	8.00
Secondary Towns	Weaker	**14.00**	13.00	12.00	12.00
Retail Warehouses					
Prime Parks	Weaker	**6.00**	5.75	5.25	5.50
Secondary Parks	Weaker	**8.25**	8.25	7.75	9.00
Solus Units	Weaker	**6.25**	6.00	5.25	5.50
Foodstores - Supermarkets	Weaker	**5.25**	5.25	4.50	3.50
Leisure					
Leisure	Weaker	**8.50**	8.25	7.75	7.75
Offices					
City <£40m	Weaker	**4.50+**	4.50+	4.25	3.75
City £40m - £125m	Weaker	**4.50+**	4.50+	4.25	3.75
City >£125m	Weaker	**4.50+**	4.50+	4.25	3.75
West End <£40m	Stable	**3.75**	3.75	3.75	3.50
West End £40m - £125m	**Stable**	**4.00**	3.75	3.75	3.50
West End >£125m	**Stable**	**4.25**	4.00	4.00	3.50
Greater London Area Preferred	Weaker	**6.25**	6.00	5.75	5.00
South East Prime	Weaker	**6.50**	6.25	6.00	5.25
Regional City Prime	Weaker	**5.50**	5.25	5.25	4.75-
Sub Regional City Prime	Weaker	**6.75**	6.50	6.50	5.75
Life Sciences					
Life Sciences Prime	Weaker	**4.50**	4.50	4.25	3.75
Industrial/Logistics					
Regional Single Let	**Stable**	**5.50**	5.50	4.50	3.50
SE Single Let	**Stable**	**5.25**	5.25	4.25	3.25
London Single Let	**Stable**	**5.00**	5.00	4.00	3.00
Regional Multi Let	**Stable**	**5.50**	5.50	4.75	3.75
SE Multi Let	**Stable**	**5.25**	5.25	4.50	3.50
London Multi Let	**Stable**	**5.00**	5.00	4.00	3.00
Alternatives					
Car Showrooms	**Stable**	**5.50**	5.50	4.75	5.25
Self Storage (Prime)	**Stable**	**5.00**	5.00	5.00	4.75
Hotels London - Prime Covenant / 20 year term	Weaker	**4.25**	4.25	4.00	3.75
Hotels Regional - Prime Covenant / 20 year term	Weaker	**5.00**	5.00	4.50	4.25

Notes

1. Best in Class Yields relate to rack rented investments let with lease lengths considered by the market as most appropriate for the asset class.
2. Trending denotes investor sentiment towards the sector.
3. RPI/CPI uplifts on longer leases can achieve keener yields than those assessed at market rents.
4. Yields are based on transactions and sentiment.
5. Yields stated are Initial Yields for the Alternatives section based on 20 year unexpired leases to strong covenants with indexation/uplifts.
6. Supermarket yields are for 20 year leases with RPI indexed uplifts at 5 year intervals.
7. Colour Key – the colours in the trending and yield column indicate changes since previous month. Green: stronger than previous month, black: same as previous month, red: weaker than previous month.

Source: JLL, 13th January 2023. For indicative purposes only.

Best in Class Yields – Living

Sector	Trending	Jan-23 %	Dec-22 -1 Months %	Oct-22 -3 Months %	Jan-22 -12 Months &
Elderly Care (NIY)					
Ultra Prime	Stable	**4.25+**	4.25+	3.25	3.50
Prime	Stable	**5.00+**	5.00+	4.00+	4.00+
Core	Stable	**6.00+**	6.00+	5.00+	5.00+
Secondary	Stable	**7.50**	7.50	6.50+	6.50+
Build to Rent (NIY) (Stabilised BTR Purpose Built)					
Prime London Zones 1-3	Weaker	**3.50-**	3.50-	3.25+	3.25+
Outer London Zones 4-6	Weaker	**3.75-**	3.75-	3.50+	3.50+
South East / South West Prime	Weaker	**4.00-**	4.00-	3.75+	3.75+
Prime Regional	Weaker	**4.00+**	4.00+	4.00+	4.00+
Secondary Regional	Weaker	**4.50+**	4.50+	4.50+	4.50
Purpose Built Student Accommodation (NIY) (Direct Let)					
Prime London	Weaker	**3.75+**	3.75+	3.50	3.75
Inner London	Weaker	**4.00+**	4.00+	3.75	4.25-
Super Prime Regional	Weaker	**4.75**	4.75	4.50	4.75+
Prime Regional	Weaker	**5.25**	5.25	5.00	5.00+
Secondary Regional	Weaker	**6.50**	6.50	6.25	6.25+
Other Regional	Weaker	**7.25**	7.25	7.00	7.00+
Purpose Built Student Accommodation (NIY) (25 Year FRI Leases)					
Prime London	Weaker	**3.75**	3.75	3.50	3.00
Inner London	Weaker	**3.75**	3.75	3.50	3.00+
Prime Regional	Weaker	**4.00**	4.00	3.75	3.25
Secondary Regional	Weaker	**4.25**	4.25	4.00	3.75
Other Regional	Weaker	**4.50**	4.50	4.25	4.00
JLL Prime Yield		**5.29**	5.24	4.83	4.51
Money Markets (3rd January 2023)					
UK SONIA Rate		**3.43**	2.93	2.19	0.19
SONIA 5 Years SWAP Rate		**3.95**	3.72	4.94	1.04
Gilt 10 years		**3.65**	3.10	4.18	1.17
Base rate		**3.50**	3.00	2.25	0.25

Notes

1. Yields are based on transactions and sentiment.
2. Trending denotes investor sentiment towards the sector.
3. BTR yields relate to professionally managed private residential assets of institutional grade.
4. PBSA yields relate to professionally managed purposed built student accommodation of institutional grade.
5. *JLL Prime Yield calculation includes both Commercial & Living Yields.*
6. Please note Money Market Yields are volatile - yields quoted as of date specified.
7. Colour Key – the colours in the trending and yield column indicate changes since previous month. Green: stronger than previous month, black: same as previous month, red: weaker than previous month.

Source: JLL, 13th January 2023. For indicative purposes only.

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CBRE

Investor interest is slowly returning to the market for Q1

- Signs of investor interest slowly returning to the market.
  Residential
- Strong rental growth for the upcoming academic year is mitigating yield expansion as market looks towards potential reversions.
  Student
- Transactions showing signs of stability ahead.
  Hotels

	Mar 22 (%)	Jun 22 (%)	Sep 22 (%)	Dec 22 (%)	Mar 23 (%)	Trend
RESIDENTIAL						
London Zone 2 Prime	3.25	3.25	3.25	3.50	3.60	Weaker
London Zone 2 Good Secondary	3.65	3.65	3.65	4.00	4.00	Weaker
London Zone 3 to 6 Prime	3.35	3.35	3.35	3.65	3.75	Weaker
London Zone 3 to 6 Good Secondary	3.65	3.65	3.65	4.00	4.00	Weaker
Outer London and South East Prime	3.60	3.60	3.60	3.90	4.00	Weaker
Outer London and South East Good Secondary	4.00	4.00	4.00	4.50	4.50	Weaker
Regional Centres excluding South East Prime	4.00	3.85	3.85	4.15	4.15	Weaker
Regional Centres excluding South East Secondary	4.50	4.25	4.25	4.75	4.75	Weaker
Other Regional Centres Prime	4.40	4.15	4.15	4.50	4.50	Weaker
Other Regional Centres Secondary	5.00	4.75	4.75	5.25	5.25	Weaker

	Mar 22 (%)	Jun 22 (%)	Sep 22 (%)	Dec 22 (%)	Mar 23 (%)	Trend
STUDENT ACCOMMODATION						
Central London Direct Let	3.65	3.50	3.50	3.75	3.75	Weaker
Super Prime Regional Direct Let	4.65	4.50	4.50	4.75	4.75	Weaker
Prime Regional Direct Let	5.00	4.75	4.75	5.00	5.00	Weaker
Secondary Regional Direct Let	8.00	8.00	8.00	8.50	8.50	Weaker
Central London RPI Lease	3.00	2.75	3.25	4.00	4.00	Weaker
Super Prime Regional RPI Lease	3.00	2.75	3.25	4.00	4.00	Weaker
Prime Regional RPI Lease	3.00	2.75	3.25	4.00	4.00	Weaker
Secondary Regional RPI Lease	4.00	4.00	4.50	5.25	5.25	Weaker
HOTELS						
Prime London Vacant Possession	4.50	4.50	4.50	4.75	4.75	Weaker
Prime London Management Contract	5.50	5.50	5.50	5.75	5.75	Weaker
Prime London Lease	3.75	3.75	3.75	4.50	4.50	Weaker
Prime Regional Vacant Possession	6.75	6.75	6.75	7.25	7.25	Weaker
Prime Regional Management Contract	7.75	7.75	7.75	8.50	8.50	Weaker
Prime Regional Lease	4.25	4.25	4.25	5.25	5.25	Weaker

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UNITED KINGDOM | LIVING SECTORS INVESTMENT YIELDS | MARCH 2023

	Mar 22 (%)	Jun 22 (%)	Sep 22 (%)	Dec 22 (%)	Mar 23 (%)	Trend
SPECIALIST SUPPORTED LIVING						
London/ SE Prime	5.25	5.25	5.25-5.50	5.25-5.50	5.25-5.50	Weaker
Regional UK Prime	5.25-5.75	5.25-5.75	5.25-5.75	5.40-5.85	5.40-5.85	Weaker
Secondary	6.00	6.00	6.00	6.25	6.25	Weaker
Tertiary	6.25+VP-Resi	6.50+VP-Resi	6.50+VP resi	6.75 –VP-Resi	6.75-VP-Resi	Weaker
INTEGRATED RETIREMENT COMMUNITIES						
London/ SE Prime	N/A	N/A	N/A	N/A	5.00.5.25	Weaker
Regional UK Prime	4.25-5.00	4.25-5.00	4.25-5.00	5.00-5.25	5.50	Weaker
Secondary	6.00	6.00	6.00	6.00	6.00	Weaker
Tertiary	N/A	N/A	N/A	N/A	N/A	Weaker
ELDERLY CARE						
London/ SE Prime	3.5-4.0	3.5-4.0	3.75-4.00	4.00-4.25	4.00-4.25	Weaker
Regional UK Prime	4.5-5.5	4.25-5.00	4.50-5.50	4.75-5.75	4.75-5.75	Weaker
Secondary	7.00	7.00	7.25	7.50-8.00	7.50-8.00	Weaker
Tertiary	8.00	8.00	8.50	9.00	9.00	Weaker
PRIMARY CARE						
London/ SE Prime	3.50	3.50	3.60	4.00	4.00	Weaker
Regional UK Prime	3.75	3.75	3.85	4.25	4.25	Weaker
Secondary	4.50	4.50	4.65	5.35	5.25	Weaker
Tertiary	6.00	6.00	6.25	6.75	6.75	

	Mar 22 (%)	Jun 22 (%)	Sep 22 (%)	Dec 22 (%)	Mar 23 (%)	Trend
SHARED OWNERSHIP						
London/ SE Prime	2.90-3.00	2.90-3.00	3.00	3.00-3.25	3.10-3.25	Weaker
Regional UK Prime	3.00-3.15	3.00-3.15	3.00-3.25	3..15-3.35	3..15-3.40	Weaker
Secondary	3.15-3.35	3.15-3.35	3.25-3.50	3.25-3.50	3.25-3.75	Weaker
Tertiary	3.35-3.60	3.35-3.60	3.50	3.50-3.75	3.50-3.90	Weaker
AFFORDABLE RENT						
London/ SE Prime	3.75-4.00	3.75-4.00	3.75-4.00	3.75-4.15	3.75-4.15	Weaker
Regional UK Prime	4.00-4.25	4.00-4.25	4.00-4.25	4.15-4.40	4.15-4.50	Weaker
Secondary	4.25-4.50	4.25-4.50	4.25-4.50	4.40-4.65	4.40-4.65	Weaker
Tertiary	4.50-4.75	4.50-4.75	4.50-4.75	4.65-490	4.75	Weaker
SOCIAL RENT						
London/ SE Prime	3.50-3.75	3.50-3.75	3.50-3.75	3.65-3.90	3.70-4.00	Weaker
Regional UK Prime	3.75-4.00	3.75-4.00	3.75-4.00	3.90-4.15	3.75-4.15	Weaker
Secondary	4.00-425	4.00-425	4.00-425	4.15-4.40	4.15-4.40	Weaker
Tertiary	4.25-450	4.25-450	4.25-450	4.40-4.65	4.50.4.75	Weaker

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Positive start to Q1 with a number of transactions exchanging but pricing remains uncertain with evidence of falling house prices

