

Application ref 190449/FUL - 40-68 Silver Street**ADDITIONAL SUPPORTING STATEMENT- NEED FOR STUDENT HOUSING****1 Introduction**

- 1.1 This additional supporting statement provides a response on behalf of the applicants to a request from the planning authority for a fuller explanation of the need for student accommodation at 40-68 Silver Street.
- 1.2 It draws on published national sources and from publicly available documents including reports submitted by the University of Reading as evidence in respect of the recent Public Examination into the Submission Draft Reading Local Plan.
- 1.3 The author (Geoff Wright) has particular experience of planning for Universities and for Student Accommodation having been the author (for Universities UK and the Higher Education Funding Council of England) of the Universities UK Planning Guidance published by UUK/ HEFCE in 2008.
- 1.4 This was prepared in consultation with Central Government and other agencies and was circulated to all English Universities and Planning Authorities as management guidance in respect of University-related development. It remains the most recent full national practice guidance on this topic.
- 1.5 The author's 23 years of local government experience included facilitating University development notably in Manchester and in Birmingham. Subsequently in consultancy he has acted for a number of Universities in negotiating local planning policies and masterplans for University developments as well as focusing planning applications for University projects and for related private sector development.
- 1.6 The applicant Silver Street Developments is a private sector developer and operator of student housing. The company is part of the Morlet Properties Group with around 1000 student units available or under construction mostly in the Midlands. Morlet specialise in providing larger student studio rooms at town or city centre edge sites near to expanding Universities. High levels of management support and facilities support the offer of higher end accommodation for students.
- 1.7 The company are currently constructing their first student housing scheme in Reading. This will provide 61 student studio rooms (available from September 2019) at 79 Silver Street.
- 1.8 Part of the application site (62-68 Silver Street) was the subject of planning consent reference 110915 granted in September 2012 (since expired). This allowed conversion and extension of an existing building on the site to provide 16 self-contained student rooms.

- 1.9 The remainder of the application site (40 Silver Street) was the subject of application reference 172118 submitted in November 2017 for 62 student studio units. This followed pre-application advice that student use here would seem appropriate in terms of planning policy principle. The application was refused in February 2018 for reasons primarily of design and intensity of development noting effects on neighbour amenities including overlooking. A subsequent appeal was dismissed.
- 1.10 The current application for 79 student studio units on the combined site 40-68 now provides a comprehensive solution addressing previous design, building separation and overlooking issues. It is proposed to be operated in conjunction with no.79 opposite with a single management providing a combined student hall.

2 Policy Context

National

- 2.1 The planning legal framework and national planning policies have until very recently been almost silent in respect of the consideration of student housing (and other university-related development). This policy vacuum was only partly filled by other advice notably the Universities UK Planning Guidance dating from 2008.
- 2.2 The 2018 update of the National Planning Policy Framework (NPPF) was the first national planning policy document to specifically require planning authorities to plan for student housing. Para 61 of the NPPF now refers to students (and some other specified groups) as amongst those elements within the community whose needs should be assessed as part of local housing needs assessment and reflected in planning policies.
- 2.3 The new reference to planning for the housing needs of students is within the context of Section 5 of the NPPF headed “Delivering a sufficient supply of homes”. This section is introduced by para 59 which requires that:
“To support the government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay”.
- 2.4 NPPF Para 64 also includes a confirmation in national guidance that exemption from affordable housing obligations should apply where a site or proposed development “provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for the elderly or students)”. This is the first mention in national planning policies of purpose built student accommodation as a distinct development type.

Local Planning Policy-Statutory Plan

- 2.5 The adopted statutory development plan for Reading comprises the adopted Core Strategy (2008 with alteration adopted 2015) and the adopted Sites and Detailed Policies Document (2012).

- 2.6 These documents are largely silent in respect of the provision of student housing within the Borough and it has therefore been the case that applications for purpose built student accommodation have been considered 'on their planning merits' accordingly.

Submission Draft Local Plan 2018

- 2.7 A new Reading Local Plan is in the late stages of preparation and was the subject of a Public Examination during late 2018. The new plan is not yet finalised or adopted pending requests for further attention to particular matters by the Inspectorate so carries limited weight only at present as an 'other material consideration' in respect of planning decision taking.

- 2.8 The new plan includes a draft policy H12 in respect of student housing as follows;

" New student accommodation will be provided on or adjacent to existing further or higher education campuses, or as an extension or reconfiguration of existing student accommodation.

There will be a presumption against proposals for new student accommodation on other sites unless it can be clearly demonstrated how the proposal meets a need that cannot be met on the above sites."

