

# LEARN WHAT STUDENTS WANT FROM ACCOMMODATION



# TABLE OF CONTENTS

<b>What do students want from their accommodation?</b>	<b>03</b>
Is the student property market a safe bet?	03
Key findings	04
<b>Property</b>	<b>05</b>
Students value communal living over privacy	07
Large bedrooms are highly sought-after	07
Students expect to pay reasonable prices for monthly rent	07
<b>Student and landlord communications</b>	<b>08</b>
Students want a responsive landlord	10
Technology can aid quicker, less intrusive contact	10
Professionalism is essential	10
<b>Local area</b>	<b>11</b>
Where is the nearest supermarket?	13
Close, but not too close	13
Scope out the student hotspots	13
<b>Full marks for your student property search</b>	<b>14</b>

## WHAT DO STUDENTS WANT FROM THEIR ACCOMMODATION?

If you are a private landlord, looking to grow or refurbish your portfolio, or even a buy-to-let investor planning to enter the student property market, it is essential to have an in-depth understanding of what students expect from their accommodation. This report will help landlords understand what to look for when scoping out property for student tenants and how to maintain a good tenant-landlord relationship.



Towergate Insurance conducted a survey of 500 undergraduate students across the UK\* to discover the type of property they value, where they like to live and how they prefer to interact with their landlord or letting agent. This report will help landlords decide what to look for when buying or refurbishing property for student tenants and look at how to maintain good student-landlord communications.

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## IS THE STUDENT PROPERTY MARKET A SAFE BET?

Brexit has made landlords understandably cautious about investing in student accommodation. However, research from national estate agent Knight Frank shows that rapid growth over the last decade means that the sector is now valued at more than £50 billion, which represents a [72% rise in value since 2014](#)<sup>1</sup>. The demand for student accommodation from students will continue long-term, as the UK's world-renowned universities will still be a draw for international study and a weaker pound may even encourage more students from overseas.

\*The findings in this report are based on a survey conducted by Maru/Usurv of 500 undergraduate students across the UK in January 2019. The research was commissioned and analysed by Towergate Insurance.

## KEY FINDINGS

While the student property market will continue paying dividends for many private landlords, it is wise to ensure your investments will attract student tenants. This report will help you to:



### PRIORITISE PROPERTY FEATURES

Students value large bedrooms, lounges, and high-speed internet, whereas gardens, balconies or modern white goods are less important.



### COMMUNICATE EFFECTIVELY WITH YOUR STUDENT TENANTS

Students prefer direct contact with landlords rather than communicating via an agent. They also prefer email contact above other forms of communication.



### NARROW YOUR PROPERTY SEARCH DOWN TO THE MOST SUITABLE AREAS

Living near a supermarket is a top priority for students – more so than pubs or gyms.



**PROPERTY**

Students have very specific expectations for the kinds of property they want to rent – and these are often different from other tenant profiles. Although the student property market is fast-moving with a high turnover of tenants, **68% of students would prefer to remain in the same property throughout their time at university**. This puts a strong emphasis on landlords to maintain positive relationships with their tenants and encourage contract renewals.

However, long summer holidays can put a strain on both landlords and students. For many students, it is financially unfeasible to continue to rent private accommodation between academic years. For landlords, it brings about the potential of an unoccupied property for a period between two tenancies. To address this, some landlords offer reduced rates over the summer, or short leases, while others use the time to prepare their property for their next tenants.

It's important to remember that if your property is empty for **more than 30 days**, your insurance may be invalidated. Find out more about **unoccupied property insurance**<sup>1</sup> on the Towergate website.

**Note:** Your student rental property is likely to be classed as a house in multiple occupation (HMO). You can find out more about what this means at [Gov.uk](https://www.gov.uk)<sup>2</sup>.

