

# REGIONAL STUDENT ACCOMMODATION ASSESSMENT

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FINAL

PREPARED FOR DEPARTMENT OF EDUCATION AND TRAINING



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# EXECUTIVE SUMMARY

## PROJECT BACKGROUND

The Commonwealth Government commissioned an *Independent Review into Regional, Rural and Remote Education* in March 2017. The affordability and accessibility of university accommodation arose as a potential issue deterring the number of regional, rural and remote (RRR) students choosing to pursue higher education.

The Department of Education and Training has engaged Urbis to undertake an assessment of university investment in on-campus student accommodation to support an adequate supply of affordable accommodation for RRR students.

## REGIONAL STUDENTS

The number of university students in Australia in 2016 have been estimated from de-identified data provided by the Department of Education and Training. For the purpose of this study, enrolments have focussed on 'mobile' students that are studying full-time and on-campus (internal) as these students represent the majority of demand for university student accommodation. Mobile students are defined as full-time internal students that have to move from their previous home to study and therefore require new accommodation (with their postcode of permanent residence 60km or more from their postcode of study).

Table E.1 outlines the number of international, domestic metropolitan and domestic regional students in 2016 who are considered to be 'mobile' and therefore requiring student accommodation in proximity to their place of study. Key findings include:

- Approximately 70% of mobile students in Australia are international students, which highlights the significant impact that the international sector has had on the demand for student accommodation in Australia.
- Students originating from regional areas in Australia are more mobile, with 56,028 (50% of total regional students) students most likely having moved. This highlights the greater need for assistance in relocating for RRR students. Of the mobile RRR students, around 75% have relocated to capital cities to study indicating there is significant demand for student accommodation in the capital cities.
- Students originating from metropolitan areas are significantly less mobile than RRR students, with 29,620 (7%) students considered mobile. This is reflected with the majority of metropolitan students choosing to study locally and stay at home while they study.

### Mobile University Students, Metropolitan vs. Regional

Australia, 2016

Table E.1

Campus of Study	Place of Origin			Total
	Metropolitan	Regional	International	
Metropolitan	21,341	42,282	199,022	<b>262,645</b>
Regional	8,278	13,747	17,048	<b>39,073</b>
<b>Total</b>	<b>29,620</b>	<b>56,028</b>	<b>216,070</b>	<b>301,718</b>

Note: Mobile students are defined as full-time internal students including international students studying onshore and domestic students where their postcode of permanent residence is greater than 60 km from their postcode of study.

Source: Department of Education and Training, Urbis

The tertiary education sector is experiencing technological disruption with advancements in digital distribution, providing greater access to university courses online. The proportion of students from regional areas that are studying on-campus has decreased from 80% in 2006 to 63% in 2016. The 17-percentage point decline is higher than the 10-percentage point decline in the proportion of metropolitan students studying on-campus. This highlights the greater proportion of students from regional areas that have taken advantage of online learning to complete their tertiary education, which has had an impact on the demand for student accommodation with a higher proportion of students likely choosing to stay at home while completing their studies.

## FINANCIAL STATUS

Based on average income data from the 2016 Census and sources of income from the Australian University Student Finances Survey 2012, the average income for a domestic full-time student (aged 19-24) in 2017 was estimated to be \$20,115 including all forms of income including paid employment, scholarships, government allowances, family allowances and other income. Key sources of income include:

- **Government Allowances:** The Australian Government provides students with access to a number of financial support programs including Youth Allowance, ABSTUDY, rent assistance, Student Start Up Loans and scholarships. A single student receiving both Youth Allowance and rent assistance would be receiving up to \$285 per week.
- **Work:** According to the ABS Census, the average full-time student in Australia (aged 19-24) was working 15 hours per week in 2016.
- **Family Allowances:** The Australian University Student Finances Survey 2012 indicated that a large number of students are receiving family support. Consultation with university accommodation offices indicates that a high proportion of students living in student accommodation (especially first year students) are receiving family support to pay for accommodation and other living expenses.
- **Scholarships:** There are a range of scholarships and bursaries offered by universities that provide financial support to students.

## STUDENT ACCOMMODATION SUPPLY

The Urbis Australian Student Accommodation Database comprises comprehensive information regarding purpose built student accommodation (PBSA) facilities across Australia. There is currently a total supply of around 88,400 PBSA beds in Australia (defined as purpose built facilities with more than 20 beds that target tertiary students). PBSA facilities located in Metropolitan areas across Australia represent 82% (72,281) of the total PBSA bed supply. Facilities located in regional locations across Australia represent 18% (16,093) of the total supply of student accommodation beds.

For the purpose of this assessment, Urbis has classified student accommodation into four major categories including:

- **University:** University owned and operated facilities that are generally located on the campus. University facilities represent 36% (31,456) of the total supply of student accommodation beds across Australia. These facilities include a mix of fully catered halls with bedrooms and shared amenities off a hallway to self-catered apartment style accommodation.
- **Private:** Facilities that are privately owned and operated and are not located on a university campus or have an affiliation with a university. Private facilities comprise 28% (25,059) of the total supply of student accommodation beds across Australia. The majority of these facilities are self-catered apartment style accommodation providing residents with more independence.
- **Joint Venture:** Facilities where both the university and private sector have a stake in the project. This includes private developments on university land and university owned facilities that have a management agreement with a private sector firm. Joint venture facilities comprise 22% (19,063) of the total supply of student accommodation beds across Australia.
- **Colleges:** These are generally older colleges that are affiliated with a university though operated by an independent organisation that is often religiously affiliated. The majority of these facilities comprise catered accommodation with rooms off a hallway with shared bathrooms, kitchens and common area. It is also noted that the buildings tend to be older due to the history associated with these colleges though some of the colleges have built new buildings in recent years, a number of which represent more modern independent living models targeted at older and post graduate students. Colleges comprise 14% (12,996) of the total supply of student accommodation beds across Australia.



## PBSA Supply by Type and Location

2017

Table E.2

Region	University		Joint Venture		College		Private	Total
	On-Campus	Off-Campus	On-Campus	Off-Campus	On-Campus	Off-Campus	Off-Campus	
Metropolitan Campuses	15,292	2,521	16,391	2,151	9,831	2,015	24,080	72,281
Regional Campuses	12,991	452	521	0	1,150	0	979	16,093
Australia	28,283	2,973	16,912	2,151	10,981	2,015	25,059	88,374

Source: Urbis Student Accommodation Database 2017

With over 300,000 mobile university students and 88,400 PBSA beds, the majority of students are living in private rental accommodation. Based on Urbis' experience in student accommodation throughout Australia, a high proportion of students are living in share houses with 3-4 bedrooms.

## STUDENT ACCOMMODATION DEMAND

Economic modelling was undertaken to assess the capacity of students to pay for accommodation (both on-campus university accommodation and private rental accommodation). The analysis is provided for illustrative purposes to highlight the situation for an average student in Australia.

The average annual expenses (excluding rent) for a domestic full-time student in 2017 was estimated to be \$14,165 for a student living in the private rental market. This includes accommodation costs such as house supplies, utilities, internet and transport to the campus. With students generally having to sign a 12-month lease, this leaves \$5,951 for rent, equating to capacity to pay \$114 per week. This is marginally higher than the average three bedroom rent of \$112 per room indicating few students would be saving money. With a large number of students living in the inner areas of capital cities paying considerably more rent than this, it highlights the rental stress facing students and the large number of students going into budget deficit.

Students living in on-campus accommodation don't have the same number of extra costs as private rental students such as house supplies and utilities being included in the rent and not having to pay for travel to classes. However, there are often some compulsory fees associated that have to be paid. As such, an average domestic full-time student could afford to pay a higher rate of \$178 per week over a 46-week contract period assuming they went back home to live over the summer break. The average cost of self-catered on-campus accommodation in Australia is \$222 over a 46-week contract period, which is 24% higher than the average student's capacity to pay. This reflects the additional benefits of living in university accommodation such as pastoral care and social events though also highlights why the majority of more independent continuing domestic students choose to live in share houses in the private rental market.

It is noted that the data below is based on a student earning the average income in Australia. More than half of full-time students are earning less than the average income with a large proportion of these likely to be facing significant financial pressure if they are living away from home. The differential is estimated to be over 50% in Sydney and Canberra due to more expensive rental markets and highlights that the capacity to pay pressures for RRR students are highest for those moving to capital cities.

## Capacity to Pay for Accommodation

2017

Table E.3

	Self-Catered On-Campus PBSA	Private Rental Accommodation
<b>Total Average Income</b>	<b>\$20,115</b>	<b>\$20,115</b>
<b>Expenses</b>		
General Expenses*	\$9,462	\$9,462
Study Expenses^	\$2,191	\$2,191
Accommodation related costs (excluding rent)		
- House supplies	\$0	\$354
- Utilities	\$0	\$932
- Transport to campus	\$0	\$1,226
- Compulsory PBSA levy	\$258	\$0
<b>Total Expenses (excluding rent)</b>	<b>\$11,911</b>	<b>\$14,165</b>
Capacity to pay for Accommodation (Annual)	\$8,204	\$5,951
Average Contract Period (weeks)	46	52
Capacity to pay for Accommodation (Week)	\$178	\$114
Average Weekly Tarriff	\$222	\$112
Differential between Average Rent and Capacity	24%	-2%

Note: Income is based on 2012 Survey data and indexed to 2017. Income includes all sources of income including Government support though excludes family allowances.

Note: \* Includes food, medical, transport, entertainment, childcare and other expenses.

Note: ^ Includes textbooks, stationary, computer, university fees and other study related items.

Source: Australian University Student Finances Survey 2012; ABS, Urbis

## AUSTRALIAN UNIVERSITY ACCOMMODATION POLICIES

Ten Australian universities were profiled to identify how they approach the provision of student accommodation for RRR students focussing on the supply of accommodation and allocation policies. Key Findings include:

- Accommodation guarantees vary between universities with three out of the ten profiled universities offering some type of accommodation guarantee. The guarantees generally focus on first year students who are coming from outside the region.
- The majority of universities don't provide preferences to RRR students in securing accommodation with universities operating on a largely 'first in' basis. Accommodation offices generally prefer to attract a large number of returning students as this assists in building a strong sense of community in accommodation and helps set an example for commencing students. As such, returning students are often given preferences to reapply for accommodation before the process is opened to new applicants.
- All of the universities profiled offer bursaries, scholarships and other financial aid for students with many universities offering specific aid to RRR students. Housing bursaries and rent assistance are offered by a number of universities and priority is often given to those who are relocating from interstate or regional areas.
- All universities provide financial assistance and scholarships targeted towards indigenous students. Through the consultation phase to prepare the profiles, it was identified that there may be opportunities to encourage more indigenous students to choose student accommodation through the expansion of programs to help indigenous students feel at home in purpose built student accommodation.

## AUSTRALIAN UNIVERSITY ACCOMMODATION INVESTMENT

Universities are experiencing competing pressures for capital expenditure with accommodation often seen as a commercial opportunity that could generate revenue for the university or at least have the accommodation being self-sufficient with revenues covering operational expenses (and capital maintenance).



Following the recent student accommodation transactions entered into by the University of Wollongong, the Australian National University and University of Tasmania with private sector consortiums, there are more universities actively looking into opportunities to partner with the private sector to facilitate the development of new student accommodation and the upgrade of existing accommodation without having to provide capital. This has the added attraction of generating an upfront payment to the university that can be used for other projects. One of the challenges faced by universities is weighing the need to provide affordable accommodation to RRR students against the need to charge higher accommodation rents to justify the new construction costs and generate the desired financial outcome to the university. A key factor in these transactions is also the liability to the university such as the provision of occupancy guarantees as these can impact how the development is treated on the university's balance sheet and therefore have flow on financial impacts.

Universities are willing to borrow money to invest in new infrastructure though actively monitor how much they borrow to stay within statutory requirements and to maintain credit ratings. Due to the availability of private funding, universities have reduced the amount of debt they use to fund student accommodation with some recent transactions with the private sector being used to pay down existing loans.

Universities are also looking at other opportunities to fund student accommodation such as philanthropy with the Australian National University having recently received a donation of \$100 million to develop 800 student accommodation beds.

## OPTIONS

Based on the analysis of university student accommodation, the following options have been identified for further investigation with the aim of improving the accessibility and affordability of university student accommodation for RRR students. These options comprise:

Challenge	Potential Response(s)
<p>Prospective RRR students looking to enter tertiary education can experience some difficulties in receiving Government assistance such as Youth Allowance. This includes the parental income test, which reduces the available payment for students whose parents exceed the income threshold. Consultation with some university accommodation managers provided anecdotal evidence that there are RRR students unable to receive Government support.</p>	<p>Reviewing eligibility criteria for RRR students to access Government support such as Youth Allowance. This could potentially involve reducing the parental income tests for RRR students that need to relocate to study at university or providing more assistance to RRR students in navigating the application process.</p>
<p>Prospective RRR students applying for Government financial assistance need to go through a process to apply and get approved for assistance. Consultation with some university accommodation managers provided anecdotal evidence that there are RRR students that do not receive their first Government payment until March indicating many need to borrow money to meet upfront costs such as relocating, upfront rent, bonds etc.</p>	<p>There is an opportunity to review the application process for Government assistance to see whether the timing of applications and initial payments could be revised to reduce upfront costs.</p>

Challenge	Potential Response(s)
<p>RRR students can face challenges in securing affordable on-campus accommodation especially at universities where there is strong competition for the more affordable on-campus accommodation.</p>	<p>Universities could be encouraged to provide an allocation of beds to RRR students with this policy actively marketed to RRR students to give them confidence that they can secure on-campus accommodation. This is similar to the strategy adopted by the University of Newcastle which allocates 100 rooms to students from the New England region and 80 rooms from students from the Central West region. This policy is actively communicated in their marketing at schools in the regions to grow enrolments.</p> <p>There is potential for Government relocation scholarships for RRR students to be linked to universities providing an allocation of affordable beds to these students. This may involve the scholarship money (either all or part) to be used at the university's accommodation so the student would benefit from reduced accommodation costs in the first year (especially helping with the upfront costs) and the university would benefit from the students being incentivised to choose their accommodation, which would ideally boost occupancy and revenue. This would be attractive to some of the universities that are experiencing vacancies in their accommodation.</p> <p>The universities that already have full occupancy of accommodation may also be enticed to participate by additional funding for the scheme such as assisting with marketing to RRR students.</p> <p>There is potential for an allocation scheme to be expanded to all equity groups such as lower socio-economic status, disability and indigenous students with RRR students representing a component of the program.</p> <p>Indigenous students face specific challenges such as having close cultural/community ties can make it difficult to leave home. As such, there is opportunities for student allocations to include wings dedicated to Indigenous students and cultural spaces to assist them in developing cultural support networks.</p> <p>There may also be opportunities to tie in with other government funding such as the Higher Education Participation and Partnerships Program with the allocation of beds to lower socio-economic status RRR students to boost student retention.</p>
<p>Older student accommodation facilities at some regional universities are in need of upgrading and some regional universities do not have the financial capacity to fund upgrades. As such, there are buildings that are in need of upgrade to improve the student experience.</p>	<p>There is the potential to make regional infrastructure grants and funding available to regional universities to help fund upgrades of existing accommodation and new facilities.</p> <p>It would be recommended that any grants be tied to a business case to determine if the new investment would help boost demand for student accommodation and achieve other desired socio-economic outcomes.</p> <p>This funding could be linked to universities providing an allocation of affordable beds to RRR students or other 'equity' students such as lower socio-economic status, disability and indigenous students.</p>

Challenge	Potential Response(s)
<p>RRR students are being deterred from studying at university due to the high costs of living in some locations.</p>	<p>Providing easily accessible information to RRR students on the cost of living in different cities and towns could help students concerned about financial constraints choose locations with a lower cost of living.</p> <p>This could potentially include an index on the cost and availability of both student accommodation and private rental accommodation so that students are better informed and more confident to relocate to study.</p>

Source: Urbis

An additional observation emerging from the assessment is the evolution of the tertiary education sector and the trend towards more students (especially RRR students) choosing to study online. With continued technological advancement and disruption occurring in the sector, tertiary education is likely to look very different in the medium to longer term and have significant implications for accommodation. Some students will continue to be unwilling to relocate for university due to cost and a range of other reasons with online education providing a viable alternative.

In the medium to longer term there is the potential to expand online learning opportunities for students with satellite teaching facilities in smaller towns that leverage video conferencing and similar technologies. This could be combined with shorter intense teaching periods where students travel to the main campus for intensive classes, reducing their requirement to seek long term accommodation.

# 1. INTRODUCTION

## 1.1. PROJECT BACKGROUND

The Commonwealth Government commissioned an *Independent Review into Regional, Rural and Remote Education* in March 2017. The affordability and accessibility of university accommodation arose as a potential issue deterring the number of regional, rural and remote (RRR) students choosing to pursue higher education.

The Department of Education and Training has engaged Urbis to undertake an assessment of university investment in on-campus student accommodation to support an adequate supply of affordable accommodation for regional, rural and remote students.

## 1.2. PURPOSE OF THE STUDY

The purpose of the study is to assess the supply and demand of purpose built student accommodation (PBSA) for regional, rural and remote students and how universities can approach the delivery of accommodation. Key components of the study are:

- Identify challenges faced by RRR students associated in accessing affordable and appropriate accommodation
- Assess the financial status of RRR students and the financial support that is available to them
- Analyse the accommodation costs that RRR university students can afford to pay
- Analyse the financial considerations of universities when considering investing in PBSA including case studies of how a selection of Australian universities are approaching the issue
- Identify the current policies adopted by Australian universities relating to the provision of student accommodation for RRR students
- Assess of how student accommodation is delivered in other countries with higher student mobility and identify of potential learnings for Australian universities.

## 1.3. DEFINITION

In Australia numerous terms are used for communities and locations 'beyond the city'. These include the three used for this assessment—'regional, rural and remote'. In the context of this report, the term 'regional' and the abbreviation 'RRR' have been adopted to cover regional, rural and remote areas. Unless otherwise stated, 'regional' data refers to locations outside of the Greater Capital City Statistical Area as defined by the Australian Bureau of Statistics (ABS).

## 2. LITERATURE REVIEW

The following section represents a summary of the literature review of relevant studies on student accommodation in Australia we conducted with a focus on the needs for RRR students. The table provides an overview of the report and the implications for the study.

### Literature Review

Student Accommodation

Table 2.1

Report	Study Overview	Implications for the Study
<p>Australian University Student Finances Survey 2012</p>	<p>The aim of the Australian University Student Finances Survey 2012 was to provide an evidence-based understanding of the financial circumstances of the student population in Australia (both international and domestic) through the collection of quantitative survey data on: access to income support and scholarships, income from paid employment and the impact of paid work on study, study and living costs and student debt.</p>	<p>The study provides detailed survey data on the financial situation of domestic students including incomes and expenses. The report highlights that more than two-thirds of students reported being worried about their financial situation and around half of domestic undergraduate were in a budget deficit with expenses exceeding income. Rent, food and household costs accounted for around half of student expenses indicating that accommodation has a major impact on the financial situation of students.</p> <p>The survey has been undertaken again in 2017 though the data had not been released at the time of publication of this study</p>
<p>National Census of University Student Accommodation Providers 2014</p>	<p>A census of all university student accommodation in Australia based on a comprehensive survey of operators. The assessment included analysis on the breakdown of beds by location, size, ownership and management, religious affiliation, demographics and catering.</p>	<p>The study outlined that there were around 74,000 PBSA beds across Australia in 2014 with around 40% being occupied by international students and the remaining 60% by domestic. However, the survey does not breakdown the domestic residents by metropolitan or RRR students.</p> <p>The report also highlights that the relative provision of PBSA in Australia is significantly lower than major competitors for international students such as the USA and UK.</p>

<b>Report</b>	<b>Study Overview</b>	<b>Implications for the Study</b>
Higher Education Infrastructure Working Group Final Report - 2015	<p>In May 2014 the Minister for Education and Training established a Working Group to examine the actions required to set in place policy frameworks to support institutions in creating high quality infrastructure and any impediments.</p> <p>The Working Group undertook a program of research and consultations with a focus on:</p> <ul style="list-style-type: none"> <li>• Existing infrastructure</li> <li>• Funding requirements and sources</li> <li>• Role of Government.</li> </ul>	<p>While the report doesn't specifically address the accommodation needs of RRR students, the report does highlight the need to provide good student accommodation infrastructure. The report highlights the options (other than developing and operating themselves) available to universities to facilitate the development and maintenance of student accommodation including:</p> <ul style="list-style-type: none"> <li>• Philanthropy</li> <li>• Securitised transactions</li> <li>• Project finance</li> <li>• Public private partnerships (PPPs) such as service concessions and build own operate and transfer (BOOT) schemes</li> <li>• Finance leases.</li> </ul>
Australian Student Accommodation Indicators Study 2016	<p>The study undertaken by Urbis assessed the student accommodation market in Australia and developed indicators on the current and future capacity to accommodate students in Australia. The key components of the study were:</p> <ul style="list-style-type: none"> <li>• Review of the overall international education market across Australia considering the current distribution of students, future growth of international and domestic students and current level of supply of student accommodation</li> <li>• Identify a minimum set of quantitative indicators of accommodation estimating Australia's capacity to host a growing number of international students and to assist domestic students also seeking accommodation</li> <li>• Comparing the benchmarks for Australia against other competitive education markets such as the United States of America, United Kingdom, New Zealand and Canada</li> </ul>	<p>The focus of the report was on accommodating international students with limited in-depth analysis of the domestic regional market. The report highlighted that the provision of PBSA in Australia relative to the number of university enrolled students is significantly lower than other countries such as the UK, USA and New Zealand.</p> <p>The report highlights the key competition to PBSA from the private rental market with a lot of students choosing to live in rental accommodation. Over half of international students in Australia in 2014 were living in the private rental market.</p>



<b>Report</b>	<b>Study Overview</b>	<b>Implications for the Study</b>
<p>Independent Review into Regional, Rural and Remote Education – Discussion Paper - 2017</p>	<p>In June 2016, the Australian Government announced Regional Student Access to Education package which included an independent comprehensive review into regional, rural and remote education.</p> <p>The Review considered the key issues, challenges and barriers that impact on the learning outcomes of regional, rural and remote students and aims to identify innovative and fresh approaches to support improved access and achievement of these students in school and in their transition to further study, training and employment.</p>	<p>The paper highlights that a key practical matter facing regional, rural and remote students is high rental prices for on-campus accommodation, which can also be hard to obtain due to high demand. These students can also have difficulty in the private rental market due to their age and lack of rental history.</p> <p>To address this issue, the report asks “Are there innovative models of accommodation delivery that could benefit regional, rural and remote tertiary students studying away from home?”</p>
<p>Student Housing Survey 2017</p>	<p>The National Union of Students (NUS) commissioned Anglicare Australia to assist them to conduct and analyse an online survey of university students, to gain insight into their experiences with housing, and how housing affects their financial and studying experiences.</p> <p>The survey highlights that there are a lot of domestic students experiencing financial difficulties associated with the cost of studying.</p>	<p>While there is no specific analysis of regional students, it is highlighted that students living away from home (more likely to be RRR students) experience more difficulties.</p> <p>Overwhelmingly the cost of rent is the most cited negative issue by survey respondents living on-campus followed by the quality of accommodation and issues with sharing.</p> <p>For the students living and sharing private rental accommodation who answered the survey, more than half report negative issues. The cost of rent and poorly maintained properties are the leading cause of concern. They are closely followed by being unable to study at home, poor treatment by landlords, and over-crowding.</p>

<b>Report</b>	<b>Study Overview</b>	<b>Implications for the Study</b>
Savills Student Accommodation Market Report 2017	An annual report prepared by Savills on the student accommodation market in Australia. The report provides an overview of the existing and proposed supply of student accommodation in Australia, and the key demand drivers and investment activity.	<p>The report highlights the strong growth in international students as a major driver for new student accommodation in Australia.</p> <p>Significant activity in the student accommodation market with both private developers undertaking major projects in the capital cities and universities improving/extending existing residential portfolios.</p> <p>There is a large number of new developments with rents priced higher than existing accommodation to justify the new construction costs and investment. Moving forward, the affordability of student accommodation rents will be an important issue for new development as a high proportion of demand will be at the lower price points. Affordability is particularly important for RRR students, highlighting the need for new affordably priced accommodation.</p>

Source: Urbis

## 3. REGIONAL STUDENTS

This chapter assesses the financial position of RRR students and the challenges they face in accommodation.

### 3.1. UNIVERSITY ENROLMENTS

#### 3.1.1. Students

The number of regional university students have been estimated from de-identified data provided by the Department of Education and Training, which shows the postcode of campus and the postcode of permanent residence for all internal full-time students studying higher education in Australia. Internal students refer to students studying at a campus rather than online through distance education.

It is noted that distance education and part-time students are unlikely to need student accommodation and as such account for a very small percentage of student accommodation residents in Australia (it is noted however that these students often access on campus accommodation for short residential stays of 1 to 2 weeks during traditional semester break periods). Based on consultation by Urbis with university accommodation offices and private student accommodation operators throughout Australia and analysis of resident data, it is noted that internal full-time university students account for the vast majority of demand for student accommodation. While there is no consolidated data available, it is estimated from consultation and Urbis' experience in the sector that over 95% of places in purpose built student accommodation establishments are occupied by university students with the remaining 5% comprised of vocational and English language students.

Analysis of de-identified data provided by the Department of Education and Training indicates that there was a total of 764,260 internally enrolled, full-time students in Australia in 2016. This includes 435,603 (57%) students from metropolitan regions, 112,587 (15%) from regional areas, and 216,070 (28%) international students.

Table 3.1 below outlines university enrolments by location of the campus of study (whether it is in a metropolitan or regional), and place of origin of the internal full-time students. From this data we are able to calculate what proportion of students originating from regional areas are either migrating to metropolitan campuses to study, or remain in regional areas to study. Amongst students that originate from regional areas, 57,499 move to study at metropolitan university campuses, representing 53% of RRR students, whilst 51,090 (47%) remain in regional areas.

Of the 422,474 students originating from metropolitan regions in Australia, 418,430 (99%) study on metropolitan campuses, indicating a very strong tendency for these students to remain in metropolitan areas (and contoured to live at home). Amongst international students, the tendency is to study in metropolitan areas, with 96% (199,022) of the 216,070 international students studying in metropolitan campuses.

#### University Students, Metropolitan vs. Regional

Australia, 2016

Table 3.1

Campus of Study	Place of Origin			Total
	Metropolitan	Regional	International	
Metropolitan	418,430	57,499	199,022	<b>674,952</b>
Regional	17,173	55,088	17,048	<b>89,309</b>
<b>Total</b>	<b>435,603</b>	<b>112,587</b>	<b>216,070</b>	<b>764,260</b>

Source: Department of Education and Training, Urbis

Table 3.2 below extends Table 3.1 above by breaking down campus of study, and place of origin by each State and Territory. The key findings include:

- Within NSW there are a total of 35,315 students originating from regional areas within NSW, with 7,160 (20%) moving to Sydney to study, and 28,154 (80%) remaining in regional NSW.

- The inverse is true for Victoria, with a total of 23,913 students originating from regional areas within Victoria, with 17,205 (72%) moving to Melbourne to study, and 6,708 (28%) remaining in regional Victoria.
- South Australia experiences the largest migration of students originating from regional areas to Metropolitan areas to study. Of the 4,880 students originating from regional South Australia, 4,558 (93%) migrate to Adelaide to study, with 322 (7%) remaining in regional South Australia.
- In Western Australia, of the 5,189 students originating from regional Western Australia, 4,588 (88%) migrate to Perth to study, with 601 (12%) remaining in regional Western Australia.
- Queensland, and Tasmania experience a close to even split amongst students originating from regional areas. Within Queensland, there are a total of 36,656 students originating from regional Queensland. Of these students, 18,873 (51%) migrate to Brisbane to study, with 17,783 (49%) remaining in regional areas.
- In Tasmania, of the 2,500 students originating from regional Tasmania, 1,027 (41%) migrate to Hobart to study, with 1,473 (59%) remaining in regional Tasmania.
- Tasmania also experiences the largest migration of students originating from metropolitan regions to regional campuses to study. Of the 3,693 students originating from metropolitan areas in Tasmania, 410 (11%) migrate to regional Tasmania to study, with 3,283 (89%) remaining in metropolitan Tasmania. This is likely due to the University of Tasmania being the only university in the state and students having to travel to Launceston to access certain courses that are based there.
- This is followed by NSW, with 8% of metropolitan originating students migrating to regional NSW to study.
- Primarily, international students demonstrate a tendency to study in metropolitan campuses. However, Queensland and Tasmania experience the largest proportions of international students studying in regional areas. In Queensland, of the 32,353 international students, 7,573 (23%) study in regional areas. Whilst, in Tasmania, of the 2,927 international students, 755 (26%) study in regional Tasmania.

