

Student accommodation costs rocket in UK

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Half of Britain's students are struggling to pay their rent, according to the Private Tenant Report published by the charity Shelter. Around 40 percent have been forced to borrow money beyond what their government-funded maintenance loan provides.

The average price of accommodation has soared in recent years. Student housing charity Unipol, for example, reported a rent rise of 25 percent in purpose-built student accommodation between 2010 and 2013. That is nearly double the rise in the rental sector as a whole in that period (13 percent).

The National Union of Students (NUS) noted that the three years from 2012 to 2015 also saw a 25 percent increase, taking the average rent for university housing to £123.96 per week. That is £5,244 a year: 95 percent of the maximum available student maintenance loan for 2014/15 of £5,555.

A larger loan is available to students studying in London, but prices are much higher compared to the rest of the country. According to a University of London survey in August, students in the capital are spending an average of £150 a week in rent, roughly £6,150 a year and 80 percent of the maximum loan for London students, £7,751.

Particularly harmful for students and their families on lower incomes is the eradication of low-cost accommodation. Since the academic year 2009/10, rents for budget rooms have increased by an average of 23 percent, according to Unipol. The most severe increases have come at London institutions. The London School of Economics (LSE), for example, saw its cheapest accommodation rise £1,263 over the past three years to £4,282 per year. Some universities now no longer even claim to offer low-cost accommodation.

Soaring rents are the result of both a broader housing crisis—driving rents and house prices to absurd levels, especially in London—and of recent investment trends in the student housing market specifically.

Guardian reported in October that rents across the country had risen between 6.5 percent and 8.3 percent on average last year and are now hitting record-breaking levels. House prices have increased around 7 percent and the National Association of Estate Agents has predicted a further rise of 50 percent over the next decade. In such a market, where developers can expect to pay a premium for every square foot of residential property, expanding university accommodation is an expensive business. However, these costs are being passed on to students through exorbitant rents.

Private enterprises have latched on to the potentially lucrative student accommodation market. Roughly £5.7 billion has been invested in the UK student housing market this year, an increase of more than 300 percent over the £1.7 billion invested in 2014.

According to real estate advisers Savills, this has been driven by foreign investment, 80 percent of which came from North America. The two biggest deals were the Canada Pension Plan Investment Board's \$1.7 billion purchase of the Liberty Living Portfolio, with sites across the UK, and Greystar's purchase of the Nido London Portfolio for \$920 million. Speaking on the subject of the UK student housing market, experts at the RBS bank described it as a sector "bubbling with opportunity" (for investors). Property consultancy Jones Lang LaSalle labelled investment in this area as the "must have asset class" of 2015. Accommodation providers Pure were more ebullient in their appraisal, marketing the students in their halls as "Pure gold".

Investors are responding to the profits available due to the increased enrolment of foreign students in British universities—particularly in the top 20 Russell Group universities—and the expansion of privately rented halls. The number of foreign students at Britain's top universities doubled between the 2005/2006 and 2013/2014 academic years. These students tend to come from wealthy families who are able to afford the

soaring cost of tuition for non-European Union residents and demand a high-class standard of living.

The Higher Education Statistics Agency reported that the number of residents living in private halls more than doubled between 2007 and 2014—from 46,000 to 102,000—a trend predicted to continue. The dramatic upswing has been fuelled by the inability of university-managed accommodation to keep pace with student numbers. The average rent paid in private halls in the capital, as found by a University of London survey, is £233 per week, £83 more than the average rent paid by all students in London.

Out of this developing market, major businesses are building a lucrative luxury student living sector. Blocks of rooms with any combination of flat screen TVs, en suite bathrooms, breakfast bars, private gyms, balconies and cinemas are being rented out at exorbitant rates. Studio flats near St. Pancras owned by one firm, Unite, cost £299 a week. Assam Place in East London is one of the most expensive, at up to £800 a week.

Outside London, in Staffordshire, luxury rooms were on sale at The Majestic Court for 75 percent more than the average room rate in the area. At a development in Exeter city centre, students can pay as much as £10,710 a year for a room. Rents are being forced up across the board as private investors work to monopolise swathes of potential accommodation, expecting a significant return on investment. This has a knock-on effect on university managed properties, unable to expand without significant expense and driven to charge higher rents.

Students are beginning to organise to fight for their basic social right to fairly priced, good quality accommodation. At University College London (UCL), residents collectively received £400,000 compensation (roughly £1,250 each), protesters at Strathclyde in Scotland received nearly £200,000 and SOAS students (London) between £110 and £450 each.

Forcing universities to hand over thousands, even hundreds of thousands of pounds worth of compensation is an achievement, but cannot resolve the fundamental cause of student grievances—the organisation of resources according to profit, not social need. If students are to alleviate rent concerns entirely, or to achieve even the 40 percent reduction in rates proposed by UCL campaigners, they must consciously oppose the capitalist class and all its representatives.

Over the last decade, the NUS have worked tirelessly to disorientate mass movements of students on issues like tuition fees, the Education Maintenance Allowance and violent policing. Their current campaign (Cut the Cost) against Conservative plans to abolish maintenance grants is based on petitioning local MPs to oppose the bill. These are the same MPs who are imposing vicious attacks on working people and young people, including students.

The Labour Party offers no alternative. It was Labour that introduced tuition fees and which, under previous leader Ed Miliband, proposed a cut in fees that would still leave them at £6,000 a year. Jeremy Corbyn was elected Labour leader with plans to abolish fees altogether and extend available grants, and received support from many young people for these policies. But as his record over war in Syria, Trident and austerity shows, such promises cannot be believed. Gordon Marsden, Labour's shadow universities minister, has already felt obliged to state with regard to tuition fees that Corbyn's promise "will not automatically become policy".



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