Single Family Housing

	Mar 22 (%)	Jun 22 (%)	Sep 22 (%)	Dec 22 (%)	Mar 23 (%)	Trend
SINGLE FAMILY HOUSING						
South East Prime	3.50 - 3.75	3.50 - 3.75	3.50 - 3.75	3.70 – 3.85	3.70 – 3.85	Weaker
South East Secondary	3.75 – 3.90	3.75 – 3.90	3.75 – 3.90	3.85 – 4.00	3.85 – 4.00	Weaker
South West Prime	3.65 – 3.90	3.65 – 3.90	3.65 – 3.90	3.85 – 4.00	3.85 – 4.00	Weaker
South West Secondary	3.90 - 4.15	3.90 - 4.15	3.90 - 4.15	4.00 – 4.15	4.00 – 4.15	Weaker
East of England Prime	3.75 - 4.00	3.75 - 4.00	3.75 - 4.00	3.85 – 4.00	3.85 – 4.00	Weaker
East of England Secondary	4.00 - 4.25	4.00 - 4.25	4.00 - 4.25	4.00 – 4.15	4.00 – 4.15	Weaker
West Midlands Prime	3.90 - 4.15	3.90 - 4.15	3.90 - 4.15	4.00 – 4.20	4.00 – 4.20	Weaker
West Midlands Secondary	4.15 - 4.40	4.15 - 4.40	4.15 - 4.40	4.20 – 4.40	4.20 – 4.40	Weaker
East Midlands Prime	3.90 - 4.15	3.90 - 4.15	3.90 - 4.15	4.00 – 4.20	4.00 – 4.20	Weaker
East Midlands Secondary	4.15 - 4.40	4.15 - 4.40	4.15 - 4.40	4.20 – 4.40	4.20 – 4.40	Weaker
North West Prime	4.00 - 4.25	4.00 - 4.25	4.00 - 4.25	4.15 – 4.30	4.15 – 4.30	Weaker
North West Secondary	4.25 - 4.50	4.25 - 4.50	4.25 - 4.50	4.30 – 4.45	4.30 – 4.45	Weaker
North East including Yorkshire and the Humber Prime	4.10 - 4.35	4.10 - 4.35	4.10 - 4.35	4.25 – 4.40	4.25 – 4.40	Weaker
North East including Yorkshire and the Humber Secondary	4.35 - 4.60	4.35 - 4.60	4.35 - 4.60	4.40 – 4.55	4.40 – 4.55	Weaker

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Notes and Definitions

Residential

Our residential yields refer to institutionally managed, private rented residential assets within the UK (build to rent)

1) The yield data provided reflects transaction exchanges and current bidding on investment market deals to the previous month together with our own opinions and judgement
2) Net yields account for operational costs and relevant purchaser's costs
3) Prime refers to assets located in close proximity to transport notes, either brand new or with a high quality specification and level of amenity
4) Zone 2 and Zones 3 to 6 refer to London travel zones system managed by Transport for London

Hotels

1) Vacant possession upscale, stabilised year cap rate
2) Management contract upscale, no guarantee or underwrite, operated by an internationally renowned brand
3) Prime London lease reflects Zone 1, prime covenants leaseholders whose ability to fulfil lease obligations is almost certain
4) Prime regional lease reflects prime UK city locations, prime covenants leaseholders whose ability to fulfil lease obligations is almost certain

Student Accommodation

The net initial yield, which is growth implicit, rather than the equivalent yield, is the key driver in the purpose built student accommodation sector. Allowance for purchaser's costs is made in calculating the net initial yield. All the yields assume completed and stabilised properties and ignore any discount for forward funding. Yields assume a generic lot size of £25m and running costs which a hypothetical purchaser would assume

1) Direct let a well located modern purpose built property of an operationally efficient scale with a strong letting track record and appropriate room mix
2) Central London well located single asset in London zone 1
3) Super prime regional towns and cities with restricted supply or restrictive planning policies
4) Prime regional mature markets with healthy supply and demand ratio and generally more than one university. There is a spread of towns and cities from the prime level to our secondary benchmark
5) Secondary regional towns and cities with perceived oversupply issues, new universities or secondary campuses
6) RPI lease well located, let to a strong university covenant, minimum of 25 years unexpired on FRI terms with annual RPI uplifts

Single Family Housing

Our yield ranges are indicative and represent our view of a stabilised investment.

1) The yield data provided reflects transaction exchanges and current bidding on investment market deals to date together with our own opinions.
2) They represent our indicative view of the net initial yield of a rack rented stabilised investment.
3) These yields represent a cluster of modern dwellings in a single location that would be sold in a single lot to an investor as part of a wider portfolio.
4) 'Prime' is defined as having excellent connectivity to key city hubs, transport links, local employment, amenity and schools, an established depth of rental demand with strong ESG credentials.
5) 'Secondary' - one or more of the above criteria is compromised or missing.
6) Net yields account for operational costs and relevant purchaser's costs.
7) Operational Cost Assumptions typically range between 18.0% - 22.5% (including voids) however we consider this will be analysed more on £ per unit basis as the market matures.
8) Our analysis and yields are indicative, for guidance only and may not be relied upon.

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Enclosure 4: RICS BCIS – Rebased to York (March 2023)

PROPRIETARY INFORMATION
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BCIS®

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 11-Mar-2023 05:56

› Rebased to York (97; sample 19)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
816. Flats (apartments)							
Generally (15)	1,680	835	1,395	1,586	1,891	5,792	856
1-2 storey (15)	1,600	993	1,346	1,509	1,786	3,297	183
3-5 storey (15)	1,653	835	1,390	1,579	1,873	3,531	574
6 storey or above (15)	1,994	1,226	1,632	1,867	2,137	5,792	96
856.2 Students' residences, halls of residence, etc (15)	2,151	1,227	1,919	2,166	2,389	3,500	55

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Enclosure 5: On-campus PBSA Development Typology Appraisals (Incorporating Modified Policy H7 OSFC)

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PBSA Typology
100 Units
Includes Policy H7 2.5% OSFC/room

Development Appraisal
CBRE
24 March 2023

APPRAISAL SUMMARY CBRE

PBSA Typology
100 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 2 100 (V2)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 100 bed typology	100	18,568	35.90	6,666	466,620	666,600	466,620

Investment Valuation

Student accommodation - 100 bed typology					
Current Rent	466,620	YP @	5.0000%	20.0000	9,332,400

NET REALISATION				**9,332,400**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (Negative land)			(969,750)	
				(969,750)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 100 bed typology	28,567	201.23	5,748,622	**5,748,622**
Externals		10.00%	574,862	
Site Abnormals	0 ac	400,000 /ac	68,000	
Contingency		4.00%	252,939	
				895,802
Other Construction				
Policy H10 AH OSFC Payment	100 un	7,000.00 /un	700,000	
Policy CC1, CC2 & CC3	100 un	2,250.00 /un	225,000	
Policy G12 BNG	0 ac	15,000 /ac	2,550	
				927,550
PROFESSIONAL FEES				
Professional Fees		8.00%	505,879	
				505,879
DISPOSAL FEES				
Sales Agent Fee		2.00%	186,648	
				186,648
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(143,605)	
Construction			625,856	
Total Finance Cost				482,251
TOTAL COSTS				**7,777,001**
PROFIT				
				1,555,399

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	35.52%

PBSA Typology
100 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
200 Units
Includes Policy H7 2.5% OSFC/room

Development Appraisal
CBRE
24 March 2023

APPRAISAL SUMMARY	**CBRE**

PBSA Typology
200 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 8 200 (V2)

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Student accommodation - 200 bed typology	200	37,135	35.90	6,666	933,240	1,333,200	933,240

Investment Valuation

Student accommodation - 200 bed typology					
Current Rent	933,240	YP @	5.0000%	20.0000	18,664,800

NET REALISATION				**18,664,800**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (Negative land)			(2,207,494)	
				(2,207,494)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 200 bed typology	57,135	201.23	11,497,244	**11,497,244**
Externals		10.00%	1,149,724	
Site Abnormals	0 ac	400,000 /ac	184,000	
Contingency		4.00%	505,879	
				1,839,603
Other Construction				
Policy H10 AH OSFC Payment	200 un	7,000.00 /un	1,400,000	
Policy CC1, CC2 & CC3	200 un	2,250.00 /un	450,000	
Policy G12 BNG	0 ac	15,000 /ac	6,900	
				1,856,900
PROFESSIONAL FEES				
Professional Fees		8.00%	1,011,757	
				1,011,757
DISPOSAL FEES				
Sales Agent Fee		2.00%	373,296	
				373,296
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(405,329)	
Construction			1,588,023	
Total Finance Cost				1,182,694
TOTAL COSTS				**15,554,000**
PROFIT				
				3,110,800

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	30.83%

PBSA Typology
200 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
350 Units
Includes Policy H7 2.5% OSFC/room

Development Appraisal
CBRE
24 March 2023

APPRAISAL SUMMARY — CBRE

PBSA Typology
350 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 13 350 (V2)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 350 bed typology	350	64,987	35.90	6,666	1,633,170	2,333,100	1,633,170

Investment Valuation

Student accommodation - 350 bed typology					
Current Rent	1,633,170	YP @	5.0000%	20.0000	32,663,400

NET REALISATION	**32,663,400**

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(4,133,968)	
		(4,133,968)

CONSTRUCTION COSTS
Construction

	ft²	Build Rate ft²	Cost	
Student accommodation - 350 bed typology	99,975	201.23	20,117,969	**20,117,969**
Externals		10.00%	2,011,797	
Site Abnormals	1 ac	400,000 /ac	304,000	
Contingency		4.00%	885,191	
				3,200,988
Other Construction				
Policy H10 AH OSFC Payment	350 un	7,000.00 /un	2,450,000	
Policy CC1, CC2 & CC3	350 un	2,250.00 /un	787,500	
Policy G12 BNG	1 ac	15,000 /ac	11,400	
				3,248,900

PROFESSIONAL FEES

Professional Fees	8.00%	1,770,381	
			1,770,381

DISPOSAL FEES

Sales Agent Fee	2.00%	653,268	
			653,268

FINANCE

Debit Rate 8.500%, Credit Rate 0.000% (Nominal)		
Land	(877,607)	
Construction	3,239,568	
Total Finance Cost		2,361,961

TOTAL COSTS	**27,219,499**

PROFIT

	5,443,901

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	28.27%

PBSA Typology
350 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
600 Units
Includes Policy H7 2.5% OSFC/room

Development Appraisal
CBRE
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APPRAISAL SUMMARY CBRE

PBSA Typology
600 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 18 600 (V2)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 600 bed typology	600	111,406	35.90	6,666	2,799,720	3,999,600	2,799,720

Investment Valuation

Student accommodation - 600 bed typology					
Current Rent	2,799,720	YP @	5.0000%	20.0000	55,994,400

NET REALISATION				**55,994,400**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (Negative land)			(7,937,788)	
				(7,937,788)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 600 bed typology	171,394	201.23	34,489,615	**34,489,615**
Externals		10.00%	3,448,961	
Site Abnormals	2 ac	400,000 /ac	652,000	
Contingency		4.00%	1,517,543	
				5,618,505
Other Construction				
Policy H10 AH OSFC Payment	600 un	7,000.00 /un	4,200,000	
Policy CC1, CC2 & CC3	600 un	2,250.00 /un	1,350,000	
Policy G12 BNG	2 ac	15,000 /ac	24,450	
				5,574,450
PROFESSIONAL FEES				
Professional Fees		8.00%	3,035,086	
				3,035,086
DISPOSAL FEES				
Sales Agent Fee		2.00%	1,119,888	
				1,119,888
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(2,025,527)	
Construction			6,787,784	
Total Finance Cost				4,762,257
TOTAL COSTS				**46,662,012**
PROFIT				
				9,332,388

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	25.81%

PBSA Typology
600 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

Enclosure 6: On-campus PBSA Development Typology Appraisals (Excluding Modified Policy H7 OSFC)

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PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

Development Appraisal
CBRE
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APPRAISAL SUMMARY — CBRE

PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 3 100 (V2b)

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Student accommodation - 100 bed typology	100	18,568	35.90	6,666	466,620	666,600	466,620

Investment Valuation

Student accommodation - 100 bed typology					
Current Rent	466,620	YP @	5.0000%	20.0000	9,332,400

NET REALISATION				**9,332,400**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (Negative land)			(279,534)	
				(279,534)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 100 bed typology	28,567	201.23	5,748,622	**5,748,622**
Externals		10.00%	574,862	
Site Abnormals	0 ac	400,000 /ac	68,000	
Contingency		4.00%	252,939	
				895,802
Other Construction				
Policy CC1, CC2 & CC3	100 un	2,250.00 /un	225,000	
Policy G12 BNG	0 ac	15,000 /ac	2,550	
				227,550
PROFESSIONAL FEES				
Professional Fees		8.00%	505,879	
				505,879
DISPOSAL FEES				
Sales Agent Fee		2.00%	186,648	
				186,648
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(42,215)	
Construction			534,248	
Total Finance Cost				492,034
TOTAL COSTS				**7,777,000**
PROFIT				
				1,555,400

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	33.19%

APPRAISAL SUMMARY CBRE

PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
200 Units
Excludes Policy H7 2.5% OSFC/room