## University Students, Metropolitan vs. Regional

By State, 2016

Table 3.2

Campus of Study	Domestic - Metropolitan	Domestic - Regional	International	Total
Sydney	131,093	7,160	63,577	201,830
Regional NSW	11,131	28,154	7,776	47,061
<b>NSW</b>	<b>142,223</b>	<b>35,315</b>	<b>71,353</b>	<b>248,891</b>
Melbourne	119,431	17,205	72,478	209,114
Regional Victoria	1,555	6,708	724	8,987
<b>Victoria</b>	<b>120,986</b>	<b>23,913</b>	<b>73,202</b>	<b>218,101</b>
Brisbane	62,966	18,873	24,780	106,619
Regional Queensland	3,529	17,783	7,573	28,885
<b>Queensland</b>	<b>66,495</b>	<b>36,656</b>	<b>32,353</b>	<b>135,504</b>
Adelaide	36,818	4,558	12,239	53,615
Regional SA	388	322	71	781
<b>South Australia</b>	<b>37,206</b>	<b>4,880</b>	<b>12,310</b>	<b>54,396</b>
Perth	51,008	4,588	14,905	70,501
Regional WA	149	601	149	900
<b>Western Australia</b>	<b>51,158</b>	<b>5,189</b>	<b>15,054</b>	<b>71,401</b>
Hobart	3,283	1,027	2,172	6,482
Regional Tasmania	410	1,473	755	2,638
<b>Tasmania</b>	<b>3,693</b>	<b>2,500</b>	<b>2,927</b>	<b>9,120</b>
<b>Australian Capital Territory</b>	<b>13,129</b>	<b>3,998</b>	<b>8,167</b>	<b>25,294</b>
Darwin	702	91	704	1,497
Regional NT	11	46	0	57
<b>Northern Territory</b>	<b>713</b>	<b>137</b>	<b>704</b>	<b>1,554</b>
<b>Australia</b>	<b>435,603</b>	<b>112,587</b>	<b>216,070</b>	<b>764,260</b>

Source: Department of Education and Training, Urbis

Mobile students are defined as full-time internal students that are most likely to have to move from their previous home to study. These students represent the majority of students that require new accommodation when commencing university study. Mobile students include the following full-time cohorts:

- International Students: Foreign students studying in Australia (onshore students).
- Domestic: Includes all students where their postcode of permanent residence is greater than 60 km from their postcode of study. A distance of 60 km or more is considered to be a sufficiently long commuting distance requiring students to find accommodation closer to their place of study. However, it is noted that some RRR students may consider commuting 60km if the drive time is manageable.

Table 3.3 outlines the number of international, domestic metropolitan and domestic RRR students by state in 2016 who are considered to be 'mobile' and potentially requiring student accommodation in proximity to their place of study. Key findings include:

- Approximately 16% of domestic students in Australia are considered mobile.
- Students originating from regional areas in Australia are more mobile, with 56,028 (50%) students most likely having moved 60km or more from their permanent residence to their postcode of study. This highlights the greater need for assistance in relocating for RRR students. Appendix A comprises maps highlighting the postcode of residence of RRR students living in each capital city. The maps highlight the

higher density of RRR students living close to major university campuses which are primarily located in the inner areas of each city.

- Students originating from metropolitan areas are significantly less mobile, with only 29,620 (7%) students considered mobile. This is reflected with the vast majority of metropolitan students choosing to study locally and stay at home while they study.
- The Australian Capital Territory, and Tasmania comprised the highest proportions of mobile students. Of the 17,127 domestic students studying in the Australian Capital Territory, 6,409 (37%) are considered mobile. In Tasmania, of the 6,193 domestic students, 1,929 (31%) are considered mobile.
- South Australia (11%), Western Australia (12%), and NSW (13%), are the states with the lowest proportions of domestic students that are considered mobile.
- Students originating from regional areas in Western Australia, Northern Territory, and South Australia have the highest proportions of mobile RRR students. In Western Australia, 86% (4,488) of RRR students are considered mobile, in Northern Territory 85% (116) are considered mobile, and in South Australia 76% (3,706) are considered mobile.
- Queensland and NSW have the lowest proportions of mobile RRR students comprising 38% and 40%, respectively.

### Mobile University Students, Metropolitan vs. Regional

By State, 2016

Table 3.3

Campus of Study	Domestic - Metropolitan	Domestic - Regional	International	Total
Sydney	5,099	6,503	63,577	75,180
Regional NSW	4,038	7,740	7,776	19,555
<b>NSW</b>	<b>9,138</b>	<b>14,244</b>	<b>71,353</b>	<b>94,735</b>
Melbourne	6,093	13,489	72,478	92,060
Regional Victoria	1,489	2,332	724	4,546
<b>Victoria</b>	<b>7,582</b>	<b>15,821</b>	<b>73,202</b>	<b>96,605</b>
Brisbane	2,853	11,034	24,780	38,667
Regional Queensland	2,102	3,058	7,573	12,733
<b>Queensland</b>	<b>4,955</b>	<b>14,092</b>	<b>32,353</b>	<b>51,400</b>
Adelaide	978	3,603	12,239	16,820
Regional SA	138	104	71	313
<b>South Australia</b>	<b>1,116</b>	<b>3,706</b>	<b>12,310</b>	<b>17,132</b>
Perth	1,896	4,422	14,905	21,223
Regional WA	98	66	149	313
<b>Western Australia</b>	<b>1,994</b>	<b>4,488</b>	<b>15,054</b>	<b>21,536</b>
Hobart	293	816	2,172	3,282
Regional Tasmania	405	414	755	1,575
<b>Tasmania</b>	<b>699</b>	<b>1,230</b>	<b>2,927</b>	<b>4,856</b>
<b>Australian Capital Territory</b>	<b>4,078</b>	<b>2,330</b>	<b>8,167</b>	<b>14,576</b>
Darwin	51	84	704	839
Regional NT	8	32	0	40
<b>Northern Territory</b>	<b>58</b>	<b>116</b>	<b>704</b>	<b>879</b>
<b>Australia</b>	<b>29,620</b>	<b>56,028</b>	<b>216,070</b>	<b>301,718</b>

Source: Department of Education and Training, Urbis



The following table further breaks down the mobile RRR student enrolments by whether they are a commencing or continuing student and their level of study (undergraduate, postgraduate and non-award). Commencing undergraduate students are the major cohort that demand university student accommodation as they are younger and generally moving away from home for the first time. Continuing students are more likely to move out of student accommodation and into the private rental market as they make friends and become more independent.

Melbourne and Brisbane have the highest number of commencing undergraduates moving from regional areas indicating that it will be important for there to be sufficient accommodation suitable for this cohort.

### Mobile Regional University Students, By Cohort

By State, 2016

Table 3.4

Campus of Study	Commencing			Continuing			Total
	Under-graduate	Post-graduate	Non-Award	Under-graduate	Post-graduate	Non-Award	
Sydney	2,110	428	16	3,414	535	0	6,503
Regional NSW	3,261	99	169	4,014	189	9	7,740
<b>NSW</b>	<b>5,371</b>	<b>527</b>	<b>185</b>	<b>7,428</b>	<b>724</b>	<b>9</b>	<b>14,244</b>
Melbourne	4,605	845	22	6,869	1,148	0	13,489
Regional Victoria	1,060	91	41	1,043	96	2	2,332
<b>Victoria</b>	<b>5,665</b>	<b>936</b>	<b>63</b>	<b>7,912</b>	<b>1,244</b>	<b>2</b>	<b>15,821</b>
Brisbane	4,142	377	59	6,025	422	9	11,034
Regional Queensland	1,237	95	42	1,580	98	6	3,058
<b>Queensland</b>	<b>5,379</b>	<b>472</b>	<b>101</b>	<b>7,604</b>	<b>520</b>	<b>15</b>	<b>14,092</b>
Adelaide	1,339	112	23	1,992	135	2	3,603
Regional SA	18	11	0	50	25	0	104
<b>South Australia</b>	<b>1,358</b>	<b>123</b>	<b>23</b>	<b>2,041</b>	<b>160</b>	<b>2</b>	<b>3,706</b>
Perth	1,527	243	153	2,253	231	16	4,422
Regional WA	22	4	15	23	2	0	66
<b>Western Australia</b>	<b>1,548</b>	<b>247</b>	<b>168</b>	<b>2,275</b>	<b>233</b>	<b>16</b>	<b>4,488</b>
Hobart	295	47	11	412	49	2	816
Regional Tasmania	178	6	8	198	23	1	414
<b>Tasmania</b>	<b>473</b>	<b>54</b>	<b>18</b>	<b>610</b>	<b>71</b>	<b>3</b>	<b>1,230</b>
<b>ACT</b>	<b>863</b>	<b>149</b>	<b>12</b>	<b>1,143</b>	<b>164</b>	<b>0</b>	<b>2,330</b>
Darwin	13	5	9	43	14	0	84
Regional NT	0	0	24	0	0	9	32
<b>Northern Territory</b>	<b>13</b>	<b>5</b>	<b>32</b>	<b>43</b>	<b>14</b>	<b>9</b>	<b>116</b>
<b>Australia</b>	<b>20,670</b>	<b>2,514</b>	<b>603</b>	<b>29,057</b>	<b>3,129</b>	<b>56</b>	<b>56,028</b>

Source: Department of Education and Training, Urbis

The tertiary education sector is experiencing technological disruption with advancements in digital distribution, providing greater access to university courses online. While it is difficult to predict the long-term outlook for the education sector, the following section assesses current trends in online education.

There are several course modes available to students studying in Australia including internal, external and multi-modal, which incorporates a mix of internal and external units. The on-campus university experience is changing as students engage more with online technologies.

Table 3.5 identifies enrolments across Australia from 2006 to 2016 by mode. The proportion of students from regional areas that are studying on-campus has decreased from 80% in 2006 to 63%. The 17-percentage point decline is higher than the 10-percentage point decline in the proportion of metropolitan students studying on-campus. This highlights the greater proportion of students from regional areas that have taken advantage of online learning to complete their tertiary education. This has had an impact on the

demand for student accommodation with a higher proportion of students likely choosing to stay at home while completing their studies.

### Mode of Study of Students

2006 to 2016

Table 3.5

Mode of Study	2006	2011	2016
<b>RRR Students</b>			
Internal	80%	76%	63%
External	7%	9%	13%
Multi-Modal	13%	15%	24%
<b>Metropolitan Students</b>			
Internal	90%	88%	80%
External	3%	4%	6%
Multi-Modal	7%	8%	14%

Source: Department of Education and Training

### 3.1.2. Participation Rates

Table 3.6 outlines university participation rates for metropolitan and regional areas in Australia. The participation rates are calculated by comparing the number of enrolled full-time and part-time students aged 15-24 as a proportion of residents aged 15-24 (population). This population cohort has been selected as they are the most prolific age cohort engaged in university study. It is noted that students who have moved from regional to metropolitan regions are counted as metropolitan students which would naturally increase the participation rate in the metropolitan areas and reduce participation in regional areas. Key findings include:

- The participation rate of people aged 15-24 in full-time and part-time university study against all residents aged 15-24 in Australia is 19%.
- Participation rates in metropolitan areas (28%) is more than double the participation rate in regional areas (12%) in Australia. People aged 15-24 living in regional areas account for around 31% of the 15-24 aged population though current full-time students from regional areas account for only 20% of students. This highlights the lower participation rate of RRR students, which is likely to be driven by a range of factors including by not limited to: lower educational attainment, social barriers through being first in family to attend higher education, low socioeconomic status, transport barriers, limited local access to education facilities and high cost of relocation for study.
- The Australian Capital Territory has the highest participation rate across all States and Territories in Australia (34%).
- Regional NSW and Regional Queensland have the highest participation rate (14%) for regional areas in Australia, which reflects the relatively higher number of regionally located universities.
- Regional Northern Territory has the lowest regional participation rate (2%), followed by Regional Western Australia (4%), and Regional South Australia (5%), which reflects the relatively lower number and size of regionally located university campuses.

## University Participation Rates

Proportion of Residents Aged 15-24, 2016

Table 3.6

Campus of Study	Attendance	Population	Participation Rate
Sydney	182,098	629,104	29%
Regional NSW	41,548	307,087	14%
<b>NSW</b>	<b>223,646</b>	<b>936,191</b>	<b>24%</b>
Melbourne	182,507	602,382	30%
Regional Victoria	20,069	166,499	12%
<b>Victoria</b>	<b>202,576</b>	<b>768,881</b>	<b>26%</b>
Brisbane	79,428	317,325	25%
Regional Queensland	40,257	294,260	14%
<b>Queensland</b>	<b>119,685</b>	<b>611,585</b>	<b>20%</b>
Adelaide	44,250	168,915	26%
Regional SA	1,994	39,321	5%
<b>South Australia</b>	<b>46,244</b>	<b>208,236</b>	<b>22%</b>
Perth	58,824	253,558	23%
Regional WA	2,089	56,095	4%
<b>Western Australia</b>	<b>60,913</b>	<b>309,653</b>	<b>20%</b>
Hobart	5,482	27,607	20%
Regional Tasmania	3,306	33,172	10%
<b>Tasmania</b>	<b>8,788</b>	<b>60,779</b>	<b>14%</b>
<b>Australian Capital Territory</b>	18,891	55,825	<b>34%</b>
Darwin	2,078	17,152	12%
Regional NT	260	13,347	2%
<b>Northern Territory</b>	<b>21,229</b>	<b>86,324</b>	<b>25%</b>
<b>Australia</b>	<b>701,972</b>	<b>3,037,474</b>	<b>19%</b>
<b>Metropolitan</b>	<b>573,558</b>	<b>2,071,868</b>	<b>28%</b>
<b>Regional</b>	<b>109,523</b>	<b>909,781</b>	<b>12%</b>

Source: ABS Census, Urbis

## 3.2. FINANCIAL SUPPORT TO REGIONAL STUDENTS

Students tend to be at the lower income level and rely on other sources for their income, including private assistance, university scholarships and government support. The following section outlines the different types of financial assistance available to RRR students and the eligibility criterion.

### Youth Allowance

Youth Allowance is a government aid that provides financial assistance to students and Australian apprentices under 24, who are looking for work or are sick.

To receive youth allowance, students must meet one of the following eligibility criteria:

- 18-24 studying full-time
- 16-24 and a full-time Australian apprentice
- 16-17, independent and needing to live away from home to study.

Other key criteria include whether the student is considered to be dependent or independent. All students over 22 are considered to be independent and able to access Youth Allowance though students under 22 must show that they are financially independent from their parents.

Table 3.7 outlines the financial outlay on Youth Allowance in Australia over the last three years. During 2015-16 there were an average of around 211,000 students across Australia receiving an average Youth Allowance payment of \$444.60 per fortnight.

### Annual Administered Outlays for Youth Allowance

2013-14 to 2015-16

Table 3.7

	2013-14	2014-15	2015-16
Total administered outlays	\$2.6 billion	\$2.56 billion	\$2.44 billion
Average annual number of students in receipt of payment	228,669	221,551	211,082
Average annual payment per student	\$11,370.20	\$11,554.90	\$11,559.50
Average fortnightly payment per student	\$437.30	\$444.40	\$444.60

Source: Australian National Audit Office

Table 3.8 outlines the number of students and apprentices in Australia receiving Youth Allowance as of June 2017. Over 80% of people receiving the allowance were living in Major Cities whilst those living in regional areas accounted for 16% of recipients.

### Youth Allowance (Student and Apprentice)

Point in time data – June 2017

Table 3.8

Remoteness Areas	Total No. Recipients	% of Total
Major Cities	166,900	81.7%
Inner Regional	27,072	13.2%
Outer Regional	7,899	3.9%
Remote	431	0.2%
Very Remote	96	0.0%
Remoteness Undetermined	1,925	0.9%
<b>Total</b>	<b>204,323</b>	<b>100%</b>

Source: Department of Social Services

Table 3.9 details the payment rates for eligible Youth Allowance recipients. Students and apprentices currently living at home receive lower allowance rates due to the absence of rent, approximately \$200 less for recipients under 18 and \$150 less for recipients over 18. Once a recipient's income surpasses the cut off rate, the payments cease. Similarly, once a certain payment threshold is surpassed, the payment rate will reduce according to their residence, age and income.

## Youth Allowance Payment Rates

2018

Table 3.9

Single	Living away from home	Age	Maximum Living Allowance Rate (fortnightly)	Cut Off Rate -payment reduces to \$0 once income reaches maximum of
✓	✗	Under 18	\$244.10	\$864.84
✓	✓	Under 18	\$445.80	\$1,206.17
✓	✗	18+	\$293.60	\$948.50
✓	✓	18+	\$445.80	\$1,206.17

Source: Australian Department of Human Services

Note: Payment rates for Youth Allowance recipients who have dependent children and/or spouse have been excluded from this table.

If an applicant is considered dependent, the combined income of their parents or guardian(s) will be considered. There are two parts to the parental means test. There is an income test, and a maintenance income test. If the applicant's parental income is \$51,903 or less, there is no change to an applicant's payment, however, if parental income is more than \$51,903, the payment amount is reduced by 20 cents for every dollar.

Long term income support rates apply to Youth Allowance recipients aged 22 or older, currently studying a full-time course or apprenticing who have received income support for at least 6 months of the past 9 months, excluding student or apprentice payment.

## Long Term Income Support Special Rates

2018

Table 3.10

Single	Living away from home	Age	Maximum Living Allowance Rate (fortnightly)	Cut Off Rate -payment reduces to \$0 once income reaches maximum of
✓	✗	22+	\$360.20	\$1,061.34
✓	✓	22+	\$541.70	\$1,368.67

## Austudy

Austudy is another form of government financial assistance for students and Australian apprentices who are 25 years of age or older.

The following eligibility criteria apply to Austudy recipients:

- At least 25 years old
- A full-time student in an approved course / Australian apprenticeship or traineeship
- Under the income and asset test limits.

Table 3.11 outlines the maximum fortnightly payment rate for students and apprentices receiving Austudy assistance.

## Payment Rates

2018

Table 3.11

Single	Living Away from Home	Maximum Living Allowance Rate (fortnightly)	Cut Off Rate -payment reduces to \$0 once income reaches maximum of
✓	✗	\$445.80	\$864.84
✓	✗	\$445.80	\$948.50
Any	✓	\$445.80	\$1,206.17

Source: Australian Department of Human Services

Table 3.12 outlines the number of students receiving payments from Austudy based on the remoteness of their place of residence. Almost 80% of recipients live in major cities whilst inner and outer RRR residents account for 20.6% of Austudy recipients. Only 157 Austudy students reside in remote and very remote areas, accounting for less than 1% of the total recipients.

## Austudy Recipients

Point in time data – June 2017

Table 3.12

Remoteness Areas	Total	% of Total
Major Cities	33,369	78.3%
Inner Regional	6,629	15.5%
Outer Regional	2,162	5.1%
Remote	121	0.3%
Very Remote	36	0.1%
Remoteness Undetermined	325	0.8%
<b>Total</b>	<b>42,642</b>	<b>100%</b>

Source: Department of Social Services

An individual's eligibility and payment amount is assessed using individual, partner and parental income and asset value tests (where applicable). For students and Australian apprentices, applicant's payments will start to reduce if they earn over \$437 a fortnight.

If an applicant is considered dependant, the combined income of their parents or guardian(s) will be considered. There are two parts to the parental means test. There is an income test, and a maintenance income test. If the applicant's parental income is \$51,903 or less, there is no change to the payment, however, if parental income is more than \$51,903, the payment amount is reduced by 20 cents for every dollar. Further, if the applicant is dependent, the amount of child support or voluntary maintenance parents or guardian receive is considered.

## ABSTUDY

ABSTUDY is another form of financial help, specific to Aboriginal or Torres Strait Islander students, covering costs across study, housing, living expenses and travel expenses.

Together, Youth Allowance and ABSTUDY provide \$2.7 billion annually in financial assistance to Australian students and apprentices.

The following eligibility criteria apply to students wishing to receive ABSTUDY benefits:



- Aboriginal or Torres Strait Islander
- Student in an approved course / Australian apprenticeship or traineeship
- Covered under 1 ABSTUDY Award
- Not receiving other payment to study or train.

ABSTUDY Awards:

The following awards apply to tertiary students:

- Tertiary Award: full time tertiary students and apprentices
- Part time Award: part time tertiary students
- Master's and Doctorate Award: full time master's and doctorate students.

Table 3.13 outlines the financial outlay on ABSTUDY in Australia over the last three years. Almost \$260 million in financial outlay were administered to eligible students and apprentices in 2015-16, an increase of \$20 million from the previous year. The average annual payment per student has decreased since 2014-15 to \$312.20 per fortnight which may be due to the increase in students receiving the payment, having leaped by almost 3,000 in the past year.

### Annual Administered Outlays for ABSTUDY

2013-14 to 2015-16

Table 3.13

	2013-14	2014-15	2015-16
Total administered outlays	\$222.7 million	\$239.7 million	\$259.5 million
Average annual number of students in receipt of payment	30,842	28,755	31,966
Average annual payment per student	\$7,222	\$8336.30	\$8,117.10
Average fortnightly payment per student	\$277.80	\$320.60	\$312.20

Source: Australian National Audit Office

Table 3.14 details the ABSTUDY payment rates for students by age and study level. Students who live away from home will receive a maximum fortnightly allowance of \$445.80 if they are under 22 years of age and \$538.80 if they are 22 years or older. Students undertaking a master's or doctorate are eligible for a \$1,038.80 fortnightly allowance.

### ABSTUDY Payment Rates

2018

Table 3.14

Single	Living away from home	Age	Other Criteria	Maximum Living Allowance Rate (fortnightly)
✓	✓	Younger than 22	Independent	\$445.80
✓	✓	16-21	Dependent	\$445.80
✓	✓	22-59	Independent	\$538.80
✓	✓	22+	Dependent	\$538.80
✓	✓	Any age	Master's or doctorate student	\$1,038.80

Source: Australian Department of Human Services

Table 3.15 outlines the income tests which determine whether a full or partial payment rate will be made to the recipient. If an ABSTUDY student or apprentice receives an income less than \$437 per fortnight, the full payment rate applies. Any income over \$437 per fortnight will incur a reduced rate based on the exact income the student or apprentice receives.

### Income Tests

2018

Table 3.15

Income	Payment Rate
Less than \$437 per fortnight	Full payment
\$437-\$524	Reduced payment by 50 cents per \$1 earned over \$437
More than \$524	Reduced payment by \$43, plus reduction by 60 cents per \$1 earned over \$524

Source: Australian Department of Human Services

#### Fares Allowance:

Unlike Austudy, ABSTUDY also offers financial assistance across specific travel and residential costs. Tertiary students who live away from home and receive ABSTUDY are eligible for Fares Allowance, which covers travel costs in relation to the following circumstances:

- Start and end of studies travel
- Travel during academic year (must be enrolled for more than 1 semester)
- Exam travel
- Graduation travel
- Compassionate travel.

#### Residential Costs Option:

Residential costs assistance is also available to tertiary students receiving a higher rate of ABSTUDY while living away from home in a residential college.

Costs covered by the ABSTUDY Residential Costs Option may include the following:

- Accommodation
- Meals, if provided
- Laundry charges
- Other non-refundable compulsory fees.

Costs not covered by the Residential Costs Option include:

- Refundable fees such as rental bonds.

Tertiary students who have received a Relocation Scholarship or Commonwealth Accommodation Scholarship are not eligible for the Residential Costs Option, nor apprentices.

While ABSTUDY pays residential costs directly to the educational institution or hostel, the ABSTUDY Living Allowance is reduced. When there are no residential costs, such as the duration of a holiday break, the ABSTUDY Living Allowance will be paid in full according to the regular payment rate and income tests.

## Commonwealth Rent Assistance

The Commonwealth Government provides non-taxable income supplements to renters who meet the terms of the eligibility criteria. A person must qualify for a social security payment before they can receive rent assistance. The table below outlines the rental assistance available to a university student on Youth Allowance without dependent children.

### Commonwealth Rent Assistance Payments

2018

Table 3.16

Single	Minimum Fortnightly Rent	Maximum Fortnightly Rent	Maximum Rent Assistance Payment (Fortnightly)
✓	\$118.60	\$295.93	\$133.00
✗	\$192.20	\$359.40	\$125.40

Source: Australian Department of Human Services

The maximum rent assistance payment per fortnight for a single person with no children is \$133. This payment decreases to \$125.40 if the person is part of a couple. Rent assistance is not available for people leasing from the state housing authority.

## Student Start-up loans

The Student Start-up Loan is a voluntary \$1,055 tax-free loan for students which can be received up to twice in one year.

Eligibility:

- Currently receive Youth Allowance (student), Austudy or ABSTUDY Living Allowance
- Be studying a Student Start-up Loan approved course
- Apply during loan period and at least 35 days before their course ends

The two loan periods each calendar year are:

- 1 January to 30 June
- 1 July to 31 December.

## Relocation scholarships

The Relocation Scholarship is a once a year payment for students receiving ABSTUDY or Youth Allowance and need to move to or from a regional or remote area for higher education study.

To be eligible for the scholarship, recipients must meet the following criteria:

- Aged under 22
- Full time student in an approved scholarship course
- Dependent student or have a special reason for independence\*
- Receive Youth Allowance (student) or ABSTUDY Living Allowance
- Move to or from a regional or remote area to study.

Special reasons for students younger than 22 to be independent include being married, de facto status for at least 1 year, having dependent children under care, inability to live at home due to extreme conditions, refugee status without parents in Australia, job seeker status, be an orphan who hasn't been legally adopted, be in state care or have left state care due to age.

Table 3.17 outlines the payment rates for eligible scholarship recipients. Students who move to or from a regional or remote area in their first year for study are eligible for a maximum annual allowance of \$4,376. Students moving from a regional or remote area to study in their second and third years may receive a maximum rate of \$2,189 per annum whilst students moving to a regional or remote area in their second year onwards will only be paid a maximum rate of \$1,094 per annum.

### Relocation Scholarship Payment Rates

2018

Table 3.17

Family home in regional or remote area	Course is in regional or remote area	Year of Study (away from home)	Maximum Living Allowance Rate (Annual)
✓	-	First year	\$4,459
✓	-	Second and third years	\$2,231
✓	-	Fourth year onwards	\$1,115
-	✓	First year	\$4,459
-	✓	Second year onwards	\$1,115

Source: Australian Department of Human Services

### Rural and Regional Enterprise Scholarships

In June 2016, the Australian Government announced the \$152 million Regional Student Access to Education package comprising four elements, commencing in 2017–18:

- Reducing the period regional and remote students need to be employed under the self-supporting criteria under Youth Allowance and ABSTUDY living allowance, from 18 months to 14 months.
- 1,200 new rural and regional enterprise scholarships for undergraduate, postgraduate and vocational education students to undertake science, technology, engineering and mathematics studies.
- 50 per cent increase in the Assistance for Isolated Children's Additional Boarding Allowance

Over 2018 and 2019, 1200 Rural and Regional Enterprise Scholarships will be made available to undergraduate, postgraduate and vocational education students from regional, rural and remote areas to undertake study in science, technology, engineering and mathematics (STEM) courses. For the purposes of the scholarships, STEM includes agricultural and health courses, except complementary therapies.

### University scholarships/bursaries

Australian universities are committed to providing financial assistance in the form of scholarships and bursaries to new and existing students.

Many universities provide specific scholarships to assist with costs associated with attending university such as:

- Course fees
- Textbooks
- Accommodation
- Travel.

Most scholarships are allocated based on merit or disadvantage. The following are a few examples of different eligibility criteria distinguishing between scholarships:

- International student status
- Rural, regional or remote living circumstances
- Economic or social disadvantage
- Disability
- Aboriginal or Torres Strait Islander
- Interstate student
- Minimum ATAR cut off
- Community involvement.

### **Part-Time Work**

According to the Anglicare Student Survey, a vast majority of students study a full-time course load, with an expectation to devote 10-12 hours per course each week. Full-time students are therefore dedicating approximately 40 hours per week towards their studies, the equivalent to a full-time job. Therefore, student's undertaking part-time work are sacrificing study time to earn money to pay rent, afford text books and reconcile other living expenses.

