Australian Student Accommodation Indicators

November 2015

urbis

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Executive Summary

PROJECT BACKGROUND

In order to maintain Australia's competitiveness in the global education market, the Australian Government Department of Education and Training is investigating Australia's capacity to provide affordable quality student accommodation. Urbis was commissioned to develop a set of key indicators in determining the potential for student accommodation in Australia.

STUDENT ENROLMENTS

The demand for student accommodation in Australia is driven by the number of students that need to leave their home to access education. This includes international and domestic students across the following sectors:

- University students
- Vocational Education and Training students
- English Language Intensive Courses for Overseas Students (ELICOS)
- International secondary school students.

Based on consultation by Urbis with university accommodation offices and private student accommodation operators throughout Australia, it is estimated that over 95% of places in student accommodation establishments are occupied by university students. Vocational Education and Training and ELICOS students have a higher propensity to enter the private rental market, while international school students more often access accommodation with an Australian host family, an arrangement also known as 'homestay'.

Mobile students are defined as full-time on-campus students that have to move from their previous home to a new residence closer to their place of study. This represents a good indication of the potential maximum demand for student accommodation as they are the students that need to find accommodation near their place of study. Mobile students include international students studying in Australia, domestic students studying interstate and domestic students studying within the state of their permanent residence where their postcode of permanent residence is greater than 60km from the postcode of study.

The number of mobile higher education students are derived from de-identified data provided by the Department of Education and Training, which shows the postcode of campus and postcode of permanent residential postcode for all internal full-time students studying in Australia. There were an estimated 295,250 mobile higher education students in Australia in 2014, with approximately 74% comprising international students.

Mobile Higher Education Students by Cohort

2014 TABLE E.1

STATE	INTERNATIONAL	DOMESTIC INTERSTATE	DOMESTIC INTRASTATE*	TOTAL
New South Wales	71,367	7,147	14,149	92,663
Victoria	72,006	7,800	15,702	95,508
Queensland	35,904	5,739	10,508	52,151
South Australia	15,271	1,908	1,662	18,841
Western Australia	15,885	1,010	2,608	19,503
Tasmania	703	760	552	2,015
Australian Capital Territory	6,209	7,533	0	13,742
Northern Territory	681	137	7	825
Total	**218,026**	**32,034**	**45,188**	**295,248**

Note: Postcode of study >60km for the postcode of permanent residence while studying (as reported by students).

Source: Department of Education and Training Higher Education Information Management System, Urbis

Based on Department of Education and Training uCube data[1], here were approximately 916,500 full-time on-campus students studying at Australian higher education institutions in 2014 (though it is noted that this includes international students studying offshore).

Based on the estimated 295,250 full-time mobile students in 2014, this equates to mobile students accounting for around 32% of full-time on-campus higher education enrolments in 2014 as reported in uCube. The current ratio of 32% represents a proxy that can be applied to future uCube data to estimate the future change in the number of mobile students.

STUDENT ACCOMMODATION SUPPLY

The Urbis 2015 Student Accommodation Database reports that there are an estimated 79,460 student accommodation beds in Australia in dedicated student accommodation facilities with more than 20 beds. Almost 53,000 beds are located on university campuses, accounting for around two thirds of the total.

The majority of student accommodation is located in New South Wales and Victoria, accounting for almost 60% of the total. The figures below are further disaggregated by metropolitan and regional areas (see Table 4.1, page 16).

Student Accommodation Beds

AUGUST 2015

TABLE E.2

Region	On-Campus	Off-Campus	Total
New South Wales	19,211	6,184	25,395
Victoria	11,185	10,984	22,169
Queensland	7,710	4,720	12,430
South Australia	1,581	3,122	4,703
Western Australia	4,790	76	4,866
Tasmania	1,154	255	1,409
Australian Capital Territory	6,815	896	7,711
Northern Territory	474	303	777
Australia	**52,920**	**26,540**	**79,460**

Source: Urbis

The following table outlines the benchmark supply of student accommodation beds in Australia calculated as the number of full-time on-campus university students per bed. This provides a good indication of capacity as it highlights how many students there are for every bed. Australia has a benchmark supply of around 10.9 full-time on-campus higher education students per bed. It is noted that this benchmark is based on all full-time on-campus higher education students and not just mobile students.

[1] Available from: http://highereducationstatistics.education.gov.au/

Student Accommodation Supply Benchmark

FULL-TIME ON-CAMPUS STUDENTS PER BED, AUGUST 2015 TABLE E.3

State	On-Campus	Off-Campus	Total
New South Wales	13.2	40.9	10.0
Victoria	23.4	23.8	11.8
Queensland	20.1	32.8	12.5
South Australia	36.3	18.4	12.2
Western Australia	18.6	1,169.8	18.3
Tasmania	12.8	57.9	10.5
Australian Capital Territory	4.3	33.0	3.8
Northern Territory	5.7	8.9	3.5
Australia	**16.3**	**32.5**	**10.9**

Source: Urbis

INTERNATIONAL STUDENT ACCOMMODATION BENCHMARKS

Table E.4 compares the ratio of full-time university enrolments to student accommodation beds in Australia to key competitors. It is noted that the limited availability of data and lack of consistency makes it difficult to draw strong conclusions. However, the data does provide an indication 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 2014 full-time enrolments and total supply from Urbis' database of student accommodation facilities in both countries. New Zealand has a benchmark supply of almost half that of Australia, 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).

Student Accommodation Benchmarks

KEY COMPETITORS TABLE E.4

COUNTRY	FULL-TIME UNIVERSITY ENROLMENTS	STUDENT ACCOMMODATION BEDS	RATIO
Australia	862,771 (2014)[2]	79,460 (2015)[3]	10.9
USA	12,737,013 (2012)[4]	2,850,000 (2007)[5]	4.5
United Kingdom	1,696,000 (2013/14)[6]	490,000 (2011)[7]	3.5
London	282,600 (2013/14)[8]	70,000 (2015)[9]	4.0
Canada	979,000 (2014/15)[10]	N/a	N/a
New Zealand	105,929 (2014)[11]	18,534 (2015)[12]	5.7

Source: Various sources as outlined in the footnotes; Urbis

Some of the features of the Australian market that explain the current lower supply benchmark include:

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[2] Department of Education and Training, Higher Education Statistics uCube, 2015
[3] Urbis, Australian Student Accommodation Database, 2015
[4] National Center for Education Statistics, Digest of Education Statistics 2013, 2014
[5] Red Capital Group, Investment Opportunities in the Student Housing Market, 2007
[6] Higher Education Statistics Agency, 2013/14 Statistics, 2014
[7] Jones Lang LaSalle, Student housing a new global asset class, 2012
[8] Higher Education Statistics Agency, 2013/14 Statistics, 2014
[9] Jones Lang LaSalle, JLL Australian Student Accommodation Market Update 2015, 2015
[10] The Association of Universities and Colleges of Canada, 2014/15 Statistics, 2015
[11] New Zealand Ministry of Education, Provider Based Enrolments, 2015
[12] Urbis New Zealand Student Accommodation Database, 2015

- A relatively low number of mobile domestic students travelling to study given the high urban concentration of the population and the broad base of Australian universities that are able to meet local educational needs.

- The rapid rate of growth in the international student enrolments that has grown quickly relative to the new student accommodation.

- The high level of competition for land around universities making it difficult for purpose built student accommodation to be developed.

- The lower rates of international students attending Australian institutions living in purpose built student accommodation.

- Relative COSTS of Student Accommodation.

While purpose-built student accommodation (PBSA) may be an ideal solution for some students, domestic and international, it is not necessarily the least-expensive option. An analysis of median rents across different Australian cities is provided at Section 5 from page 28. Comparison of the relative costs of private rental versus PBSA indicate that a shared house or unit may be substantially cheaper per person (see table 5.3, page 31). For this reason, it is common that many students only stay in PBSA for the first year of their course of study and then move (with friends) to a private rental option.

STUDENT ACCOMMODATION RATING SCHEME

There is currently no official rating scheme for student accommodation facilities in Australia. There also does not appear to be student accommodation rating schemes in other countries, even in more established education markets such as the USA, United Kingdom and Canada.

The Dunedin Student Tenancy Accommodation Rating Scheme is a rating scheme for private rental properties that are targeted towards tertiary students in Dunedin, New Zealand. The voluntary scheme is managed by the University of Otago Accommodation Office and aims to aid Dunedin students to make informed choices about their accommodation options. The scheme follows a self-review model with landlords completing an online questionnaire, which is then scored and a STAR rating automatically generated in accordance with where the property falls within certain score brackets.

Accommodation rating schemes have typically been more common in the tourism accommodation sector, where travellers generally look to get a quick indication on the quality of an accommodation establishment. These schemes are generally operated by an industry association to improve information and confidence in the market.

Official industry rating schemes in the tourism sector have declined in relevance in recent years with the growth in online customer rating/booking websites such as TripAdvisor that allow customers to rate their stay at an establishment. People looking to book accommodation can view and compare ratings for different facilities and then book their chosen accommodation through the website.

Rate My Flat (ratemyflat.org.nz) is an online database of rental properties in New Zealand that are rated by their previous tenants so that prospective tenants have more information on the property before signing a lease. The website, which was established in Dunedin in 2014 has recorded strong take-up from students in Dunedin that usually rent houses annually. The website has similarities to TripAdvisor by allowing previous tenants to rate properties and increase available information for future tenants and is an example of what could be developed for student accommodation in Australia.

The United Kingdom has several codes of practice to oversee the management of student accommodation. A student accommodation code of conduct has the potential to set minimum building quality and service level for student accommodation facilities rather than rating facilities. This would allow facilities to sign up to the Code of Conduct and then use their accreditation as part of their marketing activities to persuade potential residents of the quality of their facility and service level. It is recommended that a Code of Conduct focus on the more ‘essential’ facilities and services including:

- Building/ design quality
- Safety/ security
- Common facilities
- Utilities
- Student welfare/ assistance services.