Development Appraisal
CBRE
24 March 2023

APPRAISAL SUMMARY — CBRE

PBSA Typology
200 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 9 200 (V2b)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 200 bed typology	200	37,135	35.90	6,666	933,240	1,333,200	933,240

Investment Valuation

Student accommodation - 200 bed typology					
Current Rent	933,240	YP @	5.0000%	20.0000	18,664,800
NET REALISATION				**18,664,800**	

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(827,941)	
				(827,941)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 200 bed typology	57,135	201.23	11,497,244	**11,497,244**
Externals		10.00%	1,149,724	
Site Abnormals	0 ac	400,000 /ac	184,000	
Contingency		4.00%	505,879	
				1,839,603
Other Construction				
Policy CC1, CC2 & CC3	200 un	2,250.00 /un	450,000	
Policy G12 BNG	0 ac	15,000 /ac	6,900	
				456,900
PROFESSIONAL FEES				
Professional Fees		8.00%	1,011,757	
				1,011,757
DISPOSAL FEES				
Sales Agent Fee		2.00%	373,296	
				373,296
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(156,396)	
Construction			1,359,535	
Total Finance Cost				1,203,140
TOTAL COSTS				**15,553,999**
PROFIT				
				3,110,801

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	28.80%

PBSA Typology
200 Units
Excludes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
350 Units
Excludes Policy H7 2.5% OSFC/room

Development Appraisal
CBRE
24 March 2023

APPRAISAL SUMMARY	**CBRE**

PBSA Typology
350 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 14 350 (V2b)

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Student accommodation - 350 bed typology	350	64,987	35.90	6,666	1,633,170	2,333,100	1,633,170

Investment Valuation

Student accommodation - 350 bed typology					
Current Rent	1,633,170	YP @	5.0000%	20.0000	32,663,400
NET REALISATION				**32,663,400**	

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(1,723,560)	
				(1,723,560)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 350 bed typology	99,975	201.23	20,117,969	**20,117,969**
Externals		10.00%	2,011,797	
Site Abnormals	1 ac	400,000 /ac	304,000	
Contingency		4.00%	885,191	
				3,200,988
Other Construction				
Policy CC1, CC2 & CC3	350 un	2,250.00 /un	787,500	
Policy G12 BNG	1 ac	15,000 /ac	11,400	
				798,900
PROFESSIONAL FEES				
Professional Fees		8.00%	1,770,381	
				1,770,381
DISPOSAL FEES				
Sales Agent Fee		2.00%	653,268	
				653,268
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(377,392)	
Construction			2,778,944	
Total Finance Cost				2,401,552
TOTAL COSTS				**27,219,498**
PROFIT				
				5,443,902

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	26.34%

PBSA Typology
350 Units
Excludes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
600 Units
Excludes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY CBRE

PBSA Typology
600 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 19 600 (V2b)

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Student accommodation - 600 bed typology	600	111,406	35.90	6,666	2,799,720	3,999,600	2,799,720

Investment Valuation

Student accommodation - 600 bed typology					
Current Rent	2,799,720	YP @	5.0000%	20.0000	55,994,400

NET REALISATION 55,994,400

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(3,822,400)	
				(3,822,400)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 600 bed typology	171,394	201.23	34,489,615	**34,489,615**
Externals		10.00%	3,448,961	
Site Abnormals	2 ac	400,000 /ac	652,000	
Contingency		4.00%	1,517,543	
				5,618,505
Other Construction				
Policy CC1, CC2 & CC3	600 un	2,250.00 /un	1,350,000	
Policy G12 BNG	2 ac	15,000 /ac	24,450	
				1,374,450
PROFESSIONAL FEES				
Professional Fees		8.00%	3,035,086	
				3,035,086
DISPOSAL FEES				
Sales Agent Fee		2.00%	1,119,888	
				1,119,888
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(1,007,905)	
Construction			5,854,757	
Total Finance Cost				4,846,852

TOTAL COSTS 46,661,995

PROFIT

9,332,405

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	23.84%

PBSA Typology
600 Units
Excludes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

Enclosure 7: Developer-led (Off-campus) PBSA Development Typology Appraisals (Including Modified Policy H7 OSFC)

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PBSA Typology
100 Units
Includes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY CBRE

PBSA Typology
100 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 4 100 (V3)

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Student accommodation - 100 bed typology	100	18,568	43.20	8,021	561,499	802,142	561,499

Investment Valuation

Student accommodation - 100 bed typology					
Current Rent	561,499	YP @	5.0000%	20.0000	11,229,988

NET REALISATION				**11,229,988**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price (Negative land)			(299,818)		
				(299,818)	
CONSTRUCTION COSTS					
Construction	**ft²**	**Build Rate ft²**	**Cost**		
Student accommodation - 100 bed typology	28,567	221.90	6,339,110	**6,339,110**	
Externals		10.00%	633,911		
Site Abnormals	0 ac	400,000 /ac	68,000		
Contingency		4.00%	278,921		
				980,832	
Other Construction					
Policy H10 AH OSFC Payment	100 un	7,000.00 /un	700,000		
Policy CC1, CC2 & CC3	100 un	2,250.00 /un	225,000		
Policy G12 BNG	0 ac	15,000 /ac	2,550		
				927,550	
PROFESSIONAL FEES					
Professional Fees		8.00%	557,842		
				557,842	
DISPOSAL FEES					
Sales Agent Fee		2.00%	224,600		
				224,600	
FINANCE					
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)					
Land			(48,110)		
Construction			676,317		
Total Finance Cost				628,207	
TOTAL COSTS				**9,358,323**	
PROFIT					
				1,871,665	

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	31.48%

PBSA Typology
100 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
200 Units
Includes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY CBRE

PBSA Typology
200 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 10 200 (V3)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 200 bed typology	200	37,135	43.20	8,021	1,123,000	1,604,285	1,123,000

Investment Valuation

Student accommodation - 200 bed typology					
Current Rent	1,123,000	YP @	5.0000%	20.0000	22,459,990

NET REALISATION				**22,459,990**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (Negative land)			(925,895)	
				(925,895)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 200 bed typology	57,135	221.90	12,678,221	**12,678,221**
Externals		10.00%	1,267,822	
Site Abnormals	0 ac	400,000 /ac	184,000	
Contingency		4.00%	557,842	
				2,009,664
Other Construction				
Policy H10 AH OSFC Payment	200 un	7,000.00 /un	1,400,000	
Policy CC1, CC2 & CC3	200 un	2,250.00 /un	450,000	
Policy G12 BNG	0 ac	15,000 /ac	6,900	
				1,856,900
PROFESSIONAL FEES				
Professional Fees		8.00%	1,115,683	
				1,115,683
DISPOSAL FEES				
Sales Agent Fee		2.00%	449,200	
				449,200
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(182,766)	
Construction			1,715,650	
Total Finance Cost				1,532,884
TOTAL COSTS				**18,716,657**
PROFIT				
				3,743,333

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	27.39%

PBSA Typology
200 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
350 Units
Includes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY CBRE

PBSA Typology
350 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 15 350 (V3)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 350 bed typology	350	64,987	43.20	8,021	1,965,250	2,807,500	1,965,250

Investment Valuation

Student accommodation - 350 bed typology					
Current Rent	1,965,250	YP @	5.0000%	20.0000	39,305,000

NET REALISATION				**39,305,000**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (Negative land)			(1,968,058)	
				(1,968,058)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 350 bed typology	99,975	221.90	22,184,452	**22,184,452**
Externals		10.00%	2,218,445	
Site Abnormals	1 ac	400,000 /ac	304,000	
Contingency		4.00%	976,116	
				3,498,561
Other Construction				
Policy H10 AH OSFC Payment	350 un	7,000.00 /un	2,450,000	
Policy CC1, CC2 & CC3	350 un	2,250.00 /un	787,500	
Policy G12 BNG	1 ac	15,000 /ac	11,400	
				3,248,900
PROFESSIONAL FEES				
Professional Fees		8.00%	1,952,232	
				1,952,232
DISPOSAL FEES				
Sales Agent Fee		2.00%	786,100	
				786,100
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(448,777)	
Construction			3,500,754	
Total Finance Cost				3,051,977
TOTAL COSTS				**32,754,164**
PROFIT				
				6,550,836

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	25.12%

PBSA Typology
350 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
600 Units
Includes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY	CBRE

PBSA Typology
600 Units
Includes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 20 600 (V3)

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rent Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**	**Net MRV at Sale**
Student accommodation - 600 bed typology	600	111,406	43.20	8,021	3,369,000	4,812,857	3,369,000

Investment Valuation

Student accommodation - 600 bed typology					
Current Rent	3,369,000	YP @	5.0000%	20.0000	67,379,998
NET REALISATION				**67,379,998**	

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(4,411,795)	
				(4,411,795)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 600 bed typology	171,394	221.90	38,032,329	**38,032,329**
Externals		10.00%	3,803,233	
Site Abnormals	2 ac	400,000 /ac	652,000	
Contingency		4.00%	1,673,422	
				6,128,655
Other Construction				
Policy H10 AH OSFC Payment	600 un	7,000.00 /un	4,200,000	
Policy CC1, CC2 & CC3	600 un	2,250.00 /un	1,350,000	
Policy G12 BNG	2 ac	15,000 /ac	24,450	
				5,574,450
PROFESSIONAL FEES				
Professional Fees		8.00%	3,346,845	
				3,346,845
DISPOSAL FEES				
Sales Agent Fee		2.00%	1,347,600	
				1,347,600
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(1,203,440)	
Construction			7,335,342	
Total Finance Cost				6,131,902
TOTAL COSTS				**56,149,986**
PROFIT				
				11,230,012

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	22.81%

APPRAISAL SUMMARY CBRE

PBSA Typology
600 Units
Includes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

Enclosure 8: Developer-led (Off-campus) PBSA Development Typology Appraisals (Excluding Modified Policy H7 OSFC)

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PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY CBRE

PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 5 100 (V4)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 100 bed typology	100	18,568	43.20	8,021	561,499	802,142	561,499

Investment Valuation

Student accommodation - 100 bed typology					
Current Rent	561,499	YP @	5.0000%	20.0000	11,229,988

NET REALISATION				**11,229,988**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			363,392	
				363,392
Stamp Duty			7,670	
Effective Stamp Duty Rate		2.11%		
Agent Fee		1.00%	3,634	
Legal Fee		0.80%	2,907	
				14,211
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 100 bed typology	28,567	221.90	6,339,110	
Externals		10.00%	633,911	
Site Abnormals	0 ac	400,000 /ac	68,000	
Contingency		4.00%	278,921	
				7,319,942
Other Construction				
Policy CC1, CC2 & CC3	100 un	2,250.00 /un	225,000	
Policy G12 BNG	0 ac	15,000 /ac	2,550	
				227,550
PROFESSIONAL FEES				
Professional Fees		8.00%	557,842	
				557,842
DISPOSAL FEES				
Sales Agent Fee		2.00%	224,600	
				224,600
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			66,076	
Construction			584,710	
Total Finance Cost				650,786
TOTAL COSTS				**9,358,323**
PROFIT				
				1,871,665

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%

PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

IRR% (without Interest)	30.31%
Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
200 Units
Excludes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY — CBRE

PBSA Typology
200 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 11 200 (V4)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 200 bed typology	200	37,135	43.20	8,021	1,123,000	1,604,285	1,123,000

Investment Valuation					
Student accommodation - 200 bed typology					
Current Rent	1,123,000	YP @	5.0000%	20.0000	22,459,990
NET REALISATION				**22,459,990**	
OUTLAY					
ACQUISITION COSTS					
Residualised Price			409,788		
				409,788	
Stamp Duty			9,989		
Effective Stamp Duty Rate		2.44%			
Agent Fee		1.00%	4,098		
Legal Fee		0.80%	3,278		
				17,366	
CONSTRUCTION COSTS					
Construction	**ft²**	**Build Rate ft²**	**Cost**		
Student accommodation - 200 bed typology	57,135	221.90	12,678,221		
Externals		10.00%	1,267,822		
Site Abnormals	0 ac	400,000 /ac	184,000		
Contingency		4.00%	557,842		
				14,687,885	
Other Construction					
Policy CC1, CC2 & CC3	200 un	2,250.00 /un	450,000		
Policy G12 BNG	0 ac	15,000 /ac	6,900		
				456,900	
PROFESSIONAL FEES					
Professional Fees		8.00%	1,115,683		
				1,115,683	
DISPOSAL FEES					
Sales Agent Fee		2.00%	449,200		
				449,200	
FINANCE					
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)					
Land			92,674		
Construction			1,487,163		
Total Finance Cost				1,579,837	
TOTAL COSTS				**18,716,658**	
PROFIT					
				3,743,332	

Performance Measures	
Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%

APPRAISAL SUMMARY CBRE

PBSA Typology
200 Units
Excludes Policy H7 2.5% OSFC/room

IRR% (without Interest)	26.37%
Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
350 Units
Excludes Policy H7 2.5% OSFC/room