- 2.9 This policy seeking to contain new student housing to existing locations only has been the subject of challenge in respect of soundness notably by the University of Reading which commissioned and provided extensive new evidence to the Plan Examination in respect of the extent of local student housing need, the capacity limitations of existing student housing sites, and the desirability of allowing additional purpose built student accommodation at other sustainable locations accessible to the University.
- 2.10 The Submission draft Local Plan was prepared and commenced examination at a time when the 2012 NPPF was current. As such it has not been formally assessed against changes made by the 2018 and 2019 NPPF revisions. This leaves the Borough Council to consider whether it might be appropriate in terms of soundness to make some final adjustments to the plan to achieve closer compliance with the 2019 NPPF or to progress the plan to final adoption with the intention to make further 2019 NPPF compliance changes on a review at a later date.
- 2.11 The application site is immediately opposite the approved student housing scheme now under construction at 79 Silver Street and would in operational terms be an extension of that scheme. As such the application submission for 40-68 Silver Street has argued that the proposal is compliant with draft policy H12 as currently worded being as an extension of existing (approved under construction) student accommodation.
- 2.12 Reading's Planning Policy Team have advised that they consider the policy wording in respect of 'extension' should be interpreted more narrowly to mean the extension of existing buildings and not to allow adjoining development outside the original site boundary. They have therefore requested additional evidence of 'need that cannot be met on the above sites' (ie existing FE and HE campuses or as extension or reconfiguration of existing student accommodation sites) in respect of assessing compliance with draft policy H12.

3 Assessment of Need for Student Housing

Overview

- 3.1 As noted above the requirement for planning authorities to assess the housing needs of students as a specific group is very recent. To date there is no formal national guidance on appropriate methodologies for such assessments.
- 3.2 Since the 1990's there has been a doubling in the proportion of 18 year olds entering higher education, and associated rapid growth in the student population.
- 3.3 Only a minority of Higher Education (HE) students currently seek a university place which is accessible from their existing (typically parental) home. The majority of HE students seek and secure a University place away from their existing home, then seek relevant housing relating to this.
- 3.4 The inward migration of students needing a home near particular HE institutions is usually the most significant element of local student housing need. Demographic trends for the numbers of people reaching student age within a local area are much less significant than the performance of local HE Institutions in generating the overall student housing need in any locality.
- 3.5 At the most simplistic level 100% of the students at any University need a home. How many of these are to be accommodated within housing specifically designed for students and how many should be accommodated elsewhere within other local housing is however an outcome of what are essentially preferences exercised by five groups;
 - a) by students themselves (as adults with freedom to exercise choice within the range of housing options that may be locally available);
 - b) by Universities in respect of how much housing they choose to offer themselves (either directly or by outsourcing supply);
 - c) by private purpose built student housing providers responding to market demand and supplying managed student accommodation;
 - d) by other private rented sector providers targeting students as potential tenants (often for Homes in Multiple Accommodation)
 - d) by planning authorities through policies which may seek to encourage or discourage particular elements of the overall housing supply that is available to students.
- 3.6 Universities are especially focused on attracting and accommodating new students. Many Universities aim to guarantee that new students arriving for their first academic year can find accommodation and will regard accommodation for new students as the priority need to be met.
- 3.7 Although there are exceptions, most Universities are less concerned to directly arrange accommodation for 2nd and 3rd year students and will take the view that a high proportion of these students will be able to find accommodation themselves within the local housing market.

- 3.8 The proportion of students living in purpose built student accommodation varies quite significantly across UK towns and cities, but will typically fall within the range of 30-50% of students attending any University. Clearly this implies that the majority of students (the remaining 50-70%) will live elsewhere within the local housing stock.
- 3.9 Local Universities are generally best placed to provide a starting point for assessing student housing needs (notably in respect of predicting future student numbers which will be integral to their own business planning), but it should be noted that Universities are also student accommodation providers within a market context so their advice in respect of how needs should be accommodated by other (potentially competing) accommodation providers may not always be impartial.