It is noted that the characteristics, drivers and objectives of colleges and private accommodation providers are different. Colleges generally place a higher emphasis on creating a community where students are actively encouraged to participate in academic, cultural and social activities. As such, Colleges generally provide a high service level including pastoral care services. Private operators also try to create a residential community though residents have more independence relating to their participation in activities. As such, a separate Code of Conduct may be required for Colleges and other accommodation to reflect the different objectives and service provision.

KEY INDICATORS

The following table summarises the recommended indicators that the Department of Education and Training should monitor to assess the availability of affordable student accommodation. The indicators comprise the key data that needs to be monitored and the relevance to analysing the current and future student accommodation capacity.

The indicators are grouped under key segments including:

- Enrolment growth
- Student accommodation supply
- Accommodation affordability
- Accommodation availability.

It is noted that the indicators are focussed towards higher education data as higher education students represent the major demand drivers for purpose built student accommodation. In addition, the higher education sector has the most detailed available data.

The analysis of the Australian student accommodation sector in this study and the capacity indicators have attempted to assess capacity at a national level and broken down by capital city/regional areas and individual universities where possible. Data sources such as the Urbis Student Accommodation Database and Higher Education uCube data allow analysis at a detailed level though other sources such as VET and ELICOS enrolments and private rental data are only available at state and capital city levels respectively.

Going forward, any data from the Urbis Student Accommodation Database required to calculate these indicators will be available for public access for the Urbis website.

Key Indicators

STUDENT ACCOMMODATION

TABLE E.5

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Enrolment Growth			
International Students	Number of international students by location of study.	This provides a high level indication of the number of international higher education students that require accommodation and is important in informing the amount of accommodation that is required to meet the needs of international higher education. International higher education students have a high propensity to stay in student accommodation as they generally have fewer relationships in Australia and ability to enter the private rental market.	In 2014, there were an estimated **249,990 international higher education students studying in Australia**.
Mobile Students	Number of full-time international students and on-campus domestic students where their permanent place of address at enrolment is more than 60km from their pace of study.	Domestic students that enrol to study at a tertiary education institution more than 60km away are generally unable to commute and require accommodation closer to their place of study. Student accommodation is attractive to full-time students, particularly commencing students that are entering tertiary education straight out of high school. Understanding the current proportion of higher education students that are 'mobile' will allow the 2014 proportion to be used as a proxy in future years and applied to total full-time on-campus enrolments to monitor growth.	There were an estimated **295,250 'mobile' students studying at Australian universities in 2014**. This equated to approximately 32% of full-time on-campus students studying at Australian higher education institutions.
International Student Growth	Forecast growth in international student arrivals to Australia.	The Department of Immigration and Border Protection prepares quarterly forecasts of arrivals to Australia including those on student visas. This is important to monitor as international students represent a major driver student accommodation.	The number of international student arrivals to Australia is projected to record to record growth **of 9.0% per annum** from the Year Ending September 2015 to the Year Ending June 2019.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Student Accommodation Supply			
Australian Supply Benchmark – Mobile Students	The number of 'mobile' university students divided by the number of student accommodation beds in a given area. Supply gap includes total 'mobile' university students less the number of student accommodation beds in a given area.	The supply benchmark highlights how many 'mobile' university students there are for each student accommodation bed. The benchmark is a good indicator of accommodation capacity as it compares demand (full-time on-campus students living away from home) with supply (total student accommodation beds). Areas with a high ratio have a lower supply of student accommodation beds relative to students, which may indicate an undersupply/ capacity constraint. Australia has a culture where the majority of full-time tertiary students will continue to live at home while they study if their family home is within commuting distance of their place of study. As such, the number of 'mobile' students is considered to represent a more accurate indication of the potential demand for university student accommodation than total full-time on-campus students.	There were an estimated 295,250 'mobile' students studying at Australian universities in 2014 compared to the total student accommodation supply of 74,560 beds in 2014. This equates to a ratio of **4.0 'mobile' students for every student accommodation bed**.
Australian Supply Benchmark – Total Full-Time Students	The number of full-time on-campus university students divided by the number of student accommodation beds in a given area.	The supply benchmark highlights how many full-time on-campus students there are for each student accommodation bed. The benchmark is a good indicator of accommodation capacity as it compares a proxy for demand (full-time on-campus students) with supply (total student accommodation beds). Areas with a high ratio have a lower supply of student accommodation beds relative to students, which may indicate an undersupply/ capacity constraint. The indicator is based on student enrolment data that is generally more available internationally than 'mobile student' data that requires access to comprehensive enrolment data. As such, the Total Full-Time Student indicator is more suitable for international benchmarking.	In 2015, Australia has an estimated supply of 79,460 student accommodation beds, which equates to **10.9 full-time on-campus higher education students (in 2014) for every student accommodation bed**. It is noted that this benchmark is based on all full-time on-campus higher education students (and not just mobile students) and also includes offshore international students. As such, the above benchmark of 10.9 is likely to be an overestimate though allows for comparisons throughout Australian and overseas.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
New Zealand Supply Benchmark – Full-Time Students	The number of full-time university students in New Zealand divided by the number of student accommodation beds.	New Zealand is a good benchmark for the future potential for student accommodation supply in Australia as it supports a higher ratio of accommodation and has similar characteristics that make it an attractive place to study to Asian and other international students. New Zealand has a higher supply benchmark, which reflects the established tradition for most commencing university students to live in student accommodation during their first year of study, noting the relatively high number of regional domestic students that travel to study.	In 2015, New Zealand has an estimated supply of **1 bed per every 5.7 full-time university students (in 2014).** This is approximately double the supply benchmark in Australia, indicating there is room for Australia to increase the supply of accommodation considerably.
Supply Pipeline	Number of new student accommodation beds by: ▪ Location ▪ Development status (under construction, development approval, development application and early planning) ▪ Anticipated year of completion.	It is important to monitor the proposed future supply of student accommodation to determine how the supply of beds will change over time. It is important to monitor the status of the projects (including approvals and construction status) as there is often significant uncertainty to projects in the early stages of planning meaning all proposed beds are unlikely to be developed.	Based on research undertaken by Urbis and data in Cordell Connect, there is an estimated **25,180 student accommodation beds** proposed for Australia over the next five years including: ▪ Construction: 5,437 ▪ Development Approval: 2,932 ▪ Development Application: 5,577 ▪ Early Planning: 11,234. This equates to annual growth of **6.7%** between 2015 and 2019.
Future Capacity	Comparing projected annual growth in student accommodation with projected international student growth.	Comparing the projected annual growth in student accommodation with projected international student growth provides an indication of whether new accommodation is anticipated to keep pace with enrolment growth. Student accommodation growth below enrolment growth could indicate a deterioration in the capacity to accommodate international students.	The number of international student arrivals to Australia is projected to record growth **of 9.0% per annum** from 2015 to 2019, above proposed student accommodation bed growth of **6.7% per annum**.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Accommodation Affordability			
Rental Price Comparison	Median price of private rents compared to median price of student accommodation beds.	The overall cost of education is a major driver of the decision to study and housing is usually one of the top two costs along with education fees. The cost of student accommodation relative to private rents in an area is an indicator of the need for student accommodation. Student accommodation rents that are well above private rents are an indicator that there may be an under supply of student accommodation. It is noted that student accommodation rents are generally higher than private rents due to the higher provision of services to residents such as pastoral care.	It is difficult to provide a national benchmark on the price differential between private rents and student accommodation rents due to the significant difference between property markets across the country. An indicative comparison of median three bedroom house rents and shared student accommodation apartment rents are that student accommodation is **around 20% higher**.
Student Accommodation Rents as % of Income.	The ratio of average weekly non-catered student accommodation rents to average weekly income of domestic students.	The cost of living is an important decision when deciding if and where to study. Rent (and the proportion of income this represents) is a major expense for students and an important consideration when making education decisions It is generally considered that housing costs accounting for over 30% of income is an indication of housing stress.	It is estimated that average weekly rent (non-catered) in 2015 for student accommodation in Australia equates to around **48% of average weekly income** for domestic tertiary students.
Exchange Rate	The current exchange rate of the Australian Dollar compared to currencies of major international student source markets and competitor countries.	The Australian exchange rate compared to the currency of key education markets can have a significant impact on the cost of studying and living in Australia relative to other locations. A depreciation in the value of the Australian dollar generally makes the cost of studying and living relatively cheaper to international students and more attractive.	Annual change in value of Australian Dollar compared to key currencies of key education markets such as: ▪ United States ▪ China ▪ United Kingdom.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Accommodation Availability			
Private Rental Vacancy	The proportion of rental properties that are vacant by capital city/ region and surrounding educational campuses (postcodes adjacent to the campus).	Private rental accommodation is the most common type of accommodation for 'mobile students'. Low vacancy rates indicate high competition for accommodation, which can push students into student accommodation or force them to live further away from the campus than desired. Full-time students generally have a lower ability to pay for private rental accommodation, which means students are often priced out by other renters in competitive markets. This is particularly the case in inner city locations where there are professionals looking to rent close to their place of work in the CBD.	A rental vacancy rate in an area of **under 2.5%** is indicative that there is an undersupply of rental accommodation, which may push students into student accommodation or force them to live further away from the campus than desired. It is recommended that publically available SQM data be monitored for capital and regional cities to highlight overall vacancy rates. If monitoring specific campuses is required, it is recommended that data from postcodes directly adjacent to the campus be monitored to provide a more relevant indication of vacancy rates to university students.

Source: Urbis

1 Introduction

1.1 PROJECT BACKGROUND

The Australian Government Department of Education and Training is investigating Australia's capacity in providing affordable quality student accommodation. In order to maintain Australia's competitiveness in the global education market Urbis were commissioned to develop a set of key indicators in determining the potential for student accommodation in Australia.

1.2 PURPOSE OF THE STUDY

The purpose of the study is to assess the student accommodation market in Australia and develop indicators on the current and future capacity to accommodate students in Australia. Key components of the study comprise:

- Review 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
- Identify a minimum set of quantitative indicators of accommodation that can estimate Australia's capacity to host a growing number of international students and to assist domestic students also seeking accommodation
- Develop a set of accommodation quality indicators that can be utilised to measure relative quality against value for money
- Compare the benchmarks for Australia against other competitive education markets such as the United States of America, United Kingdom, New Zealand and Canada
- Provide recommendations on key indicators and potential gaps in information.