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APPRAISAL SUMMARY CBRE

PBSA Typology
350 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 16 350 (V4)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 350 bed typology	350	64,987	43.20	8,021	1,965,250	2,807,500	1,965,250

Investment Valuation

Student accommodation - 350 bed typology					
Current Rent	1,965,250	YP @	5.0000%	20.0000	39,305,000

NET REALISATION				**39,305,000**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			379,270	
				379,270
Stamp Duty			8,463	
Effective Stamp Duty Rate		2.23%		
Agent Fee		1.00%	3,793	
Legal Fee		0.80%	3,034	
				15,290
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 350 bed typology	99,975	221.90	22,184,452	
Externals		10.00%	2,218,445	
Site Abnormals	1 ac	400,000 /ac	304,000	
Contingency		4.00%	976,116	
				25,683,014
Other Construction				
Policy CC1, CC2 & CC3	350 un	2,250.00 /un	787,500	
Policy G12 BNG	1 ac	15,000 /ac	11,400	
				798,900
PROFESSIONAL FEES				
Professional Fees		8.00%	1,952,232	
				1,952,232
DISPOSAL FEES				
Sales Agent Fee		2.00%	786,100	
				786,100
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			99,231	
Construction			3,040,130	
Total Finance Cost				3,139,361
TOTAL COSTS				**32,754,167**
PROFIT				
				6,550,833

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%

PBSA Typology
350 Units
Excludes Policy H7 2.5% OSFC/room

IRR% (without Interest)	24.15%
Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

PBSA Typology
600 Units
Excludes Policy H7 2.5% OSFC/room

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CBRE
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APPRAISAL SUMMARY — CBRE

PBSA Typology
600 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 21 600 (V4)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 600 bed typology	600	111,406	43.20	8,021	3,369,000	4,812,857	3,369,000

Investment Valuation

Student accommodation - 600 bed typology					
Current Rent	3,369,000	YP @	5.0000%	20.0000	67,379,998

NET REALISATION				**67,379,998**
OUTLAY				
ACQUISITION COSTS				
Residualised Price (Negative land)			(376,826)	
				(376,826)
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 600 bed typology	171,394	221.90	38,032,329	**38,032,329**
Externals		10.00%	3,803,233	
Site Abnormals	2 ac	400,000 /ac	652,000	
Contingency		4.00%	1,673,422	
				6,128,655
Other Construction				
Policy CC1, CC2 & CC3	600 un	2,250.00 /un	1,350,000	
Policy G12 BNG	2 ac	15,000 /ac	24,450	
				1,374,450
PROFESSIONAL FEES				
Professional Fees		8.00%	3,346,845	
				3,346,845
DISPOSAL FEES				
Sales Agent Fee		2.00%	1,347,600	
				1,347,600
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			(105,374)	
Construction			6,402,315	
Total Finance Cost				6,296,941
TOTAL COSTS				**56,149,993**
PROFIT				
				11,230,005

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.00%
Equivalent Yield% (Nominal)	5.00%
Equivalent Yield% (True)	5.16%
IRR% (without Interest)	21.82%

APPRAISAL SUMMARY	CBRE

PBSA Typology
600 Units
Excludes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 4 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

Enclosure 9: Developer-led (Off-campus) PBSA Development 100-bed Typology Appraisal (Excluding Modified Policy H7 OSFC) with Funding Yield at 5.25% (Sensitivity)

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PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room
Funding Yield at 5.25%

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APPRAISAL SUMMARY — CBRE

PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

Appraisal Summary for Phase 6 100 (V4 b)

Currency in £

REVENUE

Rental Area Summary	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Student accommodation - 100 bed typology	100	18,568	43.20	8,021	561,499	802,142	561,499

Investment Valuation

Student accommodation - 100 bed typology					
Current Rent	561,499	YP @	5.2500%	19.0476	10,695,227

NET REALISATION				**10,695,227**
OUTLAY				
ACQUISITION COSTS				
Residualised Price			7,307	
				7,307
Agent Fee		1.00%	73	
Legal Fee		0.80%	58	
				132
CONSTRUCTION COSTS				
Construction	**ft²**	**Build Rate ft²**	**Cost**	
Student accommodation - 100 bed typology	28,567	221.90	6,339,110	
Externals		10.00%	633,911	
Site Abnormals	0 ac	400,000 /ac	68,000	
Contingency		4.00%	278,921	
				7,319,942
Other Construction				
Policy CC1, CC2 & CC3	100 un	2,250.00 /un	225,000	
Policy G12 BNG	0 ac	15,000 /ac	2,550	
				227,550
PROFESSIONAL FEES				
Professional Fees		8.00%	557,842	
				557,842
DISPOSAL FEES				
Sales Agent Fee		2.00%	213,905	
				213,905
FINANCE				
Debit Rate 8.500%, Credit Rate 0.000% (Nominal)				
Land			1,302	
Construction			584,710	
Total Finance Cost				586,012
TOTAL COSTS				**8,912,689**
PROFIT				
				1,782,538

Performance Measures

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
Development Yield% (on Rent)	6.30%
Equivalent Yield% (Nominal)	5.25%
Equivalent Yield% (True)	5.43%
IRR% (without Interest)	31.69%

PBSA Typology
100 Units
Excludes Policy H7 2.5% OSFC/room

Rent Cover	3 yrs 2 mths
Profit Erosion (finance rate 8.500)	2 yrs 2 mths

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RUSSELL GROUP
STUDENTS'
UNIONS

Student Cost of Living Report

Research commissioned by Russell Group Students' Unions

Carried out by Students' Union UCL

Contents

Foreword

The current cost of living crisis has been impacting everyone across society – from rising bills to record high food costs, to concerns over job security and the impact on our mental health. Throughout this crisis, however, students have been forgotten.

We, as elected representatives for students at Russell Group universities, commissioned this research to better understand the experiences of students and how we, universities and the government can help. The results are deeply concerning, although sadly not surprising for those of us who are hearing from struggling students daily.

This survey highlights the immense financial pressure on students. On average, students are sitting below the poverty line for the UK. 1 in 5 are considering dropping out because they cannot afford to continue, and 1 in 4 are regularly going without food and necessities. Students are unable to increase their earnings anywhere near the rate of inflation, with most working zero-hour, minimum wage jobs, and many struggling to increase their incomings, whether this is due to struggling to balance studies alongside increased working hours, or whether this is explicit working restrictions such as those imposed on our international student community.

Throughout this, financial support is inadequate, poorly understood and communicated, and often inaccessible to students. Groups of students who are already disadvantaged in education are hit the hardest, and this study shows that the cost of living crisis is posing a significant threat to our diverse and vibrant university communities – students except those from the most privileged backgrounds are set to be priced out of education.

It is clear that the impact of the cost of living on students is systemic and widespread, and requires an urgent, coordinated approach for targeted student support from the government and the sector. Maintenance loans need to rise in line with inflation, and grants should be reintroduced to support our most disadvantaged students. The parental threshold for maximum student finance support, which has been frozen since 2008 despite average earnings increasing significantly, needs to be reviewed. There needs to be sector-wide best practice agreed regarding university-run hardship and financial assistance funds. International students need more flexibility in their working restrictions, and should be able to access university financial hardship funds as standard.

Crucially, this research shows that students should be recognised as an at-risk group. They are particularly vulnerable to financial insecurity and hardship, and yet are often ignored or overlooked in conversations around poverty and cost of living. If we do not step up for students now, we run the risk of allowing UK higher education to become one only for the most privileged in society, and undoing decades of access and participating work in the sector.

Russell Group Students' Unions Officers

Students have been forgotten during the cost of living crisis. We surveyed students from 14 Russell Group institutions and found...

94% of students are concerned about the cost of living crisis

"I cry myself to sleep multiple times a week because my finances are killing my mental health."

1 in 4 students is regularly going without food or necessities because they cannot afford them

We received 8,800 responses

Over 50% of students have had to borrow money in the last year alone

54% of students believe that their academic performance has suffered due to the cost of living crisis

On average, students were left with only £50 per month

Only 1 in 2 students are confident that they have enough money to cover their basic living costs

"I have had to miss classes because I've had to work in order to be able to eat."

Average income of only £825 per month

72% of students feel that their mental health has suffered due to the cost of living crisis

"Everything is difficult but no one understands."

Income

"I am dependent on my overdraft"

The average student falls below the poverty line

The median income per month for students is £824, including income from maintenance grants, bursaries, paid employment and familial contributions. After housing costs (with the average student rent estimated at £535/month[1]), the average student respondent to this survey is likely to fall under the UK poverty line[2]. This leaves our respondents with £72 per week, and would put our respondents only £2 over the destitution line for the UK[3].

After paying for all expenses including bills and food, students are left with £50 each month to live off (median, weighted). This falls to £30 for international students, and rises to £100 for home students. More than 1 in 5 (22%, N = 5953, weighed) students have less than £100 in their savings account.

The top four groups who reported having less than £100 in savings:

- **Students whose parents have no qualifications** (34%, N = 144/423)
- **Students with a household income of less than £25,001/annum** (32%, N = 574/1801)
- **Students with caring responsibilities** (29%, N = 140/480)
- **International students** (29%, N = 501/1747)

Each of these groups were statistically more likely to have less than £100 in savings.

"I work the max amount that I can, yet I barely can cover my rent let alone anything else. ***I miss meals. I have had my physical and mental health deteriorate. I worry every day about how much change I have left.*** *And it was a 4-month long struggle with the university to even get any help."*

"The Cost of living crisis was always present for me, as in I come for Europe where higher education is practically free. My parents did not save, or expect me to go abroad. London is so very expensive. They are not rich and are in debt and refused to get me a loan to prevent me from getting to the same place in life as them. ***I have cried many nights about my choices to come to London where it is so very expensive to live and study.*** *I regret my choice because of the financial burden I have placed on my family."*

Students from socioeconomically disadvantaged backgrounds (measured by household income and level of parental education) rely more heavily on income sources such as maintenance loans, bursaries and hardship funds, whereas students from more advantaged backgrounds see parental contribution to expenses increase. Disadvantaged students are also significantly (p = < 0.001) more likely to have to borrow money to pay for rent or bills, with 3 in 5 (59%, N = 1048/1786) students with a household income of under £25,000/year reporting having borrowed money whilst at university, compared to 44% (N = 365/839) of students from the highest household income brackets (£75,001 or more). Similarly, students whose parents have no educational qualifications are nearly 1.5x more likely to have borrowed money compared to those whose parents hold a degree qualification or equivalent (59%, N = 247/418 vs 51%, N = 1854/3621).

17% (N = 464/2460, Figure 1) of students in paid employment are working more than 30 hours per week. This rises to 24% (N = 100/415) for disabled students, 40% (N = 257/639) for mature students, 36% (N = 55/153) for estranged or care experienced students and 35% (N = 81/235) for those with caring responsibilities.

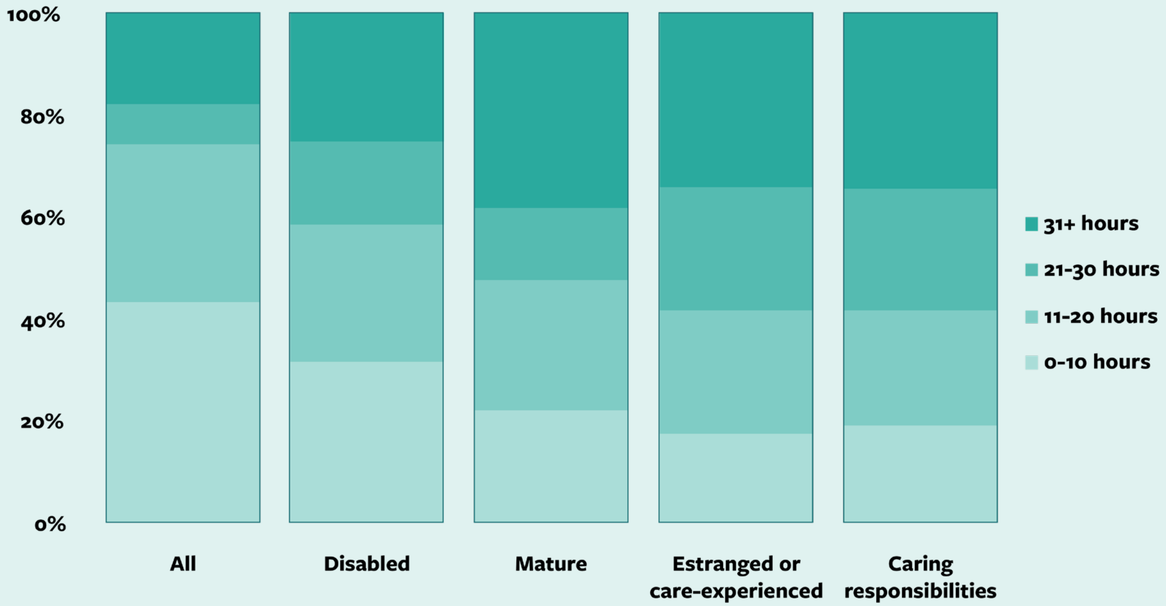


Figure 1: Stacked bar graph showing proportion of hours worked for students in paid employment by demographics (N=2460)

13% (N = 6327, weighted) of students are relying on overdrafts, and 6% (N = 6327, weighted) are using credit cards. Only 5% (N = 6327, weighted) have received financial support from a university hardship fund this academic year. Part-time (17%, N = 53/321), Black (16%, N = 28/171), home (16%, N = 513/3222) and disabled (16%, N = 141/881) students are all more likely to be relying on overdrafts. Similarly, disabled (6%, N = 55/881), students who are estranged or care-experienced (6%, N = 20/323), Black students (6%, N = 10/171), students with household incomes of under £25,001/annum (6%, N = 107/1895), and students studying outside of London (5%, N = 118/2156) are the most likely groups to have received financial support from their university.