Practice Examples

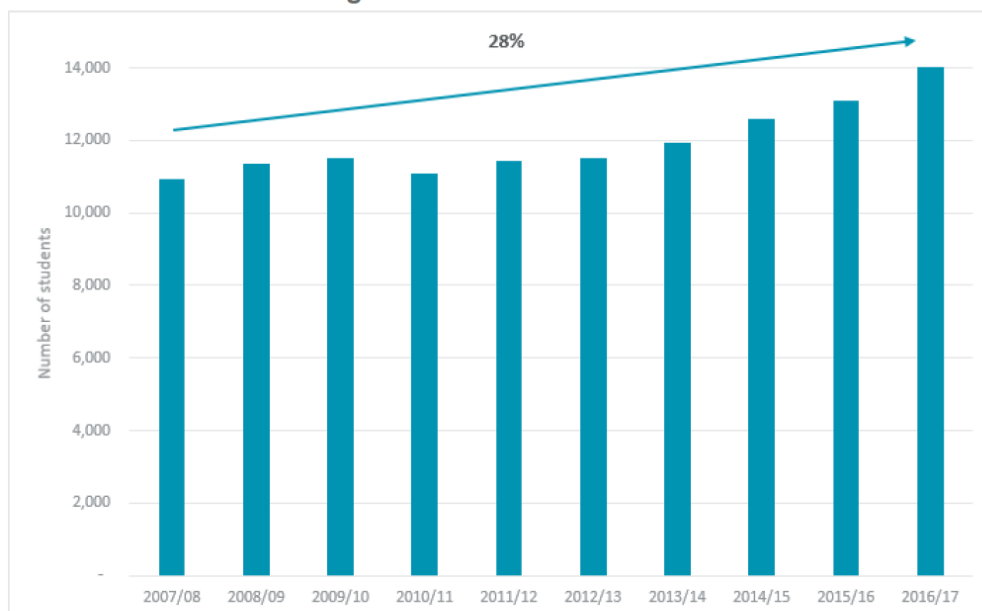
- 3.10 Some planning authorities across the UK have been specifically and positively planning for the numbers and locations of purpose built student housing accommodation for many years.
- 3.11 Leeds and Exeter are examples of this, at different scales but with strong similarities. In both cases the growth and relative success of local Universities was and continues to be supported as significant in economic development terms.
- 3.12 In both cases pressures of rapidly increasing student housing needs led to evident processes of 'Studentification' (a term used by Universities UK and other commentators to describe pressures arising when increasing proportions of students in HMO accommodation result in social and environmental problems within established areas of older housing near a University).
- 3.13 In both cases the initial local planning reaction was to seek to impose restrictions on further student housing in particular problem locations, coupled to a realisation that positive planning for suitable locations for new student accommodation would be necessary.
- 3.14 Partnership discussions between planning authority and HE institutions (several institutions in the case of Leeds) led to a wider shared and agreed understanding of how significant the needs and demands for student housing were and a quantification of the capacity of existing HE sites to accommodate further developments. In both cases University masterplans were developed/ updated in the first instance.
- 3.15 In both cases the Universities and Planning Authorities jointly agreed that, in addition to on-campus development, high levels of other new, purpose built, market provided student accommodation should be positively encouraged (as the better managed and controlled alternative to further HMO pressures). New local plans included general policies and some site specific allocations to encourage purpose built student accommodation providers to appropriate locations. These can be generalised as being at the edge of the city centre with good walk, cycle and public transport accessibility to the Universities.
- 3.16 In the Exeter case the policy that has been operating for over a decade seeks to provide new purpose built student accommodation to match 100% (or more) of the growth in local student numbers year by year (thus effectively seeking to ensure that existing pressures of student demand on other housing stock should not be increased).

- 3.17 In the Leeds case the rapid delivery of a concentration of large purpose built student accommodation blocks (mostly by private sector providers) is regarded as a positive contributor to city centre regeneration and vitality. However the levels of delivery were so high and so fast that some new schemes illustrated initial vacancy levels (most apparent where large schemes failed to complete in time for the start of an academic year), These problems proved temporary with eventual take up of all new purpose built stock.
- 3.18 In the Headingley area of Leeds where local resident concern at 'studentification' was once strongest, the effect of high levels of new purpose built accommodation elsewhere has been to reduce student demand for HMO accommodation to a level where empty HMO properties became evident from around 10 years ago with a new process of 'destudentification'. This has also proved temporary as over time a proportion of landlords have recognised that students are now being attracted elsewhere and have either rented to non-student households or sold to owner-occupiers.
- 3.19 The author/ applicants respectfully suggest that Reading as a Local Planning Authority is in the early stages of developing its policies in respect of planning for student housing needs. There is now the potential to move forward in dialogue with the University of Reading and other interested parties to resolve positive policies in respect of purpose built student accommodation that will meet the needs of students in Reading and lead to consequential benefits releasing other established local housing stock from further increased pressures of student HMO use.

Underlying Trends

- 3.20 Full time student numbers in the UK grew by 23% between 2007/8 and 2016/17 (HESA statistics 2017). As part of this there was a 47% increase in non-UK students reflecting the attractiveness of the UK to overseas students. There has also been a 27% increase in students aged 20 or over.