## LECTURE NOTES

# 1.

Prioritise properties with three or more large bedrooms

# 2.

Make sure your internet connection is high-speed for the area and reaches all the bedrooms

# 3.

Encourage students to renew at the end of term

1. [www.towergateinsurance.co.uk/unoccupied-property-insurance](https://www.towergateinsurance.co.uk/unoccupied-property-insurance)

2. [www.gov.uk/renting-out-a-property/houses-in-multiple-occupation-hmo](https://www.gov.uk/renting-out-a-property/houses-in-multiple-occupation-hmo)

## STUDENTS VALUE COMMUNAL LIVING OVER PRIVACY

A common part of the student experience is flat-sharing, which helps students to save money and build friendships. Our survey found that 88% of students live with at least one other person, and 52% of students live in homes with four or more tenants. With this in mind, you should prioritise properties with three or more bedrooms.

## LARGE BEDROOMS ARE HIGHLY SOUGHT-AFTER

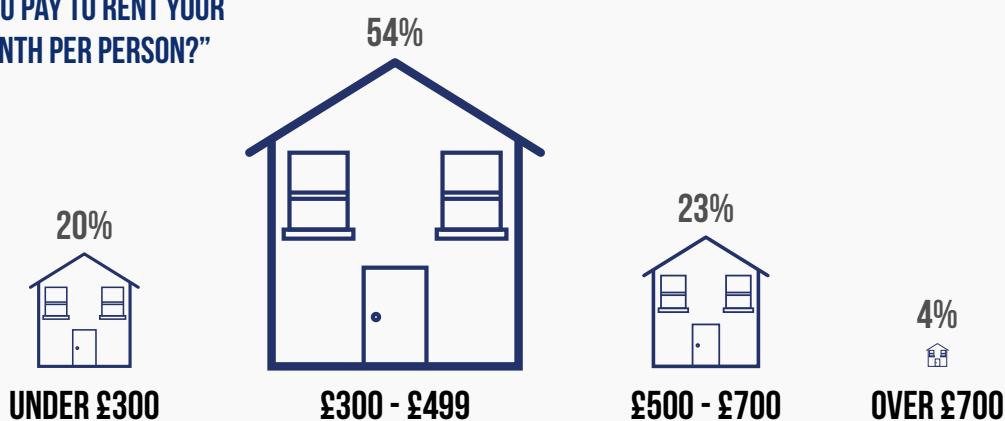
Students value large bedrooms more than any other property feature. They also rank living rooms and en-suite bathrooms highly. Reflecting students' need to study and entertain themselves at home, our survey revealed that **fast internet connectivity is more important than quality furnishings, parking spaces and gardens or other outside spaces.**

## STUDENTS EXPECT TO PAY REASONABLE PRICES FOR MONTHLY RENT

While budgets vary between cities and regions, the average student pays between **£300 and £499 per month** to rent a room. As you may expect, this is higher in London, with **36% of students in London paying at least £500 per month**, compared to 20% in the West Midlands. Only **4% of students across the UK pay more than £700 per month** for their digs.

WE ASKED STUDENTS:

**"HOW MUCH DO YOU PAY TO RENT YOUR PROPERTY PER MONTH PER PERSON?"**



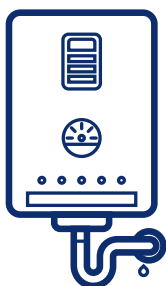
**Most students would pay more money if the landlord provided cleaning services** as part of the tenancy contract. Offering professional cleaning as an option to your tenants could also help to minimise wear and tear and prolong the life of your furnishings.

It's important to remember that while accidental damage may be covered by your **landlord insurance**<sup>1</sup> policy, wear and tear will not.

A black and white photograph of a person wearing a checkered shirt, sitting and typing on a laptop. The person's hands are visible, with a ring on the left hand. A yellow rectangular box is superimposed over the center of the image, containing the text 'STUDENTS & LANDLORD COMMUNICATIONS' in a bold, blue, sans-serif font.

# **STUDENTS & LANDLORD COMMUNICATIONS**





For many, attending university represents a transition to adulthood. Many students have never lived away from their family homes before. **38% of students say they don't know how to work a boiler** and have requested assistance from their landlord. The following insights will look at how you can be a more helpful landlord.

## LECTURE NOTES

# 1.

Being a student landlord should be treated as a professional activity rather than simply a source of income.