Impact

Students report wide-ranging and significant impacts from the cost of living crisis, whether that is on their academic studies and career prospects, their mental health, their physical health, or their social development and relationships (Figure 2). Most commonly students report that their 'general student experience' has suffered due to the cost of living crisis, with 4 in 5 (79%, N = 5581, weighted) students reporting this, followed closely by their social life (73%, N = 5591, weighted), and their mental health (72%, N = 5595, weighted). 94% of students report that they are concerned about the current cost of living crisis (N = 5596, weighted).

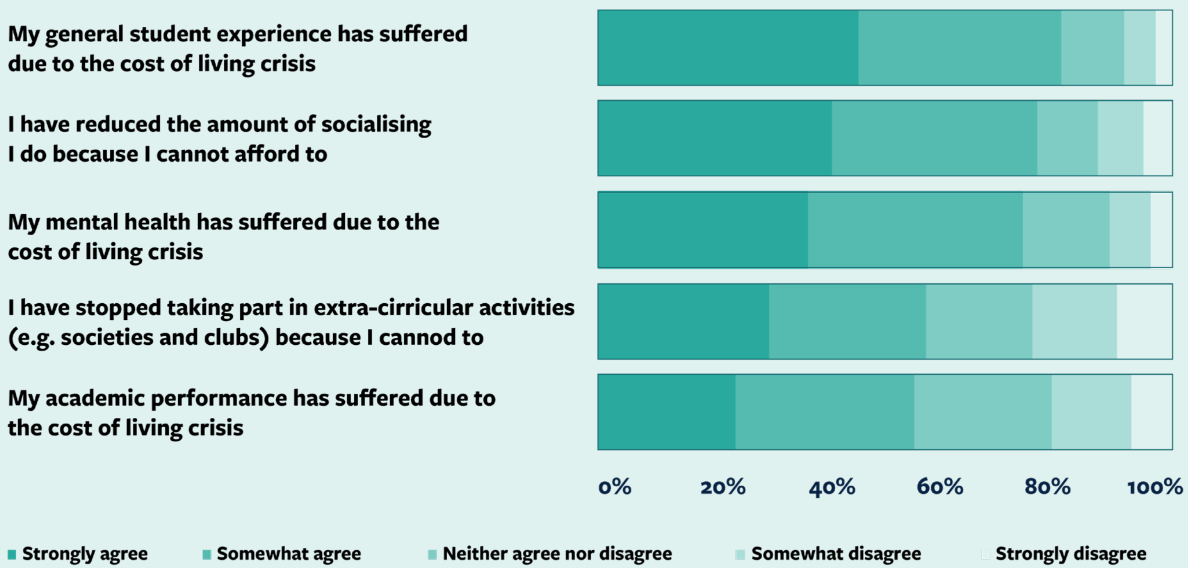


Figure 2. Stacked bar graph showing responses (N=5596) to likert-scale questions on the impact of the cost of living crisis

Whilst facing increasing financial pressures due to rising costs and limited ability to increase earnings (e.g. full time students struggling to work increased hours alongside their studies, or international students restricted to 20 hours a week), students note that socialising, extra-curricular activities and 'non-essentials' such as preventative health care (i.e. dental care) and mental health support are the first to go when cutting back. Students' academic studies are also impacted, particularly for students juggling additionally responsibilities such as childcare or having to take on additional paid work, and for students who already face additional barriers in education such as estranged and care-experienced students.

Academic Impact

Having to choose between food and university

1 in 5 students have considered dropping out

Over half (54%, N = 5589, weighted) of students are seeing their academic performance suffer due to the cost of living crisis. Reported negative impacts range from the direct and immediate, with students skipping classes to work more shifts or considering dropping out entirely due to financial pressures, to indirect impacts related to the ways in which the crisis intersects with health outcomes and nutrition, making concentrating on studying difficult or impossible.

19% (N = 5584, weighted) of all students have considered deferring their studies and 18% (N = 5582, weighted) have considered dropping out because they could not afford to continue. Students from disadvantaged socioeconomic backgrounds, disabled students, students who are estranged or care-experienced, and students with caring responsibilities are significantly more likely to be facing negative academic impacts and struggling to continue with their studies.

While 54% (N = 5589, weighted) of all students agree their academic performance has suffered due to the crisis, this rises to 71% (N = 278/389) for students whose parents have no educational qualifications. Estranged students, students with caring responsibilities, and disabled students are most likely to report considering dropping out of university. For estranged students, the lack of a familial safety net exacerbates their financial precarity. One estranged student said that they "can't afford to engage with the [academic] material", which "perpetuates the difficulties posed to those who deserve the opportunity to study, but with no familial/financial safety net". Another commented that "the university system is created to benefit white middle class students from stable backgrounds".

The likelihood that a student has considered dropping out or deferring due to financial difficulties gradually decreases as household income increases (Figure 3), however it is only for students from the highest income households (£75,000 or more per annum) that this drops below 15% for either question, suggesting that, whilst the impact is felt most strongly for those from the lowest income households, higher education during the cost of living crisis is becoming increasingly unaffordable to any students except those from the most advantaged backgrounds.

The top five groups who reported they had considered dropping out because they could not afford to continue were:

- **Estranged or care-experienced students** (37% (N = 127/343)
- **Students with caring responsibilities** (34% (N = 169/500)
- **Disabled students** (33% (N = 301/904)
- **Non-binary students** (30%, N = 40/129)
- **Part-time students** (28%, N = 91/319)

Each of these groups were statistically more likely to report considering to dropout of university.

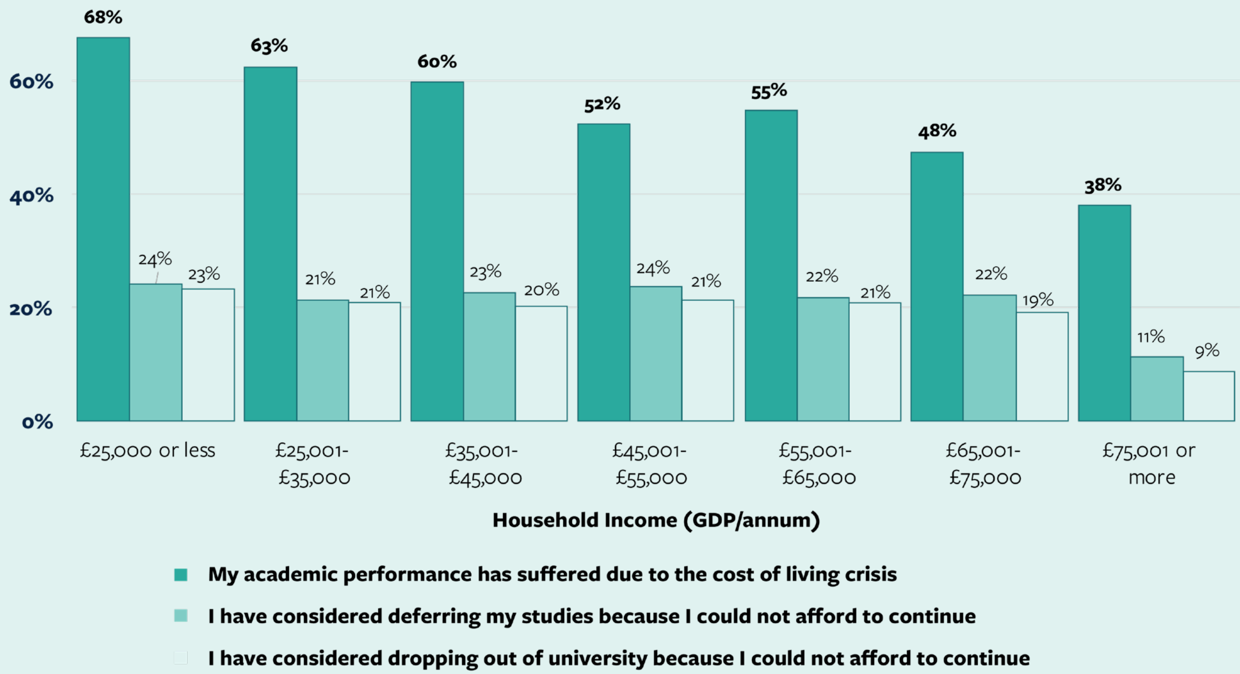


Figure 3: Grouped bar graph showing % agree by household income (GDP/Annum)

Students, particularly those from less advantaged backgrounds, commonly reported being forced to work increasingly long hours to pay for rising bills and living costs, or to take on multiple jobs. On average students are working 15 hours a week (weighted median), a figure rising to 25 hours for students with caring responsibilities (N = 235), estranged or care-experienced students (N = 153), and postgraduate research students (N = 404), and 32 hours for part time students (N = 218). Not only are students working significantly increased hours, but they also often report that the nature of the work is precarious and poorly paid. Respondents highlight that the precarity of having a job on a "zero hour contract" means that they "have to take shifts as they are available and cannot plan very far ahead". Others link their struggles to low pay, with one stating that "minimum wage does not match the rapid rise in the cost of living" and another that "in the two industries of work in which I have experience, hospitality and care, wages have been almost stagnant". Research by CIPD found that almost a quarter (23%) of full-time students aged 16-24 with a job were on a zero-hours contract, higher than any other age group[4].

Students are also seeing their studies impacted due to high costs of transport, with many having to study from home due to not being able to afford the cost of going into campus, even in well-connected cities such as London. Students report missing timetabled lectures and labs or skipping teaching entirely where they would have to travel, especially at peak hours. However, respondents' homes are often not fit to study in, with many reporting that their accommodation is small and/or poor quality, and that they have been unable to turn the heating on during winter, leaving them studying in the cold and becoming unwell. This tough choice many are facing was summarised by one student: "it's hard to work at home in these conditions, but expensive to travel to university and work there".

> ***"It's been a nightmare. Having to choose between food or funding something for Uni, and then being at risk of failing my degree."***

60% (N = 612/1019) of postgraduate research students feel that their academic performance has suffered due to the crisis, higher than any other study level. One PhD student stated that "it is becoming impossible to balance rent, utilities and food on the UKRI studentship rate", and another commented that for those whose research is lab based and requires you to be on campus every day, this has become "financially unviable". Similarly, International student respondents highlight the additional pressures and barriers they face which is exacerbating the impact of the cost of living crisis on them and their studies, with 59% (N = 1029/1746) reporting that their academic performance has suffered. International students report that visa limits on working hours, having no recourse to public funds, high tuition fees and limited access to financial support has led to significant financial insecurity and in turn impacts negatively on their studies.

"I have not been able to take part in some extracurricular activities which would benefit my learning and future career, *such as research projects/fieldwork, because I cannot afford this between the tuition fee and general cost of living."*

"Due to the living costs and having to buy so many research supplies and make research trips, ***I have used the majority of my savings.*** *I have had to move back with my parents as a result, which is nowhere near my university or the archive I need to access."*

"I have sadly decided not to attend an international conference in my field happening later this year. ***Being financially vulnerable means I am missing out on opportunities other students an easily have.*** *I am not having equal access to the same level of education and opportunities as other students due to my financial restrictions.* ***I routinely miss out on opportunities*** *such as this conference experience."*

"I also take on a lot of [graduate teaching assistant] work to try and supplement my stipend, as it is not enough to live on. This means I am able to spend less time on my PhD, which impacts my academic performance. ***PhD students shouldn't have to teach to live."***

"As an Iranian international student, I had to work and study and get money from my parents to just pay for one instalment [of tuition]. ***I could hardly focus to study, seeing my parents suffering every year to make the money I need for my tuition fees.*** *[My] mental health break down led to me failing the last year and had to repeat my modules this year."*

"It is extremely difficult to make ends meet as an international student with limited working hours during term time. The high fees add to the burden of paying off student loans, and lack of scholarships all tie in together to ruin a person's mental health. ***Academic performance is suffering due to financial stressors and being unable to afford basic necessities is affecting social life."***

The negative academic impacts of the cost of living crisis on students' academic experience is worsening existing concerns over the graduate job market and exacerbating low levels of skills confidence in our student population. Respondents commonly spoke about how financial difficulties result in concerns that they will not be able to achieve a high grade, and therefore will not stand out as competitive candidates in a tough graduate job market.