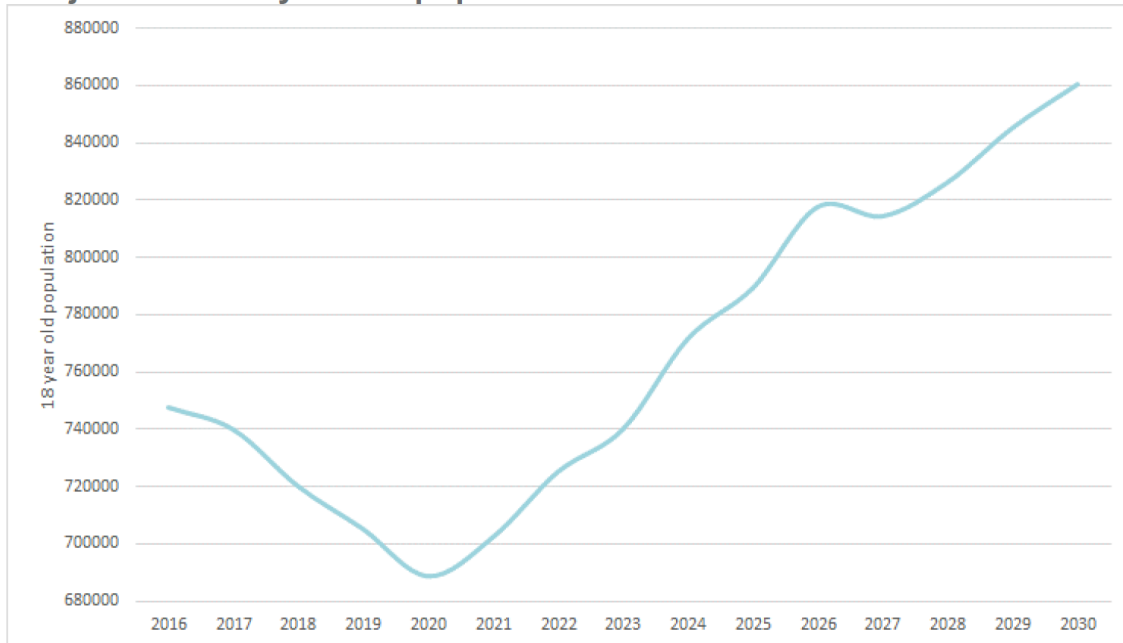
Full-time student number growth 2007/08 to 2016/17



Source: HESA 2016/17

- 3.21 The majority of students at UK Universities are from the UK and the number of people reaching the age of 18 provides the majority of the 'pool' of potential students nationally. Following a recent dip numbers will rise significantly from 2020 with a 25% increase predicted by 2030;

Projected UK 18 year old population 2016-2030



Source: ONS

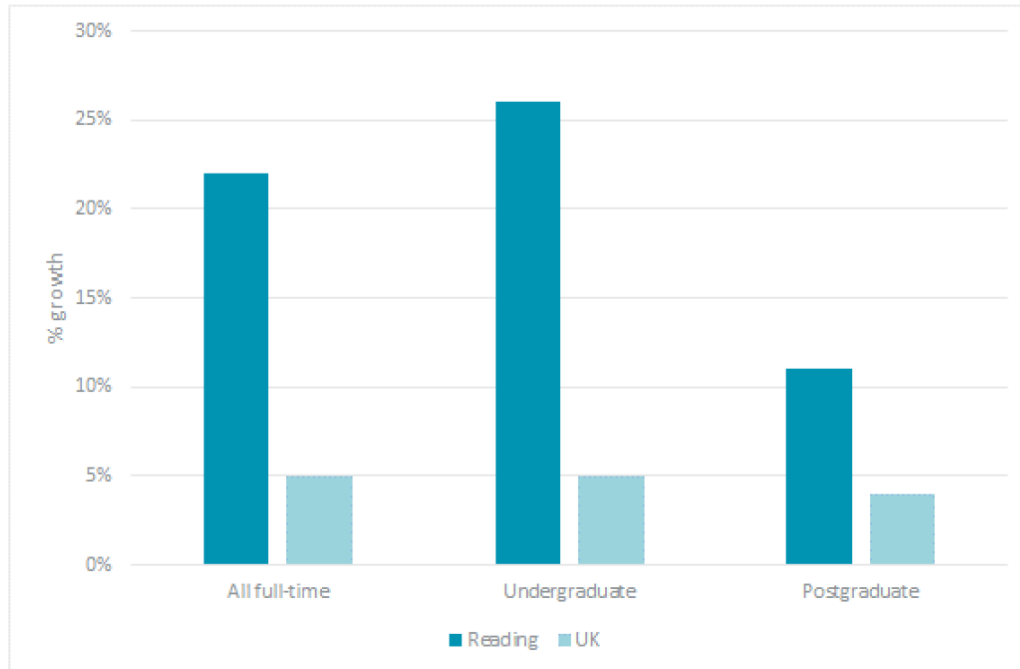
- 3.21 Despite commentators predicting that the changes to tuition fees since 2012 would discourage Higher Education attendance, UCAS data on the take up of HE places shows that this has continued to rise as a proportion of the 18 year old population, to a record 32.6% in 2017/18.
- 3.22 The combination of rising numbers of 18yr olds and high levels of take up underpin predictions from the Higher Education Policy Institute that at least 300,000-350,000 additional HE places will be needed in the UK by 2030 if take up stays at present rates, increasing to around 500,000 at potentially higher levels of take up.