# 2.

Deal with tenants directly – and respond to any issues quickly – rather than relying on an agent.

# 3.

Take time to induct tenants into their new property at the start of a tenancy. Some things may seem obvious to a seasoned property owner, but a first-time tenant may appreciate guidance.

## STUDENTS WANT A RESPONSIVE LANDLORD

**One-in-four students have no direct communication with their landlord**, which highlights the prevalence of using an agency to manage the property as well as tenant relationships.

However, students do expect a professional relationship with landlords: **62% of students prefer to deal directly with their landlord rather than a management agency**. When asked about behaviour that would put them off a property, 73% of students say that a landlord who is slow to respond and deal with any issues they report is their biggest property gripe.

## TECHNOLOGY CAN AID QUICKER, LESS INTRUSIVE CONTACT

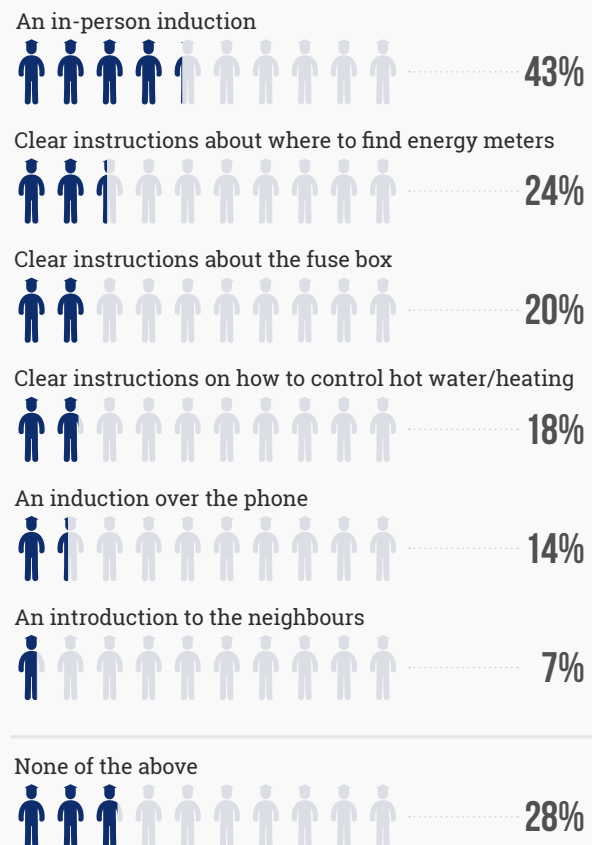
Although face-to-face or telephone contact occurs more frequently between the landlord and tenant, student tenants would rather use email to communicate with their landlord than any other form of contact. **Only 5% of students have communicated with their landlord through an instant messaging app like WhatsApp, but 15% say this is their preferred method of contact**.

## PROFESSIONALISM IS ESSENTIAL

Students generally have a good impression of landlords and letting agents, with 58% of student tenants describing both as professional. That said, **one-in-five student tenants have had disappointing experiences with landlords**. Perhaps one area for improvement is to provide student tenants with inductions into a new property. Less than half of students receive in-person orientations from their landlord or agent at the start of their tenancy.

Any good business must value their customer. Ensuring that your relationship with your tenants is polite and professional is just as important as being responsive.