Many students are questioning whether their degree is 'good value for money', although this is unrelated to the quality of the course or content taught but reflective of concerns that their financial insecurity will prevent them from achieving a good grade, and therefore securing a good graduate job. This is often due to the high number of hours students are needing to work to meet basic expenses and the impact on their mental health that financial stress is having, all distracting from their studies and academic development.

Just 43% (N = 5580, weighted) of all students are confident about finding work after graduation, a figure that drops to 41% (N = 1213/2962) for undergraduate students. One student stated that employment post-graduation was the area which concerns them the most: "I am worried that due to the financial situation of the world right now, the workplace may be looking to increase salary cuts and layoffs rather than hiring university students". This worry is particularly acute for estranged students or students who are unable to move back in with their parents after graduating. Another student states that "I often worry about how I will pay for expenses after my degree finishes because there is no guarantee I'll get a job straight out of university and I don't see inflation slowing down anytime soon".

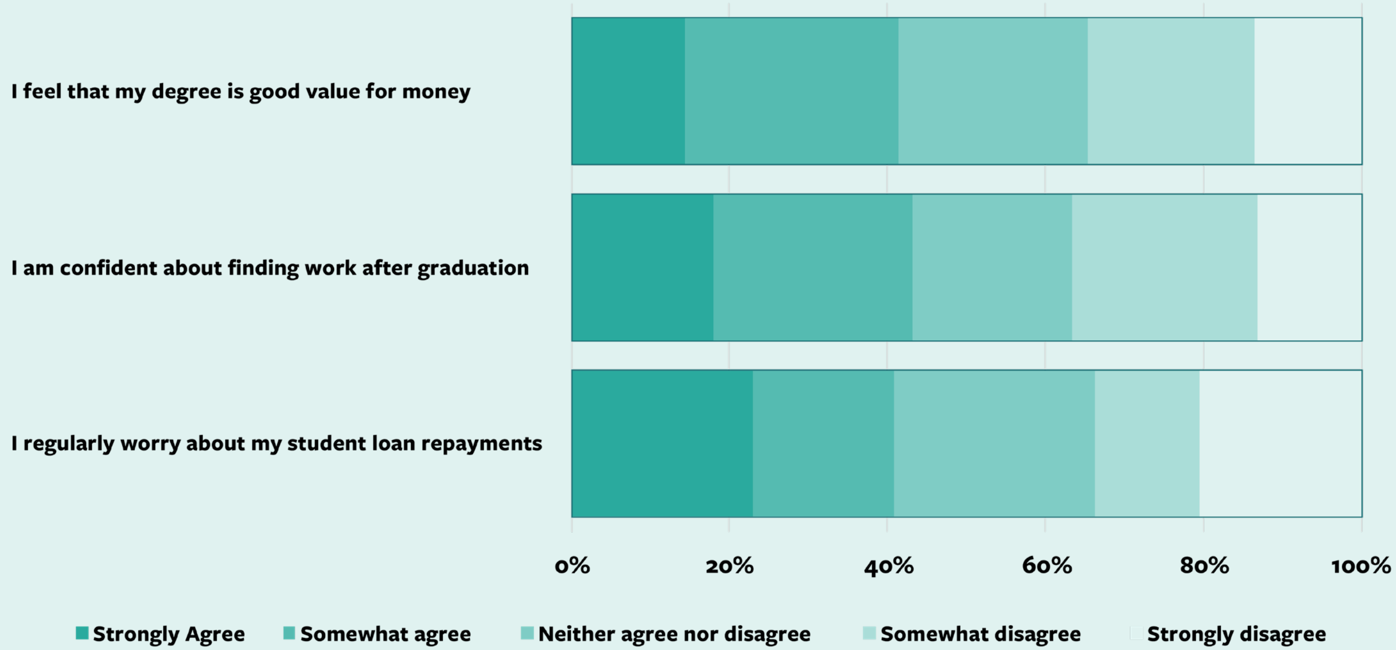


Figure 4: Stacked bar graph showing responses (N=5596) to likert-scale questions on the impact of the cost of living crisis

"I am an independent student who worked hard on the last 4 years to be able to go to university. I moved to London and started university thinking I would be fine because I had the opportunity to apply for a student loan, but I have been having problems with them because they keep delaying and during Christmas time they decided to cancel it. I have been struggling to do the course work, work part time and sort out my life, but I didn't have experience to be able to get a job as soon I moved to London. At the moment I cannot afford food or pay rent and with the cost of living crisis, ***I am scared I would not survive this year at university."***

"I am quite worried about how the cost of living crisis will affect my future career prospects and I feel more and more inclined to look for opportunities abroad. However, the financial burden of this is also weighing on me quite heavily. ***I feel very scared about my future after graduation*** *if I am struggling to afford necessities right now and* ***I am finding it increasingly difficult to make the most of my final year socially and emotionally."***

"It has made it hard to balance worrying about money with studies, and has ***increased the pressure to find a good job as soon as a graduate,*** *in order to pay off my overdraft which I have had to use for food etc whilst studying."*

Impact on Health

"It is ruining everything"

1 in 4 students regularly go without food

Students commonly report that the cost of living crisis is having a negative impact on both their physical and mental health. 72% (N = 5595, weighted) of all students reported that their mental health has suffered due to the ongoing cost of living crisis, and 1 in 4 (25%, N = 5591, weighted) regularly go without food or necessities because they cannot afford them. Students from London were, on average, significantly ($p = < 0.01$) more likely than students outside of London to report an impact on their mental health (75%, N = 2725/3624 vs 72%, N = 1393/1936). Students from marginalised communities -- such as disabled students, estranged or care-experienced students and those from socioeconomically disadvantaged backgrounds -- and who are already at higher risk of poorer health outcomes, were more likely to report regularly going without food.

Where students are unable to match rising costs by taking on more work, they are cutting back on spending money on things they deem 'less essential', such as heating, non-emergency health care and socialising. Many students report not turning on the heating at all over winter, given rapidly rising energy bills, which led to detrimental impacts on their health – and by extension, their ability to study and succeed academically. For one student, being "unable to afford to heat my flat" meant that they "fall ill every few weeks", with "very negative effect(s) on my studies". Another reported that not using the heating "has led to mould growing in all the rooms, leading to the worst asthma symptoms I've ever had". Almost 7 in 10 students would not be able to afford the costs of an emergency, including emergency dental or medical treatment. One student reported that "At the moment I have 3 jaw teeth from both sides that are broken and need urgent treatment, since I cannot afford it so I am living on Ibuprofen and other painkillers regularly".

Students also report cutting back on food, relying increasingly on cheap food with poorer nutrition, and skipping meals.

The top five groups who reported regularly going without food or necessities were:

- **Students with caring responsibilities** (40%, N = 203/504)
- **Estranged or care-experienced students** (39%, N = 137/347)
- **Disabled students** (36%, N = 323/906)
- **Students whose parents have no qualifications** (34%, N = 133/389)
- **Black students** (33%, N = 55/169)

Each of these groups were statistically more likely to report regularly going without food or necessities.

"Food in London is also quite expensive, so I often went to the supermarket to buy discounted food and stock up in the fridge. ***I spend very little money on food, sometimes just one meal a day."***

Disabled students are seeing their health particularly impacted by the crisis. One student said that "the particular impact on disabled students is often overlooked", raising the issue of unexpected costs such as "travel to appointments or the hospital". This is reflected in the responses to the question of whether students would be able to cover the cost of an emergency, with just 27% (N = 240/905) of disabled students saying yes compared to 34% (N = 1464/4318) of students with no disability.

*"I have found that **groceries are much more expensive, which makes it hard to cook large and healthy meals** and as such it can feel **harder to focus throughout the day whilst studying** as I do not want to spend the extra on snacks and healthy food."*

*"The food at university is so highly priced that **I cannot even remember the number of meals that I have skipped to save money."***

*"The cost of heating the flat is too high and so we don't use it. We've had mould around the windows. In late 2022, **I had to take a week off of university due to illness that I blame on the cold, or, at the very least, I blame the slow recovery on.** This put me significantly behind my study schedule."*

*"Living on dwindling savings and **not having the financial safety net to deal with emergency situations is stressful.** On top of that, you don't have enough money to socialise, support family, or pay for some mental and physical healthcare costs (e.g. therapy and dental)."*

*"Parents of children are not always considered in funding. I have children and a disability. **Financially, university is an immense strain."***

"I am estranged, so this comes with extra financial pressure.** Additionally, I have disabilities and mental health conditions that mean I need extra support in order to study as there are financial implications here too. I would say there is already more financial pressure on the people who are marginalised and the cost of living risis only exacerbates this. **It would be great to see additional financial support specifically for students who are in more vulnerable situations through no fault of their own."

The top five groups who reported a significant negative impact on their mental health were:

- **Students whose household income is below £25,000/annum** (83%, N = 1389/1679)
- **Disabled students** (82%, N = 739/905)
- **Non-binary students** (82%, N = 106/129)
- **Students whose parents have no educational qualifications** (81%, N = 317/390)
- **International students** (78%, N = 1357/1747)

Each of these groups were statistically more likely to have their mental health negatively impacted by the cost of living crisis.

Mental health was the most commonly reported impact of the cost of living crisis from students, with over 300 of the qualitative comments discussing the negative impact that the cost of living crisis is having on their mental health. Students are continually worrying about their finances and whether they will be able to afford necessities, socialising less which in turn exacerbates student loneliness, feeling guilty about the strain they are putting on family members who are supporting them, and anxiety regarding the graduate job market has been heightened.

For many students, difficulties finding affordable accommodation has exacerbated the negative impact the cost of living crisis is having on their mental health. One student said, "Honestly it made me suicidal, emotionless, and [feel] empty", explaining how they ran out of savings due to poor health forcing them to defer their master's programme twice. Speaking to the impact of rising rent, they said, "My rent doubled in the past 2 years, I cannot afford to heat my house, eat only cheap and basic food, cannot socialise."

"My student loan doesn't even cover my bills not even considering food. ***I have to earn an additional £500 each month just to pay my rent, electricity, Wi-Fi, transport etc and that's not including food or any sort of fun.*** *This is generally really getting me down and I'm becoming super stressed. I love university and my course, and I am currently applying to graduate schemes so hopefully I get a job and a 1st in my degree, and everything will get somewhat better towards the end of the year. But* ***currently I am massively struggling financially, and this is having huge effects on my mental health."***

"I knew London was a costly city before coming here but the cost of living crisis has only exacerbated this. ***Rent is astronomical and that is with me booking a cheap place further away from college.*** *Then my transport charges come up which makes me wonder if I made an unwise decision. I avoid eating out and am constantly thinking about my loans and how I'll pay for them. This involves me continually applying for jobs which affects my study time.* ***Overall mental health is tanking."***

"As a full-time postgrad student, I am not entitled to any government benefits, hence I need to cover all the costs - e.g., the rent and all the bills. ***Working whilst studying causes a lot of stress. I am constantly worried not having enough money, how I will survive from one month to next.*** *This impacts my anxiety levels and wellbeing in general."*

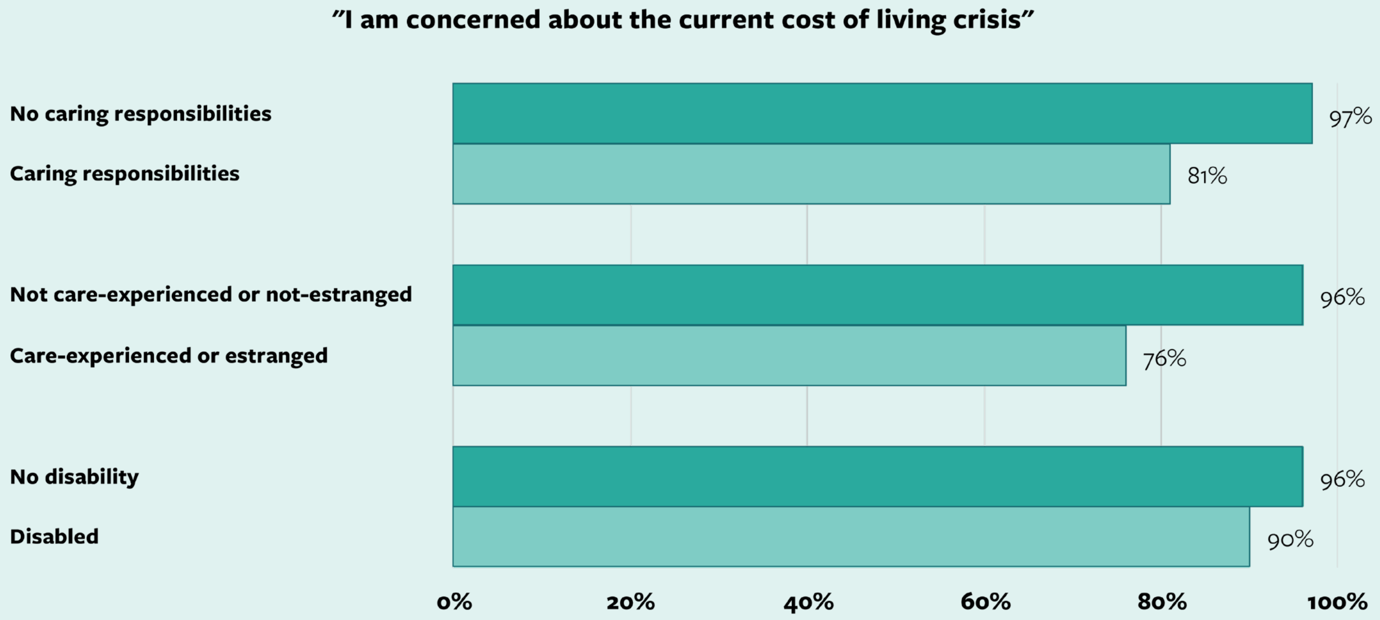


Figure 5: Grouped bar graph showing percentage of respondents who agreed to "I am concerned about the current cost of living crisis" by demographics

For many students, the impact on their mental health is exacerbated by multiple, intersecting factors, and those from marginalised communities see their mental health suffer to a greater extent. With research showing that individuals from low-income backgrounds, LGBT+ individuals, and minoritised racial and ethnic groups are more susceptible to poorer mental health than others due to personal, social, and environmental factors, the disparities in mental health outcomes between certain groups and the wider student population are unsurprising[5].