Table 3.18 below outlines the average hours worked per week by both full-time and part-time students. Key findings include:

- In Australia, part-time students work on average approximately double that of full-time students.
- Full-time students aged 25+ work 43% more hours per week than full-time students aged 19-24, whilst part-time students aged 25+ work 30% more than part-time students aged 19-24.
- Full-time students in regional areas across Australia work on average 4% more hours per week than full-time students in metropolitan areas. Whilst the average hours worked per week for part-time students for both metropolitan and regional areas is 34 hours.
- Students living in the Northern Territory work the most hours, recording 23 hours per week for full-time students, and 38 hours per week for part-time students. This is above the Australian average of 17 hours per week for full-time students, and 34 hours per week for part-time students.
- Full-time students living in the Northern Territory aged 19-24 work 29% more than the Australian average for a full-time student aged 19-24, whilst those students aged 25+ work 22% more than the Australian average.
- Likewise, part-time students aged 19-24 in the Northern Territory work 27% more than the Australian average, whilst part-time students aged 25+ in the Northern Territory work 8% more than the Australian average.
- Tasmania recorded the lowest average hours worked per week (15) for full-time students, followed by Victoria, South Australia, and Western Australia, all with 16 hours per week.

## Weekly Hours Worked by University Students by Region

2016

Table 3.18

Region	Full-Time	Part-time	19-24 (Full-Time)	25+ (Full-Time)	19-24 (Part-Time)	25+ (Part-Time)
Sydney	18	35	16	23	28	37
Regional NSW	17	34	16	22	29	35
<b>NSW</b>	<b>18</b>	<b>34</b>	<b>16</b>	<b>23</b>	<b>28</b>	<b>36</b>
Melbourne	16	33	14	21	26	35
Regional Victoria	16	33	15	21	27	34
<b>Victoria</b>	<b>16</b>	<b>33</b>	<b>14</b>	<b>21</b>	<b>26</b>	<b>35</b>
Brisbane	17	35	16	22	29	37
Regional Queensland	18	34	17	22	30	36
<b>Queensland</b>	<b>17</b>	<b>35</b>	<b>16</b>	<b>22</b>	<b>29</b>	<b>36</b>
Adelaide	15	32	14	21	25	35
Regional SA	19	34	17	24	31	35
<b>South Australia</b>	<b>16</b>	<b>33</b>	<b>14</b>	<b>21</b>	<b>25</b>	<b>35</b>
Perth	16	33	14	21	25	36
Regional WA	23	36	19	27	32	37
<b>Western Australia</b>	<b>16</b>	<b>33</b>	<b>14</b>	<b>22</b>	<b>25</b>	<b>36</b>
Hobart	15	33	13	19	25	34
Regional Tasmania	16	33	15	21	28	34
<b>Tasmania</b>	<b>15</b>	<b>33</b>	<b>14</b>	<b>20</b>	<b>26</b>	<b>34</b>
<b>Australian Capital Territory</b>	<b>21</b>	<b>37</b>	<b>19</b>	<b>25</b>	<b>31</b>	<b>38</b>
Darwin	22	38	19	25	35	39
Regional NT	33	39	30	34	39	39
<b>Northern Territory</b>	<b>23</b>	<b>38</b>	<b>20</b>	<b>27</b>	<b>35</b>	<b>39</b>
<b>Australia</b>	<b>17</b>	<b>34</b>	<b>15</b>	<b>22</b>	<b>28</b>	<b>36</b>

Source: ABS Census

### Paying for Accommodation

As part of the study, Urbis spoke with university accommodation offices to understand how universities provide accommodation for RRR students (see Section 6). Most university accommodation offices do not appear to formally record how students pay for their accommodation, which would be valuable data to understand the sources of income of residents and their capacity to pay. However, accommodation offices do maintain strong communication with students and anecdotal evidence indicates the following trends:

- A large number of students in accommodation are relying on a mix of Government support, family support, part-time work and university support to pay for their accommodation. First year students tend to rely more on family support with parents paying for their children to live in student accommodation while they get settled in university life. This also reflects the higher fees paid for fully catered accommodation as parents often want to make sure their children are eating and well looked after.
- Continuing students often receive less family support as they have established themselves at university and often have more independence though part-time jobs and Government assistance. As such, students often look for cheaper accommodation options such as self-catered student accommodation and share houses in the private rental market.



- One accommodation officer indicated there were some students from regional areas who were unable to receive Government assistance due to parents exceeding income/asset tests.
- New students often experience particular financial stress at the start of the year as they have significant upfront costs such as transport, relocation costs, upfront rent, bonds and textbooks etc. It was reported that often commencing students applying for Government assistance do not receive the first payment until March meaning they have to source money from other sources such as borrowing from family and friends to meet these upfront costs.

### 3.3. AVERAGE INCOMES

Table 3.19 examines student incomes by attendee status (full-time or part-time), region, and age as measured by the 2016 Census. On average, full-time students living in metropolitan regions in Australia earn \$412 per week, whilst full-time students living in regional areas earn \$409 per week (1% less than metropolitan full-time students). For part-time students, the disparity is greater, with metropolitan students earning \$1,218, and regional students earning \$1,118 per week (9% less than metropolitan part-time students).

However, when we break income down by age, full-time RRR students aged 19-24 earn 6% more per week than their metropolitan counterparts. Likewise, part-time RRR students aged 19-24 earn 4% more per week than those students of the same age living in metropolitan regions. This equates to RRR students generally working more hours than metropolitan students.

Amongst students aged 25+ however, full-time metropolitan students earn 5% more per week than full-time RRR students, while, part-time metropolitan students aged 25+ earn 13% more per week than part-time RRR students aged 25+. Some further key findings include:

- Full-time students living in the Northern Territory are the highest weekly income earners (\$613), earning 49% above the Australian average. Full-time students living in regional Northern Territory earn on average \$824 per week, which is more than double the Australian average.
- Full-time students living in the Northern Territory, work the most hours per week on average (38% above the Australian average), which would result in higher levels of weekly income.
- Part-time students living in the ACT are the highest weekly income earners (\$1,488), however, closely followed by part-time students in the Northern Territory (\$1,458). Part-time students living in the ACT earn on average 25% above the Australian average.
- Amongst full-time RRR students, those aged 19-24 earn 39% less than those aged 25+. Similarly, part-time RRR students aged 19-24 earn 47% less than those aged 25+.
- Between metropolitan students this disparity is more pronounced with full-time students aged 19-24 earning 45% less than those 25+, and part-time students aged 19-24 earning 56% less than those aged 25+.
- Across all residents, the average weekly income in regional areas (\$877) in Australia is 16% lower than the average income in metropolitan areas (\$1,046). These lower incomes in regional areas limit family's abilities to support children that may be studying, and may restrict their ability to live in PBSA. This likely forces RRR students to work more, with full-time RRR students working on average 4% longer per week than their metropolitan counterparts.

## Average Weekly Income for University Students

By Status and Age, 2016

Table 3.19

Region	Full-Time	Part-time	19-24 (Full-Time)	25+ (Full-Time)	19-24 (Part-Time)	25+ (Part-time)	All Residents
Sydney	\$429	\$1,256	\$355	\$660	\$650	\$1,460	\$1,094
Regional NSW	\$405	\$1,114	\$396	\$588	\$637	\$1,232	\$861
<b>NSW</b>	<b>\$424</b>	<b>\$1,214</b>	<b>\$365</b>	<b>\$643</b>	<b>\$647</b>	<b>\$1,389</b>	<b>\$1,010</b>
Melbourne	\$398	\$1,140	\$334	\$591	\$573	\$1,303	\$1,013
Regional Victoria	\$378	\$1,038	\$315	\$559	\$576	\$1,146	\$830
<b>Victoria</b>	<b>\$396</b>	<b>\$1,121</b>	<b>\$332</b>	<b>\$588</b>	<b>\$574</b>	<b>\$1,274</b>	<b>\$968</b>
Brisbane	\$407	\$1,231	\$353	\$615	\$656	\$1,397	\$1,007
Regional Queensland	\$416	\$1,113	\$354	\$592	\$683	\$1,239	\$905
<b>Queensland</b>	<b>\$410</b>	<b>\$1,178</b>	<b>\$354</b>	<b>\$606</b>	<b>\$668</b>	<b>\$1,325</b>	<b>\$955</b>
Adelaide	\$380	\$1,083	\$306	\$581	\$545	\$1,238	\$903
Regional SA	\$414	\$1,089	\$318	\$605	\$647	\$1,156	\$799
<b>South Australia</b>	<b>\$382</b>	<b>\$1,084</b>	<b>\$307</b>	<b>\$582</b>	<b>\$553</b>	<b>\$1,227</b>	<b>\$880</b>
Perth	\$398	\$1,242	\$324	\$625	\$577	\$1,461	\$1,102
Regional WA	\$572	\$1,385	\$366	\$789	\$689	\$1,479	\$1,087
<b>Western Australia</b>	<b>\$405</b>	<b>\$1,261</b>	<b>\$325</b>	<b>\$637</b>	<b>\$585</b>	<b>\$1,463</b>	<b>\$1,099</b>
Hobart	\$380	\$1,127	\$297	\$532	\$565	\$1,229	\$895
Regional Tasmania	\$393	\$1,058	\$305	\$556	\$663	\$1,126	\$774
<b>Tasmania</b>	<b>\$385</b>	<b>\$1,097</b>	<b>\$300</b>	<b>\$541</b>	<b>\$604</b>	<b>\$1,184</b>	<b>\$827</b>
<b>Australian Capital Territory</b>	<b>\$511</b>	<b>\$1,488</b>	<b>\$417</b>	<b>\$760</b>	<b>\$791</b>	<b>\$1,622</b>	<b>\$1,277</b>
Darwin	\$581	\$1,451	\$412	\$736	\$821	\$1,579	\$1,315
Regional NT	\$824	\$1,475	\$487	\$917	\$972	\$1,547	\$870
<b>Northern Territory</b>	<b>\$613</b>	<b>\$1,458</b>	<b>\$417</b>	<b>\$767</b>	<b>\$843</b>	<b>\$1,569</b>	<b>\$1,150</b>
<b>Australia</b>	<b>\$411</b>	<b>\$1,192</b>	<b>\$346</b>	<b>\$618</b>	<b>\$627</b>	<b>\$1,352</b>	<b>\$989</b>

Note: Income includes all sources of income including Government support though excludes family allowances.

Source: ABS Census, Urbis

## 4. STUDENT ACCOMMODATION SUPPLY AND DEMAND

This section comprises a high-level assessment of the demand and supply of student accommodation in Australia for RRR students.

### 4.1. SUPPLY

#### 4.1.1. PBSA Bed Supply

The Urbis Australian Student Accommodation Database comprises comprehensive information regarding PBSA facilities across Australia. This information includes number of beds, types of rooms offered, facilities/common areas, resident characteristics, historical rents and ownership. In this section, the database has been utilised to summarise the supply of PBSA beds in metropolitan and regional areas across Australia. Key findings include:

- There is currently a total supply of around 88,400 PBSA beds in Australia (defined as purpose built facilities with more than 20 beds that target tertiary students). PBSA facilities located in Metropolitan areas across Australia represent 82% (72,281) of the total PBSA bed supply. Facilities located in regional location across Australia represent 18% (16,093) of the total supply of student accommodation beds.
- On-campus facilities represent 64% (56,106) of total supply of student accommodation beds across all regions in Australia, whilst off-campus facilities represent 36% (32,198) of total bed supply. Of the on-campus facilities offered, over 50% of these facilities are owned by universities. It is noted that the proportion of off-campus beds is growing with significant development occurring in the inner areas of most capital cities in Australia.
- For the purpose of this assessment, Urbis has classified student accommodation into four major categories including:
  - University: University owned and operated facilities that are generally located on the campus. University facilities represent 36% (31,456) of the total supply of student accommodation beds across Australia. These facilities include a mix of fully catered halls with bedrooms and shared amenities off a hallway to self-catered apartment style accommodation.
  - Private: Facilities that are privately owned and operated and are not located on a university campus or have an affiliation with a university. Private facilities comprise 28% (25,059) of the total supply of student accommodation beds across Australia. The majority of these facilities are self-catered apartment style accommodation providing residents with more independence.
  - Joint Venture: Facilities where both the university and private sector have a stake in the project. This includes private developments on university land and university owned facilities that have a management agreement with a private sector firm. Joint venture facilities comprise 22% (19,063) of the total supply of student accommodation beds across Australia.
  - Colleges: These are generally older colleges that are affiliated with a university though operated by an independent organisation that is often religiously affiliated. The majority of these facilities comprise catered accommodation with rooms off a hallway with shared bathrooms, kitchens and common area. It is also noted that the buildings tend to be older due to the history associated with these colleges though some of the colleges have built new buildings in recent years, a number of which represent more modern independent living models targeted at older and post graduate students..
  - Colleges comprise 14% (12,996) of the total supply of student accommodation beds across Australia.
- NSW represents the greatest proportion of PBSA bed supply with 31% (27,759), followed by Victoria with 26% (23,403). Within NSW, Sydney represents 72% (19,942) of the total NSW supply, and 23% of the total supply of PBSA beds in Australia. Within Victoria, Melbourne represents 85% (19,982) of the total Victoria supply, and 23% of the total supply of PBSA beds in Australia.
- Regional NSW currently has the highest supply of regional PBSA beds with 7,817, which represents 49% of all regional PBSA supply within Australia.

- There are currently no privately owned PBSA facilities within Perth, however there are several projects in the development pipeline.

## PBSA Supply by Type and Location

2017

Table 4.1

Region	University		Joint Venture		College		Private	Total
	On-Campus	Off-Campus	On-Campus	Off-Campus	On-Campus	Off-Campus	Off-Campus	
Sydney	3,906	1,061	6,054	653	3,007	188	5,073	19,942
Regional NSW	6,496	246	469	0	453	0	153	7,817
<b>NSW</b>	<b>10,402</b>	<b>1,307</b>	<b>6,523</b>	<b>653</b>	<b>3,460</b>	<b>188</b>	<b>5,226</b>	<b>27,759</b>
Melbourne	6,213	400	1,747	639	2,136	408	8,509	20,052
Regional Victoria	3,331	90	0	0	0	0	0	3,421
<b>Victoria</b>	<b>9,544</b>	<b>490</b>	<b>1,747</b>	<b>639</b>	<b>2,136</b>	<b>408</b>	<b>8,509</b>	<b>23,473</b>
Brisbane	1,539	0	659	456	2,628	120	7,094	12,496
Regional Queensland	2,043	0	0	0	697	0	737	3,477
<b>Queensland</b>	<b>3,582</b>	<b>0</b>	<b>659</b>	<b>456</b>	<b>3,325</b>	<b>120</b>	<b>7,831</b>	<b>15,973</b>
Adelaide	561	0	0	403	0	1,119	2,720	4,803
Regional SA	88	0	0	0	0	0	0	88
<b>South Australia</b>	<b>649</b>	<b>0</b>	<b>0</b>	<b>403</b>	<b>0</b>	<b>1,119</b>	<b>2,720</b>	<b>4,891</b>
Perth	1,925	0	1,612	0	1,386	0	0	4,923
Regional WA	45	76	52	0	0	0	0	173
<b>Western Australia</b>	<b>1,970</b>	<b>76</b>	<b>1,664</b>	<b>0</b>	<b>1,386</b>	<b>0</b>	<b>0</b>	<b>5,096</b>
Hobart	492	476	0	0	0	180	93	1,241
Regional Tasmania	874	40	0	0	0	0	89	1,003
<b>Tasmania</b>	<b>1,366</b>	<b>516</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>180</b>	<b>182</b>	<b>2,244</b>
<b>Territory</b>	<b>296</b>	<b>584</b>	<b>6,319</b>	<b>0</b>	<b>674</b>	<b>0</b>	<b>288</b>	<b>8,161</b>
Darwin	360	0	0	0	0	0	303	663
Regional NT	114	0	0	0	0	0	0	114
<b>Northern Territory</b>	<b>474</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>303</b>	<b>777</b>
<b>Australia</b>	<b>28,283</b>	<b>2,973</b>	<b>16,912</b>	<b>2,151</b>	<b>10,981</b>	<b>2,015</b>	<b>25,059</b>	<b>88,374</b>
<b>Metropolitan Campuses</b>	<b>15,292</b>	<b>2,521</b>	<b>16,391</b>	<b>2,151</b>	<b>9,831</b>	<b>2,015</b>	<b>24,080</b>	<b>72,281</b>
<b>Regional Campuses</b>	<b>12,991</b>	<b>452</b>	<b>521</b>	<b>0</b>	<b>1,150</b>	<b>0</b>	<b>979</b>	<b>16,093</b>

Source: Urbis Student Accommodation Database 2017

### 4.1.2. PBSA Fees

To provide an overview of PBSA costs across Australia, Urbis has analysed our Australian Student Accommodation Database. Urbis has estimated the average rent of PBSA in each location based on 2017 rents. This includes the weekly fee for a bedroom in a self-catered facility in a shared facility (comprising shared apartments with three or more bedrooms or a single room off a corridor with shared bathroom and kitchen facilities). The rents have been further broken down by ownership type (university, joint venture and private) with college accommodation excluded as these facilities are generally fully catered. Key findings include:

- The average weekly rent for a bedroom in a shared, self-catered PBSA facility in Australia is around \$243 per week with an average contract length of 46 weeks.
- NSW has the highest average per week rent for a PBSA facility across all ownership types (\$292), which is above the Australian average of \$243. The average rent for a privately owned (off-campus) bed in NSW is \$405 per week, which is driven by privately owned facilities within Sydney, with an average weekly rent of \$413 per week.

- On-campus University owned facilities offer the lowest rents in Australia (\$211 per week), followed by joint venture facilities (\$224 per week) and privately-owned facilities (\$294 per week). The higher rents for privately-owned PBSA reflect the age of the facilities which are typically newer and located in the inner areas of capital cities.
- On average, rents within university owned PBSA facility in Metropolitan areas are 16% higher than those in regional areas, whilst joint venture facilities in metropolitan areas are 28% higher than their regional counterparts.

### Weekly Tariffs for PBSA

Shared Accommodation\*, 2017

Table 4.2

Region	University (On-Campus)	Joint Venture (On-Campus)	Private (Off-Campus)
Sydney	\$257	\$242	\$413
Regional NSW	\$193	\$173	\$190
<b>NSW</b>	<b>\$235</b>	<b>\$236</b>	<b>\$405</b>
Melbourne	\$233	\$248	\$267
Regional Victoria	\$192	N/A	N/A
<b>Victoria</b>	<b>\$214</b>	<b>\$248</b>	<b>\$267</b>
Brisbane	\$168	\$235	\$248
Regional Queensland	\$202	N/A	\$244
<b>Queensland</b>	<b>\$179</b>	<b>\$235</b>	<b>\$247</b>
Adelaide	\$250	N/A	\$285
Regional SA	\$100	N/A	N/A
<b>South Australia</b>	<b>\$213</b>	<b>N/A</b>	<b>\$285</b>
Perth	\$179	\$206	N/A
Regional WA	N/A	\$184	N/A
<b>Western Australia</b>	<b>\$179</b>	<b>\$205</b>	<b>N/A</b>
Hobart	\$205	N/A	N/A
Regional Tasmania	\$178	N/A	N/A
<b>Tasmania</b>	<b>\$188</b>	<b>N/A</b>	<b>N/A</b>
<b>Australian Capital Territory</b>	<b>N/A</b>	<b>\$204</b>	<b>\$189</b>
Darwin	\$189	N/A	\$184
Regional NT	N/A	N/A	N/A
<b>Northern Territory</b>	<b>\$189</b>	<b>N/A</b>	<b>\$184</b>
<b>Australia</b>	<b>\$211</b>	<b>\$224</b>	<b>\$294</b>

Note: \* Cost of a bed in a shared (shared bathroom and kitchen facilities) self-catered facility. Excludes twin share rooms.

Note: Weekly tariff excludes additional compulsory fees (application fees, utilities, cleaning, levies and other fees)

Source: Urbis Student Accommodation Database 2017

Table 4.3 below provides a more detailed analysis of the costs associated with on-campus, self-catered shared accommodation. The student accommodation facilities have been grouped by metropolitan and regional areas across Australia. Costs have been adjusted to a 52-week average and include the cost of utilities and other compulsory fees.

Key findings include:

- The average contract period for on-campus accommodation in Australia is 46 weeks allowing residents to go home during the summer break. This is based on the maximum contract period offered by the facilities with some operators offering shorter contract lengths (generally for a higher weekly rent). Regional Queensland and Regional NSW have the shortest average contract period of 38 weeks. The Australian Capital Territory has the longest average contract period of 50 weeks, reflecting the prevalence of joint venture projects and NRAS apartments encouraging 52-week contracts.

- The average weekly tariff in Australia for a shared, on-campus, self-catered room is \$222. When other compulsory fees are included, the average increases to \$233 per week for the duration of the contract period. When this is amortised over a 52-week period, the average rent is \$205 per week.
- Most on-campus accommodation includes utilities (such as internet, gas and electricity) in the weekly fee though there are some facilities that charge separately.
- On a 52-week basis, rents in Sydney are the highest, at \$239 per week. This is followed by ACT at \$227, and Melbourne at \$222 per week, placing these regions above the Australian average (\$205).
- Amongst regional facilities, regional South Australia has the lowest weekly rent (\$100), whilst regional Victoria has the highest rent at \$169 per week, placing all regional facilities well below the 52-week Australia average of \$205. This highlights that rents for on-campus accommodation in regional areas are generally well below the capital cities.

### Average Weekly Fees for On-Campus PBSA

Shared Accommodation\*, 2017

Table 4.3

Region	Average Contract Period (Weeks)	Weekly Tarriff	Weekly Utilities	Compulsory Fees (Annual)	Average Weekly Rent (Contract Period)	Average Weekly Rent (52-Weeks)
Sydney	49	\$249	\$0	\$190	\$253	\$239
Regional NSW	38	\$186	\$0	\$355	\$196	\$144
<b>NSW</b>	<b>47</b>	<b>\$238</b>	<b>\$0</b>	<b>\$219</b>	<b>\$243</b>	<b>\$221</b>
Melbourne	46	\$236	\$6	\$492	\$253	\$222
Regional Victoria	43	\$192	\$0	\$515	\$204	\$169
<b>Victoria</b>	<b>45</b>	<b>\$218</b>	<b>\$3</b>	<b>\$502</b>	<b>\$233</b>	<b>\$199</b>
Brisbane	39	\$225	\$0	\$404	\$235	\$179
Regional Queensland	38	\$202	\$0	\$418	\$212	\$157
<b>Queensland</b>	<b>39</b>	<b>\$219</b>	<b>\$0</b>	<b>\$408</b>	<b>\$229</b>	<b>\$173</b>
Adelaide	40	\$250	\$0	\$610	\$265	\$204
Regional SA	52	\$100	\$0	\$0	\$100	\$100
<b>South Australia</b>	<b>43</b>	<b>\$213</b>	<b>\$0</b>	<b>\$458</b>	<b>\$223</b>	<b>\$185</b>
Perth	43	\$199	\$9	\$40	\$209	\$171
Regional WA	44	\$184	\$10	\$0	\$194	\$164
<b>Western Australia</b>	<b>43</b>	<b>\$198</b>	<b>\$7</b>	<b>\$39</b>	<b>\$207</b>	<b>\$170</b>
Hobart	42	\$205	\$0	\$150	\$209	\$169
Regional Tasmania	43	\$178	\$0	\$150	\$181	\$151
<b>Tasmania</b>	<b>43</b>	<b>\$188</b>	<b>\$0</b>	<b>\$150</b>	<b>\$192</b>	<b>\$158</b>
<b>Australian Capital Territory</b>	<b>50</b>	<b>\$208</b>	<b>\$23</b>	<b>\$184</b>	<b>\$235</b>	<b>\$227</b>
Darwin	38	\$189	\$0	N/A	N/A	N/A
Regional NT	N/A	N/A	N/A	N/A	N/A	N/A
<b>Northern Territory</b>	<b>38</b>	<b>\$189</b>	<b>\$0</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Australia</b>	<b>46</b>	<b>\$222</b>	<b>\$5</b>	<b>\$258</b>	<b>\$233</b>	<b>\$205</b>

Note: \* Cost of a bed in a shared (shared bathroom and kitchen facilities) self-catered facility. Excludes twin share rooms.

Source: Urbis Student Accommodation Database 2017

Table 4.4 examines the average weekly student accommodation rents across Australia, and the average weekly income for full-time university students (aged of 19-24). By expressing rent as a proportion of income, we are able to identify locations where students may be experiencing some form of financial stress. It is generally assumed that students will experience some form of financial stress when 30% or more of their



income is dedicated towards weekly rent. Within Australia, university students earning an average income and paying the average student accommodation rent are likely to be experiencing significant financial stress, with 59% of their income required to meet the average rent when sharing in a three-bedroom house.

All regions are experiencing stress with regions facing particular stress are Sydney, Melbourne and Adelaide, which reflects the higher rents experienced in these locations. In Sydney, a full-time student earning the average income of \$355 per week, and paying the average fee of \$148, will be setting aside 67% of their income per week towards accommodation costs.

In all metropolitan regions in Australia, students earning an average income are paying more than half of their income in weekly rent, placing students in these regions in some form of financial stress. The only locations where students earning an average income are paying less than 40% of their income on rent are Regional NSW and Regional South Australia.

### Average On-Campus Student Accommodation Rent as Percentage of Student Income

Shared Accommodation, 2017

Table 4.4

Region	Average Weekly Rent (52-Weeks)	Average University Student Income - 19-24 (Full-Time)	Rent as a % of Income
Sydney	\$240	\$355	67%
Regional NSW	\$144	\$396	36%
<b>NSW</b>	<b>\$220</b>	<b>\$365</b>	<b>60%</b>
Melbourne	\$217	\$334	65%
Regional Victoria	\$169	\$315	54%
<b>Victoria</b>	<b>\$197</b>	<b>\$332</b>	<b>59%</b>
Brisbane	\$179	\$353	51%
Regional Queensland	\$157	\$354	44%
<b>Queensland</b>	<b>\$173</b>	<b>\$354</b>	<b>49%</b>
Adelaide	\$204	\$306	67%
Regional SA	\$100	\$318	31%
<b>South Australia</b>	<b>\$185</b>	<b>\$307</b>	<b>60%</b>
Perth	\$171	\$324	53%
Regional WA	\$164	\$366	45%
<b>Western Australia</b>	<b>\$170</b>	<b>\$325</b>	<b>52%</b>
Hobart	\$171	\$297	58%
Regional Tasmania	\$151	\$305	49%
<b>Tasmania</b>	<b>\$160</b>	<b>\$300</b>	<b>53%</b>
<b>Australian Capital Territory</b>	<b>\$237</b>	<b>\$417</b>	<b>57%</b>
Darwin	N/a	\$412	N/a
Regional NT	N/a	\$487	N/a
<b>Northern Territory</b>	<b>N/a</b>	<b>\$417</b>	<b>N/a</b>
<b>Australia</b>	<b>\$206</b>	<b>\$346</b>	<b>59%</b>

Note: Income includes all sources of income including Government support though excludes family allowances.

Source: Urbis Student Accommodation Database, ABS Census, Urbis

### 4.1.3. Private Rental Market

The following table assesses the average weekly rent per bedroom in a three-bedroom house in Australia, which represent a popular accommodation choice for RRR students looking to enter share houses. It is noted that the rents do not include other costs such as utilities, furniture and transport to campus which can be quite expensive and generally included in on-campus PBSA fees. The assessment is based on average private rental market data from the 2016 Census. The key findings include:

- The average weekly rent in Australia is \$112 per week. NSW and the Australian Capital Territory have the highest average weekly rent (\$124), whilst Tasmania has the lowest average weekly rent (\$86).
- Average weekly rent in regional areas in Australia ranges from \$58 (Regional NT) to \$101 (Regional QLD), whilst rents in capital cities range from \$97 in Hobart to \$148 in Sydney.



- Weekly rent in metropolitan regions in Australia is on average 34% higher compared to regional areas highlighting the higher costs for RRR students that choose to study in capital cities. Students moving from regional areas to metropolitan campuses are likely to experience some form of financial stress given the change in average weekly rent. It is noted that the majority of RRR students living in capital cities are living in the inner areas close to the major university campuses where rents are well above the metropolitan average.

### Average Private Rent per Bedroom

Three Bedroom House, 2016

Table 4.5

Region	Average Rent
Sydney	\$148
Regional NSW	\$100
<b>NSW</b>	<b>\$124</b>
Melbourne	\$122
Regional Victoria	\$86
<b>Victoria</b>	<b>\$110</b>
Brisbane	\$118
Regional Queensland	\$101
<b>Queensland</b>	<b>\$109</b>
Adelaide	\$104
Regional SA	\$72
<b>South Australia</b>	<b>\$96</b>
Perth	\$126
Regional WA	\$87
<b>Western Australia</b>	<b>\$114</b>
Hobart	\$97
Regional Tasmania	\$78
<b>Tasmania</b>	<b>\$86</b>
<b>Australian Capital Territory</b>	<b>\$124</b>
Darwin	\$143
Regional NT	\$58
<b>Northern Territory</b>	<b>\$100</b>
<b>Australia</b>	<b>\$112</b>

Note: Excludes other accommodation costs such as utilities, furniture and transport to campus.