The report is structured as follows:

- **Section two** reviews published reports relevant to student accommodation.
- **Section three** presents an overview of the Australian higher education industry, broken down by domestic and international students.
- **Section four** sets out the distribution and characteristics of higher education enrolments in Australia, assessed by type of higher education enrolments.
- **Section five** identifies the existing and proposed future supply of student accommodation in Australia.
- **Section six** assesses the Australian private rental market as an alternate option to living in purpose built student accommodation.
- **Section seven** assesses the potential opportunity for developing an official rating system for student accommodation facilities in Australia.
- **Section eight** analyses Australia's key competitive markets for student accommodation, in order to establish corresponding metrics that support the provision of student accommodation.
- **Section nine** recommends the key indicators to monitor the student accommodation in Australia.

1.3 ACKNOWLEGEMENT

The study was funded by the Australian Government Department of Education and Training. Urbis would like to thank all organisations that participated in the development of the study. Urbis acknowledges Tertiary Balance for providing data from the National Census of University Student Accommodation 2014.

2 Literature Review

There a number of published reports relevant to student accommodation. These assist in understanding the current, proposed and historic trends in the student accommodation market.

2.1 JLL AUSTRALIAN STUDENT ACCOMMODATION MARKET UPDATE 2015

The 'Australian Student Accommodation Market Update 2015', published by Jones Lang LaSalle (JLL) in June 2015, provides a high level review of Purpose Built Student Accommodation (PBSA) in Australia over the past year.

The JLL report outlines the type of accommodation that students live in (see Table 2.1). This provides an indication of preferences for living in student accommodation and therefore assists in determining current demand levels for student accommodation relative to alternate accommodation available.

Table 2.1 shows that the majority of students in all cities live with their parents / rent in the private market, averaging at around 90%. This proportion is lower for London students, where approximately 73% of students live with their parents / rent in the private market. University provision accommodation is highest in Canberra, accommodating around 12% of students studying in the region. Conversely, Melbourne's university provision accommodation is lowest at 2%.

Type of Accommodation for Higher Education Students

MAJOR AUSTRALIAN CITIES AND LONDON, 2014 TABLE 2.1

CITY	LIVING WITH PARENTS / RENTING / OTHER	LIVING IN COMMERCIAL PROVISION	UNIVERISTY PROVISION ACCOMMODATION
Sydney	177,806 (92.3%)	7,513 (3.9%)	7,296 (3.8%)
Melbourne	235,506 (93.6%)	10,058 (4.0%)	5,930 (2.4%)
Brisbane	124,217 (92.9%)	5,525 (4.1%)	3,929 (2.9%)
Adelaide	58,348 (91.4%)	3,190 (5.0%)	2,313 (3.6%)
Perth	93,586 (95.2%)	839 (0.9%)	3,929 (4.0%)
Canberra	18,947 (71.4%)	4,380 (16.5%)	3,207 (12.1%)
London	211,441 (72.8%)	26,575 (9.2%)	52,298 (18.0%)

Source: JLL 2015

Table 2.2 outlines the number of student accommodation beds in the capital city markets according to JLL. Table 2.2 illustrates that currently Sydney has the highest supply of university provided beds at around 7,300 beds. This is similar to the number of commercial beds supplied in the market (at around 7,500 beds). Total number of beds however is highest in Melbourne, where this is made up mainly by the commercial provision of beds (around 10,000 beds).

Number of PBSA Beds for Higher Education Students

MAJOR AUSTRALIAN CITIES, 2014 TABLE 2.2

CITY	UNIVERSITY PROVISION (BEDS)	COMMERCIAL PROVISION (BEDS)	TOTAL ACCOMMODATION (BEDS)
Sydney	7,296	7,513	**14,809**
Melbourne	5,930	10,058	**15,988**
Brisbane	3,929	5,525	**9,454**
Adelaide	2,313	3,190	**5,503**
Perth	3,929	839	**4,768**
Canberra	3,207	4,380	**7,587**
Total	**26,604**	**31,505**	**58,109**

Source: JLL 2015

Table 2.3 compares the total number of existing beds from the JLL audit with the number of total full-time students in the major capital cities. This provides an indication of the proportion of full-time students living in student accommodation.

Bed Provision for Higher Education Students

MAJOR AUSTRALIAN CITIES

TABLE 2.3

CITY	TOTAL FULL-TIME STUDENT NUMBERS (2014)	EXISTING SUPPLY OF BEDS (2015)	% OF STUDENTS
Sydney	192,615	14,809	6.7%
Melbourne	251,494	15,988	6.4%
Brisbane	133,671	9,454	7.0%
Adelaide	63,851	5,503	8.6%
Perth	98,354	4,768	4.9%
Canberra	26,534	7,587	28.6%
Total	**766,519**	**58,109**	**7.6%**

Source: JLL 2015

2.2 NATIONAL CENSUS OF UNIVERSITY STUDENT ACCOMMODATION PROVIDERS 2014

The 'National Census of University Student Accommodation Providers 2014' was prepared by Tertiary Balance and published by University Colleges Australia in June 2015. The report presents the amount of purpose built or operated collegiate and other (100+ beds) student accommodation for higher education students within Australia in 2014 compared to 1999. This was based on a comprehensive survey of operators undertaken in 2014.

Table 2.4 outlines the overall findings of the census undertaken in 1999 and 2014. Key findings from the report are the following:

- There was an estimated 74,500 student accommodation beds in Australia in 2014 (comprising all university affiliated facilities and private facilities with 100+ beds). Growth in the number of total beds in Australia between 1999 and 2014 was 88%. As a comparison, the Urbis count of facilities as of August 2015 with 20+ beds was 79,460, with approximately 6,600 beds contained in 129 facilities with between 20-100 beds.

- All states recorded growth between 1999 and 2014 with South Australia and Queensland more than doubling supply over the 15 year period.

Number of Beds by State for Higher Education Students

1999 AND 2014

TABLE 2.4

STATE	NUMBER OF BEDS IN 1999	NUMBER OF BEDS IN 2014	PROJECTED GROWTH IN BEDS 2014-2018
NSW	13,740	22,265	8,748
VIC	9,974	19,668	7,523
QLD	5,920	13,053	1,531
ACT	4,625	8,514	43
WA	2,766	5,051	402
SA	1,421	4,067	32
TAS	840	1,530	590
NT	275	334	300
Total	**39,561**	**74,482**	**19,169**

Source: University Colleges Australia 2015; Urbis

The report outlines anticipated strong growth in the development of new facilities, with 19,169 beds in the development pipeline up to 2018, as shown in Table 2.4. Growth is expected to be concentrated in Melbourne and Sydney.

The following table outlines the locational breakdown of student accommodation establishments. The largest growth rate in beds between 1999 and 2014 was from those located off-campus (Table 2.5).

Total Number of Beds in Australia for Higher Education Students

1999 AND 2014 TABLE 2.5

	CAMPUS LOCATION		LOCATION	
YEAR	ON-CAMPUS BEDS	OFF-CAMPUS BEDS	METRO	REGIONAL
1999	32,110	7,451	29,293	10,268
2014	50,018	24,464	60,291	14,191

Source: University Colleges Australia 2015

2.3 INTERNATIONAL HIGHER EDUCATION STUDENT SATISFACTION WITH ACCOMMODATION IN AUSTRALIA

This report was published by Australian Education International in June 2013 and examines international student satisfaction with the quality of student accommodation in Australia. This was assessed via a survey conducted in 2012 involving over 37,000 international higher education students. The International Student Survey is conducted every two years and was last undertaken in 2014, however detailed analysis on satisfaction with the quality of student accommodation in Australia has not been published to date.

The results of the 2012 survey show the following:

- The majority of respondents were satisfied with their student accommodation in terms of safety, access, quality, and access to internet services
  - 84% of respondents were satisfied with the quality of accommodation (international benchmark = 85%)
  - 51% of respondents were satisfied with the cost of accommodation (international benchmark = 59%). This indicates that international students in Australia have a slightly lower satisfaction with accommodation costs.
  - 94% of respondents felt safe in accommodation (note: no international benchmark)
  - 77% of respondents were happy with access to internet at accommodation (international benchmark = 81%)
  - 84% of respondents were satisfied with accommodation office services (international benchmark = 80%).
- Australia generally performs in line or above international benchmarks in the provision of student accommodation to international students.

Monitoring the satisfaction of students in student accommodation ensures the preferences of students are catered for. Meeting the accommodation needs of students is important in making Australia an attractive place to study and generating additional demand for student accommodation. It is also important to note that the satisfaction of students with accommodation is linked with affordability and the ability for Australia to provide affordable quality accommodation is important to growing the sector.

2.4 UNIVERSITY STUDENT FINANCES IN 2012

The Australian University Student Finances Survey 2012 (published in July 2013) provides an understanding of the financial circumstances of the student population in Australia. This is analysed through a range of quantitative data, including the following:

- Access to income support and scholarships
- Income from paid employment and the impact of paid work on study
- Study and living costs
- Student debt.

Some of the key findings from the survey were:

- Over a third (33.8%) of undergraduate international students reported that the quality of accommodation they could afford was lower than they expected with 16.5% reporting that it was better than expected.
- More than two-thirds of domestic undergraduate students and half of international undergraduate students reported being worried about their financial situation. The level of concern about finances has risen substantially since 2006 by about 12% points across the board. The highest overall level of concern was expressed by full-time, low socio-economic status undergraduates.
- The proportion of domestic students who were in a personal budget deficit in 2012 was greater than in 2006.

The ability to pay for student accommodation is a key factor for attracting students and therefore indicates the type and even location of accommodation desired by students. The high cost of student accommodation incentivises students to enter the private accommodation market, therefore reducing the demand for PBSA. However, it is noted that Australia has the advantage of allowing students to undertake a certain amount of work while studying, which helps offset costs of accommodation.

3 Education Student Data

Understanding the distribution and characteristics of education enrolments is critical to monitoring the demand for student accommodation. This section provides an overview of the available data on student enrolments with a focus on the number of students that require accommodation.