Students who were already vulnerable report being left exposed to additional, insurmountable pressures due to the cost of living. Disabled students, students with caring responsibilities, and care-experienced or estranged students are significantly less likely to be concerned about the cost of living crisis (Figure 5). However, these students are also all significantly more likely to go without food or necessities because they could not afford them; not be confident that they had enough money to cover their basic cost of living; or to consider dropping out or deferring university because they could not afford to continue. For these students, concerns regarding being able to financially cope at university are not new, however it is clear the cost of living crisis has exacerbated negative impacts regarding their academic studies, their health, and their social wellbeing.

Postgraduate research students are another group which is being disproportionately impacted by the crisis, with 77% (N = 1954/2550) agreeing that their mental health had been impacted, significantly higher than Undergraduate students (p = < 0.05). Postgraduate research students expressed discontent due to inadequate stipend provision, no financial support for write up periods, and the lack of consideration or adequate provision given to funding for postgraduate research students with children, all of which led to high levels of stress, anxiety and financial insecurity for this group of students.

"The entirety of ***last year was like living in a pressure cooker with the heat turned up each month,*** *I feel like I've lost a year of my PhD simply due to worrying about costs."*

"I am also not able to save for the future, including buying a house or starting a family. In many ways ***it feels like my life is on hold until after the PhD,*** *which has a large impact on my mental health and wellbeing."*

"The increased cost of living (especially sky rocking prices of single rooms in London) caused me to have to choose between a daily very long trajectory to university or having a few meters square single room. This causes a big strain on PhD students mental health, as ***we are expected to carry a heavy workload whilst enduring a hard living condition and not being able to do activities that cost money."***

"I dare you to live off this stipend *for just 3 months.* ***You will see that it's not really living."***

"I was thinking a lot to drop the program and go back to my country because ***the circumstances here are unbelievably terrible.*** *I am a mother with 2 dependants (with a husband and a child) ...* ***I was crying the whole nights and could not focus at all to read and study and do the assignments.*** *So, my academic situation is not going well at all. I'm really worried. When I go by trains, I see homeless people sitting in the stations and I'm afraid I would be just like them one day."*

Postgraduate research students also spoke about the lack of hardship and financial assistance available to them. They feel that, whilst institutions and organisations may be aware of the particular issues facing postgraduate research students, this has not been met with "appropriate action": "I noticed that all individuals and organizations understand the cost of living crisis for PhD students, but what we actually need is appropriate action - increase of stipend, support (canteen food, healthcare etc)."

As well as expressing anxiety about the present, it is clear that the cost of living crisis has exacerbated anxiety regarding the future, particularly the graduate job market and debt from university. 43% of respondents (N = 5587, weighted) regularly worry about their student loan repayments. One student spoke about the intersection between their mental health and their fears for life as a graduate: "My mental health has certainly been impacted, as I worry about getting a suitable job when I graduate, with enough money to be able to afford rising rent costs, skyrocketing bills and ridiculous food costs." These comments often align with students worrying about the future and thinking about dropping out of their course.

The top four groups who reported regularly worrying about their student loan repayments were:

- **Students whose parents have no qualifications** (55%, N = 215/388)
- **Students whose household income was below £25,000** (49%, N = 827/1674)
- **Disabled students** (49%, N = 445/906)
- **Students who are estranged or care-experienced** (47%, N = 163/346)

Each of these groups were statistically more likely to experience worry about their student loan repayments than their peers.

Although students on an SFE loan will not begin making repayments until they are earning above the current threshold (£27,295 as of January 2023), its looming presence for students is clear. One student stated that it is having an explicit impact on their mental health: “As a healthcare student it’s really hard. I’m left to question if I want to continue my studies as it’s getting harder to pay for all the bills and necessities. Even thinking about the huge amount of debt I’ll be in after I’ve graduated is having an impact on my mental health. I’m sure that other healthcare students feel the same too.” Another student commented that concerns regarding loan repayments is causing them to consider whether their degree is worth it:

“On top of an already stressful degree (medicine), it is added stress thinking about loan repayments and, considering how long it is, I have thought about dropping out many times.”

Where students are being shielded from the full financial impacts of the crisis, they are often relying on family, partners, friends and savings, or living at home to reduce costs, which in turn is impacting on their mental health. Feelings of guilt and shame are persistent throughout qualitative comments, with students’ families also struggling to meet rising costs. Speaking about their parent’s sacrifice, one student expressed their upset that their parents are “forgoing essentials like heating so that [I] can afford to study here.” Another student said, “My parents are spending twice the amount to send money from my home country. Seeing my parents worrying about money is affecting my mental health too. The money they send me is enough generally but this year it’s seeming too less.” This further exacerbates anxiety about the future and graduate job prospects; students are concerned that they will have to continue to rely on family for support, and are anxious to obtain a salary sufficient to allow them to repay those who have been supporting them.

4 in 5 students whose parents have no educational qualifications would not be able to cover the cost of an emergency

Only 35% of students with caring responsibilities are confident that they have enough money to cover their basic cost of living

67% of disabled students agree that their academic performance has suffered due to the crisis

"I am very lucky to come from a household that is financially well off and to have parental support but ***despite my parents being high earners I have felt almost constant anxiety about running out of money.*** *My rent alone is £300 more than my student loan a month, aside from bills and transport. I am forced to rely on parental support which I would rather not have to do seeing as I work 12 hours a week and used to be able to live relatively comfortably with the odd £100 here and there taken from my parents.* ***I cannot begin to imagine how stressful this situation must be for students from lower socioeconomic backgrounds or those who have to provide for their families.*** *Students are not eligible for most of the support payments from the government, so I wonder how people are coping. It is truly horrible."*

Impact on Social Wellbeing

"Loneliness prevails and the fear of missing out is intense"

Over half (55%) of students have stopped taking part in extra-curricular activities because they cannot afford to

The cost of living crisis is having a significant impact on students' social wellbeing: their ability to build and maintain healthy relationships and have meaningful interactions with those around them. 73% (N = 5589, weighted) of students have reduced the amount of socialising they do and 55% (N = 5590, weighted) have stopped taking part in extra-curricular activities (e.g., societies and clubs) because they cannot afford to.

Having a strong sense of belonging and community at university has been linked to better academic outcomes and improved mental health . Having strong student communities and extra-curricular opportunities is essential for equipping students with soft skills and experiences that will aid them in their future careers. Societies and clubs (often supported by Students' Unions) are one of the most common ways for students to develop friendships, build their support networks, take on leadership roles, learn new skills and socialise. However, the most vulnerable students responding to our survey, and those who likely benefit the most from extra-curricular activities, are the ones who are more likely to stop engaging in them due to the cost.

"I'm scared that I won't be able to afford food as I'll be struggling to afford the roof over my head. *My mental health has gotten very bad because of this and* ***I'm struggling to find a work/life/study balance*** *but I need the money. I am unable to participate in clubs and socialise.*

The top five groups who reported having stopped taking part in extra-curricular activities (e.g., societies and clubs) because they cannot afford to were:

- **Students whose parents have no qualifications** (70%, N = 273/389)
- **Students whose household income was below £25,000** (70%, N = 1173/1678)
- **Black students** (68%, N = 115/170)
- **International students** (65%, N = 1139/1748)
- **Disabled students** (63%, N = 573/906)

Each of these groups were statistically more likely to have stopped taking part in extra-curricular activities because they cannot afford to.

Students from households with the lowest household income are almost twice as likely to stop engaging with extra-curricular activities than those with the highest (Figure 6). Whether it is joining fees for societies, the cost of travel to events, avoiding socialising in settings that involve purchasing food or drink, or simply the fact that any socialising or extra-curricular activity – free or not – takes away time that students could be undertaking paid work, students are not able to justify the expense of these opportunities whilst struggling to afford necessities such as food and rent.

"I have been unable to join any clubs or societies which has left me feeling isolated. I have had to take on more hours of work despite my illness to make ends meet, and have very little time to do anything for myself."

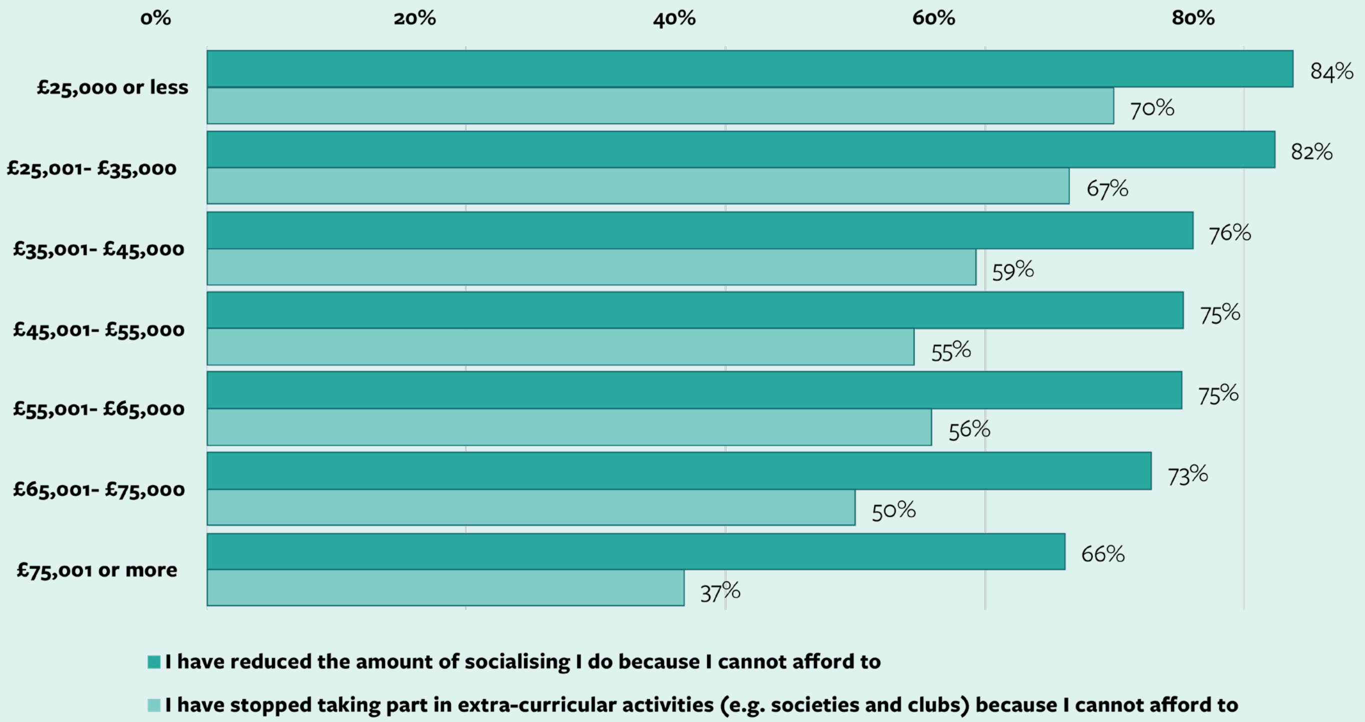


Figure 6: Grouped bar graph showing percentage of respondents who have reduced socialising or stopped taking part in extra-curricular activities by household income (GDP/annum)

"The money I have received from student loans/bursaries hasn't even been enough to pay my rent so I've had to get 2 jobs to be able to support this. My parents are struggling themselves so can't help finically. ***I've had to eat very little food in a week to save money, not joined clubs/ ocieties that I would've wanted to and only been out once or twice because I can't afford to.*** *Having 2 jobs has obviously affected my studies and t****he constant worry about being able to finically survive has hugely effected my mental health to the point of nearly dropping out multiple times."***

"It is always difficult to work part-time and study for assessments. There are situations where you can't ask your parents for money so you would have to stop socialising and not attend parties or avoid a take out. ***You're only studying and not engaging in any relaxing activities which made me more anxious and sad."***

Students report having to choose between food, heating and socialising/seeing friends, "a night out has been swapped for a day of heating", with the students finding that their "relationships have suffered" as a result. Social activity is often the first thing that students cut back on. Feelings that they "cannot justify the time and expense" featured commonly in the 198 comments on the impact to their social wellbeing that the cost of living crisis has had. For students who have been able to increase their part-time working hours, whilst they have been able to afford necessities, they have drastically reduced the amount of 'free time' they have. One student told us that they "have given up extracurricular activities to work part-time", with another saying that they "have had to work more hours meaning [they] cannot socialise".