Source: ABS Census

Table 4.6 examines the average weekly rents across Australia, and the average weekly income for full-time university students (aged of 19-24). By expressing rent as a proportion of income, we are able to identify locations where students may be experiencing some form of financial stress. It is generally assumed that students will experience some form of financial stress when 30% or more of their income is dedicated towards weekly rent. Within Australia, those university students earning an average income are likely to be experiencing some form of financial stress, with 32% of their income required to meet the average rent when sharing in a three-bedroom house.

Regions facing particular stress are Sydney, Perth and Melbourne, which reflects the higher rents experienced in these locations. In Sydney, a full-time student earning the average income of \$355 per week, and paying the average rent of \$148, will be setting aside 42% of their income per week towards private accommodation. Those within Perth earning \$324, and paying \$126 per week in rent, will be setting aside 39% of their income, and those within Melbourne, 36%.

In all metropolitan regions in Australia, students earning average income are paying more than 30% of their income in weekly rent, placing students in these regions in some form of financial stress. On the other hand, no regional areas experience a rent to income ratio greater than 30%, with 28% of income in regional Queensland being the highest.

It is noted that the analysis is at a high level with certain areas facing tighter rental markets (such as the inner areas of capital cities) experiencing greater rental stress.

## Average Private Rent per Bedroom as Percentage of Student Income

Three Bedroom House, 2016

Table 4.6

Region	Average Rent	Average University Student Income: 19-24 (Full-Time)	Rent as a % of Income: 19-24 Full-time
Sydney	\$148	\$355	42%
Regional NSW	\$100	\$396	25%
<b>NSW</b>	<b>\$124</b>	<b>\$365</b>	34%
Melbourne	\$122	\$334	36%
Regional Victoria	\$86	\$315	27%
<b>Victoria</b>	<b>\$110</b>	<b>\$332</b>	33%
Brisbane	\$118	\$353	33%
Regional Queensland	\$101	\$354	28%
<b>Queensland</b>	<b>\$109</b>	<b>\$354</b>	31%
Adelaide	\$104	\$306	34%
Regional SA	\$72	\$318	23%
<b>South Australia</b>	<b>\$96</b>	<b>\$307</b>	31%
Perth	\$126	\$324	39%
Regional WA	\$87	\$366	24%
<b>Western Australia</b>	<b>\$114</b>	<b>\$325</b>	35%
Hobart	\$97	\$297	33%
Regional Tasmania	\$78	\$305	26%
<b>Tasmania</b>	<b>\$86</b>	<b>\$300</b>	29%
<b>Australian Capital Territory</b>	<b>\$124</b>	<b>\$417</b>	30%
Darwin	\$143	\$412	35%
Regional NT	\$58	\$487	12%
<b>Northern Territory</b>	<b>\$100</b>	<b>\$417</b>	24%
<b>Australia</b>	<b>\$112</b>	<b>\$346</b>	32%

Note: Rent excludes other accommodation costs such as utilities, furniture and transport to campus.

Note: Income includes all sources of income including Government support though excludes family allowances.

Source: ABS Census, Urbis

### 4.1.4. Sharing Economy

The sharing economy has grown in recent years with companies such as AirBNB providing a platform for people to rent out dwellings or rooms to people. These platforms tend to be for short stays though owners can rent out dwellings and rooms for longer periods. There is no data on how many university students are living in share economy accommodation.

There has been anecdotal evidence of the growth in AirBNB resulting in more landlords converting long-term rental properties to short-stay rentals as they can make more money. Hobart has been an example of where the strong growth in the tourism sector coupled with the shortage of hotels has resulted in landlords converting properties to short-stay and listing them on AirBNB and other sharing websites. With Inner Hobart currently having a rental vacancy rate of under 1%, this has made it difficult for students at the University of Tasmania to access rental properties. This has had a flow on impact to increase demand for PBSA as students cannot find alternate accommodation.

Anecdotal evidence also indicates that there are university students unable to source accommodation and rely on 'couch surfing' to avoid homelessness. Couch surfing involves students staying on the couch of a friend or relative and often involves moving around as to not overstay in one household. There is no comprehensive data on how many university students are couch surfing.

## 4.2. DEMAND

### 4.2.1. Demand Drivers

There are a range of different factors that influence the choice of accommodation such as whether students choose catered colleges, self-catered PBSA or private rental accommodation. While there is limited survey data on the decision Key factors that contribute to accommodation decisions include:

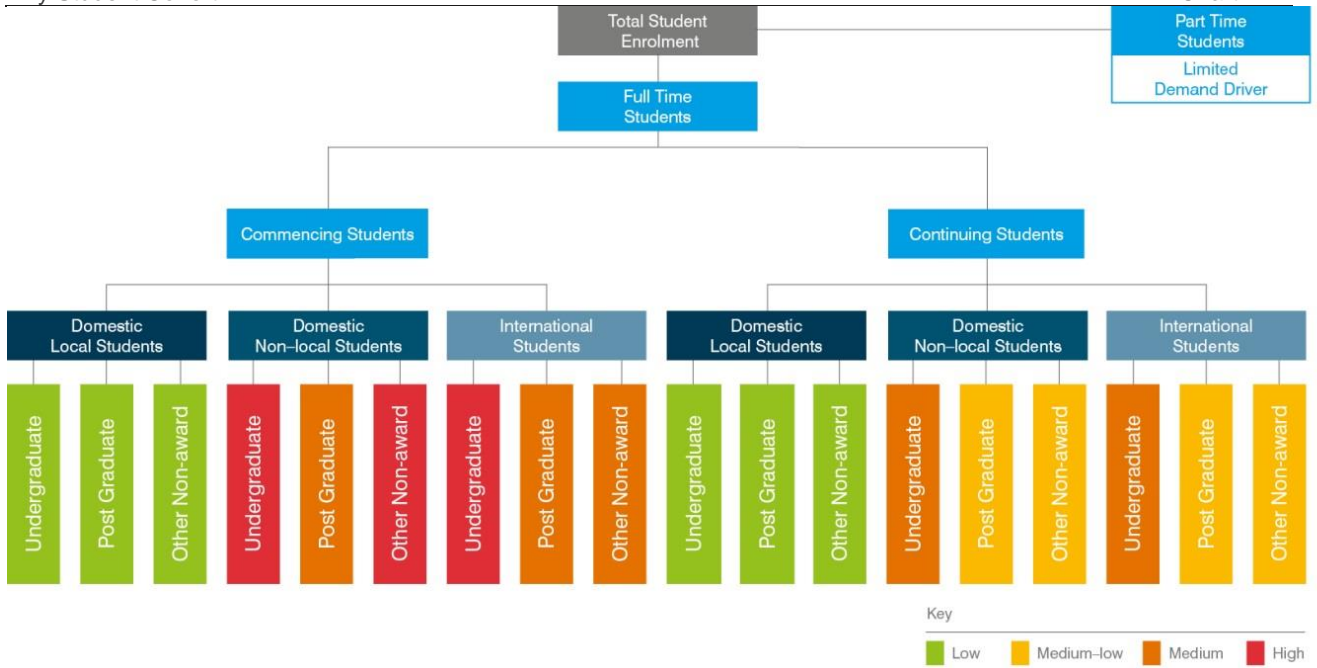
- **Price:** Price is a major consideration to students and their parents. Students looking for the cheapest option are more likely to choose a share house in the private rental market. It is noted that student accommodation includes more services in the rent, which can often make student accommodation more affordable than private rental accommodation. However, students looking to find the cheapest possible option are likely to choose private rental accommodation.
- **Location:** Students looking to live close to where they study are more likely to live on-campus though students wanting to live close to other amenity and job opportunities may be more likely to choose private rental accommodation.
- **Security:** University on-campus accommodation is generally seen to be safer than sharing in the private rental market which is a key factor for a lot of students and their parents.
- **Support:** Students looking for a greater level of pastoral care and support are more likely to choose PBSA.
- **Independence:** Students looking for a greater level of independence are more likely to choose private rental accommodation. As students get older and more mature they are more likely to move towards share houses.

The demand for student accommodation differs significantly between student cohorts based on factors such as whether they are a commencing or continuing student, their place of origin (local student, domestic student moving from outside the region and international students) and the level of course they are studying. Regional undergraduate students commencing their studies have a high demand for accommodation as they are generally younger, new to an area and have parents that want them to be in safe and supported accommodation where they can transition into university.

### Relative Demand for Student Accommodation

By Student Cohort

Chart 4.1



Based on our experience in assessing the supply and demand for student accommodation throughout Australia, Urbis has identified the following trends for regional student's demand for accommodation. These trends are based on assessing the number of students applying for student accommodation in each cohort and comparing it to the total number of enrolled students in each cohort.

- **First Year:** As discussed, first year undergraduate students represent a key driver for student accommodation with parents wanting their child to be in a supported environment and often assisting financially with fees. In locations where there is a tight rental market, Urbis has observed up to 90% of commencing undergraduate domestic students from outside the region demand student accommodation.
- **Second Year:** Once students have spent a year at the university and have met new friends and become more independent, there is generally a trend towards students looking for a more independent environment. This can include students moving from catered dormitory style student accommodation to more self-catered apartment style student accommodation. There is also a trend of residents moving out into the private rental market with a group of friends where they can generally source more affordable accommodation. Depending on the competition from the private rental market, Urbis has generally found that the proportion of continuing students is generally around half of commencing students. i.e. If 60% of commencing RRR students at a university demand student accommodation, generally around 25-35% of continuing students would be expected to demand student accommodation.
- **Third-Fifth Years:** After spending two years in student accommodation, a large proportion of residents opt to enter the private rental market with friends. This also reflects the maturity gap between first year students and the older students.
- **Postgraduate:** Postgraduate students are more likely to be focussing on their study and are often after quieter and more private accommodation. Postgraduate students often choose dedicated postgraduate student accommodation if it is available or chose private rental accommodation.

#### **4.2.2. Capacity to Pay**

The following table assesses the capacity of domestic full-time students (aged 19-24) to pay for accommodation. The assessment is based on average income data from the 2016 Census and average student expenditure from the Australian University Student Finances Survey 2012. All income and expenses have been projected forward to 2017 using the Australian Bureau of Statistics Consumer Price Index and Wage Price Index. It is noted that Australian University Student Finances Survey 2017 is currently being completed, though findings were not available at the time of publication of this report.

The average income for a domestic full-time student (aged 19-24) in 2017 was estimated to be \$20,115 including all forms of income including paid employment, scholarships, government allowances, family allowances and other income.

The average annual expenses (excluding rent) for a domestic full-time student in 2017 was estimated to be \$14,165 for a student living in the private rental market. This includes accommodation costs such as house supplies, utilities, internet and transport to the campus and general costs such as food, clothing, entertainment etc. It is noted that the expenses represent those of the average student with a student earning above the average income likely to spend more money on expenses (particularly the discretionary expenses such as clothing, entertainment and recreation). With students generally having to sign a 12-month lease, this leaves \$5,951 for rent, equating to capacity to pay \$114 per week. This is marginally higher than the average three bedroom rent of \$112 per room indicating few students would be saving money. With a large number of students living in the inner areas of capital cities (as highlighted by the maps in Appendix A) paying considerably more than this, it highlights the rental stress facing students and the significant number of students that need to go into budget deficit.

Students living in on-campus accommodation don't have the same number of extra costs as private rental students such as house supplies and utilities being included in the rent and not having to pay for travel to classes. However, there are often some compulsory fees associated that have to be paid. As such, an average domestic full-time student could afford to pay a higher rate of \$178 per week over a 46-week contract period assuming they went back home to live over the summer break. The average cost of on-campus accommodation in Australia is \$222 over a 46-week contract period which is 25% higher than the average student's capacity to pay. This reflects the additional benefits of living in university accommodation such as pastoral care and social events though also highlights why the majority of more independent continuing domestic students choose to live in share houses in the private rental market.

A RRR student receiving the full Youth Allowance and rent assistance payment would receive around \$580 per fortnight equating to \$15,050 per year. A student paying the average self-catered student accommodation rent of \$222 per week over 46 weeks with \$11,911 in other annual expenses would require an income of \$22,123 per year to meet living costs. This equates to a deficit of around \$7,070 per year which would require an additional income of \$136 per week coming from other sources such as paid employment, scholarships or family assistance.

It is noted that the data below is based on a student earning the average income in Australia. More than half of full-time students are earning less than the average income with a large proportion of these likely to be facing significant financial pressure if they are living away from home.

The analysis is provided for illustrative purposes to highlight the situation for an average student in Australia. It is noted that the situation for students in the inner areas of major capital cities differ from more affordable residential markets such as suburban areas and regional towns. As highlighted in the earlier analysis, the incomes of students living in regional areas and metropolitan areas are relatively similar though the cost of rental accommodation differs significantly. As such, an average student who could afford to pay \$8,204 per year for on-campus accommodation would only be able to afford average priced shared on-campus accommodation in Regional NSW, Regional Queensland, Regional South Australia and Regional Tasmania. The analysis in the table includes Metropolitan Sydney as an example of a location where financial pressures a higher with a deficit of 47% for PBSA and 29% for shared private rental accommodation. This highlights that cities such as Sydney and Canberra with more expensive rental markets have greater capacity to pay pressures for RRR students moving to capital cities. With the majority of mobile RRR students relocating to capital cities to study, it highlights there is significant financial stress for RRR students.

### Average Capacity to Pay for Accommodation

Australia, 2017

Table 4.7

	Self-Catered On-Campus PBSA Australian		Private Rental Accommodation Australian	
	Average	Sydney	Average	Sydney
<b>Total Average Income</b>	<b>\$20,115</b>	<b>\$20,115</b>	<b>\$20,115</b>	<b>\$20,115</b>
<b>Expenses</b>				
General Expenses*	\$9,462	\$9,462	\$9,462	\$9,462
Study Expenses^	\$2,191	\$2,191	\$2,191	\$2,191
Accommodation related costs (excluding rent)				
- House supplies	\$0	\$0	\$354	\$354
- Utilities	\$0	\$0	\$932	\$932
- Transport to campus	\$0	\$0	\$1,226	\$1,226
- Compulsory PBSA levy	\$258	\$190	\$0	\$0
<b>Total Expenses (excluding rent)</b>	<b>\$11,911</b>	<b>\$11,843</b>	<b>\$14,165</b>	<b>\$14,165</b>
Capacity to pay for Accommodation (Annual)	\$8,204	\$8,272	\$5,951	\$5,951
Average Contract Period (weeks)	46	49	52	52
Capacity to pay for Accommodation (Week)	\$178	\$169	\$114	\$114
Average Weekly Tarriff**	\$222	\$249	\$112	\$148
Differential between Average Rent and Capacity	24%	47%	-2%	29%

Note: Income is based on 2012 Survey data and indexed to 2017. Income includes all sources of income including Government support though excludes family allowances.

Note: \* Includes food, medical, transport, entertainment, childcare and other expenses.

Note: ^ Includes textbooks, stationary, computer, university fees and other study related items.

Note: \*\* Urbis acknowledges that averaging the weekly tariff lowers the impact of high metropolitan rental costs

Source: Australian University Student Finances Survey 2012; ABS; Urbis

The following table outlines the capacity to pay for accommodation of an average student living in a capital city versus a regional location. As outlined above, the analysis is at a high level and provides an indication of the circumstance of an average student with a student in Inner Sydney facing more pressure than a student in suburban Brisbane. The analysis highlights that an average student living in a capital city is going to face a significant shortfall whether they are living in self-catered PBSA (33%) and the private rental market (9%).

Average students living in regional areas are in a relatively better financial position (-4%) in on-campus student accommodation which is reflected by lower tariffs and lower required contract lengths which mean they can return home during semester breaks. The position is more favourable if they are sharing a house in the private rental market (-19%).

### Average Capacity to Pay for Accommodation

By Region, 2017

Table 4.8

	Self-Catered On-Campus PBSA			Private Rental Accommodation		
	Metropolitan	Regional	Average	Metropolitan	Regional	Average
Total Average Income	\$20,115	\$20,115	\$20,115	\$20,115	\$20,115	\$20,115
<b>Expenses</b>						
General Expenses*	\$9,462	\$9,462	\$9,462	\$9,462	\$9,462	\$9,462
Study Expenses^	\$2,191	\$2,191	\$2,191	\$2,191	\$2,191	\$2,191
Accommodation related costs (excluding rent)						
- House supplies	\$0	\$0	\$0	\$354	\$354	\$354
- Utilities	\$0	\$0	\$0	\$932	\$932	\$932
- Transport to campus	\$0	\$0	\$0	\$1,226	\$1,226	\$1,226
- Compulsory PBSA levy	\$249	\$364	\$258	\$0	\$0	\$0
<b>Total Expenses (excluding rent)</b>	<b>\$11,902</b>	<b>\$12,017</b>	<b>\$11,911</b>	<b>\$14,165</b>	<b>\$14,165</b>	<b>\$14,165</b>
Capacity to pay for Accommodation (Annual)	\$8,213	\$8,098	\$8,204	\$5,951	\$5,951	\$5,951
Average Contract Period (weeks)	47	41	46	52	52	52
Capacity to pay for Accommodation (Week)	\$175	\$195	\$178	\$114	\$114	\$114
Average Weekly Tarriff	\$232	\$187	\$222	\$125	\$93	\$112
Differential between Average Rent and Capacity	33%	-4%	24%	9%	-19%	-2%

Note: Income is based on 2012 Survey data and indexed to 2017. Income includes all sources of income including Government support though excludes family allowances.

Note: \* Includes food, medical, transport, entertainment, childcare and other expenses.

Note: ^ Includes textbooks, stationary, computer, university fees and other study related items.

Source: Australian University Student Finances Survey 2012; ABS; Urbis

### 4.2.3. Benchmark Supply

The following table provides an overview of the number of student accommodation beds in Australia compared to the total number of mobile students that are studying full-time on-campus. Across Australia there were an estimated 281,100 mobile students in 2016 compared to a total student accommodation supply of 88,300 beds. This equates to a ratio of 3.4 mobile students for every PBSA bed and highlights that the majority of mobile students are choosing to live in alternative accommodation such as the private rental market.

The ratio is considerably lower in regional Australia where there are around 2.4 mobile students per PBSA bed. This highlights that regional universities have generally provided a higher proportion of on-campus student accommodation in order to help attract students. In contrast, the provision of student accommodation in capital cities is relatively lower with a ratio of only one bed for every 3.6 students. This highlights that competition for PBSA accommodation can be higher in capital cities.

Canberra has the highest provision of student accommodation at one bed for every 1.8 mobile students of any metropolitan area, which reflects the significant development of new accommodation that has occurred in the last five years. Interestingly, the accommodation affiliated with ANU is fully occupied though it is noted that there are vacancies within the University of Canberra accommodation.



The two locations with the lowest ratio of accommodation are Melbourne (4.6) and Perth (4.3). It is noted that both these locations are experiencing significant development of new accommodation led by private sector projects in the respective CBDs. However, these projects are primarily targeted at international students, who are generally more willing to live in the CBD.

Brisbane has a lower ratio of one bed for every 3.1 mobile students with this ratio anticipated to fall further as significant accommodation in the inner city is due to be completed in 2018 and 2019. This is anticipated to result in vacancies in accommodation as it will take time for the new accommodation to be absorbed.

## PBSA Supply Benchmark

Full-Time Mobile University Students per Available Bed

Table 4.9

Region	PBSA Beds			Mobile Students	Benchmark Supply		
	On-Campus	Off-Campus	Total		On-Campus	Off-Campus	Total
Sydney	12,967	6,975	19,942	75,180	5.8	10.8	3.8
Regional NSW	7,418	399	7,817	19,555	2.6	49.0	2.5
<b>NSW</b>	<b>20,385</b>	<b>7,374</b>	<b>27,759</b>	<b>94,735</b>	<b>4.6</b>	<b>12.8</b>	<b>3.4</b>
Melbourne	10,026	9,956	19,982	92,060	9.2	9.2	4.6
Regional Victoria	3,331	90	3,421	4,546	1.4	50.5	1.3
<b>Victoria</b>	<b>13,357</b>	<b>10,046</b>	<b>23,403</b>	<b>96,605</b>	<b>7.2</b>	<b>9.6</b>	<b>4.1</b>
Brisbane	4,826	7,670	12,496	38,667	8.0	5.0	3.1
Regional Queensland	2,740	737	3,477	12,733	4.6	17.3	3.7
<b>Queensland</b>	<b>7,566</b>	<b>8,407</b>	<b>15,973</b>	<b>51,400</b>	<b>6.8</b>	<b>6.1</b>	<b>3.2</b>
Adelaide	561	4,242	4,803	16,820	30.0	4.0	3.5
Regional SA	88	0	88	313	3.6	-	3.6
<b>South Australia</b>	<b>649</b>	<b>4,242</b>	<b>4,891</b>	<b>17,132</b>	<b>26.4</b>	<b>4.0</b>	<b>3.5</b>
Perth	4,923	0	4,923	21,223	4.3	-	4.3
Regional WA	97	76	173	313	3.2	4.1	1.8
<b>Western Australia</b>	<b>5,020</b>	<b>76</b>	<b>5,096</b>	<b>21,536</b>	<b>4.3</b>	<b>283.4</b>	<b>4.2</b>
Hobart	492	749	1,241	3,282	6.7	4.4	2.6
Regional Tasmania	874	129	1,003	1,575	1.8	12.2	1.6
<b>Tasmania</b>	<b>1,366</b>	<b>878</b>	<b>2,244</b>	<b>4,856</b>	<b>3.6</b>	<b>5.5</b>	<b>2.2</b>
<b>Australian Capital Territory</b>	<b>7,289</b>	<b>872</b>	<b>8,161</b>	<b>14,576</b>	<b>2.0</b>	<b>16.7</b>	<b>1.8</b>
Darwin	360	303	663	839	2.3	2.8	1.3
Regional NT	114	0	114	40	0.3	-	0.3
<b>Northern Territory</b>	<b>474</b>	<b>303</b>	<b>777</b>	<b>879</b>	<b>1.9</b>	<b>2.9</b>	<b>1.1</b>
<b>Australia</b>	<b>56,106</b>	<b>32,198</b>	<b>88,304</b>	<b>301,718</b>	<b>5.4</b>	<b>9.4</b>	<b>3.4</b>
<b>Metropolitan Campuses</b>	<b>41,444</b>	<b>30,767</b>	<b>72,211</b>	<b>262,645</b>	<b>6.3</b>	<b>8.5</b>	<b>3.6</b>
<b>Regional Campuses</b>	<b>14,662</b>	<b>1,431</b>	<b>16,093</b>	<b>39,073</b>	<b>2.7</b>	<b>27.3</b>	<b>2.4</b>

Source: Urbis Student Accommodation Database 2017, Department of Education and Training

### 4.2.4. Capital City Rental Markets

As outlined in the assessment above, students relocating to capital cities are likely to face the greatest challenges in finding affordable accommodation. With Australia having an average PBSA provision ratio of 3.4 mobile students per bed, the majority of mobile students are being accommodated in the private rental market.

The following table provides a summary of the capital city rental markets across Australia including the average rent, rental growth over the last year and the overall rental vacancy as of December 2017. This provides an indication of the challenges facing students looking to source private rental accommodation. Locations with low vacancy rates and rental growth reflect tight rental markets and likely result in students having difficulties finding rental accommodation due to competing with other prospective renters such as young professionals. The table also includes on-campus PBSA provision and average rents to provide an indication of locations.



As a rule of thumb, a vacancy rate of 2.5 – 3.0% is indicative of a rental market that is in equilibrium. A vacancy rate of less than 2.5% indicates a rental market that is undersupplied and can result in rental price growth and students experiencing difficulties in securing accommodation in proximity to the campus. A vacancy rate of over 3% is indicative of excess rental properties that can sometimes result in landlords lowering rents and relaxing lease terms such as contract lengths. This is highlighted by Canberra and Hobart, which had the lowest vacancy rates in 2017 and recorded significant rental growth as a result. This is supported by anecdotal evidence from agents and students that there are a large number of prospective renters attending rental inspections.

Sydney and Melbourne both record relatively low PBSA provision of 3.8 and 4.6 mobile students per PBSA bed indicating that the majority of students are entering the private rental market. With average house rents of \$550 in Sydney and a vacancy rate of 2.0% it highlights the challenges facing students in rental hotspots such as Inner Sydney.

The table also highlights the significant impact that the private rental market has on the accessibility and affordability of rents with Perth having experienced a significant downturn in the private rental market following the decline in the resources sector. This has resulted in rising vacancy rates and lower rents which has made it considerably easier for students to access private rental accommodation and has also resulted in vacancies in some PBSA in Perth as students move to private rental accommodation.

## Private Rental Market

Capital Cities

Table 4.10

Capital City	PBSA Provision*	PBSA Rent <sup>-</sup>	House Rents <sup>^</sup>	Rental Growth <sup>°</sup>	Rental Vacancy Rate <sup>x</sup>
Sydney	3.8	\$249	\$550	1.9%	2.0%
Melbourne	4.6	\$236	\$425	3.7%	2.1%
Brisbane	3.1	\$225	\$400	0.0%	2.9%
Adelaide	3.5	\$250	\$370	2.8%	2.1%
Perth	4.3	\$199	\$350	-5.4%	6.9%
Hobart	2.6	\$205	\$395	12.9%	1.7%
Canberra	1.8	\$208	\$540	8.0%	0.7%
Darwin	1.3	\$189	\$550	0.0%	5.9%

Note: \* Mobile full-time on-campus students per bed

Note: <sup>-</sup> Average weekly rent for a self-catered bed in a shared on-campus PBSA

Note: <sup>^</sup> Average weekly rent for a house in December 2017

Note: <sup>°</sup> Average rental growth for all rental properties in 2017

Note: <sup>x</sup> Average rental vacancy rate across the city in September Quarter 2017

Source: Urbis, Domain, REIA

### 4.2.5. Key Findings

Across Australia there were an estimated 301,700 mobile students in 2016 compared to a total student accommodation supply of 88,300 beds. This equates to a ratio of 3.4 mobile students for every PBSA bed and highlights that the majority of mobile students are currently living in alternative accommodation such as the private rental market. This likely reflects the current supply of accommodation and also the greater affordability of the rental market.

The average cost of on-campus student accommodation in Australia is \$233 per week over a 46-week contract period (including utilities and other compulsory costs). This is around 25% higher than the average student's capacity to pay indicating that most students living in student accommodation have incomes above the average and likely supplemented by Government allowances and family support.

Not surprisingly, the biggest challenges facing RRR students is accessing affordable student accommodation in the major capital cities such as Sydney, Melbourne and Canberra. This is driven by the higher costs of accommodation (both for student accommodation and private rental accommodation) with the average incomes of full-time students generally no higher than regional counterparts. This is also compounded by the greater competition that RRR students face for accommodation from international students that are more likely to choose capital city universities.

## 5. UNIVERSITY INVESTMENT IN STUDENT ACCOMMODATION

This section assesses the investment decisions considered and taken by universities relating to the development of in-campus accommodation.

### 5.1. KEY CONSIDERATIONS

When assessing whether to develop new on-campus student accommodation, there are a number of factors that contribute to the final investment decision of the university. These include:

#### 5.1.1. Financial

The financial outcomes to the university are generally the major consideration when deciding whether to invest in student accommodation. With universities in the business of providing education services, the provision of accommodation is often seen as a commercial operation that is not 'core university business'. As such, there is often an expectation that investment in new or upgraded accommodation will result in new income streams to cover the cost of investment. This can create challenges for universities that have existing student accommodation that is not fully occupied. In these circumstances the development of new student accommodation has the potential to attract more residents (especially if the existing accommodation is older and of a lower quality) however it is likely to negatively impact the occupancy (and therefore revenue) from the older accommodation. It is noted that there are several examples throughout Australia (such as the University of Canberra) of the development of new accommodation resulting in increased vacancies in the older accommodation. If the university is unable to generate the required revenue from the new investment, they are often unwilling to invest in new accommodation or significant upgrades of existing accommodation.

#### Debt

Borrowing represents an opportunity for universities to raise capital with a level of debt generally representing a healthy situation for universities. Universities monitor their borrowings closely with some state and territory governments having placed legislative constraints on the borrowing powers of universities (with constraints differing between jurisdictions). It is noted that several universities including ANU and the University of Canberra have used debt to help fund student accommodation development in the last decade.