The analysis focuses on tertiary education enrolments though also considers English Language Intensive Courses for Overseas Students (ELICOS) and secondary school enrolments.

The following three groups have been identified as the most in need of accommodation as they are generally studying away from their previous place of residence and require accommodation close to their place of study. These include:

- International students: Foreign students studying in Australia
- Domestic – Interstate: Domestic students studying in another state
- Domestic – Intrastate (mobile): Domestic students studying in the same state though beyond a comfortable commuting distance from their home.

3.1 DATA SOURCES

There are several government agencies that compile data on student enrolments. These include agencies that focus on different educational categories or on either domestic or international enrolments. This requires data to be compiled from multiple sources to get an overall indication on total enrolments and the potential pool of students that may require accommodation.

The Department of Education and Training is responsible for the collection and dissemination of statistics relating to the provision of higher education in all Australian universities. The Department manages a comprehensive set of statistics referred to as the Higher Education Statistics Collection. Data included in the Higher Education Statistics Collection relate to:

- Courses provided by higher education institutions
- Numbers and characteristics of students undertaking courses
- Student load
- Completion of units of study and courses
- Student liability status
- Numbers and characteristics of staff in higher education institutions
- Income and expenditure for higher education institutions
- Research activity
- Undergraduate applications, offers and acceptances
- Data provided by education institutions on student enrolment to inform funding.

The Higher Education Data Cube (uCube) provides access to multi-dimensional time series data based on selected data collected through the Higher Education Statistics Collection. uCube is updated annually and allows customised tables to be generated by users. This allows detailed data to be extracted at a state and institution level on the number full-time, on-campus (internal and multi-modal) students, which provides a good indication on the potential pool of university students requiring accommodation.

Provider Registration and International Students Management System (PRISMS) is a system that requires education institutions to register data on international students to meet the requirements of the Education Services for Overseas Students (ESOS) Act 2000. The database counts international students studying in Australia in the following course types. While the data is not as detailed as the Higher Education uCube, it excludes offshore students and provides a good indication of the number of international students studying in Australia, which is a major driver for accommodation.

- Higher education
- Vocational Education and Training (VET)
- School
- Non-award
- ELICOS.

3.2 HIGHER EDUCATION

Table 3.1 outlines the total higher education enrolments for international students studying at Australian institutions over the last decade, broken down by state. The data is based on on-campus student (internal and multi-modal) data from the Department of Education and Training uCube.

According to uCube data, there were approximately 337,100 international on-campus student enrolments at Australian institutions in 2014. However, Department of Education and Training International Student Data 2014 reports that there were approximately 249,990 international higher education students studying onshore in 2014, indicating there were almost 90,000 international students studying offshore at Australian institutions. Section 3.6 examines 'mobile' students in Australia to get a better indication of the number of students requiring accommodation.

Total international student enrolments (including offshore students) recorded an annual growth rate of 5.2% between 2004 and 2014. International student enrolments in 2014 were largest in Victoria, making up around 35% of international total enrolments.

Although the proportion of international enrolments in the Northern Territory is the lowest, at around 1%, the state exhibited the strongest annual growth rate during the ten year period at 22.4% per annum. This reflects the smaller base that the Northern Territory has grown from.

International Higher Education Enrolments by State

FULL-TIME AND PART-TIME ON-CAMPUS, 2004 TO 2014 TABLE 3.1

STATE	2004	2009	2014	ANNUAL GROWTH (%)
New South Wales	57,668	81,038	91,551	4.7%
Victoria	61,633	103,443	119,124	6.8%
Queensland	35,071	46,129	48,411	3.3%
Western Australia	23,755	38,275	36,730	4.5%
South Australia	15,488	23,672	21,732	3.4%
Tasmania	3,044	4,803	4,652	4.3%
Northern Territory	235	460	1,770	22.4%
Australian Capital Territory	5,592	6,869	10,097	6.1%
Multi State	1,300	3,163	3,024	8.8%
Total	**203,786**	**307,852**	**337,091**	**5.2%**

Source: Department of Education and Training uCube 2015a

Table 3.2 outlines the total domestic university enrolments within Australia, broken down by state, for the years 2004, 2009 and 2014. In 2014, there were approximately 832,900 total domestic on-campus student enrolments. The annual growth recorded was 3.3%, which was below the international annual growth rate of 5.2% (as shown in Table 3.1 above) over the past decade.

The largest growth rate in domestic enrolments was from New South Wales and Western Australia recording an annual growth of 3.6%, followed closely by Victoria, at 3.2% per annum. In terms of the largest share of domestic enrolments, New South Wales has the highest share at around 31% of total domestic enrolments in Australia.

Domestic Higher Education Enrolments by State

FULL-TIME AND PART-TIME ON-CAMPUS, 2004 TO 2014 TABLE 3.2

STATE	2004	2009	2014	ANNUAL GROWTH (%)
New South Wales	181,627	216,816	257,822	3.6%
Victoria	153,241	170,348	209,099	3.2%
Queensland	112,645	123,030	146,234	2.6%
Western Australia	62,279	72,638	89,002	3.6%
South Australia	43,056	47,684	57,801	3.0%
Tasmania	14,052	14,184	15,603	1.1%
Northern Territory	4,121	3,476	2,628	-4.4%
Australian Capital Territory	22,375	23,236	28,761	2.5%
Multi State	10,182	16,168	25,956	9.8%
Total	**603,578**	**687,580**	**832,906**	**3.3%**

Source: Department of Education and Training uCube 2015a

Table 3.3 below shows the total number of full-time on-campus enrolments for domestic and international enrolments by state in 2014. Overall, total full-time domestic enrolments make up around 69% of total full-time on-campus enrolments in Australia. The Northern Territory has the highest proportion of international enrolments in 2014 (47%), followed by Victoria (39%).

The largest number of domestic full-time enrolments in 2014 was in NSW at 286,000. However, the largest number of full-time on-campus international enrolments was in Victoria at around 106,700 in 2014.

Total Higher Education Enrolments

FULL-TIME, 2014 TABLE 3.3

STATE	INTERNATIONAL	DOMESTIC
New South Wales	76,958	191,423
Victoria	105,227	162,287
Queensland	43,688	113,632
Western Australia	28,819	67,093
South Australia	16,957	44,430
Tasmania	4,144	10,664
Northern Territory	1,544	1,731
Australian Capital Territory	8,729	18,484
Multi State	2,575	18,129
Total	**288,641**	**627,873**

Source: Department of Education and Training uCube 2015a

3.3 VOCATIONAL EDUCATION AND TRAINING

Table 3.4 presents the number of international students enrolled in VET courses broken down by state over the last decade. International VET students accounted for over 149,200 enrolments in 2014, though the number of enrolments dropped from around 208,000 in 2009. Over the past ten years there has been an increase from around 45,500 in 2004 with a strong annual average growth of 12.6%.

International VET Enrolments

AUSTRALIA, 2004-2014 TABLE 3.4

STATE	2004	2009	2014	ANNUAL GROWTH (%)
New South Wales	26,522	86,215	62,006	8.9%
Victoria	9,531	71,324	43,966	16.5%
Queensland	4,494	27,907	23,789	18.1%
South Australia	1,164	7,663	4,930	15.5%
Western Australia	3,175	13,730	13,168	15.3%
Tasmania	218	313	191	-1.3%
Australian Capital Territory	415	927	872	7.7%
Northern Territory	43	210	278	20.5%
Total	**45,562**	**208,289**	**149,200**	**12.6%**

Source: Department of Education and Training 2015b

Table 3.5 presents the number of Government funded VET students by state from 2004 to 2014. The table shows that there was steady growth during the period, except for Queensland where there was a decline in enrolments of around 25,000 between 2009 and 2014.

The largest annual growth was in Victoria and the Northern Territory at 2.5% per annum over the past decade. The largest share of enrolments in 2014 was in Victoria at 587,500 compared to 560,400 in NSW.

Given that International VET enrolments in 2014 was 149,200 (Table 3.4) and total enrolments in 2014 was 1,789,200 (Table 3.5), the proportion of international student enrolment was around 8%. The majority of enrolments from domestic students reduces the demand for student accommodation from the VET sector relative to university students as international students have a higher propensity to demand student accommodation.

Government Funded VET Enrolments

AUSTRALIA, 2004-2014 TABLE 3.5

STATE	2004	2009	2014	ANNUAL GROWTH (%)
New South Wales	513,300	545,200	560,400	0.9%
Victoria	457,900	471,000	587,500	2.5%
Queensland	278,800	288,800	264,100	-0.5%
South Australia	115,300	121,900	129,800	1.2%
Western Australia	126,500	157,200	152,600	1.9%
Tasmania	38,500	43,200	43,800	1.3%
Australian Capital Territory	22,300	26,500	25,900	1.5%
Northern Territory	19,700	23,600	25,100	2.5%
Total	**1,572,200**	**1,677,300**	**1,789,200**	**1.3%**

Source: Australian vocational education and training statistics 2014

Table 3.6 breaks down the total number of VET enrolments by locational and study load characteristics, between 2010 and 2014. Part-time enrolments comprise the majority of total enrolments (around 80% in 2014). However, part-time enrolments have declined over the last four years. In contrast, there has been an increasing number of full-time enrolments from 2010 to 2014.

Government Funded VET Enrolments Characteristics

2010 TO 2014 TABLE 3.6

CHARACTERISTIC	2010	2011	2012	2013	2014
Student Remoteness					
Major Cities	955,700	1,067,000	1,137,400	1,118,700	1,067,800
Inner Regional	408,100	429,700	442,400	412,900	401,200
Outer Regional	258,900	215,600	219,900	204,800	191,400
Remote	43,100	42,600	43,800	40,200	38,000
Very Remote	37,600	26,100	25,000	22,500	21,200
Overseas	47,100	39,600	33,600	33,500	35,400
Not Known	22,100	39,500	22,000	19,400	34,300
Study Mode					
Full-Time	262,400	289,500	324,300	322,500	343,500
Part-Time	1,510,200	1,570,500	1,599,800	1,531,400	1,445,700

Source: Australian vocational education and training statistics 2014

3.4 ENGLISH LANGUAGE INTENSIVE COURSES FOR OVERSEAS STUDENTS

International students studying English represent a key market segment for student accommodation. Most schools offer a few standard English courses that are comparable across each institution. Each of these ranges in difficulty and duration and run anywhere from 1-52 weeks and cover basic skills in English. Shorter courses running at around 20 weeks are offered in preparation for internationally recognised English certificates.