University of Reading

- 3.33 The past two decades have seen a significant shift in the HE sector from what could be generally described as a 'command economy' driven primarily by government funding decisions toward 'marketisation' where Universities are freer to compete within the UK and internationally to attract students. The Browne report in 2010 sought to encourage genuine competition for students between Higher Education Institutions and ushered in changes to student funding. Since the removal of Student Number Controls in 2015/2016 the most successful universities now have significantly more freedom to expand should they wish whilst less successful institutions will struggle to maintain student numbers.
- 3.34 The University of Reading has proved to be one the most successful UK Universities in recent years and has ambitious plans for further growth. Compared to recent average growth of around 5% over the five years 2011/12 to 2016/17 for UK Universities, Reading

has achieved more than five times the average in respect of Undergraduate numbers and more than double the average growth in post graduate numbers. Total growth of 22% over 5 years is more than four times that of the average HE institution;

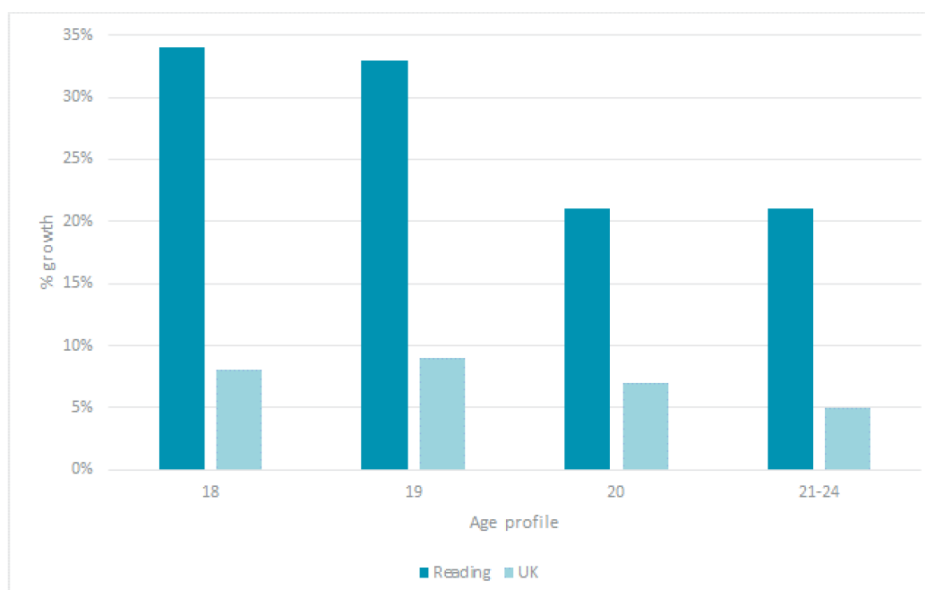
Growth vs UK average 2011/12 to 2016/17



Source: HESA 2011/12 to 2016/17

- 3.35 Successful attraction of new undergraduate students is reflected in the age profile of students at Reading. Although there has been very significant growth in all student age groups the recent rapid growth in 18/19 yr olds is notable:

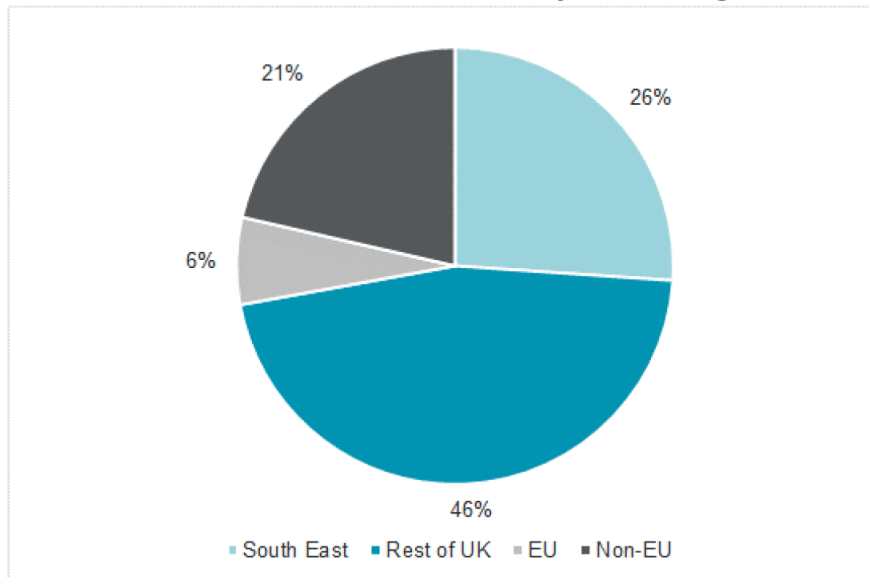
Full-time student growth by age group 2011/12 to 2016/17