Universities also monitor their level of debt as it can impact their credit rating, which can then have an impact on their capacity to borrow and the interest rates paid on loans.

#### Joint Ventures

Universities are being approached by private sector investment groups offering to provide capital to fund the development of new accommodation in exchange for the long-term right to future revenue from the accommodation. This also includes the investment firms making upfront payments to universities in exchange for long term financial concessions over both new and future accommodation. This has proven to be an attractive option to universities as the transactions generally:

- Allow the university to maximise their funding capacity as they do not have to invest any of their own capital or borrow money to fund the development of new student accommodation. This allows the university to put their capital towards other projects such as academic facilities and allows the university to reduce the amount of debt they take on.
- Result in the university receiving a large upfront payment that they can use for other investment projects in the short-term to benefit the university. The money has also been used on occasion to repay university debt.
- Allow the university to retain freehold ownership of the land used for the development of on-campus student accommodation with the facilities transferred to the university following the end of the agreement.

- Allow the university to work with the private sector and benefit from expertise across student accommodation operation and management.
- Allow the university to structure the transaction to meet the needs of the university often including a deed that outlines key characteristics of how the facilities will be operated, maintained and priced as well as financial structure that meets the risk profile of the university. Key risks include who is responsible for the occupancy of the student accommodation.

Recent transactions and activity include:

- 2014: UOW has licensed its entire student accommodation portfolio to Living + Learning Partners for 39 years – the price and structure of this deal have not been disclosed however the total deal including new development has been quoted in the press as having a value of \$250 million. The deal included the university providing a partial guarantee over occupancy.
- 2016: In July 2016, Infratil and Commonwealth Superannuation Corporation were awarded a 30-year financial concession on eight existing and one new ANU residences (SA5), in exchange for the capital funds to upgrade facilities,
- 2017: The University of Tasmania is undertaking a transaction to find a partner for the existing accommodation and facilitate the development of future accommodation.
- 2017: Curtin University is undertaking a transaction process to find a partner for the existing accommodation and facilitate the development of future accommodation.
- It is also noted that other universities such as La Trobe University and James Cook University have recently undertaken market sounding initiatives.

As outlined in the Higher Education Infrastructure Working Group Report, universities have entered into joint ventures on university campuses to develop accommodation. These have often centred on public private partnerships (PPPs) which encompass a number of forms of project finance in which risk is shared between the university and one or more project partners. In PPPs, the private partner or partners is often responsible for the design, construction, finance, operation and maintenance of the service provided by the infrastructure and share in the risks. Universities such as the University of Melbourne have used PPPs in the form of Build-Own-Operate-Transfer (BOOT) arrangements for provision of new on campus student accommodation.

### **The National Rental Affordability Scheme**

The National Rental Affordability Scheme (NRAS) is an Australian Government affordable housing initiative, delivered in partnership with State and Territory governments, administered under a legislative framework, comprising the National Rental Affordability Scheme Act 2008 (NRAS Act) and the National Rental Affordability Scheme Regulations 2008 (NRAS Regulations).

A number of universities have made use of NRAS following its introduction, securing around 5,940 incentives to build new student accommodation. The scheme was introduced in 2008 and offered financial incentives to individuals or entities to build and rent out dwellings to low and moderate income households, with the rent charged at least 20% below the market value rent. These projects were largely undertaken through BOOT arrangements where the university will retain ownership in the long term and resulted in reduced capital expenditure from the universities.

It is noted that the NRAS developments have commercial outcomes and despite rents being charged at least 20% below the market value rent, the rents are often still at a level that places financial pressure on RRR students. This is compounded by the fact that the buildings are new (which requires a suitable rental level to justify the new construction cost) and that the majority of NRAS student accommodation is rented on 52-week contracts, which makes it difficult for RRR students that look to return home during the summer break.

The table below includes the universities that are approved participants under NRAS, and includes the state or territory in which they are located and the number of NRAS incentives that have been allocated to them. The information in the table can be found in the NRAS Quarterly Performance Report, as at 30 September 2017, which can be found on the NRAS website.

## Incentive Status by NRAS approved University

As of 30 September, 2017

Table 5.1

University	State/ Territory	Incentives Allocated	Incentives Not Yet Delivered
Australian Catholic University	NSW	50	0
Australian National University	ACT	947	0
Campus Living Villages at ECU Pty Ltd	WA	142	0
Charles Darwin University	NT	-	50
Deakin Residential Services Pty Ltd	VIC	433	0
Monash University	VIC	600	0
University of Canberra	ACT	352	0
University of Tasmania	TAS	770	0
UWA Accommodation Services Pty Ltd	WA	1,000	0
<b>Total</b>		<b>4,294</b>	<b>50</b>

Source: Department of Social Services

The table below includes other approved participants under NRAS with a focus on student accommodation.

## Incentive Status by NRAS Approved Participants

As of 30 September, 2017

Table 5.2

Participant	State/ Territory	Incentives Allocated	Incentives Not Yet Delivered
Central Park Students Pty Ltd	NSW	828	0
ECH Inc	SA	120	0
Glenuc Pty Ltd	VIC	42	0
Westpac Banking Corporation	ACT	605	0
<b>Total</b>		<b>1,595</b>	<b>0</b>

Source: Department of Social Services

### 5.1.2. Student Attraction

Universities generally want to maximise enrolments (within their means) and the provision of high quality accommodation is seen as an important factor in attracting students. This is particularly the case for school leaving children with parents wanting to ensure their child is living in safe and quality accommodation as they transition into university life. As such, the provision of university accommodation that provides a high level of pastoral care and support for students is seen as being very important.

### 5.1.3. Student Retention

The retention of students is an important goal of universities and providing students with the support they need to be successful is seen as important. There have been numerous studies undertaken that indicate that university students living in university or college accommodation generally perform slightly better academically than other students.

The attraction and retention of students is also linked to financial outcomes with the more students entering and remaining in education maximising revenue from academic fees and other flow on sources.

#### **5.1.4. Operational Expertise**

Some universities consider that the private sector can manage and operate student accommodation more effectively and efficiently than the university can. Operating student accommodation can be expensive especially when implementing systems and providing a high level of pastoral care and student services to residents.

Campus Living Villages is the second largest private operator of student accommodation in Australia and has a focus on partnering with universities to provide on-campus accommodation. Some universities have engaged Campus Living Villages to manage university owned accommodation to take advantage of their established systems, experience and the economies of scale that can achieve through managing and operating a large portfolio of accommodation.

## **5.2. UNIVERSITY CASE STUDIES**

The section provides case studies of Australian universities and how they have addressed the need to provide accommodation for students (with a focus on RRR students). The case studies include an assessment of:

- Profile of existing accommodation
- Future pipeline of accommodation
- Challenges faced by the university in providing accommodation
- Options and investment decisions considered by the university in providing accommodation
- Operation of student accommodation
- Strategy for accommodation RRR students.

**University of Melbourne – Parkville Campus**



Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	3	11	1	48
Beds	464	2,256	648	6,631
Existing Environment	<p>There are currently 14 facilities with 3,368 beds affiliated/associated with UoM comprising:</p> <ul style="list-style-type: none"> <li>• Three facilities owned by the University including two colleges and the IQ Apartments.</li> <li>• There are independent 11 colleges that are affiliated with the University and are largely located towards the northern end of the campus. These colleges are well established and primarily provide fully-catered accommodation with a high level of pastoral care and academic support.</li> <li>• The University entered into a BOOT scheme that resulted CLV developing the 648-bed Student Village Melbourne. The facility was opened in 2016 and is associated with UoM with a project deed outlining the rights and responsibilities of both parties.</li> </ul> <p>The University owned, joint venture and college accommodation was effectively fully occupied in 2017.</p> <p>There is also a significant supply of private student accommodation facilities in Inner Melbourne that service UoM students as well as the other institutions in the area.</p>			
Enrolled Students (2016) <sup>^</sup>	Metropolitan: 23,431	Regional: 3,511	International: 19,513	Total: 46,455
Benchmark (2016)*	4.7 full time students per bed			
<b>PBSA Development</b>				
Pipeline	<ul style="list-style-type: none"> <li>• UoM has committed to growing student accommodation as outlined in the <i>Growing Esteem 2015 – 2020 Strategy</i>. The Strategy is framed by the Melbourne Student Accommodation Program, which seeks to provide 6,000 safe, affordable and quality student accommodation places within walking-distance of the Parkville campus by 2020.</li> <li>• UoM has appointed a consortium led by Lendlease to develop UoM's "innovation precinct" as part of a program dubbed the Carlton Connect Initiative under a 42-year BOOT scheme. The consortium includes Urbanest, which will manage the new student accommodation facility of around 500 beds.</li> </ul>			

	<ul style="list-style-type: none"> <li>• UoM purchased a building at 303 Royal Parade and is currently converting it to a new 285-bed student accommodation facility through an extensive internal refurbishment, rear extension and facade rejuvenation. The facility will provide single, twin and studio rooms for undergraduate and post graduate students, with indoor and outdoor communal areas.</li> <li>• There is also significant private sector development of student accommodation in Inner Melbourne that will target UoM students though the projects are not affiliated or associated with the University.</li> <li>• As part of the target of 6,000 additional student accommodation places by 2020, it is understood that the university is investigating other opportunities.</li> </ul>
Challenges	<ul style="list-style-type: none"> <li>• UoM is located in Inner Melbourne with high land prices placing pressure on the ability of developers/operators to provide affordable accommodation.</li> <li>• While the university has significant land holdings, there is competition from within different departments/faculties for land for new academic, administration and other buildings.</li> <li>• Operating student accommodation is not the core business of universities though the welfare of their students is of paramount importance to the university. As such, balancing the expertise of private sector operators with the student care required by the university is crucial.</li> <li>• Implementing the <i>Growing Esteem 2015 – 2020 Strategy</i> and establishing a Student Accommodation Unit has challenges in incorporating within the university.</li> <li>• The university is looking to maximise access to capital to allow for new investment in projects and operations in a climate where Government funding is not increasing. This create challenges in managing assets, debt and private sector investment.</li> </ul>
Options	<p>UoM is considering a range of options to facilitate additional student accommodation with differing levels of university involvement:</p> <ul style="list-style-type: none"> <li>• Tier 1: Accommodation developed/owned by the university with potential to be operated by the university or a private operator. This could include using university capital, debt or philanthropic donations.</li> <li>• Tier 2: Partnerships with the private sector with options comprising private developments on university land: <ul style="list-style-type: none"> <li>– BOOT scheme (similar to the Student Village Melbourne and Carlton Connect projects)</li> <li>– Lease concession</li> <li>– Incorporated joint venture.</li> </ul> </li> <li>• Tier 3: A student accommodation facility that is developed/owned by the private sector with an arrangement with UoM that could include: <ul style="list-style-type: none"> <li>– Nominations agreement</li> <li>– Lease</li> <li>– Marketing and reservations agreement.</li> </ul> </li> </ul>
Investment Decisions/ Return on Investment	<ul style="list-style-type: none"> <li>• The university considers the long-term financial implications of potential new developments including upfront capital requirements and the ongoing maintenance and operation.</li> <li>• The university is looking to maximise capital with BOOT scheme projects with the private sector having proven attractive in recent years. These projects have not involved the university providing an accommodation occupancy guarantee, which</li> </ul>



	means the projects do not impact balance sheet liabilities as significantly and therefore the credit rating or debt capacity of the university.
<b>Operation</b>	
Existing	<p>In relation to the provision of soft and hard facilities management, it differs between facilities:</p> <ul style="list-style-type: none"> <li>• Independent colleges: Largely independent from UoM and undertakes all soft and hard FM in-house, including pastoral care.</li> <li>• UoM owned colleges: University provides hard and soft FM including on-site pastoral care for Medley Hall and International House.</li> <li>• IQ Apartments: University provides hard and Soft FM with limited on-site pastoral care.</li> <li>• Student Village Melbourne: CLV and UoM have a comprehensive Project Deed outlining the rights and responsibilities of both parties.</li> </ul>
Future	<ul style="list-style-type: none"> <li>• It is anticipated there will be a comprehensive Project Deed for the Carlton Connect project and other accommodation partnerships outlining the rights and responsibilities of both parties.</li> <li>• UoM has indicated that the Soft FM in future projects is likely to be outsourced to the private sector (who have expertise in the sector) with potential consideration of shorter term contracts that allow the university flexibility to react to future changes in higher education as needed.</li> </ul>
<b>RRR Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>• The university is currently investigating options to provide an accommodation guarantee for students. The pilot program for the guarantee commenced in 2017 for 'New to Melbourne' scholarship students who relocated to Melbourne for their first year of study. With the development of additional student accommodation, the university plans to expand to all 'New to Melbourne' undergraduate students and potentially postgraduate students and other cohorts thereafter.</li> <li>• Prospective residents for the university, joint venture and private accommodation currently apply directly to each of the facilities independently. As such, there is no allocation process of beds put aside for certain cohorts with beds allocated on essentially a 'first in' basis.</li> <li>• The existing colleges currently operate a centralised online portal for accommodation applications. Each college has their own admissions process with no specific allocation or preference for RRR students. Approximately 60% of college residents are from regional areas, indicating that colleges are an attractive option for RRR students despite the high fees. This reflects the long traditions that the colleges have of RRR students staying in colleges.</li> <li>• Challenges exist for RRR students that are unsuccessful in getting a place at a College as often the other private accommodation has been fully booked by other students (particularly international students) who have an academic offer before domestic students.</li> </ul>
Fee Structures	<ul style="list-style-type: none"> <li>• The same accommodation fees are charged for all students though scholarships and bursaries are offered by the university and colleges.</li> <li>• Accommodation scholarships available to RRR students only including relocation Scholarship comprising \$4,000 initially and \$1,000 each following year</li> </ul>

Note: ^ Full-time on-campus students at the Parkville campus

Note: \* Total full-time on-campus students divided by total beds at the Parkville campus

Source: Department of Education and Training; University of Melbourne; Urbis



<b>Southern Cross University</b>				
Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	0	0	4	0
Beds	0	0	469	0
Existing Environment	<p>SCU has three major campuses located at the Gold Coast, Port Macquarie and Lismore. Existing PBSA includes:</p> <ul style="list-style-type: none"> <li>Lismore: Three facilities with a total of 373 beds ranging from 16-30 years old.</li> <li>Coffs Harbour: One building with 96 beds</li> <li>Gold Coast: There is currently no PBSA at the campus</li> </ul> <p>Vacancy rates at the Lismore and Coffs Harbour accommodation has increased at recent years, which reflects the decline in overall enrolments at the two campuses (which have lost market share to the Gold Coast campus).</p>			
Enrolled Students (2016) <sup>^</sup>	Metropolitan: 104	Rural: 1,056	International: 552	Total: 1,712
Benchmark (2016)*	3.7 full time students per bed			
PBSA Development				
Pipeline	<ul style="list-style-type: none"> <li>There is currently no student accommodation in the pipeline at any of the three campuses though the university is undertaking a market sounding process relating to the development of PBSA at their Gold Coast campus.</li> </ul>			
Challenges	<p>Challenges facing the university relating to PBSA development are outlined below (with some varying between campus):</p> <ul style="list-style-type: none"> <li>Financial constraints: The university is constrained financially and does not have access to funds to invest in new PBSA or upgrading existing accommodation.</li> <li>Land availability: SCU currently leases land from the Gold Coast Airport at their Gold Coast campus. As such, they do not have control over land at their campus to facilitate accommodation. This represents a key component of the market sounding process to engage with key landholders surrounding the campus (including Gold Coast City Council, Queensland Government and Gold Coast Airport) to find suitable sites for development.</li> <li>Operational expertise: The smaller size of the university means that it does not have the critical mass to operate student accommodation as efficiently and effectively as a private operator. This was one of the key reasons that CLV was brought in as a partner.</li> </ul>			

	<ul style="list-style-type: none"> <li>• Student retention: The age of the existing accommodation at Lismore and Coffs Harbour has created issues in retaining residents.</li> </ul>
Options	<p>As part of the market sounding process at the Gold Coast campus, SCU is investigating partnership options with the private sector such as:</p> <ul style="list-style-type: none"> <li>• BOOT developments</li> <li>• Affiliation agreement with a private developer</li> </ul> <p>SCU has identified a NSW Government funding to help pay for the redevelopment of existing accommodation at Lismore and Coffs Harbour.</p>
Investment Decisions/ Return on Investment	<ul style="list-style-type: none"> <li>• Provision of student accommodation servicing the Gold Coast Campus is an approved strategic priority for SCU</li> <li>• There is an expectation among the university executive that investment in infrastructure will result in new income streams to justify the investment. As such, there is an unwillingness to invest in upgrading the accommodation at Lismore or Coffs Harbour as this would not generate substantial new income streams.</li> <li>• There is an appreciation that the provision of attractive and affordable PBSA is important in attracting students. However, the university does not model the potential financial benefit associated with new accommodation attracting additional students.</li> <li>• There is an appreciation that the provision of PBSA would help retain more students by providing supportive accommodation that will assist students at university.</li> </ul>
<b>Operation</b>	
Facilities Management	<ul style="list-style-type: none"> <li>• <b>Current:</b> As part of the agreement with CLV, CLV is responsible for the maintenance of the facilities including new furniture every five years.</li> <li>• <b>Future:</b> It is likely that any future agreements with the private sector would look to continue to outsource these operations.</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>• <b>Current:</b> As part of the management agreement with CLV, CLV is responsible for the student services including applications, student support, security, events. Catering is not provided due to operational constraints with the buildings combined with the demand profile of students.</li> <li>• <b>Future:</b> It is likely that any future agreements with the private sector would look to continue to outsource these operations.</li> </ul>
<b>RRR Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>• The university currently does not have an allocation strategy to guarantee a certain number of beds for any cohorts. This reflects the significant vacancies that have been experienced at Lismore and Coffs Harbour indicating everyone who has applied for student accommodation has been offered a place.</li> </ul>
Fee Structures	<ul style="list-style-type: none"> <li>• The university does not offer any subsidies for RRR students.</li> </ul>

Note: ^ Full-time on-campus students at the Coffs Harbour and Lismore campuses

Note: \* Total full-time on-campus students divided by total beds at the Coffs Harbour and Lismore campuses

Source: Department of Education and Training; Southern Cross University; Urbis

## Flinders University



Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	2	0	0	0
Beds	561	0	0	0
Existing Environment	<p>Flinders University has two existing PBSA facilities located at the Bedford Park campus including:</p> <ul style="list-style-type: none"> <li>University Hall: Catered hall comprising 209 beds in dormitory style accommodation.</li> <li>Deidre Jordan Village: Self-catered facility that offers 352 beds across shared apartments that include two, three, four or six bedrooms per apartment.</li> </ul> <p>There are some vacancies in the existing accommodation focussed on the fully-catered hall, which charged fees of around \$400 per week which makes the accommodation unaffordable for some students.</p>			
Enrolled Students (2016)^	Metropolitan: 9,471	Regional: 1,477	International: 2,167	Total: 13,115
Benchmark (2016)*	23.4 full time students per bed			
<b>PBSA Development</b>				
Pipeline	<ul style="list-style-type: none"> <li>A private developer has proposed to develop PBSA at the Tonsley campus as part of a mixed-use development. The Tonsley campus is approximately 3km north of the Bedford Park campus and is home to facilities for mathematics, robotic, engineering and computing students.</li> <li>There is significant private student accommodation being developed in the Adelaide CBD. The accommodation has no affiliation with the university though is available to Flinders University students who will be willing to commute to the campus from the CBD.</li> <li>Flinders University have expressed interest in a potential development located on the northern border of the Bedford Park Campus which includes scope for student accommodation. The proposal comprises a potential mixed-use centre that is located north of the new railway station.</li> </ul>			

Challenges	<p>Challenges facing the university relating to PBSA development are outlined below:</p> <ul style="list-style-type: none"> <li>Financial constraints: The university is constrained financially and has limited access to capital to invest in new PBSA or upgrading existing accommodation. The capital program at the existing accommodation is funded through the accommodation with reduced revenue due to vacancies impacting the provision of services.</li> <li>Affordability: The university has highlighted challenges with attracting and retaining residents due to the higher costs of student accommodation compared to share housing in the private rental market. This is constraining rental growth in accommodation and has resulted in the university offering lower cost self-catered accommodation.</li> <li>Existing accommodation: The university has expressed the desire to develop new PBSA though there is a risk that new development would cannibalise demand for the existing accommodation.</li> </ul>
Options	<p>The university is considering options for the future development of new PBSA for their students including:</p> <ul style="list-style-type: none"> <li>Affiliation agreement with a private developer located off-campus which would eliminate the need for the university to provide capital</li> <li>PPP development with the private sector to develop new student accommodation on the university campus</li> </ul>
Investment Decisions/ Return on Investment	<ul style="list-style-type: none"> <li>The university has been approached by private sector developers regarding partnering on a developer. Developers have requested an occupancy guarantee from the university to help secure bank financing. However, the university has indicated a reluctance to provide a guarantee unless they are compensated financially.</li> </ul>
<b>Operation</b>	
Facilities Management	<ul style="list-style-type: none"> <li>The existing accommodation is maintained by the university.</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>The student services including pastoral care, social events and application process is operated by the university. There is an expectation that the university provides a higher level of service and support that would be provided by a private operator.</li> </ul>
<b>RRR Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>The university currently does not have an allocation strategy to guarantee a certain number of beds for any cohorts. This reflects the vacancies that have been experienced at the accommodation indicating everyone who has applied for student accommodation in recent years has been offered a place.</li> </ul>
Fee Structures	<ul style="list-style-type: none"> <li>The university does not offer any subsidies for RRR students though there are a number of scholarships offered by the university to RRR students to help them pay for accommodation.</li> <li>Accommodation at the university ranges from \$198 per week for a self-catered room in a shared apartment up to \$398 for a fully catered room in University Hall.</li> </ul>

Note: ^ Full-time on-campus students at the Bedford Park campus

Note: \* Total full-time on-campus students divided by total beds at the Bedford Park campus

Source: Department of Education and Training; Flinders University; Urbis

## Australian National University



Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	1	2	9	2
Beds	517	674	3,760	118
Existing Environment	<p>ANU has around 5,000 student accommodation beds with the majority covered over a 30-year financial concession and lease arrangement on nine existing ANU residences that was started in 2016.</p> <p>Over the last decade the university has developed over 2,400 new student accommodation beds in five stages through joint ventures with the private sector and leveraging funding from NRAS.</p> <p>All the existing accommodation at the campus is fully occupied with strong demand for accommodation from domestic and international students coming from outside Canberra.</p>			
Enrolments (2016) <sup>^</sup>	Metropolitan: 8,212	Regional: 1,989	International: 6,577	Total: 16,425
Benchmark (2016) <sup>**</sup>	3.3 full time students per bed			
<b>PBSA Development</b>				
Pipeline	<ul style="list-style-type: none"> <li>SA6 development to replace Bruce Hall comprising a total of 800 beds. This will include a catered building of around 420 beds to replace Bruce Hall and a new flexi-catered building of around 380 beds. The development is being largely funded by a large donation from the Tuckwell Family.</li> </ul>			



	<ul style="list-style-type: none"> <li>SA7 development of 450 beds as part of the Union Court development. The self-catered development will include two wings with 10 sq.m bedrooms, shared bathroom and kitchen facilities. The development is being partially funded by the proceeds of the 2016 transaction.</li> </ul>
Challenges	<ul style="list-style-type: none"> <li>Competing priorities for new capital investment across academic facilities, service provision and other amenities. Allocating capital for the development and maintenance of new accommodation can be challenging.</li> <li>According to the ANU Annual Report, the consolidated university had interest bearing liabilities of \$477.7 million in 2015 including \$76 million in bank loans. There was a reluctance to increase debt with the upfront payment for the concession actually used to reduce the university's debt.</li> </ul>
Options	<ul style="list-style-type: none"> <li>ANU has the potential to develop student accommodation itself on its own land using university capital or taking advantage of relatively cheap debt.</li> <li>Philanthropy represents an option for ANU with the new SA6 development being largely funded through a \$100 million donation by the Tuckwell Family. The donation will be used to pay for the construction of around 800 beds with the revenue from the accommodation used to fund the Tuckwell Scholarship Program in perpetuity.</li> <li>ANU has historically leverage opportunities with the private sector to facilitate the development of new student accommodation. The recent transaction in 2016 comprised a 30-year financial concession and lease arrangement where a private consortium made a large upfront payment to the University in exchange for receiving annual income streams from the accommodation.</li> <li>In 2010 the Government announced that ANU would receive up to \$70 million in NRAS funding for the development of 1,023 student accommodation beds with a joint venture between ANU and a private consortium with government support. ANU provided the majority of capital funding for the project with a 99-year head lease negotiated with the ACT Government for the land at a rate below market.</li> </ul>
Investment Decisions/ Return on Investment	<ul style="list-style-type: none"> <li>ANU decided to enter into the concession with a private consortium as it resulted in the university receiving a large upfront payment, which was used to repay university debt, help fund the current redevelopment of Union Court and improve student services.</li> <li>Due to the strong reputation of the university and performance of the existing accommodation, the university did not need to provide an occupancy guarantee to achieve a financially attractive outcome. This is supported by the accommodation guarantee offered by the university to first year undergraduate students, which drives strong accommodation demand and reduces the risk of occupancy rates falling.</li> <li>ANU has been fortunate to receive a significant philanthropic donation from the Tuckwell Family that has allowed the university to develop a new 800 bed facility without having to provide capital.</li> </ul>
<b>Operation</b>	
Facilities Management	<ul style="list-style-type: none"> <li>As part of the 2016 transaction, the consortium has the responsibility for the "hard" facilities management services such as building maintenance and lifecycle replacement. The consortium has sub-contracted the provision of these services to Spotless for the term of the concession.</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>As part of the 2016 transaction, the ANU has retained responsibility for the delivery of "soft" facilities maintenance services, such as marketing and managing applications for the accommodation, processing rental agreements, cleaning internal areas of the residences and providing day-to-day pastoral care to residents. ANU has determined that maintaining responsibility for these student facing services is important for their brand and delivering a high-quality student experience.</li> <li>As part of the previous development of the lodges, the joint venture between ANU and the private sector engaged UniLodge to operate the accommodation under a</li> </ul>

	management agreement. UniLodge has continued to operate the accommodation following the 2016 transaction.
<b>RRR Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>• ANU offers a first-year guarantee to all undergraduate students from outside Canberra, including RRR students.</li> <li>• ANU operates an online accommodation portal where all students can apply for accommodation and enter preferences. An auto-allocated process ensures diversity across demographics, equal proportion of female/male students and domestic/international students. As such, the university does not give preference to RRR students over metropolitan and international students.</li> <li>• The two independent colleges have their own admissions process with no specific allocation or preference for RRR students. However, it is noted that the colleges generally attract a higher proportion of RRR students due to longer traditions and religiously affiliated accommodation not being as attractive to international students.</li> </ul>
Fee Structures	<ul style="list-style-type: none"> <li>• Financial support for accommodation available to students including through bursaries and scholarships.</li> <li>• Self-catered accommodation at ANU ranges in price from \$180 per week for a twin-bed room in the dormitory style Fenner Hall up to \$432 per week for a double studio in Ursula Hall.</li> </ul>

Note: ^ Full-time on-campus students at Acton campus

Note: \* Total full-time on-campus students divided by total beds at the Acton campus

Source: Department of Education and Training; Australian National University; Urbis

### 5.3. KEY FINDINGS

The four case studies highlight that universities are looking at a range of opportunities ranging from developing accommodation themselves, to accessing donations to private sector investment.

Universities are experiencing competing pressures for capital expenditure with accommodation often seen as a commercial opportunity that could generate revenue for the university or at least have the accommodation being self-sufficient with revenues covering operational expenses (and capital maintenance).

Following the recent student accommodation transactions entered into by the University of Wollongong and ANU with private sector consortiums, there are more universities actively looking into opportunities to partner with the private sector to facilitate the development of new student accommodation and the upgrade of existing accommodation without having to provide capital. This has the added attraction of generating an upfront payment to the university that can be used for other projects. One of the challenges faced by universities is weighing the need to provide affordable accommodation to RRR students against the need to charge higher accommodation rents to justify the new construction costs and generate the desired financial outcome to the university. A key factor in these transactions is the liabilities of the university such as the provision of occupancy guarantees as this can impact how the development is treated on the university's balance sheet and therefore have flow on financial impacts.

Universities are willing to borrow money to invest in new infrastructure though actively monitor how much they borrow to stay within statutory requirements and to maintain credit ratings. Due to the availability of private funding, universities have reduced the amount of debt they use to fund student accommodation with some recent transactions with the private sector being used to pay down existing loans.