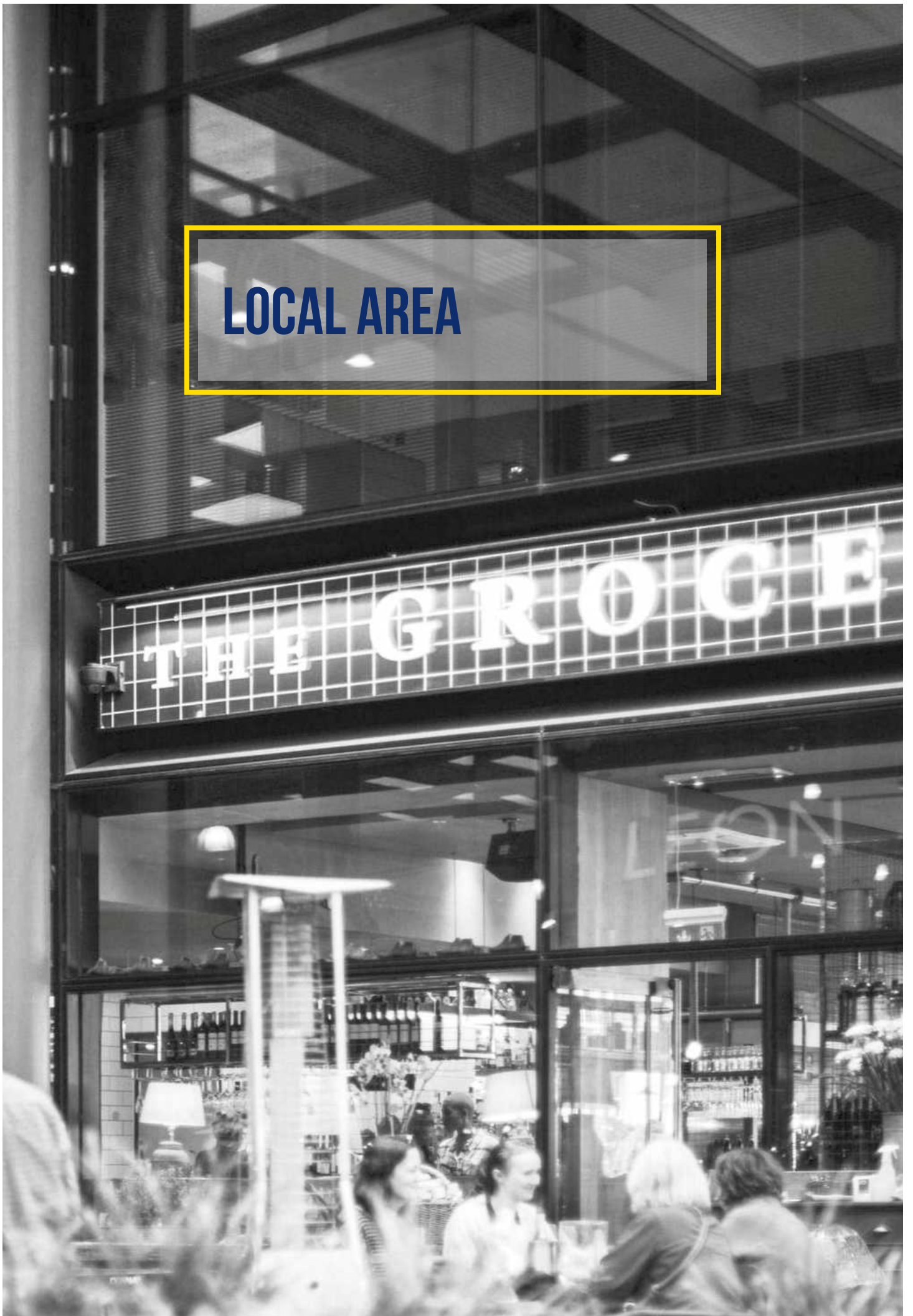
### WE ASKED STUDENTS: "WHEN YOU MOVED IN, DID YOUR LANDLORD PROVIDE ANY OF THE FOLLOWING?"



Communicating via email is a good way to document processes and requests and stay on top of any issues.

**LOCAL AREA**

**THE GROCER**





If you're investing in student housing, it's important to understand **what students value in a neighbourhood.**

## LECTURE NOTES

1.

Look for property close to supermarkets and within 30 minutes on foot or by public transport from the university.

2.

Highlight transport links in property adverts and when prospective tenants are viewing your property.

3.

Research rental yields before committing to a property.