Source: HESA 2011/12 to 2016/17

- 3.36 The University of Reading has a national and international presence as an institution and as a result attracts almost three-quarters of its students from outside the South East:

Domicile of full-time students, University of Reading



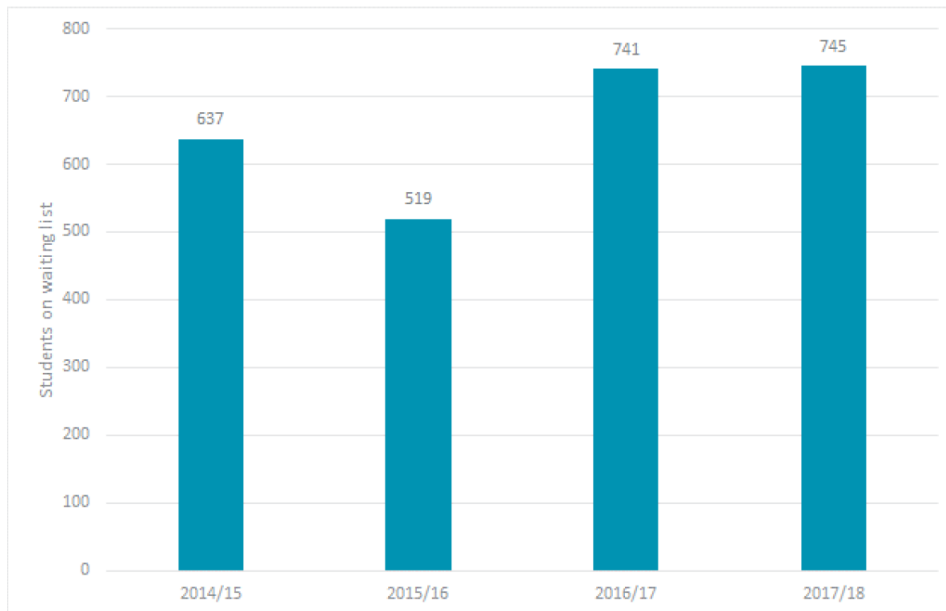
Source: HESA 2016/17

- 3.37 The highest percentage growth in terms of where students are coming from is from overseas, with a 45% growth in non-EU students (six times the national average) and a 29% growth in EU students over the five years to 2016/17.
- 3.38 Looking ahead the University of Reading is expecting to grow from its current 16,000 students (2017/18) to around 21,000 students by 2028. The increase of 5,000 students over 10 years equates to 500 per annum average growth rate

Student Accommodation

- 3.39 The University of Reading Accommodation Strategy 2018-28 (provided as an appendix to the University's representations in respect of the Local Plan Examination) clarifies the current situation in terms of student accommodation as well as looking ahead to propose how future accommodation needs should be met.
- 3.40 The University currently provides accommodation for 4984 students at the Whiteknights campus, and estimates that a further 1800 purpose built student rooms are currently offered by other purpose built student accommodation providers mostly to the South of Reading Town Centre.
- 3.41 The total of 6784 purpose built student rooms provides for 42% of the current 16,000 student numbers. This proportion can be regarded as broadly typical for a University in a major town or city where a substantial majority of students can be assumed to be accommodated within the existing housing stock.
- 3.42 The University has a substantial waiting list for its own accommodation. This has been increasing over recent years;

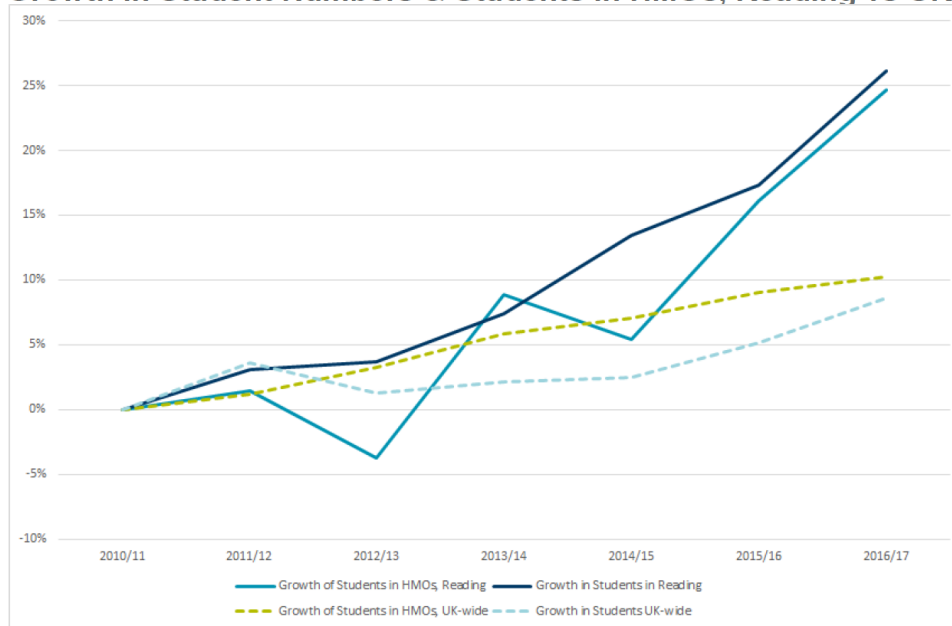
University of Reading accommodation waiting list 2014/15 to 2017/18¹