## 6. AUSTRALIAN UNIVERSITY ACCOMMODATION POLICIES

This section examines the current policies adopted by Australian universities relating to the provision of student accommodation for RRR students.

### 6.1. UNIVERSITY PROFILES

The policies have been investigated through ten profiles of Australian universities selected by Urbis to provide a mix of universities by:

- Location: Capital city (inner city and suburban), regional city and smaller towns
- Type: Group of Eight, Research Universities and others
- Jurisdictions: Different states and territories
- Known Approaches: Universities that Urbis is aware of that have adopted different policies to accommodate regional studies.

The profiles are included in Appendix B and compile an overview of each university including:

- Existing environment: Current state of PBSA provision at the university including:
  - Bed supply (university owned/operated, joint venture and private)
  - Indicative occupancy rates
  - Student enrolments by key cohorts
  - Average weekly rent in on campus accommodation facilities.
- University policy towards accommodating RRR students including any:
  - Accommodation subsidisation/financial support
  - Accommodation guarantee/quarantining of beds
  - Allocation/preference given to RRR students.

### 6.2. KEY FINDINGS

Accommodation guarantees vary between universities with three out of the ten profiled universities offering some type of accommodation guarantee. The guarantees generally focus on first year students who are coming from outside the region. Australian National University extends its accommodation guarantee to first year students, indigenous students, students with a disability, exchange students and medical students. No specific regional student guarantees are made by any of the above universities, however RRR students do fit into the ANU and University of Wollongong first year guarantees.

All of the universities profiled offer bursaries, scholarships and other financial aid for students with many universities offering specific aid to RRR students. Housing bursaries and rent assistance are offered by a number of universities and priority is often given to those who are relocating from interstate or regional areas. The University of Wollongong allocates 60 accommodation bursaries to regional and remote students whilst ACT students are only allocated 20 with an aim to help attract these prospective students to study at the university and living in university accommodation. The bursaries often look to assist equity groups such as:

- Indigenous Australians



- People from socio-economically disadvantaged backgrounds
- People from rural and isolated areas
- People with disabilities.

Some financial aid is given as a one-off payment whilst others, such as the UTAS Relocation and Living Support Scholarship, is spread over the duration of the student's degree as an annual payment. Flinders University offers rent assistance scholarships specific to its student accommodation facilities, thereby guaranteeing a place in the student accommodation facility for scholarship recipients.

All universities provide financial assistance and scholarships targeted towards indigenous students. Some colleges such as Trinity College at the University of Melbourne and St Catherine's College at the University of Western Australia have established successful residential programs to assist indigenous students with educational opportunities. Through the consultation phase to prepare the profiles, it was identified that there may be opportunities to encourage more indigenous students to choose student accommodation through the expansion of these programs to help indigenous students feel at home in purpose built student accommodation.

The University of Sydney has also established an Aboriginal and Torres Strait Islander Accommodation Award. The award guarantees subsidised university accommodation to all first-year school leaving Aboriginal and Torres Strait Islander Students who will be studying full-time at the university. Students receive \$7,728 in their first year paid directly to the resident's rent at university owned accommodation to reduce weekly rental payments with. Additional benefits include the bond being waived and a start-up bursary valued at \$1,000. Eligible students are also guaranteed accommodation within International House or the Queen Mary Building with the Queen Mary Building having a dedicated wing for Aboriginal and Torres Strait Islander Students to assist indigenous students in living together. In addition, students do not have to apply for the award with all students who qualify for the award contacted by the university, which increases the ease of accessing accommodation.

The majority of universities do not provide preferences to RRR students with universities operating on a 'first in' basis. Accommodation service departments generally like to attract a large number of returning students as this assists in building a strong sense of community in accommodation and helps set an example for commencing students. As such, returning students are often given preferences to reapply for accommodation before the process is opened to new applicants.

Applicants generally put in a preference in their application for which type of accommodation they would prefer with the university accommodation service attempting to meet the desires of the majority of students.

Universities which are experiencing vacancies in their student accommodation are less likely to offer any preferential treatment with accommodation allocated on a first in basis.

## 7. INTERNATIONAL COMPARISONS

This section provides an overview of how student accommodation is delivered in other countries with relatively higher student mobility than Australia. The assessment includes profiles of universities from each country to identify how the universities are delivering student accommodation. Profiled countries include:

- United Kingdom (UK)
- USA
- New Zealand
- Ireland.

### 7.1. STUDENT ACCOMMODATION PROVISION

#### 7.1.1. United Kingdom

The UK is one of the leading countries for tertiary education with approximately 140 universities. These include over 48 universities in the Times Top 400 and the top two universities in the world: University of Oxford and University of Cambridge.

##### Supply

Overall there are 602,000 PBSA beds in the UK to support around 2.3 million students compared to approximately 88,000 PBSA beds in Australia supporting 764,000 students. The largest private sector owner is Unite Students PLC which owns 49,000 PBSA beds within the UK market. Approximately 382,000 PBSA beds are university-owned, equating to around 60% of total beds.

##### UK PBSA Supply

2017/18

Table 7.1

Ownership	No. Beds
University	~382,000
Private	~220,000
<b>Total</b>	<b>602,000</b>

Source: Cushman and Wakefield

There were approximately 29,000 PBSA rooms delivered in 2016/17 with a further 14,000 under construction for 2017/18. In 2016/17 private bed supply increased by 21,400 compared to university owned supply increasing by 7,600 beds, highlighting the increased role that the private sector is playing in the development of student accommodation.

##### PBSA Growth in UK

2016/17

Table 7.2

PBSA Ownership	New Beds 2016/17	Growth (2013-2016)
Private	21,400	43%
University	7,600	5%
<b>Total</b>	<b>29,000</b>	<b>12%</b>

Source: Cushman and Wakefield

The UK has a large proportion of international students, accounting for 19% of the total student population which is lower than Australia (28% of total students). As seen in Table 7.2, the UK has a high provision rate of 26% which is four times the provision rate in Australia (6%).

## UK Student Enrolments

2017

Table 7.3

	No. Students	% of Total
Domestic	1,861,990	81%
International	438,010	19%
<b>Total</b>	<b>2.3 million</b>	<b>100%</b>
PBSA Provision Rate	26%	

Source: HESA 2017

Trends in the provision of student accommodation in the UK include:

- Student accommodation as an investment asset is well established and is more mature than Australia. This has resulted in significant private sector involvement in student accommodation development from both a development and investment perspective.
- An increase in joint ventures with the private sector and universities resulting in private developers building new facilities and universities taking a long-term lease over the property.
- Private developments have focused on providing greater amenities and services for students to enhance living experience and compete with other operators. This is similar to what is occurring in Australia with new private developers improving the quality of development.

A profile of student accommodation at Coventry University is included in Appendix C.

### 7.1.2. United States

There are approximately 3.06 million PBSA beds in the USA, contributing to the relatively strong PBSA provision rate of 15%, which is higher than Australia (12%). The difference can be attributed to the strong culture of domestic students leaving home and living on-campus in their first year. A key contributor to this culture is the dispersion of universities with a lot of universities are in smaller towns where the university is the major driver of the local economy.

Universities try to encourage students to be part of the university from not only an academic sense though also from a social, sporting and cultural level. This includes a lot of universities strongly encouraging or requiring students to live on campus to help integrate them into the university. At least 87 USA universities require all first year, full time students to live on-campus (National Center for Education Statistics). Some universities such as Duke University require all students to live on campus for the first three years of their studies. The USA is also unique in that it has a culture of students joining fraternities and sisterhoods for social activities and accommodation.

## USA PBSA Supply

2016

Table 7.4

Ownership	No. Beds
On-campus	960,000
Off-campus	2,100,000
<b>Total</b>	<b>3,060,000</b>

Source: Savills

In 2017 the USA had a student population of approximately 20.3 million. The United States has a large number of international enrolments, surpassing 1.1 million, however this is a relatively small fraction of the total 20.3 million student enrolments, accounting for only 5%. Chinese students studying in the USA represent the largest market (210,000 out of 1.1 million).

## US Student Enrolments

2017

Table 7.5

	No. Students	% of Total
Domestic	19.2 million	94.8%
International	1.1 million	5.2%
<b>Total</b>	<b>20.3 million</b>	<b>100%</b>
PBSA Provision Rate	15%	

Source: IIE Center for Academic Mobility Research and Impact

Trends in the provision of student accommodation in the USA includes:

- Universities are largely developing student accommodation to meet the desire to have first-year students reside on campus and integrate quickly into the university.
- A large number of universities are associated with the national system of fraternities and sororities. This often involves the university developing accommodation buildings on the campus that are then leased to individual organisations to operate.
- The strong university culture in the USA involves alumni retaining strong links with the university. This means universities have generally received more donations than Australian universities and many universities have built up large endowment funds. These large endowment funds have been used for investment in new projects including student accommodation.
- The private student accommodation sector is also well established in the USA as an investment grade asset. The private sector has generally focussed on building student accommodation for continuing students as most first year students choose to live on campus.
- USA universities have also participated in joint ventures to develop new student accommodation. The push to have new students living on campus makes it an attractive proposition for investors looking to partner with universities.

A profile of student accommodation at the University of Maryland is included in Appendix C.

### 7.1.3. New Zealand

There are eight universities in New Zealand, all of which feature in the QS World University Rankings. New Zealand's higher education system also includes 18 institutes of technology and polytechnics. Universities are multi-disciplinary and follow a similar structure to Australian universities.

#### Supply

Based on the Urbis New Zealand Student Accommodation Database there are 21,043 beds across 119 facilities in New Zealand. University/Polytechnic beds account for approximately 43% of total bed supply in New Zealand which is higher than Australia (36%). Conversely, beds within Colleges make up 7% of total supply in New Zealand compared to 14% of supply in Australia. On-campus supply is generally targeted at first year students moving away from home, however, it is noted some universities provide more self-contained accommodation for continuing students and postgraduates.

The average benchmark provision of student accommodation to students within New Zealand is 8.6 students per bed. This is higher than the provision in Australia, and is linked to the culture of domestic students moving away from home to live in student accommodation for their first year of study.

## PBSA Supply by Ownership

2017

Table 7.6

	University/ Polytechnic	Colleges	Joint Venture	Private	Total
<b>New Zealand</b>					
Facilities	50	8	15	46	119
Beds	8,957	1,574	3,404	7,108	21,043
% of Total (Beds)	43%	7%	16%	34%	100%
<b>Australia</b>					
Facilities	159	57	52	150	418
Beds	31,256	12,996	19,063	25,059	88,374
% of Total (Beds)	35%	15%	22%	28%	100%

Source: Urbis

There were 173,880 enrolments in New Zealand in 2016. New Zealand has a large proportion of international students, accounting for approximately 16% of the total student population though is significantly lower than Australia (28% of total students).

As seen in Table 7.7, New Zealand has a provision rate of 12%, which is double that of Australia. New Zealand has a culture of moving away from home to study, as such, universities have focussed on providing halls of residences for first year students. New Zealand also has a flatting culture where a majority of second and third year students will leave student accommodation and enter the private rental market with other university students within a share house. As such, investors have developed and renovated share houses targeted towards second and third year students which is competing with university student accommodation.

## New Zealand Student Enrolments

2016

Table 7.7

	No. Students	% of Total
Domestic	146,190	84%
International	27,690	16%
<b>Total</b>	<b>173,880</b>	<b>100%</b>
PBSA Provision Rate	12%	

Source: Education Counts NZ, Urbis

Trends in the provision of student accommodation in New Zealand include:

- Several universities have been actively looking to increase the supply of accommodation by building new accommodation and retaining ownership. However, not all universities are in as strong a financial position to fund development.
- Universities are looking at more opportunities for joint ventures to fund accommodation, similar to what is happening in Australia, to take accommodation off balance sheet where possible. This includes BOOT schemes for new development.

- Universities are working with the private sector to develop student accommodation in off campus locations. This is most common in the major cities such as Auckland where there are multiple universities located around the CBD. Recent developments have included the university taking a long-term lease over the completed building such as the University of Auckland having taken exclusive leases over several facilities in the Auckland CBD that are operated by UniLodge..

Profiles of accommodation at the University of Auckland and University of Canterbury have been included in Appendix C.

#### 7.1.4. Ireland

Higher education in Ireland is provided by a relatively small number of tertiary education providers. In total, seven universities, 14 institutes and seven colleges of education contribute the main tertiary courses for 229,000 students. Over the past decade, demand for higher education within Ireland has increased significantly and is projected to continue beyond 2020.

##### Supply

There are 33,441 student accommodation beds in Ireland. As shown in Table 7.8, Ireland's bed supply is dominated by the private market, accounting for approximately two thirds of its 33,441 beds, which is significantly higher than private bed provision in Australia.

##### Existing PBSA Supply

Ireland 2015/16

Table 7.8

Ownership	No. PBSA Beds
Higher Education Institutions	11,760
Private	21,681
<b>Total</b>	<b>33,441</b>

Source: Irish Government National Student Accommodation Policy

There were 229,000 enrolments in Ireland in 2016. Ireland has a relatively low percentage of international students, accounting for approximately 7% of the total student population, which is significantly lower than Australia (28% of total students).

As seen in Table 7.9, Ireland recorded a higher provision rate (15%) when compared to Australia (6%). Universities and developers in Ireland plan to deliver an additional 7,000 PBSA bed spaces by the end of 2019 to increase the provision and reduce the unmet demand.

##### Student Enrolments

Ireland, 2016

Table 7.9

	No. Students	% of Total
Domestic	213,200	93%
International	15,800	7%
<b>Total</b>	<b>229,000</b>	<b>100%</b>
PBSA Provision Rate	15%	

Source: Savills

In July 2017, the National Student Accommodation Strategy was launched by the Irish Government and aims to deliver an additional 21,000 PBSA beds by 2024 to fulfil demand and attract international students. Table 7.10 outlines the existing and projected PBSA rooms and the corresponding demand. The estimated unmet demand for 2017 is 23,634 bed spaces. The government aims to increase supply from 33,441 beds to 54,654 beds by 2024, reducing unmet demand to 20,896 beds.

## Projected PBSA Supply Ireland

2015/16

Table 7.10

Year	Projected PBSA rooms	Projected Demand for PBSA
2017 (current)	33,441	57,075
2019	40,687	66,441
2024	54,654	75,640

Source: Irish Government National Student Accommodation Policy

Universities in Ireland generally have an allocation system in which a predetermined percentage of total student accommodation supply is allocated to the different cohorts. Table 7.11 shows the varying proportions amongst cohorts at each of Ireland's seven universities. Six of the seven universities allocate the highest proportion of student accommodation supply to first year students.

## Allocation of University PBSA

2015/16

Table 7.11

University	1 <sup>st</sup> Year	Continuing	International	Special Circumstances
Trinity College Dublin	40%	31%	22%	7%
University College Dublin	32%	11%	46%	22%
Maynooth University	55%	20%	25%	8%*
Dublin City University	75%		25%	Not provided
University of Limerick	40%	35%	25%	Not provided
NUI Galway	N/A			
University College Cork	38%	29%	33%	Not provided

Note: \* indicates percentage split across other cohorts

Source: Irish Government National Student Accommodation Policy

Key actions in the Strategy to promote the development of additional student accommodation include:

- Irish universities have highlighted challenges in securing financing for student accommodation developments. To address this issue, legislation was passed that specifically facilitates borrowing from the government's Housing Finance Agency (HFA) for the purposes of financing PBSA development. It is anticipated that this will support the development of additional PBSA projects due to the increased access to financing opportunities and the lower rate of financing costs that will be available from the HFA.
- In Ireland 'Digs' refer to bed spaces in private family homes that are rented out to students. In 2016, 2,190 digs were listed online and 2,478 students housed in 2016. Home owners can earn up to 14,000 Euros before they have to pay tax on the rental income. The Government is promoting the activity as it helps get more students into supported accommodation. The Strategy aims to increase the number of students taking up Digs accommodation to around 4,000 per year by 2019.
- The production of a Quarterly Reporting document to track both public and private developments of PBSA in Ireland and will be utilised to monitor the progress made in relation to the targets outlined in the Strategy. Bed-spaces will be used as the metric to describe and measure the scale of PBSA



development. This will ensure that we have a clear outline of the future pipeline of PBSA developments coming on-stream which will help to inform policy development in this area into the future.

- The strategy identifies the need for a significant increase in the quantum of bed spaces available to universities via nomination agreements from the current stated level of 300 per annum. This will require the development of relationships and nomination agreements between private providers of PBSA and universities to increase the availability of good quality PBSA for students attending universities. This will be an added attraction for marketing universities as a location of choice for students both nationally and internationally.
- This includes facilitating (for a limited time-period) planning applications for large-scale housing developments and student accommodation developments (which contain in excess of 200 Student Bed-spaces), being made directly to An Bord Pleanála (the Irish planning and development body). This legislation will provide greater certainty in timescales for the securing of planning permission to the proposers of both public and private PBSA schemes in progressing projects from design to delivery.

### 7.1.5. Benchmark Supply

Beyond the national student accommodation market, Urbis has also compiled benchmarks based on key competing education markets internationally. The following table compares the ratio of university enrolments to student accommodation beds in each country. The data indicates that Australia has a significantly lower benchmark supply of accommodation relative to major competitors.

The strongest comparison can be drawn between New Zealand and Australia, which are both based on total supply from Urbis' database of student accommodation facilities in both countries. New Zealand has a benchmark supply of almost double that of Australia (with a lower student to bed ratio), which is reflective of the greater tendency of commencing students to live on-campus given the greater mobility of regional based students (which has some similarities to the US and UK).

#### International Supply Benchmarks

2016/17

Table 7.12

Supply	Australia	New Zealand	UK	USA	Ireland
PBSA beds	89,442	21,043	602,000	3.06 million	33,411
Enrolled Students	1.4 million	173,880	2.3 million	20.3 million	229,000
National provision rate (beds/enrolled students)	6%	12%	26%	15%	15%
Key Private Operators (private)	UniLodge, Campus Living Villages, Urbanest	Campus Living Villages, UniLodge, Sanctuary Developments Group	Unite Students, UPP, Vero, Campus Living Villages	American Campus Communities, Campus Crest Communities, Education Realty Trust	

Source: Savills, *Spotlight World Student Housing 2017-18*, Urbis

## 7.2. IMPLICATIONS FOR AUSTRALIA

Based on the review of the provision of student accommodation in the four countries, key findings and implications for the development of student accommodation in Australia include:

- Australia does not have the same culture of moving away to study amongst domestic students compared to the UK, USA and New Zealand, which is reflected in the higher proportion of student accommodation in these countries. This is unlikely to change significantly in the future due to the population of Australia being centred in major capital cities, which are home to the majority of the leading universities (Australia is the third most urbanised country in the world).
- There is potential for more philanthropy to fund student accommodation developments in Australia with donations to universities prolific in the USA. It is noted that Australian universities have identified this and are working to create more opportunities. An example of this is ANU receiving \$100 million from the Tuckwell Family to fund the development of 800 beds. The Higher Education Infrastructure Working Group has recommended that the Government commission a detailed review of options to increase philanthropic giving to Australian universities, including consideration of establishing a matched funding programme along the lines of successful programmes conducted internationally, including in the UK, Singapore and Hong Kong. This could help boost philanthropic giving to universities for student accommodation.
- A significant number of USA universities have requirements for students to live on campus. There is an opportunity for universities to look into this and create a point of difference. It is noted that some Australian universities have implemented accommodation guarantees to encourage more students to live on campus and have combined this with significant accommodation development. Equally, we note that moves to make living on campus compulsory could alienate students from lower socio-economic status backgrounds, including RRR students.
- The Irish Government is providing universities with access to cheaper debt funding through the government's Housing Finance Agency to encourage more student accommodation development.
- Joint ventures between universities and the private sector are common in all countries. This has become more common in Australia in recent years with several universities entering into agreements with developers and investors to provide new accommodation.

## 8. OPTIONS IDENTIFICATION

The following section outlines some options that could be considered to help facilitate more RRR students choosing to study tertiary education.

Challenge	Potential Response(s)
<p>Prospective RRR students looking to enter tertiary education can experience some difficulties in receiving Government assistance such as Youth Allowance. This includes the parental income test, which reduces the available payment for students whose parents exceed the income threshold. Consultation with some university accommodation managers provided anecdotal evidence that there are RRR students unable to receive Government support.</p>	<p>Reviewing eligibility criteria for RRR students to access Government support such as Youth Allowance. This could potentially involve reducing the parental income tests for RRR students that need to relocate to study at university or providing more assistance to RRR students in navigating the application process.</p>
<p>Prospective RRR students applying for Government financial assistance need to go through a process to apply and get approved for assistance. Consultation with some university accommodation managers provided anecdotal evidence that there are RRR students that do not receive their first Government payment until March indicating many need to borrow money to meet upfront costs such as relocating, upfront rent, bonds etc.</p>	<p>There is an opportunity to review the application process for Government assistance to see whether the timing of applications and initial payments could be revised to reduce upfront costs.</p>
<p>RRR students can face challenges in securing affordable on-campus accommodation especially at universities where there is strong competition for the more affordable on-campus accommodation.</p>	<p>Universities could be encouraged to provide an allocation of beds to RRR students with this policy actively marketed to RRR students to give them confidence that they can secure on-campus accommodation. This is similar to the strategy adopted by the University of Newcastle which allocates 100 rooms to students from the New England region and 80 rooms from students from the Central West region. This policy is actively communicated in their marketing at schools in the regions to grow enrolments.</p> <p>There is potential for Government relocation scholarships for RRR students to be linked to universities providing an allocation of affordable beds to these students. This may involve the scholarship money (either all or part) to be used at the university's accommodation so the student would benefit from reduced accommodation costs in the first year (especially helping with the upfront costs) and the university would benefit from the students being incentivised to choose their accommodation, which would ideally boost occupancy and revenue. This would be attractive to some of the universities that are experiencing vacancies in their accommodation.</p> <p>The universities that already have full occupancy of accommodation may also be enticed to participate by additional funding for the scheme such as assisting with marketing to RRR students.</p>

Challenge	Potential Response(s)
	<p>There is potential for an allocation scheme to be expanded to all equity groups such as lower socio-economic status, disability and indigenous students with RRR students representing a component of the program.</p> <p>Indigenous students face specific challenges such as having close cultural/community ties can make it difficult to leave home. As such, there is opportunities for student allocations to include wings dedicated to Indigenous students and cultural spaces to assist them in developing cultural support networks.</p> <p>There may also be opportunities to tie in with other government funding such as the Higher Education Participation and Partnerships Program with the allocation of beds to lower socio-economic status RRR students to boost student retention.</p>
<p>Older student accommodation facilities at some regional universities are in need of upgrading and some regional universities do not have the financial capacity to fund upgrades. As such, there are buildings that are in need of upgrade to improve the student experience.</p>	<p>There is the potential to make regional infrastructure grants and funding available to regional universities to help fund upgrades of existing accommodation and new facilities.</p> <p>It would be recommended that any grants be tied to a business case to determine if the new investment would help boost demand for student accommodation and achieve other desired socio-economic outcomes.</p> <p>This funding could be linked to universities providing an allocation of affordable beds to RRR students or other 'equity' students such as lower socio-economic status, disability and indigenous students.</p>
<p>RRR students are being deterred from studying at university due to the high costs of living in some locations.</p>	<p>Providing easily accessible information to RRR students on the cost of living in different cities and towns could help students concerned about financial constraints choose locations with a lower cost of living.</p> <p>This could potentially include an index on the cost and availability of both student accommodation and private rental accommodation so that students are better informed and more confident to relocate to study.</p>

Source: Urbis

An additional observation emerging from the assessment is the evolution of the tertiary education sector and the trend towards more students (especially RRR students) choosing to study online. With continued technological advancement and disruption occurring in the sector, tertiary education is likely to look very different in the medium to longer term and have significant implications for accommodation. Some students will continue to be unwilling to relocate for university due to cost and a range of other reasons with online education providing a viable alternative.

In the medium to longer term there is the potential to expand online learning opportunities for students with satellite teaching facilities in smaller towns that leverage video conferencing and similar technologies. This could be combined with shorter intense teaching periods where students travel to the main campus for intensive classes, reducing their requirement to seek long term accommodation.