Data on ELICOS students is taken from the Department of Education and Training. Data is only available on participation numbers down to a state level as outlined in Table 3.7. There were over one million ELICOS enrolments in 2014, doubling the number of enrolments in 2004 (517,490 enrolled).

International ELICOS Enrolments

2004-2014 TABLE 3.7

STATE	2004	2009	2014	ANNUAL GROWTH (%)
New South Wales	24,498	53,947	54,185	8.3%
Victoria	14,145	33,854	35,986	9.8%
Queensland	13,855	29,579	26,018	6.5%
South Australia	2,314	6,393	5,777	9.6%
Western Australia	6,260	11,805	11,460	6.2%
Tasmania	706	1,249	817	1.5%
Australian Capital Territory	559	1,566	1,809	12.5%
Northern Territory	19	239	398	35.6%
Total	**62,356**	**138,632**	**136,450**	**8.1%**

Source: Department of Education and Training 2015b

ELICOS students generally have different accommodation requirements compared to other international students. This is driven by a common desire to live with native English speakers in order to help improve their language skills. As such, homestays and living in share houses are a popular option for these students.

In addition, ELICOS courses range in duration from 1 week up to a year, which impacts the accommodation needs. Students studying shorter courses are generally not attractive to purpose built student accommodation operators that generally look to attract residents for stays of at least six months. Urbis consultation with operators highlights that purpose built student accommodation operators will generally only market to ELICOS students if there are university pathways or if they are having difficulty attracting long term higher education students.

3.5 SCHOOL STUDENTS

International school students studying in Australia represents a relatively smaller component of the international education market. The following table outlines international school enrolments in Australia over the last decade. There were an estimated 18,400 international school students studying in Australia in 2014.

International school enrolments across all states declined during the period, with a total annual growth rate of -3.9%. Western Australia experienced the largest decline in annual growth of -9.8%.

International School Enrolments

2004-2014

TABLE 3.8

STATE	2004	2009	2014	ANNUAL GROWTH (%)
New South Wales	9,095	8,515	5,207	-5.4%
Victoria	8,121	7,937	5,736	-3.4%
Queensland	4,461	5,151	3,939	-1.2%
South Australia	1,978	2,743	1,822	-0.8%
Western Australia	2,473	1,917	882	-9.8%
Tasmania	419	453	234	-5.7%
Australian Capital Territory	614	542	505	-1.9%
Northern Territory	150	87	93	-4.7%
Total	**27,311**	**27,345**	**18,418**	**-3.9%**

Source: Department of Education and Training 2015b

International school students have different accommodation requirements to other students as almost all are under the age of 18 and require higher levels of supervision and support. Staying with a host family is attractive option to school students that do not have a friend or relative they can stay with. Boarding school accommodation represents the only other major option to school students though nay not be as attractive to some students wanted to stay in a home environment.

3.6 MOBILE STUDENTS

Mobile students are defined as students that have to move from their previous home to study. These students represent the majority of students that require new accommodation when commencing study. Mobile students include the following three cohorts:

- International Students: Foreign students studying in Australia (onshore students).
- Domestic Interstate: Include all domestic students where the state of study does not match the state of permanent residence.
- Domestic Intrastate: Includes all students studying within the state of their permanent residence where their postcode of permanent residence is greater than 60km from the postcode of study. A

distance of 60km or more is considered to be more than a comfortable commuting distance requiring students to potentially find accommodation closer to their place of study.

The number of students are derived from de-identified data provided by the Department of Education and Training, which shows the postcode of campus and postcode of permanent residential postcode 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. The data was only available for higher education students with detailed place of residence data not available for VET, ELICOS and school students. As such, the 'mobile' student estimate in this analysis only includes higher education students.

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. 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 that over 95% of places in purpose built student accommodation establishments are occupied by university students. As such, the focus of the analysis in this report is on on-campus full-time students as they represent the cohort that demands the majority of student accommodation.

The following table outlines the number of international, domestic interstate and domestic intrastate students by state in 2014 that are considered to be 'mobile' and potentially requiring student accommodation in proximity to their place of study.

Mobile Higher Education Students by Cohort

2014

TABLE 3.9

STATE	INTERNATIONAL	DOMESTIC INTERSTATE	DOMESTIC INTRASTATE*	TOTAL
New South Wales	71,367	7,147	14,149	92,663
Victoria	72,006	7,800	15,702	95,508
Queensland	35,904	5,739	10,508	52,151
South Australia	15,271	1,908	1,662	18,841
Western Australia	15,885	1,010	2,608	19,503
Tasmania	703	760	552	2,015
Australian Capital Territory	6,209	7,533	0	13,742
Northern Territory	681	137	7	825
Total	**218,026**	**32,034**	**45,188**	**295,248**

Note: Postcode of study >60km for the postcode of permanent residence.

Source: Department of Education and Training, Urbis

As outlined in Table 3.3 there were approximately 916,500 full-time on-campus students studying at Australian higher education institutions in 2014 (though it is noted that this includes international students studying offshore). Based on the estimated 295,250 full-time mobile students in 2014, this equates to mobile students accounting for around 32% of full-time on-campus higher education enrolments in 2014. This represents a proxy for estimating the future change in the number of mobile students.

Appendix A comprises maps of the location of residence of higher education students studying in Brisbane. The maps are based on de-identified data provided by the Department of Education and Training, which shows the postcode of campus and postcode of permanent residential postcode for all internal full-time students studying in Australia.

Brisbane was chosen to provide an indication of the distribution of higher education students and how the distribution differs for different universities. It is interesting to note that the distribution of students studying at the Inner Brisbane university campuses (such as University of Queensland St Lucia campus and Queensland University of Technology Gardens Point and Kelvin Grove campuses) is broader and includes residents from throughout Brisbane. In Contrast, Griffith University has a more defined catchment area towards the south-east area of Brisbane. The wider catchment of the Inner Brisbane universities likely reflects their central location and accessibility from throughout the city.

3.7 INTERNATIONAL STUDENT FORECASTS

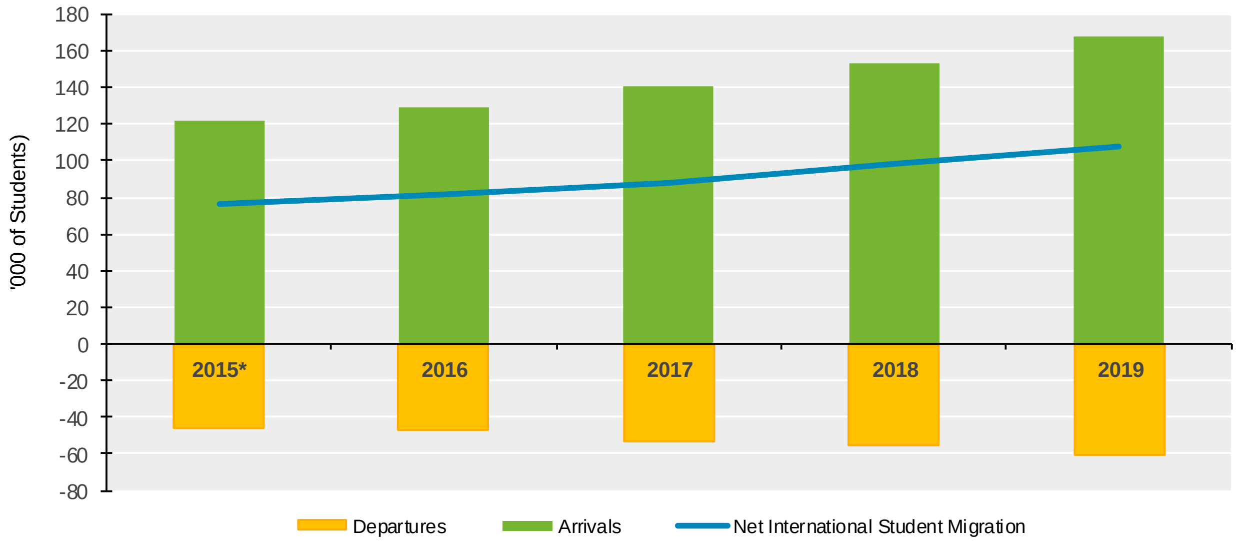
The Australian Government Department of Immigration and Border Protection (DIBP) produces forecasts of international students studying in Australia. The forecasts are updated quarterly and provide an indication of future international student growth in Australia.

International arrivals are forecast to increase by 46,000 to 167,900 in the Year Ending June 2019 at an annual growth rate of 9% (www.border.gov.au/ReportsandPublications/Documents/statistics/nom-June-2015.pdf). DIBP has forecast net arrivals to increase from 76,000 in the Year Ending September 2015 to 107,000 in the Year Ending June 2019.

The international student visa forecasts are an important indicator to monitor as growth in international students will increase the demand for student accommodation in Australia.

Historic & Forecast International Student Arrivals & Departures

AUSTRALIA (Year Ending June 2015-2019) CHART 3.1



*Note: * Year Ending September 2015*

Source: Department of Immigration and Border Protection, Urbis

4 Student Accommodation Supply

This section assesses the supply of student accommodation throughout Australia and is based on the Urbis Student Accommodation Database and the findings of the National Census of University Student Accommodation Providers.

4.1 EXISTING SUPPLY

4.1.1 LOCATION

The drivers of demand for student accommodation differ significantly between areas such as inner city areas, suburban locations and regional centres. The study breaks down university campuses into four categories:

- Inner City: Campuses generally located within 5km of the CBD. Inner Sydney has been defined as within10km of the Sydney CBD due to the larger size of the city.
- Suburban City: Campuses located within capital cities though outside the inner city area
- Regional City: Campuses located within cities (not including capital cities) with a population of over 150,000
- Regional Towns: Campuses located within regional areas with a population of under 150,000.