Source: University of Reading

- 3.43 The University is currently failing to meet its own priority target of offering purpose built student accommodation for new undergraduates. In 2017/18 its first year accommodation shortfall was 1000 and (without urgent additional new purpose built accommodation above that currently planned) it estimates that the first year shortfall could rise to 2000 by 2020/21 and to 3000 by 2028/29.
- 3.44 The University's priority emphasis on first year undergraduates means that in practice 2nd and 3rd year and post-graduate students who might (given free choice) prefer to stay in university accommodation are less and less likely to be able to do so in future.
- 3.45 HESA statistics provide information on the numbers of students living in HMO accommodation. For the University of Reading this has increased very substantially in recent years, and suggests that in Reading, HMO provision has effectively been bearing the brunt of increasing demands for student accommodation in a situation where the amount of new purpose built student accommodation has been failing to match the increase in student numbers:

Growth in Student Numbers & Students in HMOs, Reading vs UK



Source: HESA 2010 - 2017

- 3.46 The two dips evident in the graph show the direct effect of the opening of two large new University halls (594 beds at Child's Hall in 2012/13 and 684 at Bridges Hall in 2014/15). The overall upward trend shows however that the amount of new purpose built student accommodation has not been high enough to protect the existing housing stock from increasing demands for HMO student accommodation as a consequence of the University's recent expansion.

Campus Development Capacity

- 3.47 The University of Reading recently commissioned a Campus Capacity Study (by Planning Consultants Barton Willmore published in September 2018). This undertook a detailed plot by plot analysis of the University's estate to establish briefing principles and indicative building areas for all potential development opportunities. The work effectively represents a first step toward updating a previous campus masterplan dating from 2008.
- 3.48 Within this exercise the projected needs for new academic space and for new student accommodation were considered in parallel. In operational terms the locational requirements of new academic buildings (typically requiring a direct physical relationship to existing teaching buildings) are usually less flexible than for residential accommodation (where proximity by walking or cycling would also be practicable).
- 3.49 The conclusions of this study are that the University's own landholdings at Whiteknights and elsewhere in Reading are capable of accommodating up to 50,609 sq.m. of additional academic space. This equates to the provision of the 25,000 sq.m. of such space currently proposed to be built in the next 10 years with further capacity for a similar amount beyond that.
- 3.50 The Campus Capacity Study estimates that a total of 1935 additional student rooms could also be provided on campus and other University land.

3.51 This equates to less than 4 years land supply in respect of current levels of growth in the demand for student accommodation.

3.52 The Campus Capacity Study Concludes in respect of student housing that:

“...it is evident that development on and immediately adjacent to the campuses alone will not address the extent of need arising to accommodate first year students let alone the broader needs of the student population and therefore all sustainable locations which are accessible to the campuses will need to be considered to address the extent of need arising.”

3.53 The University has been actively bringing forward proposals for new student accommodation on its own land. A major planning application to redevelop and extend St Patrick’s Hall on Northcourt Avenue in Reading (with a net increase of 654 student rooms) was submitted in November 2017 but following refusal of this on heritage and urban design impact grounds (and recent dismissal of the University’s appeal against this decision) it will now be necessary to redesign and reduce the scale of this redevelopment.

3.54 Delayed redevelopment at St. Patrick’s Hall will only provide a net increase in student room numbers when a revised scheme is resolved and a complex phased redevelopment building programme is completed. Additional numbers here may now not be achieved until the 2023/24 academic year. This delay adds additional urgency to the Campus Capacity Study conclusion that provision of additional purpose built student accommodation at other sustainable sites is necessary to address the extent of student housing need in Reading.

Purpose Built Student Housing-Market Signals

3.55 The applicants Silver Street Developments are responding to market demands for higher quality purpose built student accommodation.

3.56 They focus their activity on meeting needs arising in respect of successful universities which are expanding rapidly. Their current developments in Coventry and Reading reflect the particular recent success of universities in these locations.