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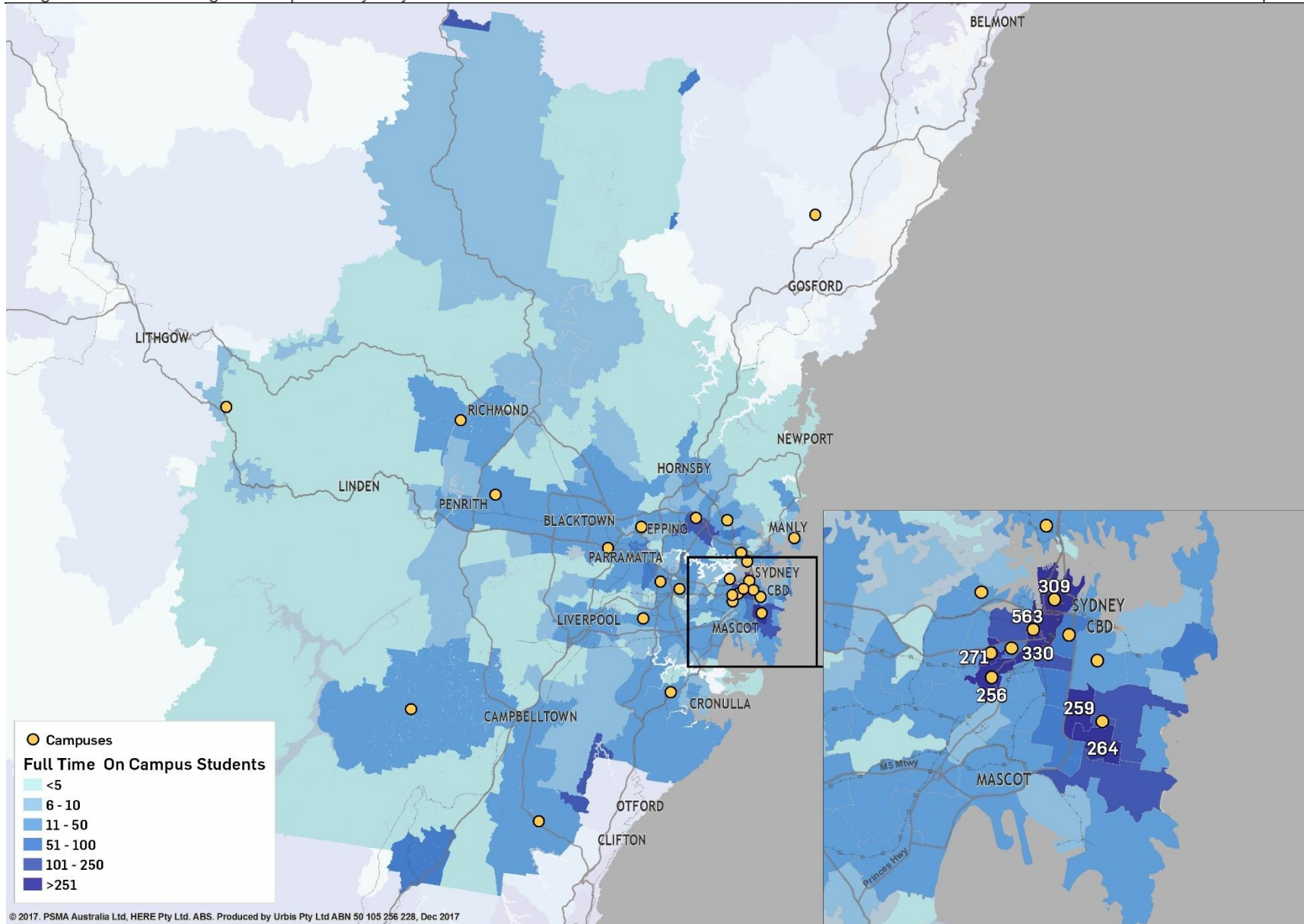
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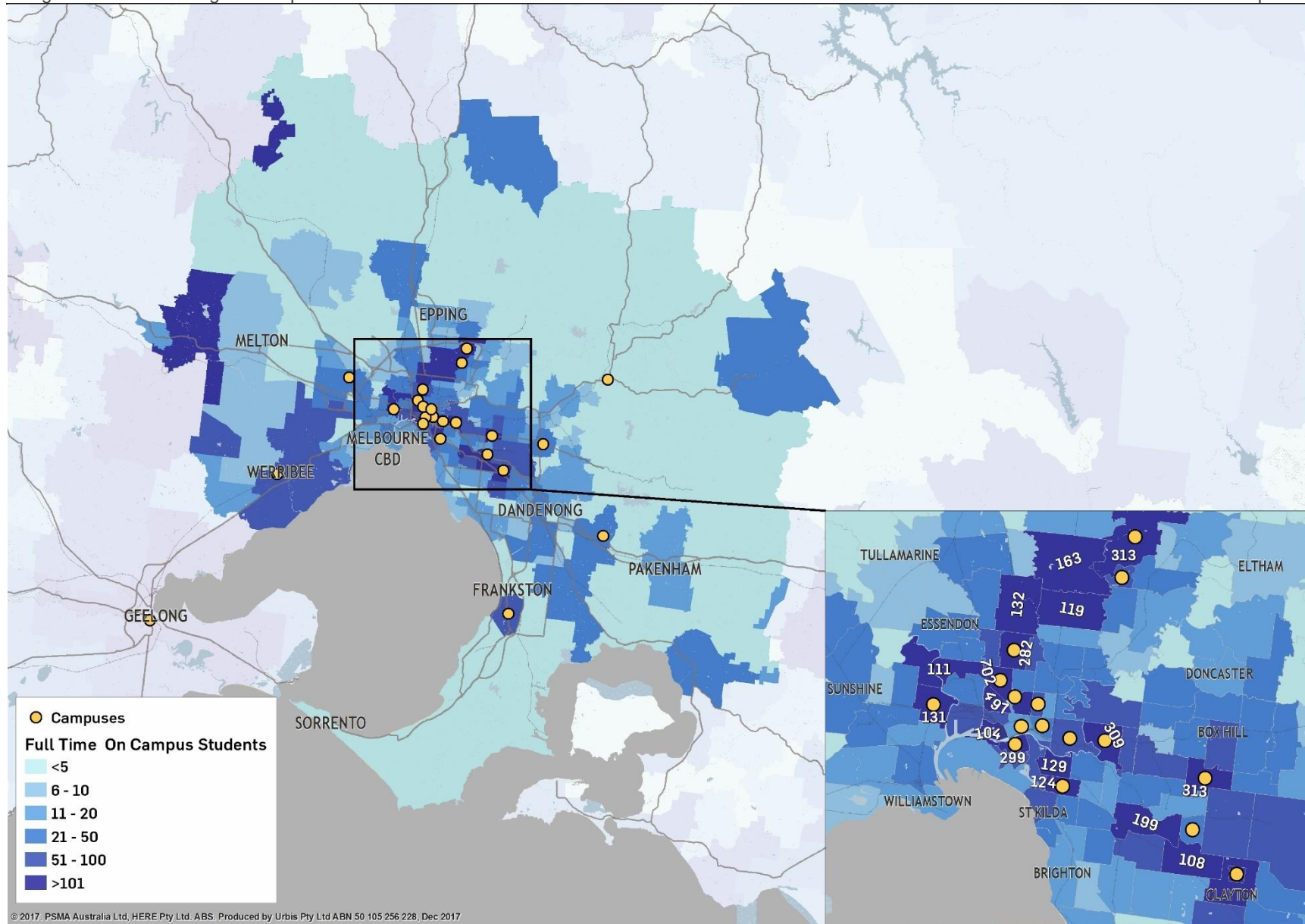
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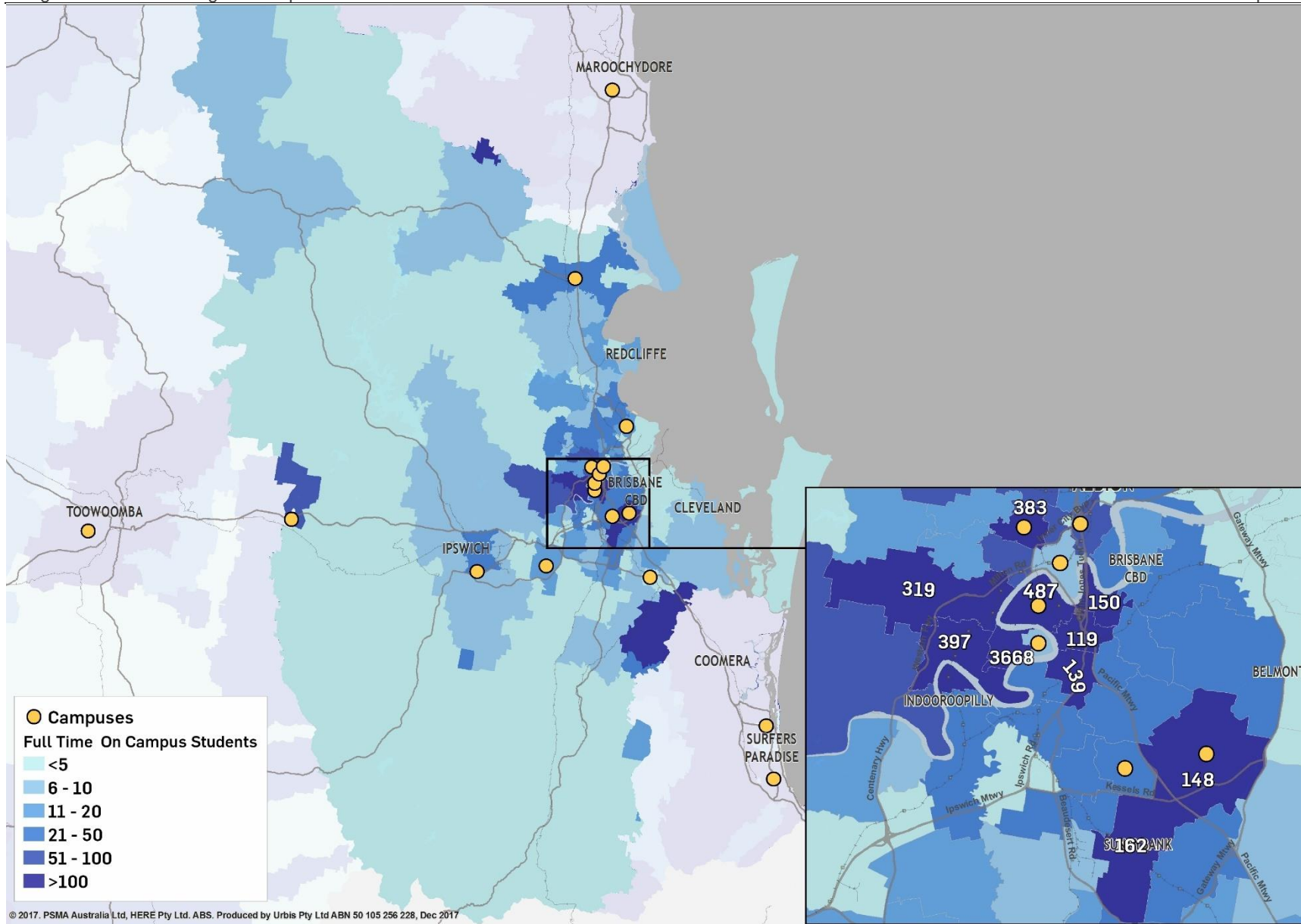
# **APPENDIX A      REGIONAL STUDENTS LIVING IN METROPOLITAN CITIES**

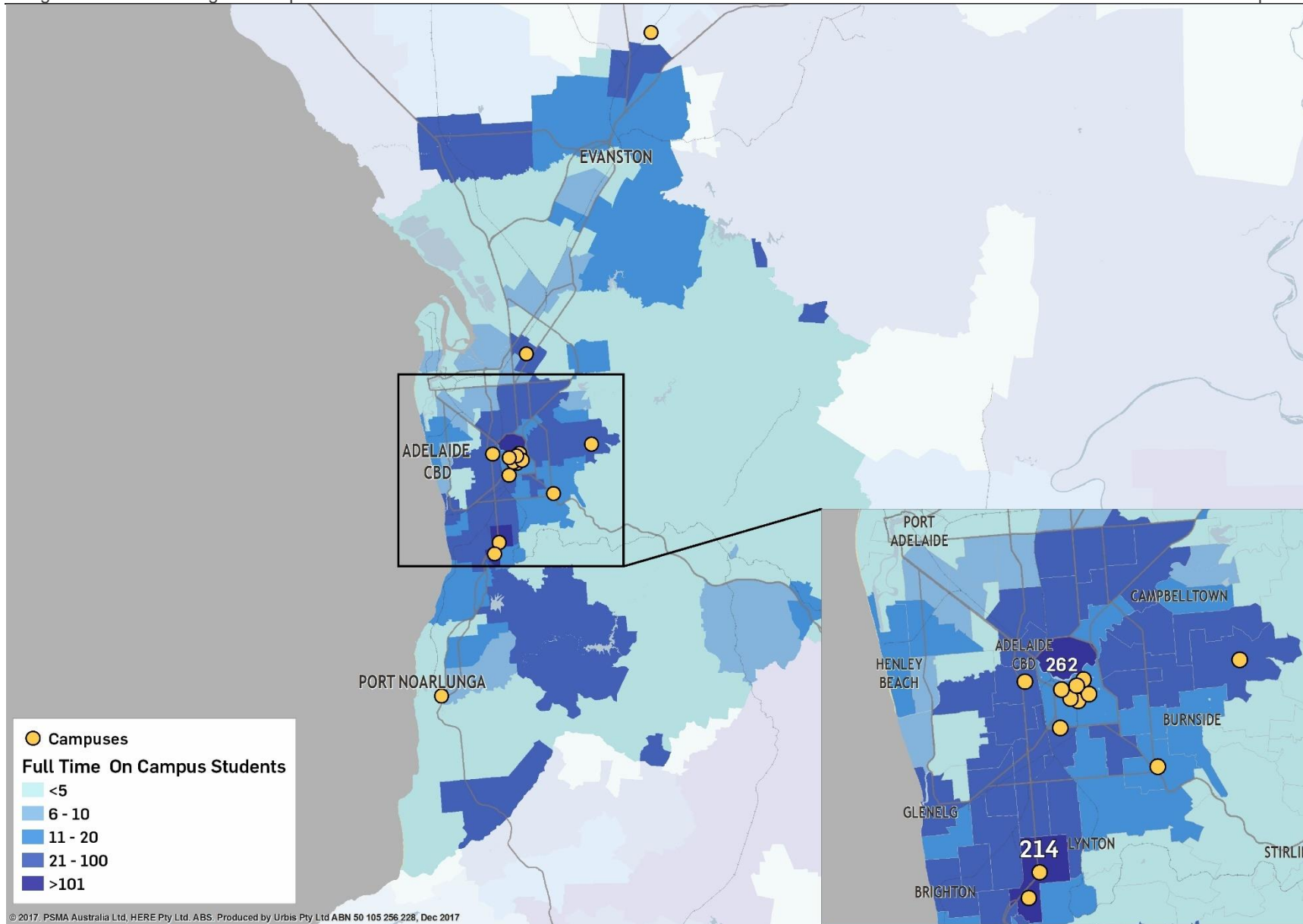




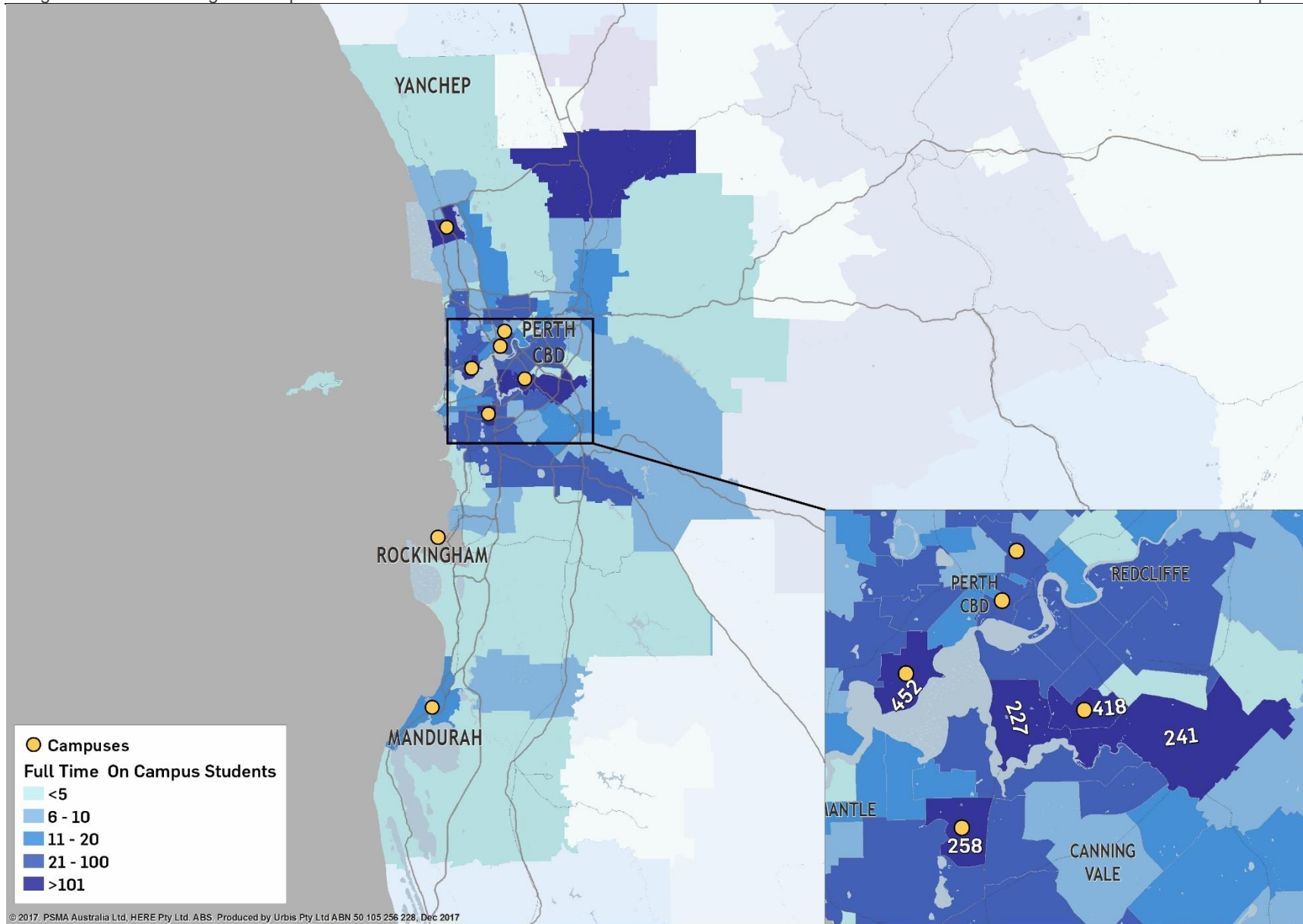


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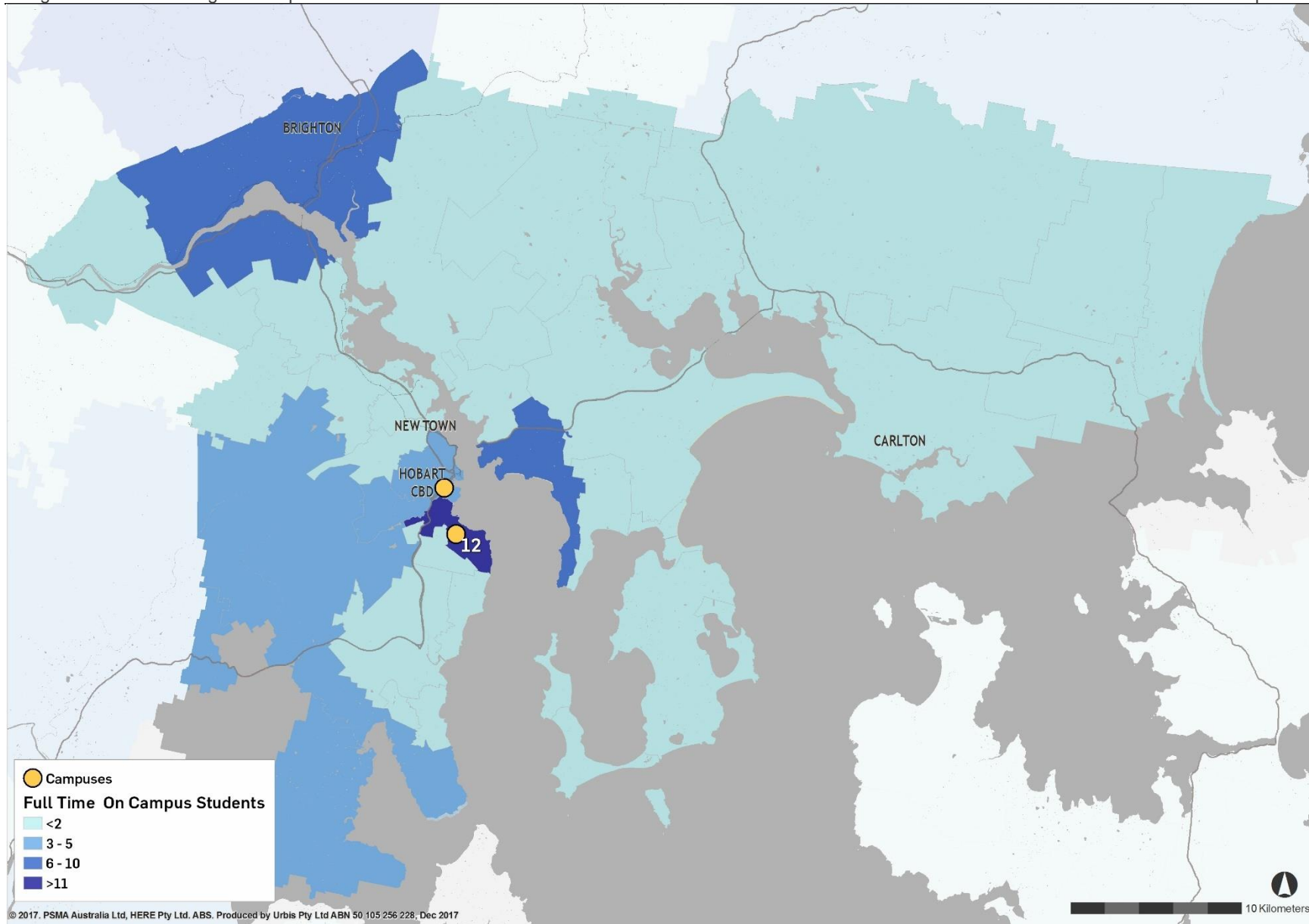








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# **APPENDIX B      AUSTRALIAN UNIVERSITY PROFILES**

<b>University of Melbourne – Parkville Campus</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>			<b>No. of Beds</b>
University Owned	3			464
Joint Venture	1			648
College	11			2,256
Private*	48			6,631
<b>Total</b>	<b>63</b>			<b>9,999</b>
Indicative Occupancy (2017)	University owned, JV and College accommodation effectively fully occupied in 2017			
Enrolments (2016)^	Metropolitan: 23,431	Regional: 3,511	International: 19,513	Total: 46,455
PBSA Supply Benchmark (2016)**	4.7 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	\$415	\$698	N/a	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	The university currently does not provide an accommodation guarantee for any students.			
Subsidisation/ Bursaries/ Scholarships	Financial support for accommodation available to students includes: <ul style="list-style-type: none"> <li>• Student Housing Access Program: Rent assistance of \$100 per fortnight and a loan to cover upfront bond of \$690 in university-owned facility</li> <li>• Housing Bursary: \$100 allowance per fortnight</li> <li>• Most Colleges offer a range of scholarships to new and continuing residents established by support of private donors and commercial or philanthropic organisations.</li> </ul>		Accommodation scholarships available to regional students only: <ul style="list-style-type: none"> <li>• Seavic Lodge No. 8 Scholarship</li> <li>• McGregor Family Fund Scholarships</li> <li>• DMW Industries Doyle Family Scholarship</li> <li>• David Syme Charitable Trust Scholarship</li> <li>• Relocation Scholarship: \$4,000 initially and \$1,000 each following year</li> </ul>	
Allocation/ Preferences	Prospective residents for the university, JV and private accommodation currently apply directly to each of the facilities independently. As such, there is no allocation process of beds put aside for certain cohorts with beds allocated on essentially a 'first in' basis.			
	The existing colleges currently operate a centralised online portal for accommodation applications. Each college has their own admissions process with no specific allocation or preference for regional students. Approximately 60% of college residents are from regional areas, indicating that colleges are an attractive option for regional students despite the high fees. This reflects the long traditions that the colleges have of regional students staying in colleges.			

Note: ^ Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Inner Melbourne area that targets University of Melbourne students

Note: \*\* Total full-time on-campus students divided by total beds.

Source: Department of Education and Training; University; Urbis



<b>Australian National University – Acton Campus</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>			<b>No. of Beds</b>
University Owned	1			517
Joint Venture	9			3,760
College	2			674
Private*	2			118
<b>Total</b>	<b>14</b>			<b>5,069</b>
Indicative Occupancy (2017)	All accommodation was effectively fully occupied in 2017			
Enrolments (2016)^	Metropolitan: 8,212	Regional: 1,989	International: 6,577	Total: 16,425
PBSA Supply Benchmark (2016)**	3.3 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	\$240	\$437	\$306	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	<p>ANU offers a first-year guarantee to all undergraduate students from outside Canberra. Key eligibility criteria include:</p> <ul style="list-style-type: none"> <li>• Indigenous Students</li> <li>• Students with a disability</li> <li>• Exchange Students</li> <li>• 1<sup>st</sup> Year Undergraduate Students</li> <li>• ANU Medical Students</li> <li>• Accept any offer within 48 hours</li> </ul>		<p>As part of the guarantee, all regional first year undergraduate students are guaranteed a bed. However, there is no specific RRR guarantee with regional students treated the same as international and metropolitan students.</p>	
Subsidisation/ Bursaries/ Scholarships	<p>Financial support for accommodation available to students includes:</p> <ul style="list-style-type: none"> <li>• Undergraduate and Graduate Accommodation Bursaries</li> <li>• Emergency Undergraduate and Graduate Accommodation Bursaries</li> <li>• ANU Equity Accommodation Scholarship: \$5,000</li> <li>• Garrurru Undergraduate Indigenous Scholarship: \$15,000<sup>^^</sup></li> <li>• John XXIII College Aboriginal &amp; Torres Strait Islander Equity Scholarships<sup>^^</sup></li> </ul>		<ul style="list-style-type: none"> <li>• Northtop Grumman, ViaSat &amp; Optus Country Scholarship for Burgmann College: \$10,500</li> </ul>	
Allocation/ Preferences	<p>ANU operates an online accommodation portal where all students can apply for accommodation and enter preferences. An auto-allocated process ensures diversity across demographics, equal proportion of female/male students and domestic/international students. As such, the university does not give preference to regional students over metropolitan and international students.</p> <p>The two independent colleges have their own admissions process with no specific allocation or preference for regional students. However, it is noted that the colleges generally attract a higher proportion of regional students due to longer traditions and religiously affiliated accommodation not being as attractive to international students.</p>			

Note: ^ Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Acton area that targets Australian National University students

Note: \*\* Total full-time on-campus students divided by total beds.

Note: ^^ Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis

<b>The University of Western Australia – Crawley Campus</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>			<b>No. of Beds</b>
University Owned	1			750
College	4			1,386
<b>Total</b>	<b>5</b>			<b>2,136</b>
Indicative Occupancy (2017)	Approximately 95% across all facilities			
Enrolments (2016)^	Metropolitan: 13,594	Regional: 1,443	International: 3,967	Total: 19,004
PBSA Supply Benchmark (2016)**	8.9 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	N/A	\$390	N/A	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	No accommodation guarantees at UWA accommodation for any major cohorts			
Subsidisation/ Bursaries/ Scholarships	The colleges offer a number of bursaries and scholarships to prospective students to attract the best and brightest with strong competition between the colleges.		Financial assistance for regional residents includes: <ul style="list-style-type: none"> <li>• Convocation Accommodation Scholarship: \$4,000</li> <li>• St Georges College Regional Scholarships and Bursaries: \$2,000</li> <li>• Trinity McKenna Memorial Scholarship</li> </ul>	
Allocation/ Preferences	<p>Applications for UWA residential halls and colleges are administered through the centralised UWA Residential Colleges Application Portal run by UWA. The portal was introduced in 2015 to streamline the application for new students and has eliminated the need for students to pay for multiple application fees to each college. Students now pay a one off \$125 application fee to apply for accommodation. The portal allows students to select colleges in order of preference, with the application sent to the student's first preference. If the first preference isn't available, the application is automatically sent to the next preference. The college then has a period of two weeks to provide an offer to the student and can undertake their own admissions process, which usually involves an interview with the student.</p> <p>Each of the colleges don't give a specific preference to RRR students though most identified that they look to have a mix of domestic and international students. The colleges each have a long history that has generally resulted in different colleges attracting students from different regional areas of Western Australia. For example St Thomas More college has traditionally drawn a high proportion of students from Geraldton and Bunbury while Trinity College has traditionally drawn students from the southern areas of WA.</p> <p>University Hall, which is operated by UWA generally looks to allocate accommodation to international students though also looks to ensure that indigenous and RRR students have access to some of the beds.</p> <p>St Catherine's College has an Indigenous Access Program where beds are allocated to indigenous students that are typically from regional students. This includes a new accommodation wing for 52 beds that will be opened in 2019.</p> <p>It is noted that approximately 35% of PBSA residents at UWA come from regional WA.</p>			

Note: ^ Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Crawley area that targets University of Western Australia students

Note: \*\* Total full-time on-campus students divided by total beds.

Source: Department of Education and Training; University; Urbis

<b>University of Newcastle – Callaghan Campus</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>			<b>No. of Beds</b>
University Owned	5			1,694
Private	4			127
<b>Total</b>	<b>9</b>			<b>1,821</b>
Indicative Occupancy (2017)	Effectively fully occupied in 2017			
Enrolments (2016) <sup>^</sup>	Metropolitan: 1,823	Regional: 11,280	International: 1,891	Total: 14,994
PBSA Supply Benchmark (2016) <sup>**</sup>	8.2 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	\$208	\$327	\$280	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	<ul style="list-style-type: none"> <li>No accommodation guarantees at UON accommodation for any major cohorts</li> </ul>			
Subsidisation/ Bursaries/ Scholarships	<ul style="list-style-type: none"> <li>FEBE Relocation Scholarship: \$4,000 initially and \$1,000 each following year</li> </ul>		<ul style="list-style-type: none"> <li>Shaping Futures Scholarships: \$4,000</li> <li>Indigenous Accommodation Scholarship: \$5,500 per annum<sup>^</sup></li> </ul>	
Allocation/ Preferences	<p>UON has a policy to ensure a diverse mix of residents across the accommodation. Priority allocations will be offered to students (with minimum room allocations including):</p> <ul style="list-style-type: none"> <li>Currently residing in-room (50% of rooms)</li> <li>From an international partnering university or agency (350 rooms)</li> <li>Postgraduate, PhD or research students (25 rooms)</li> <li>Students satisfying a special consideration category of Medical/ Disability (30 rooms) or Indigenous group (20 rooms)</li> <li>Enabling students (20 beds)</li> <li>Commencing students from the New England (100 rooms) and Central West regions (80 rooms). This is to assist in attracting students from these regional areas</li> </ul> <p>The university makes priority offers to the groups above and then makes second round offers to applicants if there are still vacancies.</p> <p>It is noted that UON has a mix of older and new accommodation with Edwards Hall traditionally being a residential college for country students. However, now the hall has more international students with around 70% domestic and 30% international.</p>			

Note: <sup>^</sup> Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Callaghan area that targets University of Newcastle students

Note: \*\* Total full-time on-campus students divided by total beds.