With students socialising less, there is a concern that the cost of living crisis will further deepen the student loneliness epidemic. In 2022 23% of students felt lonely 'most' or 'all of the time'[7]. If students continue to cut back on seeing their friends due to fears of the cost then this figure is likely to increase significantly. One student stated that, due to the cost of living crisis, "I socialise less and ultimately feel more alone". After two years of online and hybrid teaching due to the Covid-19 pandemic, this year was supposed to be a return to normal. However students are unable to socialise how they want to, or sometimes at all, unable to afford to join campus clubs and societies and unable to maintain healthy relationships.

The top five groups who reported having reduced the amount of socialising they do because they cannot afford to were:

- **Students whose parents do not have qualifications** (86%, N = 333/389)
- **Students whose household income was below £25,000** (84%, N = 1403/1675)
- **Students from 'other ethnic backgrounds'** (82%, N = 287/348)
- **Postgraduate taught students** (82%, N = 1253/1529)
- **International students** (81%, N = 1415/1748)

Each of these groups were statistically more likely to have reduced the amount of socialising they do because they cannot afford to.

“My student life here is non existent because I cannot afford to go to society events, *which makes it generally hard to make friends and socialise with people.”*

“The biggest impact has been on my social activities. ***The cost of living crisis comes up in conversation most days with my fellow PhD students.*** *I’ve stopped going out in the evenings with many people, although there are some more well-off students still go out, which can make me feel left out sometimes.”*

“I want to do many things other students are doing but most things require money. *I need to take into account how much I’ll have by the end and so, I’m normally unable to join them.* ***It is horrible.”***

“It is the inability to have balance of living and enjoying everyday life, without considering if I will have enough money to cover me *if I want to do something different, or go out somewhere extra or explore.”*

Support

The impact of the cost of living crisis is significant for students, with a variety of factors resulting in them being a group in society particularly vulnerable to financial insecurity. Many are unable to increase their earning potential to meet rapidly rising prices due to academic demands of their studies or due to explicit work restrictions (i.e. for international students), the support respondents already receive has not risen in line with inflation (i.e. student maintenance loans), and students are often not eligible for additional benefits or cost of living related government support.
Respondents commonly report feeling that support from universities and the government is inadequate, non-existent or inaccessible. When support is available there is often low awareness levels amongst students, and many do not access or face difficulties accessing support when they do know about it due to inaccessible procedures. When support is available and students are able to access it, respondents commonly noted that the support is vastly insufficient to offset the financial pressure they are facing.

Just 36% (N = 5590, weighted) of all students agreed that if they needed advice or help regarding money and finance, they would know how to access this. Nearly half (N = 2916/5927) of all students said they were not aware of their universities or Students' Unions hardship funds, the main source of financial support currently available to students. Students raised the issue of a lack of effective outreach and communication from universities regarding financial support, with one student commenting that "the lack of communication is appalling" and another raising the issue of university support being "inefficient and closed during holidays".

For particular groups of students existing funding is not, or was not perceived to be, accessible to them. For example, one student parent commented "none of the resources I see circulated by the University take into account the extra financial pressures faced by student parents", and another stated that mature students will "probably be less likely to know or have the confidence to ask for help". One part time student commented that "the University I attend only cares about full-time students and so I don't feel included in anything, or that there is the necessary help and support for those who do not fit into the 'norm' of students".

International students feel that support from universities regarding the crisis is not accessible to them. One stated that "there are not enough University resources, especially for international students", while another felt that "the financial aid that the university provides is exclusive and limited to local UK students". Many university hardship funds are accessible only to home students, have separate pots for international students with more limited resources, or only consider applications from international students in exceptional circumstances.

Even when students are aware of support that they are eligible to apply for, there are a range of barriers that mean the support is often inaccessible. While 49% (N = 2916/5927) are aware of university hardship funds existing, just 1 in 10 (N = 459/4209) said they had applied for them. Generally, students perceive that the application process is highly invasive and time consuming. This puts some students off applying altogether; one said "the process is so long and takes time and is still not a guarantee. I don't have time for this" and so instead decided to "spend this time looking for more work or other sources of income". Another "filled the form halfway and then quit because of stupid expectations", and a third described it as "an incredibly invasive application process". Students in great financial need also report being unsuccessful when they do make applications or having to re-apply consistently. One student reported that they have been homeless since September 2022 and said that they "felt as though the university has not helped me where I have explicitly begged for help". Another described "a 4 month long struggle with the university to even get any help".

"To access grants and schemes they always ask me how much my parents earn. I don't understand this logic. ***I am over 18 and supposed to be paying my parents for rent now but I can't even afford to buy my own things and cover uni travel costs without asking them for some money which isn't fair.*** *I only receive 500 in bursaries per year and it's very hard.Due to religious reasons I only took one initial student maintenance loan and then stopped because I cannot afford to take any more as I am not certain if I can pay it back despite working on the weekends. I'm also actively trying to get more work but it's hard and I don't know what to do."*

"You ask about hardship funds but we can't access those as easily as domestic and funded students can. ***Do I have money? Yes. Is it an insurmountable mountain of debt? Also yes.*** *Is this fair that some students are getting multiple stipends? Of course not. Does anyone care? No. So...this [cost of living] crisis has just made unfunded students more resentful of the [university], funded students, and the wealthy."*

"[My university] have a financial hardship fund that is meant to be accessible to all students. However they only will provide a maximum of £2,500 after an incredibly invasive application process. ***The process includes handing over a year's worth of bank statements and explaining any transaction over £200.*** *The most frustrating part is that after I applied, I was turned down. Their feedback was that, as an American student I could simply take out more loans... This is not helpful at all and incredibly frustrating. I do not want to put myself in more debt just to get an education that I am already in debt paying for.* ***It has been incredibly hard to continue my PhD. I am writing this in a room that is 10 degrees as I cannot afford to heat my flat. It is exhausting, it is frustrating, and most of all it is demeaning."***

University hardship funding is designed to cover unexpected financial shortfalls. However, the cost of living crisis is systemic and even if hardship funding was significantly increased and the process improved it would be unlikely to present a comprehensive solution given the extent of financial pressure respondents are experiencing.

In open comments, students expressed that government support is needed, and currently falling short. There is a widespread perception that "no government provision has been offered to students through the cost of living crisis" with students criticising a "lack of governmental coherence" and a "lack of leadership and guidance from the Government". Many commented on the fact that student loans have not increased in line with inflation, leading to the perception that "no adjustments are made to factor in cost of living by student finance", and there were also calls for Student Finance England to "reconsider the maintenance grant" allowance. The 20 hour working limit on international students' visas also contributes to hardship within these groups, limits the potential of students being able to increase income to meet rising costs, and this is another area where students feel the government should intervene.

Methodology

The survey was open from Monday 9th January to Monday 20th February 2023. 14 Students' Unions participated. It was promoted via Students' Unions to their respective student populations. The overall response rate was 8800 and these respondents were self-selecting. The results were weighted by London vs non-London respondents.

Demographics

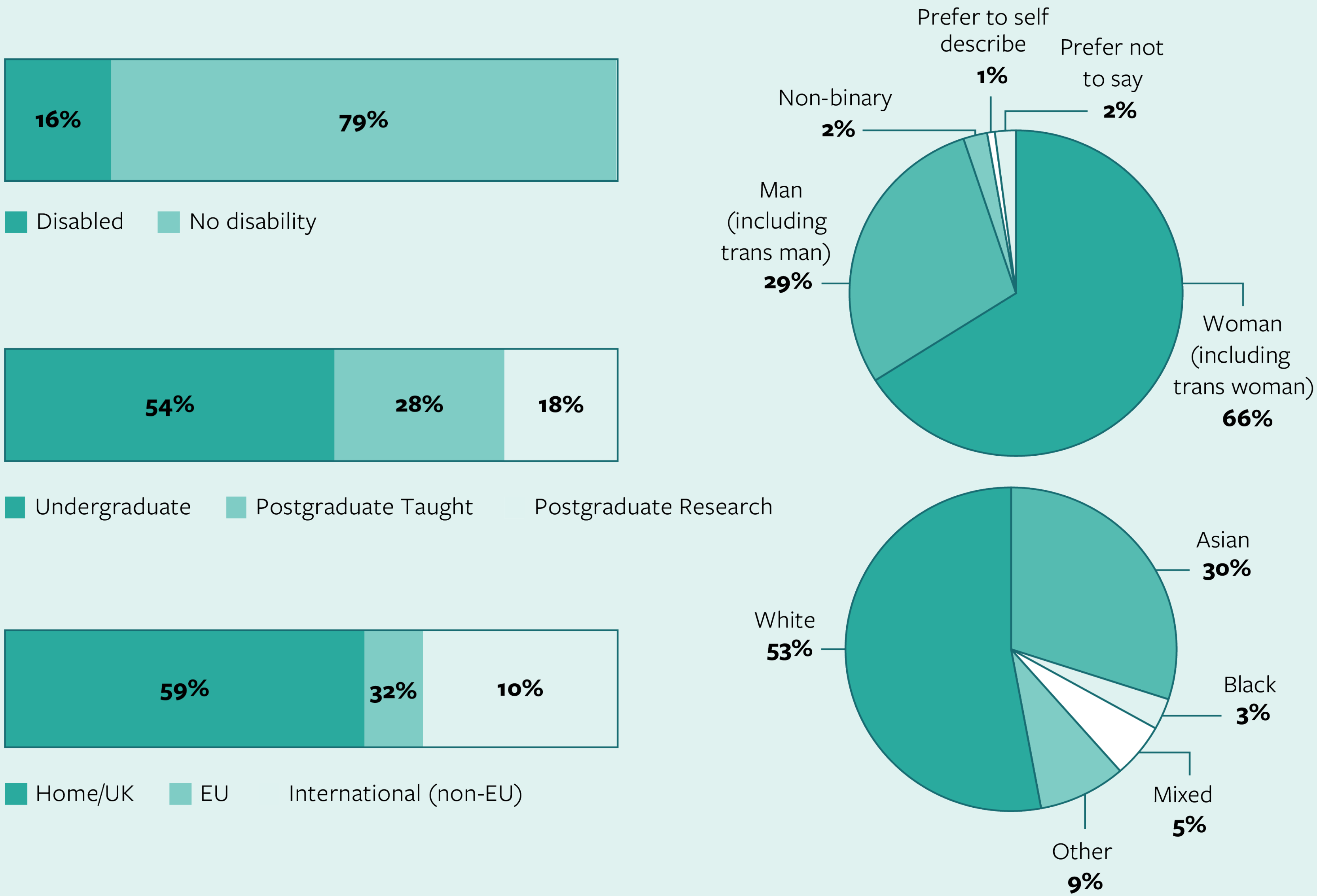
All: N = 8800
Gender: 66% women (including trans women) | 29% men (including trans men) | 2% non-binary | 1% prefer to self-describe | 2% prefer not to say
Level of study: 54% undergraduate | 28% postgraduate taught | 18% postgraduate research
Fee status: 59% home/ UK students | 10% EU students | 32% International students
Ethnicity: 30% Asian | 3% Black | 5% Mixed | 9% 'Other*' | 53% White
Disability: 16% disabled | 79% no-disability | 5% prefer not to say
*Other includes Arab, Hispanic/ Latino/ Latinx, Irish Traveller, Romani or Traveller, and ethnic background not listed

About the authors

This study was commissioned by Russell Group Students' Unions and carried out by Dani Bradford, Policy and Research Manager, Meg Haskins, Policy and Research Coordinator, Jake Simms, Policy and Research Coordinator, and Carol Paige, Policy and Research Coordinator, within Students' Union UCL's Policy and Research department.

Queries regarding this research should be directed to hello@rgsu.co.uk

Demographics



Footnotes

[1] Savethestudent (2023) Revealed: The universities where students pay the most rent, Save the Student. Available at: https://www.savethestudent.org/accommodation/universities-students-pay-the-most-rent.html (Accessed: March 2, 2023).

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[7] Student academic experience survey - HEPI (2022). Available at: https://www.hepi.ac.uk/wp-content/uploads/2022/06/2022-Student-Academic-Experience-Survey.pdf

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