3.57 The underlying market drivers within the purpose built student accommodation (PBSA) sector include;

- university expansion/ growth of student numbers
- the need to update or replace ageing University owned stock to ensure higher standards (including structural condition and regulations compliance)-often achieved in partnership with the private sector
- increasing quality expectations by students, with single rooms/ larger rooms/ en-suite bathrooms/ fast broadband widely regarded as essential/ desirable
- the convenience and certainty of fixed price fully serviced accommodation with on site management and support facilities
- security and support community considerations most particularly for young students (and their parents) and for foreign students unfamiliar with the UK

- a shift toward increasing demand for purpose built and managed student accommodation from second and third year undergraduates and from postgraduates who may in the past have moved on into the mainstream local housing market
- the success of commercial models for private student accommodation provision including both mainstream and smaller 'niche' providers
- planning authority support for the benefits of purpose built student accommodation in deflecting some of the pressure of student demands away from mainstream housing stock
- funder willingness to invest in a sector which has (relatively) predictable rental income streams.
- recent changes in respect of HMO regulation and private rental landowner taxation which will increase the costs and/or reduce the viability of providing HMO student accommodation within the existing housing stock

3.58 Private provision of student accommodation across the UK includes 'mainstream' providers typically targeting larger (300 room plus) cluster flat schemes for undergraduates and working closely with Universities who will provide sites and/or refer students.

3.59 In addition as part of a widening choice of accommodation offered by a maturing market at a range of price points there are an increasing number of smaller niche operators variously offering larger and/or 'studio' rooms, additional supporting services or a distinctive ethnic/national community environment targeting overseas students. Such schemes can be smaller and more distinctive in their character but still need to be of sufficient scale to provide a critical mass sufficient to cover the costs of on-site support services.

Off Campus Private Sector Purpose Built Student Accommodation

3.60 In Reading the market provision of purpose built student accommodation other than on the University's own sites has focused on sites within walking distance of the University and to the South of the Town Centre. This is for a number of very good reasons including;

- easy access to the University on foot, by cycle or by Public Transport
- proximity to Town Centre facilities
- the relative availability of sites where town centre edge commercial uses are declining
- the suitability in urban design terms for town centre edge sites to accommodate relatively intensive development (typically in Reading 4-6 storey projects) that would not usually be appropriate within more suburban localities

3.61 Community Infrastructure Levy (CIL) payments apply to private sector purpose built student accommodation in Reading, although the University (as a charity) is exempt from CIL in respect of its own developments.

3.62 As noted above if purpose built student housing is not positively provided in Reading, the outcome will be that the growing student housing need will be deflected to the existing housing stock and especially to HMO accommodation.

3.63 The proposed 79 student rooms at 40-68 Siver Street can be equated (assuming 4 students per house) to 20 individual private houses.

- 3.64 In practice accommodating 79 students at the application site is preferable in a number of planning respects to the option of using existing housing stock as HMO's:
- On site management of purpose built schemes (typically to UNIPOL guidance) is preferable to the largely unmanaged accommodation of students in HMO accommodation
 - ‘No-car’ student housing leases require students to use sustainable travel modes whereas HMO accommodation often generates pressure for on-street student parking
 - Modern purpose built student accommodation avoids the effects on neighbours in terms of the noise transmission through party walls that is a problem in many HMO's
 - The proposed layout based around a central courtyard achieves high levels of screening of student activity from neighbours
 - The proposed scheme takes pedestrian access directly from a busy road without the need for students to access past family homes on quieter residential streets as may often be the case with HMO's.
 - Purpose built student accommodation represents a highly efficient use of urban land to provide housing (with consequential overall benefits in reducing green field land take).
 - Existing housing stock (often terraced or semi-detached homes with gardens) can often be more suited to family accommodation
 - Students can contribute positively to ensuring the future vitality of the Town Centre if suitably located in close proximity

4 Conclusions

- 4.1 There are significant recent and continuing pressures of student housing demand across the UK. The planning system has not until very recently required these to be assessed as part of overall housing need assessments. Planning authorities already positively planning to meet student housing needs often allocate sites or general localities where more private sector purpose built student accommodation can be encouraged.
- 4.2 The recent and continuing success of the University of Reading generates very significant local needs for additional student housing, of the order of 500 additional student rooms needed per annum.
- 4.3 The level of local student housing need in Reading is not being matched by development on University owned or other existing student accommodation sites. The direct consequence of this underprovision is increasing pressure to accommodate students elsewhere within the existing housing stock, typically within HMO accommodation where students often have comparably greater effects on existing residents.
- 4.4 The proposal to develop purpose built student accommodation at 40-68 Silver Street is particularly well placed in locational terms to meet student housing needs in Reading.