Note: <sup>^</sup> Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis

<b>University of Wollongong – Wollongong Campus</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>			<b>No. of Beds</b>
University Owned	2			87
JV	8			2,073
<b>Total</b>	<b>10</b>			<b>2,160</b>
Indicative Occupancy (2017)	Approximately 95% across the total accommodation			
Enrolments (2016) <sup>^</sup>	Metropolitan: 4,894	Regional: 8,901	International: 4,978	Total: 18,708
PBSA Supply Benchmark (2016)**	8.7 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	\$311	N/A	\$353	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	<p>UOW has an accommodation guarantee for all first year, full time students. To be eligible for the accommodation guarantee, students need to be:</p> <ul style="list-style-type: none"> <li>• First year of study at UOW in 2018</li> <li>• Single student</li> <li>• Complete online application and pay the application fee by 12 November 2017</li> <li>• Receiving an academic offer from UOW to study in 2018.</li> <li>• International Students: Receive a Confirmed Offer of Enrolment for your UOW course by 30th November 2017</li> <li>• Accept the accommodation offer for a full year contract, unless undertaking a one-semester study abroad program</li> </ul>		<p>No additional accommodation guarantees specific to RRR students beyond the first-year guarantee</p>	
Subsidisation/ Bursaries/ Scholarships	<p>Financial support for accommodation available to students includes:</p> <ul style="list-style-type: none"> <li>• FEBE Relocation Scholarship</li> <li>• Living and Learning Partners Residential Scholarship for Excellence: \$15,000</li> <li>• UOW General Residential Scholarships: Accommodation for one year in UOW Halls of Residence</li> <li>• Living and Learning Partners Residential Equity Scholarships: \$5,000</li> </ul>		<p>Financial support for accommodation available to regional students includes:</p> <ul style="list-style-type: none"> <li>• Shaping Futures Scholarships: \$4,000</li> <li>• Indigenous Accommodation Scholarship: \$5,500 per annum<sup>^^</sup></li> <li>• Early Admission Accommodation Bursary: \$5,000 per student towards the cost of your first year in a UOW residence. 60 bursaries are allocated to regional and remote students and 20 for ACT students</li> </ul>	
Allocation/ Preferences	<p>There is currently no preference given to regional students with the university generally looking to meet the first preference of applicants. Due to the vacancies in the existing accommodation, the university generally accepts all applications without providing any preferential treatment.</p>			

Note: ^ Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Wollongong area that targets University of Wollongong students

Note: \*\* Total full-time on-campus students divided by total beds.

Note: ^^ Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis

<b>University of Tasmania – Hobart Campuses</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>		<b>No. of Beds</b>	
University Owned	5		968	
College	1		180	
<b>Total</b>	<b>6</b>		<b>1,148</b>	
Indicative Occupancy (2017)	Effectively fully occupied			
Enrolments (2016) <sup>^</sup>	Metropolitan: 3,044	Regional: 952	International: 2,172	Total: 6,169
PBSA Supply Benchmark (2016) <sup>**</sup>	5.4 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	\$208	N/A	\$330	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	<p>To assist first year international students in their transition, UTAS provides an accommodation guarantee when the following conditions are met.</p> <ul style="list-style-type: none"> <li>• Undertaking first year of study at UTAS in 2018;</li> <li>• Apply for accommodation as a single student</li> <li>• Complete the online accommodation application by 3 November 2017</li> <li>• Apply to study full-time in a UTAS degree or study abroad program for 2018;</li> <li>• Receive confirmed Offer of Enrolment for your course by 24 November 2017</li> </ul>		No accommodation guarantees for RRR students at Hobart	
Subsidisation/ Bursaries/ Scholarships	UTAS offers a range of scholarships for students which help pay for student accommodation		<ul style="list-style-type: none"> <li>• Tasmania Access Bursary: \$1,000</li> <li>• Remote and Outer Regional Scholarship in Maritime &amp; Logistics Management: \$4,000</li> <li>• Tasmanian Medical Student 'Rural Application Process' Funding Scheme Grant: \$1,000 - \$15,000</li> <li>• The George Alexander Foundation Relocation and Living Support Scholarship: \$24,000 over 3-4 years</li> </ul>	
Allocation/ Preferences	UTAS operates an application portal where people can apply for student accommodation. UTAS gives preference to returning students who are allowed to apply first and international students which have a guaranteed place. Places are then offered to new prospective students based on a 'first in' basis.			

Note: <sup>^</sup> Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Inner Hobart area that targets University of Tasmania students

Note: \*\* Total full-time on-campus students divided by total beds.

Note: <sup>^</sup> Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis

<b>Flinders University – Bedford Park Campus</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>			<b>No. of Beds</b>
University Owned	2			561
<b>Total</b>	<b>2</b>			<b>561</b>
Indicative Occupancy (2017)	Around 85-90%			
Enrolments (2016) <sup>^</sup>	Metropolitan: 9,471	Regional: 1,477	International: 2,167	Total: 13,115
PBSA Supply Benchmark (2016) <sup>**</sup>	23.4 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	\$250	\$352	N/A	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	No accommodation guarantees for students at the university			
Subsidisation/ Bursaries/ Scholarships	There are a range of accommodation bursaries/ scholarships available to students. Due to regional students accounting for a large proportion of residents, there are a number of specific programs available to them (see opposite).		A range of accommodation scholarships are available to regional students including: <ul style="list-style-type: none"> <li>• Deirdre Jordan Village Rural Scholarships: \$1,000</li> <li>• Flinders University Student Access Scholarships: \$5,000</li> <li>• Hayley Fehring Rural Scholarship: \$1,000</li> <li>• University Hall Rural Scholarship: \$1,000</li> <li>• Wattle Range Council Hon Terry Roberts MLC Memorial Student Scholarship: \$1,000</li> <li>• Indigenous Commonwealth Accommodation Scholarship: \$5,276 per year<sup>^^</sup></li> <li>• Bendigo and Adelaide Bank Scholarship for Rural and Regional Students: \$5,000 per year</li> <li>• Flinders Living University Hall Rural Scholarship: \$1,000</li> </ul>	
Allocation/ Preferences	Regional students represent a large proportion of residents within the Flinders University accommodation. However, there is no specific policy of allocating beds to regional students or providing preferences. This reflects the vacancies in existing accommodation and the university's desire to maximise occupancy.			

Note: <sup>^</sup> Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Bedford Park area that targets Flinders University students

Note: <sup>\*\*</sup> Total full-time on-campus students divided by total beds.

Note: <sup>^^</sup> Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis

<b>Western Sydney University – All Campuses</b>				
<b>PBSA Supply</b>	<b>No. of Facilities</b>			<b>No. of Beds</b>
JV	Bankstown: 1			Bankstown: 290
	Campbelltown: 1			Campbelltown: 324
	Hawkesbury: 1			Hawkesbury: 260
	Blacktown: 1			Blacktown: 60
	Parramatta: 1			Parramatta: 344
	Penrith: 1			Penrith: 310
<b>Total</b>	<b>6</b>			<b>1,588</b>
Indicative Occupancy (2017)	Range from around 55% to 85%			
Enrolments (2016) <sup>^</sup>	Metropolitan: 24,408	Regional: 723	International: 3,297	Total: 28,390
PBSA Supply Benchmark (2016) <sup>**</sup>	17.9 full time students per bed			
<b>On Campus Fees</b>	<b>Shared Accommodation (Self Catered)</b>	<b>Shared Accommodation (Fully Catered)</b>	<b>Self-Contained Studio (Self Catered)</b>	
Average Weekly Fee	\$203	N/A	\$270	
<b>Policies</b>	<b>All Accommodation</b>		<b>Specific to RRR Students</b>	
Accommodation Guarantee	No accommodation guarantees for students			
Subsidisation/ Bursaries/ Scholarships	<ul style="list-style-type: none"> <li>School of Medicine Aboriginal and Torres Strait Islanders Accommodation Scholarship: \$10,000 per year</li> <li>Indigenous Commonwealth Scholarship: \$4,985 per year<sup>^^</sup></li> </ul>	<ul style="list-style-type: none"> <li>Knox Scholarship: \$7,500 per year</li> <li>Rural Entry Admission Scheme (Medicine)</li> <li>Katie Page Equity Scholarship for Women: \$7,500 per year (equity scholarships include economic, social, rural and other disadvantage)</li> </ul>		
Allocation/ Preferences	The student accommodation is operated by CLV with no allocation or preference given to any student cohorts. This reflects the aim of CLV and the university to boost occupancy with vacancies in the accommodation resulting in a willingness of CLV to accept all applicants without preference to their place of origin.			

Note: <sup>^</sup> Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Western Sydney area that targets Western Sydney University students

Note: <sup>\*\*</sup> Total full-time on-campus students divided by total beds.

Note: <sup>^^</sup> Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis



## Griffith University – Mt Gravatt and Nathan Campuses

PBSA Supply	No. of Facilities			No. of Beds
University Owned	3			947
Private	3			614
<b>Total</b>	<b>6</b>			<b>1,561</b>
Indicative Occupancy (2017)	Approximately 80% for university accommodation			
Enrolments (2016) <sup>^</sup>	Metropolitan: 5,262	Regional: 795	International: 2,510	Total: 4,283
PBSA Supply Benchmark (2016) <sup>**</sup>	2.7 full time students per bed			
On Campus Fees	Shared Accommodation (Self Catered)	Shared Accommodation (Fully Catered)	Self-Contained Studio (Self Catered)	
Average Weekly Fee	\$168	N/A	\$190	
Policies	All Accommodation		Specific to RRR Students	
Accommodation Guarantee	No accommodation guarantees to students			
Subsidisation/ Bursaries/ Scholarships	Financial support available to students for accommodation includes: <ul style="list-style-type: none"> <li>Chancellor's Accommodation Scholarship: \$22,000</li> <li>Widening Participation Accommodation Scholarship: \$4,400</li> <li>Komumberri People Accommodation Scholarship: \$22,000<sup>^^</sup></li> <li>Indigenous Commonwealth Accommodation Scholarship: \$22,000<sup>^^</sup></li> <li>The George Alexander Foundation Scholarship: \$22,500</li> </ul>		• The Shields Accommodation Bursary: \$20,000 (\$2,500 per semester paid directly to accommodation provider) <sup>^^</sup>	
Allocation/ Preferences	There is currently no allocation or preference given to any student cohorts in the accommodation operated by the university. This reflects the current aim of the university to increase occupancies with vacancies in the accommodation resulting in a willingness to accept all applicants without preference for their place of origin.  A similar approach is adopted by the private operators with all applicants accepted (without preference by origin) in order to maximise occupancies.			

Note: <sup>^</sup> Full-time on-campus students

Note: \* Private (non-affiliated) off-campus supply in the Mt Gravatt and Nathan area that targets Griffith University students

Note: <sup>\*\*</sup> Total full-time on-campus students divided by total beds.

Note: <sup>^^</sup> Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis

## Southern Cross University – Coffs Harbour and Lismore Campuses

PBSA Supply	No. of Facilities			No. of Beds	
JV	Lismore: 3 Coffs Harbour: 1			Lismore: 373 Coffs Harbour: 96	
<b>Total</b>	<b>4</b>			<b>469</b>	
Indicative Occupancy (2017)	Approximately 70%				
Enrolments (2016) <sup>^</sup>	Metropolitan: 104	Rural: 1,056	International: 552	Total: 1,712	
PBSA Supply Benchmark (2016) <sup>**</sup>	3.7 full time students per bed				
On Campus Fees	Shared Accommodation (Self Catered)	Shared Accommodation (Fully Catered)	Self-Contained Studio (Self Catered)		
Average Weekly Fee	\$173	N/A	N/A		
Policies	All Accommodation		Specific to RRR Students		
Accommodation Guarantee	No accommodation guarantees to any student cohort				
Subsidisation/ Bursaries/ Scholarships	<ul style="list-style-type: none"> <li>Indigenous Commonwealth Accommodation Scholarship: \$5,276 per year<sup>^^</sup></li> </ul>		<ul style="list-style-type: none"> <li>Indigenous Enabling Commonwealth Accommodation Scholarship: \$2,638<sup>^^</sup></li> </ul>		
Allocation/ Preferences	The student accommodation at Lismore and Coffs Harbour is operated by CLV. There is currently no allocation or preference given to any student cohorts. This reflects the aim of CLV to boost occupancy with vacancies in the accommodation resulting in a willingness of CLV to accept all applicants without preference for their place of origin.				

Note: <sup>^</sup> Full-time on-campus students

Note: <sup>\*</sup> Private (non-affiliated) off-campus supply in the Coffs Harbour and Lismore areas that target Southern Cross University students

Note: <sup>\*\*</sup> Total full-time on-campus students divided by total beds.

Note: <sup>^^</sup> Scholarship/Bursary only available to indigenous students

Source: Department of Education and Training; University; Urbis

# **APPENDIX C      INTERNATIONAL UNIVERSITY CASE STUDIES**

**University of Canterbury – New Zealand**



Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	0	3	6	1
Beds	0	506	1,740	100
Overview	<p>There are nine facilities affiliated with the university including three independent religious colleges and six facilities operated by CLV. Of the facilities operated by CLV, three were developed in partnership with CLV under a 40-year BOOT scheme. The other three facilities (all under 100 beds) are leased by the university from independent private owners with a management agreement between CLV and the university.</p> <p>There is also a townhouse development located approximately 2km from the campus, which comprises 100 beds and targets the university's students.</p>			
Enrolled Students (2016)	Domestic: 13,055	International: 2,255	Total: 15,305	
PBSA Supply Benchmark (2016)*	6.5 students per bed			
<b>PBSA Development</b>				
Pipeline	<ul style="list-style-type: none"> <li>The university is currently developing a 90-bed facility (16 x 5-bedroom townhouses and 10 x studio apartments) on the Dovedale campus to be opened in 2018. It is likely that the university will appoint a private operator to manage the new accommodation.</li> <li>It is understood that the university has plans to develop additional accommodation in the future.</li> </ul>			
Challenges	<ul style="list-style-type: none"> <li>Christchurch experienced major earthquakes in 2011 that did significant damage to the city and the university. This resulted in a significant decline in enrolments with lost market share to other NZ universities. The university has a strategy to grow enrolments and believes additional accommodation is key to their success.</li> <li>The university has some financial constraints with the development of new student accommodation to be self-funding and ideally off the balance sheet.</li> <li>The university has taken several head leases over accommodation though there has been vacancies in some of the accommodation. It is understood that the university is not renewing leases over one of the existing facilities and a number of houses that the university also leases.</li> </ul>			

Options	<ul style="list-style-type: none"> <li>• The university is currently developing a 90-bed facility on the campus. It is understood that the university is undertaking a market sounding to offload the facility from the balance sheet and appoint a private sector operator.</li> <li>• It is understood that the market sounding is also investigating if there would be private sector interest in partnering with the university to develop additional student accommodation.</li> <li>• The university is hoping that the independent colleges will develop additional beds though the university has no power to force any of the three facilities to expand.</li> <li>• The university is understood to be willing to consider partnerships with off-campus developments as long as they are close to campus, amenities and transport connectivity.</li> </ul>
Investment Decisions	<ul style="list-style-type: none"> <li>• While not core business for the university, UC has decided that it requires additional accommodation to meet enrolment growth targets.</li> <li>• The university has decided that due to financial constraints, the development of new student accommodation will have to be self-funding and not rely on university capital.</li> </ul>
<b>Operation</b>	
Facilities Management	<ul style="list-style-type: none"> <li>• The colleges and CLV are responsible for the maintenance of the buildings.</li> <li>• The university has paid for the upgrade of buildings to meet their new safety standards.</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>• The university operates the accommodation application portal when students initially apply for accommodation.</li> <li>• The colleges and CLV are responsible for student services and experience including pastoral care and events.</li> </ul>
<b>Accommodation Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>• UC offers a guarantee for international students over the age of 18 that apply for a room in a self-catered apartment (Ilam Apartments or Sonoda Christchurch Campus) for the 2018 academic year (50-week contract) by 1 December 2017.</li> <li>• Halls or villages that receive more applications than places available undertake a selection process. The university looks to establish a community with an even gender balance, a mix of degree programmes and representation from all over New Zealand as well as internationally.</li> </ul>

Note: \* Total students divided by total beds.

Source: Urbis

## University of Auckland – New Zealand



Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	7	0	12	11
Beds	1,870	0	1,538	2,615
Overview	<p>The university currently has around 3,400 beds affiliated with the university that are either owned and operated by the university or privately operated with the university having an exclusive lease over the beds. The university has a stated aim to increase bed supply to 7,500 beds by 2026.</p> <p>There are also 11 major private PBSA facilities when accommodate students from the University of Auckland, Auckland University of Technology and other institutions.</p> <p>The university expanded its student accommodation with the opening of the new 343 bed 55 Symonds Street development in 2017.</p>			
Enrolled Students (2016)	Domestic: 35,135	International: 6,730	Total: 41,865	
PBSA Supply Benchmark (2016)*	7.0 students per bed			
<b>PBSA Development</b>				
Pipeline	<p>The University of Auckland has a large portfolio of future developments to accommodate its growing student population.</p> <ul style="list-style-type: none"> <li>Grafton Hall is currently being redeveloped and is scheduled to reopen in 2019. The development includes three new blocks totalling 325 student bedrooms, dining and other amenities.</li> <li>Waipārūrū Hall is under construction and is scheduled to open its 786 beds to students in 2020. The facility will become the largest catered school leaver hall in New Zealand.</li> <li>Waikohanga House is also being renovated and will be reopening in 2018. The facility includes 11 x 1-bedroom and 18 x 2-bedroom apartments targeted at families.</li> </ul>			
Challenges	<ul style="list-style-type: none"> <li>Finding development sites within the Auckland CBD is challenging with the property market having boomed in recent years.</li> <li>Universities are constrained on how much debt they can take on to fund new developments.</li> </ul>			

Options	<p>The university has investigated different options to facilitate the development of additional student accommodation including:</p> <ul style="list-style-type: none"> <li>• Develop: The university has investigated the opportunity to develop their own accommodation. The university developed University Hall and is currently developing Grafton Hall and Waipārūrū Hall.</li> <li>• Partnerships: The university has shown a willingness to partner with the private sector to facilitate new development. Cedar Pacific has developed three new facilities in Auckland in the last three years with the university taking an exclusive lease over all three facilities (the UniLodge on Whitaker facility will be exclusively leased from 2018).</li> </ul> <p>It is noted that the University called for proposals from the private sector to design, construct and operate the new University Hall development though subsequently decided to develop themselves.</p>
Investment Decisions	<ul style="list-style-type: none"> <li>• The university decided to purchase 35 Whitaker Place from Southside, which had secured a planning consent for student accommodation development.</li> </ul>
<b>Operation</b>	
Facilities Management	<ul style="list-style-type: none"> <li>• The university manages their accommodation with Cedar Pacific engaging UniLodge to manage their buildings.</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>• The university manages the application process for all affiliated accommodation including the accommodation they lease from Cedar Pacific.</li> <li>• The university operates their accommodation and provides student services for their residents.</li> <li>• Cedar Pacific engaged UniLodge to operate the buildings with agreements in place with the university on the provision of student services.</li> </ul>
<b>Accommodation Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>• UA offers a guarantee for international study abroad and exchange students that apply for a room and pay a deposit by the deadline.</li> <li>• The university has a range of accommodation targeted at different cohorts such as first year school leavers, returning undergraduates, postgraduates and families. Applicants are funnelled into the different accommodation.</li> </ul>

Note: \* Total students divided by total beds.

Source: Urbis



**University of Maryland - USA**



Existing PBSA	University	Fraternity/Sorority	Joint Venture	Private (Off-Campus)
Beds	9,475	743	2,899	7,782
Overview	<p>The University of Maryland is located about 12km North East of Washington and was ranked the 22<sup>nd</sup> Top Public National University in the U.S. News &amp; World Report.</p> <p>The University currently has the capacity to house approximately 46% of undergraduate students in its 9,475 on-campus beds, 2,899 Public-Private Partnership (“P3”) beds, and 743 University-owned fraternity and sorority beds. Excluding the fraternity and sorority population, nearly 93% of first-time full-time freshmen and 54% of second-year students live on campus—a significant capture rate considering that the University does not require students to live on campus. Overall, occupancy rates have averaged 101% in the past five years and the University has had an average waitlist of 728.</p> <p>Over the past 10 years, College Park has seen almost 8,000 private PBSA beds become available, pressuring rental rates and introducing a new way of living off-campus.</p>			
Enrolled Students (2016)	There was a total of 39,083 student enrolments at The University of Maryland in 2016, 28,462 of which were undergraduate students.			
PBSA Supply Benchmark (2016)*	1.9 students per bed			
<b>PBSA Development</b>				
Pipeline	<p>The university has created a 15-year on-campus student housing strategic plan to increase the number of on-campus beds from 9,518 to 10,784 by 2028.</p> <ul style="list-style-type: none"> <li>The plan includes demolition of 5 accommodation facilities and the renovation of 13 existing residences along with the construction of 8 new residence halls comprising 3,180 new beds.</li> </ul>			
Challenges	<ul style="list-style-type: none"> <li>The university is facing challenges with a large number of older facilities in need of renovation.</li> <li>The temporary bed reduction during the strategic plan will decrease the number of available beds to students as existing facilities are upgraded.</li> </ul>			

	<ul style="list-style-type: none"> <li>The university currently has an undersupply of beds with some rooms converted to accommodate three or four beds. This explains why occupancy rates have exceeded 100%.</li> </ul>
Options	<ul style="list-style-type: none"> <li>The University has investigated developing student accommodation themselves through debt financing.</li> <li>The recent Student Housing Market Analysis recommended that the University consider public-private partnerships as a way to finance new projects.</li> </ul>
Investment Decisions	<ul style="list-style-type: none"> <li>The university has decided as part of its strategy that it is willing to finance the majority of accommodation capital costs through debt. The university has a higher risk appetite for accommodation for freshman with a willingness to accept a debt coverage ratio of 1.0:1 and at least 1.2:1 for other accommodation.</li> <li>The university is pursuing public private partnerships for the development of new student accommodation</li> </ul>
<b>Operation</b>	
Facilities Management	<ul style="list-style-type: none"> <li>The 37 campus apartments and residence halls are owned and operated by the university</li> <li>21 university-owned properties are leased to fraternity and sorority corporations for member use. The Greek Chapter Houses and Graham Cracker facility are managed by both the University and the Department of Residential Facilities</li> <li>The university is in partnership with two private undergraduate student apartment communities, The Courtyards and South Campus Commons. These facilities were built on university land and are managed by Capstone On-Campus Management.</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>The university operates an online portal for all university-owned accommodation applications</li> <li>Chapter House admissions are managed by the associated fraternities and sororities</li> <li>The private partnership accommodation facilities require students to apply in a group of four through the university student portal</li> </ul>
<b>Accommodation Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>Freshmen Connection students are guaranteed on-campus university accommodation when they have submitted a Department of Resident Life Housing Agreement by the admission deadline</li> <li>First-time freshman students also receive priority if they have met admission deadlines</li> <li>First priority for the private partnership facilities is given to on-campus rising juniors who have completed 3-4 semesters of undergraduate study</li> </ul>

Note: \* Total students divided by total beds.

Source: Urbis

**Coventry University  
- UK**



Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	7	0	9	N/a
Beds	1,732	0	2,421	N/a
Overview	<p>Coventry University currently offers 16 student accommodation facilities, 9 of which are partnerships with private operators.</p> <p>The Cycle Works is a university owned hall of residence that was opened in September 2017. The facility is located around 5 minutes from the university campus and includes 347 beds in single ensuite bedrooms in flats of 5-12 bedrooms.</p> <p>Market Inn is one of many private facilities with a university partnership. The postgraduate-only accommodation facility is 10 minutes from the university in the heart of Coventry's city centre. There are 50 single, double and deluxe studios, all of which are serviced weekly and come with a free parking space.</p>			
Enrolled Students (2016)	Domestic: 18,580	International: 8,317	Total: 26,897	
PBSA Supply Benchmark (2016)*	6.5 students per bed			
<b>PBSA Development</b>				
Pipeline	<ul style="list-style-type: none"> <li>Godiva Place is a 770-bed facility currently under construction that is due to be opened in September 2018. The facility is being developed by Regents Godiva with the university having taken a 30-year lease over the facility. Regents Godiva has sold the facility to Aviva Investors.</li> <li>Bishopgate is a 73-million-pound development located in the city centre. This joint venture with Barberrry Developments will provide a total of 725 beds when completed and will open in September 2018</li> <li>Private developments in the city centre include Belgrade Plaza and former allied Carpets site on Corporation Street, providing over 600 student accommodation units in September 2017.</li> </ul>			
Challenges	<ul style="list-style-type: none"> <li>The university has a high number of international students, which places pressure on the availability of student accommodation</li> </ul>			
Options	<ul style="list-style-type: none"> <li>The university has actively looked at joint ventures with the private sector to facilitate the development of additional student accommodation. The</li> </ul>			

	<p>university has taken a 30-year lease on Godiva Place to help facilitate the development by the private sector. The university has also entered into a partnership with Barberry Developments to facilitate the development of the Bishopgate facility.</p>
Investment Decisions	<ul style="list-style-type: none"> <li>The University has looked to take advantage of private sector interest in developing student accommodation by taking leases over new projects.</li> </ul>
<b>Operation</b>	
Facilities Management	<p>University-owned accommodation facilities are managed by the university.</p> <p>FutureLets is a subsidiary of Coventry University Enterprises and manages private properties exclusively reserved for Coventry University students. FutureLets also operates a Homestay program, allowing students to stay with a family in Coventry.</p> <p>The university partners with a number of private operators to provide additional accommodation to its students. These partners and their owned/managed properties are listed below:</p> <ul style="list-style-type: none"> <li>Liberty Living: Liberty Point (managed by the University)</li> <li>Unite Students: Callice Court, Raglan House, Millennium View, Gosford Gate</li> <li>Derwent Students: Lynden House (managed by the University)</li> <li>Host Students: The Apollo Works</li> <li>Downing Students: City Village</li> <li>Study Inn: Market Way</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>Students wishing to live in on-campus accommodation must apply through the online applications page, accept the offer within 3 days, pay a security deposit and the first instalment of rent before moving in.</li> <li>Private accommodation operated by FutureLets is available to students via the FutureLets website where enquiries and viewings can be booked online.</li> <li>Partner properties use their own application processes through their private websites.</li> </ul>
<b>Accommodation Strategy</b>	
Allocation Strategy	<ul style="list-style-type: none"> <li>The university encourages all first-year students to stay in student accommodation and the majority of facilities are allocated to first year students. The allocation policy is based on first come first served unless compassionate grounds apply.</li> </ul>

Note: \* Total students divided by total beds.

Source: Urbis

**University College Dublin - Ireland**



Existing PBSA	University	College	Joint Venture	Private (Off-Campus)
Facilities	8	0	0	N/a
Beds	3,000	0	0	5,285
Overview	<p>There are currently 12,432 PBSA beds in Dublin, 3,164 of which are owned and operated by University College Dublin. There is significant private student accommodation in Dublin, which is primarily located in the inner-city areas.</p> <p>The first residences on the Belfield campus, Belgrove, were built in the 1980s and have been recently refurbished and upgraded.</p> <p>The Ashfield facility was opened in September 2016 adding 354 student beds on the Belfield campus and bringing the total number of residential spaces to 3,164. Each apartment has six ensuite bedrooms with a shared kitchen and living room. There are 15 apartments in each of the four buildings at Ashfield, with a large multi-purpose lounge area for students</p>			
Enrolled Students (2016)	The total number of enrolments for University College Dublin was 33,460 in 2016 with over 7,000 international enrolments at the main campus.			
PBSA Supply Benchmark (2016)*	4.0 students per bed			
<b>PBSA Development</b>				
Pipeline	<ul style="list-style-type: none"> <li>The new scheme would almost double the student population living on the Belfield campus, bringing the number of bed spaces from 3,179 to 6,185 – or over 24% of the total UCD student population.</li> </ul>			
Challenges	<ul style="list-style-type: none"> <li>Funding is a fundamental issue for universities that wish to construct campus residences, as they are subject to constraints on the amount of funds they can borrow.</li> <li>The university had to increase some rents by 7% in 2016 to help fund refurbishments of older accommodation and to invest in new accommodation</li> </ul>			
Options	<ul style="list-style-type: none"> <li>The University is looking at a range of options to raise the 300 million pounds required to develop the 3,000 new beds. Options being considered include:</li> <li>Developing themselves using existing capital and borrowing money including from the Housing Finance Agency at a reduced interest rate</li> </ul>			

	<ul style="list-style-type: none"> <li>• Seeking funding from industry in private public partnerships</li> <li>• Seeking philanthropic donations</li> <li>• Exchequer funding from the Government.</li> </ul>
Investment Decisions	<ul style="list-style-type: none"> <li>• It is understood that the university will look to a mix of the above funding sources to develop the 3,000 beds.</li> </ul>
<b>Operation</b>	
Facilities Management	<ul style="list-style-type: none"> <li>• The UCD residences are managed by the university</li> </ul>
Student Services	<ul style="list-style-type: none"> <li>• The UCD residences are operated by the university</li> </ul>
<b>Accommodation Strategy</b>	
Allocation Strategy	<p>University College Dublin reserves a certain number of beds for priority students. The allocation strategy was as follows:</p> <ul style="list-style-type: none"> <li>• 1,049 beds reserved for first-year students, 1,376 for international students and just over 300 for scholarship students, those with disabilities and residential assistants</li> <li>• The university has expressed desire to have a better accommodation mix with seniors and juniors living together on campus, fostering a self-supporting student community.</li> </ul>

Note: \* Total students divided by total beds.

Source: Urbis



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