## WHERE IS THE NEAREST SUPERMARKET?

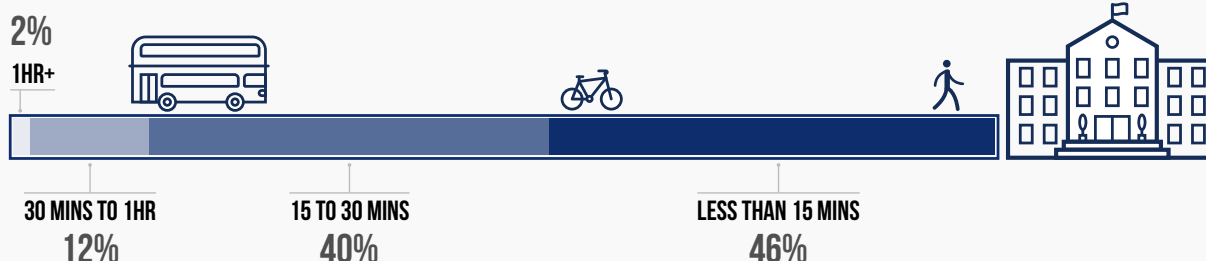
According to our survey, **most students would prefer to live close to a supermarket than restaurants, bars or even their university campus.** It's no good finding an otherwise perfect property if students perceive it as being too far from sought-after amenities.



## CLOSE, BUT NOT TOO CLOSE

It makes sense to start looking at properties that are walkable from the university campus or lecture buildings, but we found that **less than half of students can commute to university within 15 minutes.** This suggests that students do not expect to live on the doorstep of their university campus.

WE ASKED STUDENTS:  
"HOW LONG DOES IT TAKE TO GET TO UNIVERSITY?"



## SCOPE OUT THE STUDENT HOTSPOTS

If you live in a university town, you likely know which areas are popular with students already. However, if you're looking to invest further afield, it's worth researching [student hotspots which offer the best return on your investment<sup>1</sup>](#). At present, cities like Nottingham and Liverpool both offer high buy-to-let yields and have large student populations.

You might want to keep on top of university expansion plans too. For instance, Bristol University is currently [building a new campus to take on 3,000 additional students<sup>2</sup>](#) by 2021.

WE ASKED STUDENTS: "WHAT FEATURE DO YOU MOST DESIRE FROM A LOCAL AREA?"



64%

Supermarket nearby



60%

Within 15 mins of university



43%

Student area



43%

Restaurants and takeaways



42%

Transport links to other cities/areas



36%

Gym or leisure facilities



35%

Nightlife



24%

A good local pub



**FULL MARKS FOR YOUR  
STUDENT PROPERTY  
SEARCH**

Student property continues to provide a solid return for many landlords, and while we are living in a climate of economic uncertainty, the market still appears to have a positive outlook. That said, it's more important than ever to ensure you invest in property which will attract student tenants to ensure high rates of occupancy and a steady income.

**To help you create a 'wish list' when visiting prospective properties, we recommend the following tips:**



Choose property with at least three bedrooms, but not at the expense of sacrificing the living room.



Prioritise large bedrooms or do what you can to maximise bedroom space in adverts and viewings.



Invest in accommodation close to campuses, supermarkets and other student properties.

The survey results also underscored the notion that university is a 'transition' period in young peoples' lives, as they take on more responsibility. Letting a property to students may involve a more 'hands-on' approach than letting to other tenants. If you live nearby and are perceived as approachable, students are more likely to rent from you and stay in your property for longer.

By getting to know what students really want from accommodation, you can improve the chances of making your tenancy business a success.

At Towergate Insurance, part of one of Europe's largest independent insurance intermediaries, we provide **landlord insurance**<sup>1</sup> for a wide range of properties and tenants.

We can cover **multi occupancy**<sup>2</sup>, **students**<sup>3</sup>, **local authority placements**<sup>4</sup> and much more. **Get a quote online**<sup>5</sup>.



1. [www.towergateinsurance.co.uk/landlord-insurance](http://www.towergateinsurance.co.uk/landlord-insurance)

2. [www.towergateinsurance.co.uk/hmo-landlord-insurance](http://www.towergateinsurance.co.uk/hmo-landlord-insurance)

3. [www.towergateinsurance.co.uk/student-landlord-insurance](http://www.towergateinsurance.co.uk/student-landlord-insurance)

4. [www.towergateinsurance.co.uk/dss-landlord-insurance](http://www.towergateinsurance.co.uk/dss-landlord-insurance)



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