As shown in Table 4.1, there was an estimated 79,460 beds within student accommodation facilities in Australia based on the Urbis Student Accommodation Database. This represents an increase of 4,900 beds from the 74,560 student accommodation beds recorded in 2014.

A large share (almost 50%) of on-campus and off-campus student accommodation beds is located within Inner Cities.

On-campus student accommodation in Victoria also has a large share of beds located within Suburban Melbourne (4,356 beds). In addition, a large share of on-campus beds within NSW (40% of on-campus beds) are located in Regional Towns.

Student Accommodation Beds

AUGUST 2015 — TABLE 4.1

Region	On-Campus	Off-Campus	Total
Inner Sydney	7,632	5,432	13,064
Suburban Sydney	2,496	284	2,780
Regional Cities	1,675	222	1,897
Regional Towns	7,408	246	7,654
New South Wales	**19,211**	**6,184**	**25,395**
Inner Melbourne	3,504	9,019	12,523
Suburban Melbourne	4,356	1,861	6,217
Regional Cities	820	0	820
Regional Towns	2,505	104	2,609
Victoria	**11,185**	**10,984**	**22,169**
Inner Brisbane	2,732	2,603	5,335
Suburban Brisbane	1,166	746	1,912
Regional Cities	2,531	1,146	3,677
Regional Towns	1,281	225	1,506
Queensland	**7,710**	**4,720**	**12,430**
Inner Adelaide	1,019	3,052	4,071
Suburban Adelaide	562	0	562
Regional Towns	0	70	70
South Australia	**1,581**	**3,122**	**4,703**
Inner Perth	2,906	0	2,906
Suburban Perth	1,797	0	1,797
Regional Towns	87	76	163
Western Australia	**4,790**	**76**	**4,866**
Hobart	437	215	652
Regional Town	717	40	757
Tasmania	**1,154**	**255**	**1,409**
Australian Capital Territory	**6,815**	**896**	**7,711**
Northern Territory	**474**	**303**	**777**
Darwin	360	303	663
Regional Town	114	0	114
Australia	**52,920**	**26,540**	**79,460**
Inner City	**25,405**	**21,521**	**46,926**
Suburban City	**10,377**	**2,891**	**13,268**
Regional Cities	**5,026**	**1,368**	**6,394**
Regional Towns	**12,112**	**761**	**12,873**

Source: Urbis

4.1.2 SIZE

Table 4.2 shows the number of facilities and beds grouped by the size of facilities. The table shows the following:

- A total of 79,460 beds are located in 358 facilities, equating to an average size of facility of around 220 beds
- Facilities that contain between 100-200 are the most common accounting for 86 facilities (24%).

- Facilities that contain over 500 beds deliver the largest share of total beds in Australia (24,933; 31%).

Student Accommodation Facility Size

AUGUST 2015 — TABLE 4.2

FACILITY SIZE (BEDS)	FACILITIES	BEDS
20-50	68	2,173
51-100	58	4,336
101-200	86	12,718
201-300	60	15,154
301-400	37	12,994
401-500	16	7,152
500+	33	24,933
Total	**358**	**79,460**

Source: Urbis

4.1.3 CONFIGURATION

Analysis of facility configuration is based on data from the National Census of University Student Accommodation Providers. The Census was based on a comprehensive survey that was able to source data direct from operators. The data differs slightly from Urbis' Student Accommodation Database with respect to provider reporting methodology and timeframes.

Table 4.3 presents the breakdown of beds that are on-campus and off-campus, broken down by state (as at 2014). The table shows the following:

- Overall, the majority of beds are located on-campus (around 70%).

- All states have a higher number of beds that are on-campus than off-campus, except for South Australia. South Australia has almost five times as many beds off-campus than on-campus, with only around 20% of beds located on-campus. This reflects the fact that colleges were established in the North Adelaide area.

- The Australian Capital Territory and Western Australia have the lowest proportion of beds off-campus, compared to states with off-campus beds, at around 7% and 8% respectively

- At the time of the 2014 Census Darwin had no off-campus accommodation though it is noted that UniLodge Darwin opened has since opened in 2015.

Number of On-Campus and Off-Campus Beds

BY STATE, AS AT 2014 — TABLE 4.3

STATE	ON-CAMPUS (BEDS)	OFF-CAMPUS (BEDS)
NSW	17,597	4,668
VIC	10,052	9,616
QLD	7,443	5,610
ACT	7,951	563
WA	4,671	380
SA	696	3,371
TAS	1,274	256
NT	334	0
Total	**50,018**	**24,464**

Source: University Colleges Australia 2015

Table 4.4 breaks down the number beds by affiliated university groups. The largest number of beds are associated with a Go8 university, reflecting the large size of the well-established institutions. It is noted that around 10% of beds are not aligned with an individual university due to proximity to multiple universities.

Number of Beds by University Grouping in Australia

ON-CAMPUS AND OFF-CAMPUS, AS AT 2014 TABLE 4.4

UNIVERSITY GROUP	TOTAL BEDS	% OF TOTAL
Go8	28,904	39%
Non-aligned	17,367	23%
Innovative Research Universities	7,979	11%
Australian Technology Network of Universities	6,074	8%
Regional Universities Network	5,947	8%
Multiple Universities	8,211	11%
Total	**74,482**	**100%**

Source: University Colleges Australia 2015

Table 4.5 breaks down the number of beds in each state by ownership and management type. The table shows the following:

- The majority of total beds across the states are university managed, representing around 40% of the total
- Off-campus commercial providers are the next highest ownership type, accounting for over 20% of beds. These facilities are more common in the major capital cities.
- Church owned facilities are located throughout the country with residential colleges well established in older universities.

Number of Beds by Ownership and Management Type

BY STATE, AS AT 2014 TABLE 4.5

STATE	UNIVERSITY MANAGED	OFF-CAMPUS COMMERCIAL PROVIDERS	CHURCH	ON-CAMPUS COMMERCIAL PROVIDERS	UNIVERSITY – COMMERCIAL MANAGED	CHARITABLE TRUST	OTHER
NSW	11,655	2,119	2,441	4,647	-	1,172	231
VIC	7,072	7,761	2,171	-	2,350	314	-
QLD	3,218	5,012	2,534	1,267	-	1,022	-
ACT	3,444	83	674	1,334	2,979	-	-
WA	2,371	-	749	1,537	-	394	-
SA	714	2,051	816	-	-	81	405
TAS	1,338	-	192	-	-	-	-
NT	334	-	-	-	-	-	-
Total	**30,146**	**17,026**	**9,577**	**8,785**	**5,329**	**2,983**	**636**

Source: University Colleges Australia 2015

Table 4.6 breaks down the number of beds by religious affiliation. The table shows that a total of 12,373 beds across Australia have religious affiliation, with the largest number of beds being affiliated with the Catholic religion.

Number of Beds in Facilities with Religious Affiliation

AUSTRALIA, AS AT 2014 TABLE 4.6

RELIGIOUS AFFILIATION	BEDS	% OF TOTAL
Catholic	3,616	29%
Uniting Church	3,034	25%
Anglican	2,373	19%
Other Christian	2,313	19%
Multi Denomination	620	5%
Baptist	182	1%
Jewish	167	1%
Salvation Army	68	1%
Total	**12,373**	**100%**

Source: University Colleges Australia 2015

Table 4.7 breaks down the number of beds in Australia by catering type. The table shows that the majority of beds (61%) are non-catered. Those that are catered (totalling around 29,200 beds) are mainly catered by in-house staff (47%).

Number of Beds in Facilities Offering Catering

AUSTRALIA, AS AT 2014 TABLE 4.7

CATERING TYPE	BEDS
Catered by Contractor	9,722
Catered by In-House Staff	13,825
Catered (other)	5,613
Non-Catered	45,322

Source: University Colleges Australia 2015

Table 4.8 breaks down the number of catered beds by location (on/off-campus and by state). The majority of catered beds in Australia are located on-campus. This is true across all states except for SA, where around 70% of catered beds are located off-campus. This reflects the University of Adelaide affiliated colleges being located off-campus in North Adelaide.

Number of Beds in Facilities Offering Catering – On/Off-Campus

BY STATE, AS AT 2014 TABLE 4.8

STATE	ON-CAMPUS CATERING (BEDS)	OFF-CAMPUS CATERING (BEDS)
NSW	9,272	1,497
VIC	5,136	1,130
QLD	5,362	566
ACT	2,710	0
WA	1,631	380
SA	387	897
TAS	0	192
Total	**24,498**	**4,662**

Source: University Colleges Australia 2015

Table 4.9 shows the proportion of catered beds in Australia that offer a fixed or variable number of meals, or both. The majority (77%) of catered beds offer only a fixed number of meals to residents with less than a quarter of facilities offering some flexibility.

Proportion of Beds in Facilities that offer Fixed/ Variable Catering

AUSTRALIA, AS AT 2014 TABLE 4.9

CATERED SITES	% OF BEDS
Fixed number of Meals	77%
Variable number of Meals	13%
Mix of both	10%

Source: University Colleges Australia 2015

Table 4.10 classifies the number of beds in Australia by room type. The majority of beds have a communal bath, with residents generally sharing facilities on a level. Almost 30% of beds have private ensuites, which are generally more common in privately operated facilities.

Number of Beds by Room Type

AUSTRALIA, AS AT 2014 TABLE 4.10

ROOM TYPE	BEDS (NO.)	BEDS (%)
Shared Ensuite	8,811	16%
Twin	2,042	4%
Communal Bath	28,455	52%
Private Ensuite	15,315	28%

Source: University Colleges Australia 2015

4.2 BENCHMARKS

The following table benchmarks the provision of student accommodation to full-time university students studying on-campus (on-campus students) throughout Australia as completed by Urbis in 2015. The benchmark compares total beds in 2015 with full-time on-campus student enrolments in 2014 from uCube. While some data is available on student enrolments in 2015, 2014 data has been used for the benchmarks to ensure consistently between universities. It is noted that this benchmark is based on all full-time on-campus higher education students (and not just mobile students) and also includes offshore international students. As such, the benchmarks are likely to be an overestimate though allows for indicative comparisons between Australian institutions.

The benchmarks do not directly include TAFE or English language students as they do not represent a major driver of student accommodation, and sufficiently detailed and consistent enrolment data throughout the country is not available. It is noted that English language courses have a high turnover with most courses generally lasting less than three months. In addition, a lot of courses actively encourage students to live in homestays to immerse themselves in the Australian culture and the language. As such, English language students generally account for less than 5% of residents of purpose built student accommodation facilities. Based on Urbis's consultation with student accommodation providers, the majority of ELICOS students in university affiliated accommodation are on a study pathway to higher education, while some private facilities look to fill beds with ELICOS students if they are unable to fill beds from higher education students.

Based on Urbis's consultation with student accommodation providers, VET students also do not represent a major driver for student accommodation as students. Potential reasons include VET students generally study close to home and are often undertaking study while working (such as apprenticeships) making them more independent than university students and more likely to have accommodation prior to study. As an example, TAFE NSW International's website mentions accommodation options including homestay, hostels, shared rentals and individual renting. A link is provided to UWS Village accommodation, which has experienced vacancies in recent years at their facilities.

Regional towns have the highest average benchmark of 7.1 full-time on-campus enrolments per bed, which likely reflects the need for on-campus accommodation to attract students to these regional areas. Inner city campuses have the next highest benchmark of 9.1 full-time on-campus enrolments per bed, which likely reflects the need for accommodation due to students looking at accommodation in the private rental market experiencing competition from professional workers. Suburban city campuses have the lowest benchmark of 20.5 full-time on-campus enrolments per bed, which likely reflects the increased competition from affordable private rental accommodation.

The highest provision of beds relative to the number of full-time on-campus enrolments is in the Northern Territory and ACT, at 3.5 and 3.8 respectively.

At the state level, WA and SA have a large supply of beds within their Regional areas. NSW, VIC, QLD and TAS, on the other hand, have a larger supply benchmark within Inner Cities.

Student Accommodation Supply Benchmarks by Region

FULL-TIME ON-CAMPUS UNIVERSITY STUDENTS PER BED, AUGUST 2015 TABLE 4.11

Region	On-Campus	Off-Campus	Total	FT On-Campus Enrolments*	FT On-Campus Enrolments
Inner Sydney	15.3	21.4	8.9	116,393	13,064
Suburban Sydney	26.5	233.0	23.8	66,120	2,780
Regional Cities	13.8	104.2	12.2	23,130	1,897
Regional Towns	6.4	192.9	6.2	47,456	7,654
New South Wales	**13.2**	**40.9**	**10.0**	**253,099**	**25,395**
Inner Melbourne	36.3	14.1	10.2	127,291	12,523
Suburban Melbourne	24.6	57.7	17.3	107,283	6,217
Regional Cities	10.5	-	10.5	8,620	820
Regional Towns	7.3	175.4	7.0	18,242	2,609
Victoria	**23.4**	**23.8**	**11.8**	**261,436**	**22,169**
Inner Brisbane	28.6	30.1	14.7	78,231	5,335
Suburban Brisbane	17.1	26.8	10.5	19,996	1,912
Regional Cities	15.7	34.7	10.8	39,774	3,677
Regional Towns	13.2	75.4	11.3	16,960	1,506
Queensland	**20.1**	**32.8**	**12.5**	**154,961**	**12,430**
Inner Adelaide	37.1	12.4	9.3	37,827	4,071
Suburban Adelaide	33.3	-	33.3	18,710	562
Regional Towns	-	11.6	11.6	811	70
South Australia	**36.3**	**18.4**	**12.2**	**57,349**	**4,703**
Inner Perth	9.2	-	9.2	26,727	2,906
Suburban Perth	33.4	-	33.4	59,978	1,797
Regional Towns	25.3	29.0	13.5	2,202	163
Western Australia	**18.6**	**1,169.8**	**18.3**	**88,908**	**4,866**
Hobart	22.1	45.0	14.8	9,673	652
Regional	7.1	127.5	6.7	5,101	757
Tasmania	**12.8**	**57.9**	**10.5**	**14,774**	**1,409**
Australian Capital Territory	**4.3**	**33.0**	**3.8**	**29,562**	7,711
Northern Territory	**5.7**	**8.9**	**3.5**	**2,683**	**777**
Darwin	7.3	8.7	4.0	2,632	663
Regional	0.4	-	0.4	51	114
Australia	**16.3**	**32.5**	**10.9**	**862,771**	**79,460**
Inner City	**16.9**	**19.9**	**9.1**	**428,336**	**46,926**
Suburban City	**26.2**	**94.1**	**20.5**	**272,087**	**13,268**
Regional Cities	**14.2**	**52.3**	**11.2**	**71,524**	**6,394**
Regional Towns	**7.5**	**119.3**	**7.1**	**90,823**	**12,873**

*Note: * Includes students studying at major public Australian universities.*

Source: Urbis

Table 4.12 outlines the indicative benchmark supply for public universities across Australia by estimating the number of beds associated with each university. Student accommodation beds were allocated to a university campus (or multiple campuses) and then summed to the university level. The following methodology was adopted to estimate the student accommodation bed supply for each university campus:

- 100% of beds in on-campus facilities were allocated to the specific university campus.
- 100% of beds in off-campus facilities that are affiliated with a university are allocated to the specific university campus.
- A proportion of beds in off-campus facilities that are not affiliated with a university were allocated to one or multiple campuses. The allocation distribution between campuses was based on consultation with the facility operator where available. Where resident data was unable to be sourced through consultation, 70% of beds were generally allocated to the nearest major university campus and 30% of beds allocated to the next closest major university campus.

It is noted that enrolment data from uCube is based on all full-time on-campus higher education students including offshore international students. As such, the benchmarks are likely to be an overestimate though allows for indicative comparisons between Australian institutions.

There is a significant range in supply provision, with some universities such as the University of New England and Australian National University using the provision of accommodation as a means of attracting students from outside the region.

Student Accommodation Supply Benchmarks by University

FULL-TIME ON-CAMPUS UNIVERSITY STUDENTS PER BED, AUGUST 2015 TABLE 4.12

University	Full Time Students per Bed (On-Campus Students) On-Campus Beds	Off-Campus Beds	All Beds	Beds as a % of Full Time Students On-Campus Beds (%)	Off-Campus Beds (%)	All Beds (%)	Full Time Students (On-Campus)	Total Beds
University of New England, NSW [R]	2.1	-	2.1	48%	0%	48%	3,601	1,722
The Australian National University, ACT	3.5	20.2	3.0	29%	5%	34%	15,108	5,091
Charles Darwin University, NT	6.9	10.8	4.2	15%	9%	24%	3,262	777
Charles Sturt University, NSW [R]	4.5	56.5	4.2	22%	2%	24%	13,893	3,305
University of Canberra, ACT	4.9	141.6	4.7	21%	1%	21%	12,040	2,556
Bond University, QLD	8.3	14.9	5.3	12%	7%	19%	4,875	918
The University of Melbourne, VIC	13.3	9.6	5.6	8%	10%	18%	43,153	7,727
The University of Sydney, NSW	15.7	11.6	6.7	6%	9%	15%	43,504	6,525
The University of Adelaide, SA	23.3	10.7	7.3	4%	9%	14%	21,463	2,923
La Trobe University, VIC	11.1	41.2	8.8	9%	2%	11%	27,773	3,170
The University of New South Wales, NSW	10.1	66.8	8.8	10%	1%	11%	39,670	4,520
James Cook University, QLD [R]	11.5	72.9	9.9	9%	1%	10%	16,393	1,649
University of Tasmania, TAS	12.8	57.9	10.5	8%	2%	10%	14,774	1,409
The University of Western Australia, WA	11.0	-	11.0	9%	0%	9%	21,073	1,911
The University of Queensland, QLD	13.2	66.2	11.0	8%	2%	9%	41,834	3,794
Federation University Australia, VIC [R]	11.8	-	11.8	8%	0%	8%	10,886	921
Griffith University, QLD	19.5	31.2	12.0	5%	3%	8%	32,847	2,735
RMIT University, VIC	361.7	12.5	12.1	0%	8%	8%	47,744	3,949
University of Wollongong, NSW [R]	14.3	107.7	12.6	7%	1%	8%	23,912	1,897
University of Technology Sydney, NSW	24.0	28.1	12.9	4%	4%	8%	27,636	2,136
The University of Newcastle, NSW [R]	13.7	-	13.7	7%	0%	7%	23,680	1,724
University of Southern Queensland, QLD [R]	14.0	-	14.0	7%	0%	7%	5,960	427
Southern Cross University, NSW [R]	14.7	-	14.7	7%	0%	7%	6,886	469
Macquarie University, NSW	18.4	112.2	15.8	5%	1%	6%	26,794	1,695
University of South Australia, SA	205.6	18.3	16.8	0%	5%	6%	20,476	1,218
Deakin University, VIC [R]	22.2	72.0	17.0	5%	1%	6%	30,230	1,782
CQ University, QLD [R]	17.2	-	17.2	6%	0%	6%	7,276	424
University of the Sunshine Coast, QLD [R]	-	17.3	17.3	0%	6%	6%	8,834	512
Queensland University of Technology, QLD	-	17.3	17.3	0%	6%	6%	34,161	1,971
Monash University, VIC	23.8	64.8	17.4	4%	2%	6%	53,385	3,069
Murdoch University, WA	17.8	-	17.8	6%	0%	6%	14,514	814
Edith Cowan University, WA	18.8	-	18.8	5%	0%	5%	15,795	840
Swinburne University of Technology, VIC	76.9	30.1	21.6	1%	3%	5%	18,061	834
University of Western Sydney, NSW	26.3	-	26.3	4%	0%	4%	32,887	1,252
Curtin University, WA	28.5	442.7	26.8	4%	0%	4%	33,646	1,256
Flinders University, SA	27.4	-	27.4	4%	0%	4%	15,405	562
Victoria University, VIC	37.5	241.1	32.5	3%	0%	3%	20,737	639
Australian Catholic University	-	67.8	67.8	0%	1%	1%	19,800	292
The University of Notre Dame Australia	195.6	-	195.6	1%	0%	1%	8,803	45

Note: (R) Regional university, (-) No student accommodation beds, On-Campus - University and College operated student accommodation, Off-Campus - Non-university aligned private student accommodation

Source: Various universities, Department of Education and Training, Urbis.

The analysis of Australian university enrolments (Section 4.6) found there were an estimated 295,250 ‘mobile’ students studying at Australian universities in 2014. Australia has a culture where the majority of full-time tertiary students will continue to live at home while they study if their family home is within commuting distance of their place of study. As such, the number of ‘mobile’ students is considered to represent a more accurate indication of the potential demand for university student accommodation.

When compared to the total student accommodation supply of approximately 74,560 in 2014 (from the Urbis Student Accommodation Database), there is a ratio of 4.0 mobile students for every student accommodation bed. This equates to a potential gap of around 220,700 beds between demand and supply in 2014.

4.3 HISTORICAL TRENDS

Table 4.13 compares the number of student accommodation beds in each state in 1999 and 2014. The table shows the following:

- There has been an 88% increase in the total number of beds in Australia over the 15 year period
- The largest increase in beds has been in SA, with over twice as many beds in 2014 than in 1999
- NSW continues to have the highest provision of beds within Australia
- The rank of each state in terms of the number of beds is the same as it was in 1999.

Number of Beds

BY STATE, 1999 VS. 2014 TABLE 4.13

STATE	BEDS IN 1999	BEDS IN 2014
NSW	13,740	22,265
VIC	9,974	19,668
QLD	5,920	13,053
ACT	4,625	8,514
WA	2,766	5,051
SA	1,421	4,067
TAS	840	1,530
NT	275	334
Total	**39,561**	**74,482**

Source: University Colleges Australia 2015

Table 4.14 compares the break down in the number of beds that are on and off-campus in 1999 and 2014. There has been a growth in both on-campus and off-campus beds since 1999 though there has been a larger increase in off-campus beds than on-campus, with more than three times as many beds off-campus in 2014 than in 1999.

Number of Beds - On-Campus and Off-Campus

AUSTRALIA, 1999 VS. 2014 TABLE 4.14

YEAR	ON-CAMPUS (BEDS)	OFF-CAMPUS (BEDS)
1999	32,110	7,451
2014	50,018	24,464

Source: University Colleges Australia 2015

Table 4.15 compares the break down in the number of beds located in metropolitan cities and regional cities. The growth in beds located in metropolitan cities has been greater, more than doubling since 1999. Whereas the increase in the number of beds located in regional cities has only been around 38% of the number of beds in 1999. This reflects the investment in new facilities by private operators focussed on capital city locations.

Number of Beds – Metro and Regional

AUSTRALIA, 1999 VS. 2014 TABLE 4.15

YEAR	METRO (BEDS)	REGIONAL (BEDS)
1999	29,293	10,268
2014	60,291	14,191

Source: University Colleges Australia 2015

Table 4.16 compares the number of beds by affiliated university broken down by groups the universities are affiliated with. The table shows that the largest growth in university owned beds was in universities affiliated with the Go8, with the number of beds doubling over the period. However, the share of beds affiliated with Go8 increased slightly from 44% in 1999 to 48% in 2014.

Although the number of university owned beds increased in each the university groups, the share of university beds affiliated with Innovative Research Universities and the Regional Universities Network declined during the period from 13% to 11% and 10% to 8%, respectively.

Number of Beds by University Grouping in Australia

UNIVERSITY AFFILIATED, 1999 VS. 2014 — TABLE 4.16

UNIVERSITY GROUP	BEDS IN 1999	BEDS IN 2014
Go8	14,309	28,904
Non-aligned	9,020	17,367
Innovative Research Universities	5,312	7,979
Australian Technology Network of Universities	1,447	6,074
Regional Universities Network	3,845	5,947
Multiple Universities	5,628	8,211
Total	**39,561**	**74,482**

Source: University Colleges Australia 2015

Table 4.17 compares the number of beds in catered and self-catered facilities in 1999 and 2014. The table shows that the number of self-catered beds grew substantially relative to catered beds, with self-catered beds increasing over three times the number in 1999.

Number of Beds – Catered and Self-Catered

AUSTRALIA, 1999 VS. 2014 — TABLE 4.17

YEAR	CATERED (BEDS)	SELF-CATERED (BEDS)
1999	24,953	14,608
2014	29,160	45,322

Source: University Colleges Australia 2015

Table 4.18 compares the number of beds in a range of facility sizes in 1999 and 2014. It is noted that the survey did not include privately operated facilities with under 100 beds, which limits the number of facilities counted. The table shows the following:

- The largest increase in the number of beds were in facility sizes in the range of 201-300 beds, with an increase of over 4,300 beds
- The largest share in bed growth were in large facilities with over 750 beds, with only one facility in 1999 up to four facilities in 2014.

Number of Beds by Size of Facility

AUSTRALIA, 1999 VS. 2014 TABLE 4.18

FACILITY SIZE (RANGE OF TOTAL BEDS)	1999 (BEDS)	2014 (BEDS)
<101	1,345	3,340
101-200	7,816	8,253
201-300	9,470	13,842
301-400	4,757	8,119
401-500	3,658	3,985
501-750	3,455	5,922
751-1,000	0	1,703
>1,000	1,053	2,871
Total	**31,554**	**48,035**

Source: University Colleges Australia 2015

4.4 PROPOSED

The following table highlights the proposed student accommodation facilities in Australia by the status of the development. The data is based on data included in the Cordell Connect database and primary research undertaken by Urbis. There is an estimated 25,180 student accommodation beds in the development pipeline across the country. It is noted that the 'Early Planning' category excludes university strategies/masterplans for the delivery of new accommodation unless there is some certainty around the potential sites and timeframe.

There are almost 5,500 student accommodation beds under construction anticipated to be opened in 2016 and 2017 with almost an additional 3,000 beds having received development approval. There has been a lot of recent activity with developers and investors buying sites for development and currently undertaking planning.

Future Student Accommodation Beds by Year

AS AT AUGUST 2015 TABLE 4.19

STATUS	2016	2017	2018	2019	2020	TOTAL
Early Planning	0	4,158	3,276	3,600	200	11,234
Development Application	0	1,782	1,676	1,154	965	5,577
Development Approval	0	205	2,173	0	554	2,932
Construction	3,082	2,355	0	0	0	5,437
Total	**3,082**	**8,500**	**7,125**	**4,754**	**1,719**	**25,180**

Source: Cordell Connect, Urbis

The following table summarises the student accommodation development pipeline by state and development status. Queensland has the largest pipeline of around 8,710 beds with the vast majority located in inner Brisbane, which equates to a potential 70% increase above existing supply. Anecdotal evidence indicates that there may be additional developers/ investors investigating opportunities and the potential pipeline in Brisbane could be higher. This reflects the Brisbane City Council's policy to encourage student accommodation development by reducing infrastructure charges. Council is offering developers a financial incentive to build student accommodation around the Brisbane CBD by discounting infrastructure and utilities charges. A $13,440 discount will apply for every unit and reduce fees from $18,000 per unit.

Victoria has the highest development pipeline under construction of almost 2,200 beds across three developments at the University of Melbourne, Victoria University and Monash University. These developments are anticipated to be opened for the start of the 2016 academic year. Overall, Victoria has a pipeline of almost 8,000.

NSW has a lower development pipeline of around 5,400 beds though it is noted that around 3,800 beds were completed in NSW in 2015 in Newcastle and Inner Sydney. The 5,400 beds equate to growth of around 21% above existing supply.

It is noted that almost 90% of proposed future student accommodation beds are located in capital cities. Proposed future student accommodation beds in capital cities account for growth of 37% from existing beds, while regional locations are only anticipated to recorded growth of 15%.

Future Student Accommodation Beds by State

AS AT AUGUST 2015 TABLE 4.20

REGION	CONSTRUCTION	APPROVAL	DEVELOPMENT APPLICATION	EARLY PLANNING	TOTAL	GROWTH RATE
NSW	1,011	994	2,132	1,276	5,413	21%
VIC	2,172	1,787	797	3,224	7,980	36%
QLD	697	151	2,628	5,234	8,710	70%
SA	82	0	20	700	802	17%
WA	425	0	0	0	425	9%
TAS	550	0	0	0	550	39%
ACT	500	0	0	800	1,300	17%
Total	**5,437**	**2,932**	**5,577**	**11,234**	**25,180**	**32%**
Capital City	**5,137**	**2,865**	**3,922**	**10,404**	**22,328**	**37%**
Regional	**300**	**67**	**1,655**	**830**	**2,852**	**15%**

Source: Cordell Connect, Urbis

It is noted that National Census of University Student Accommodation Providers 2014 projected growth of 19,169 places in Australian between 2014 and 2018 as of October 2014. These numbers included several major projects that were completed and opened in 2015. Almost 90% of places were included in New South Wales and Victoria.

4.5 PERFORMANCE

Vacancies within student accommodation facilities throughout an area are a strong indicator there is a sufficient supply of student accommodation in an area. However, it is noted that there are often characteristics of individual facilities that can result in vacancies such as lower quality facilities/services, poor location and high rents.

Vacancy rates within purpose built student accommodation are not published with the data generally considered by operators and owners to be commercial in confidence. Each individual bed is not advertised, with operators generally only advertising that they have vacancies in certain bed/room types rather than the number of vacancies. This makes it impossible to determine occupancy rates by monitoring advertisements (which is how residential vacancy rates are calculated).

While there is no consolidated data available of occupancy rates of student accommodation, Urbis notes the following characteristics based on our experience in undertaking projects with universities and private operators throughout Australia:

- A facility with an occupancy rate of 98% or above is considered by Urbis to be ‘fully occupied’ due to some unavoidable short-term vacancies when residents move out.
- Most commercial student accommodation operators target a steady state occupancy rate of over 95% as they have a financial model heavily reliant on high occupancies.
- Facilities affiliated with a university generally achieve higher occupancy rates as they receive referrals directly from the institution.

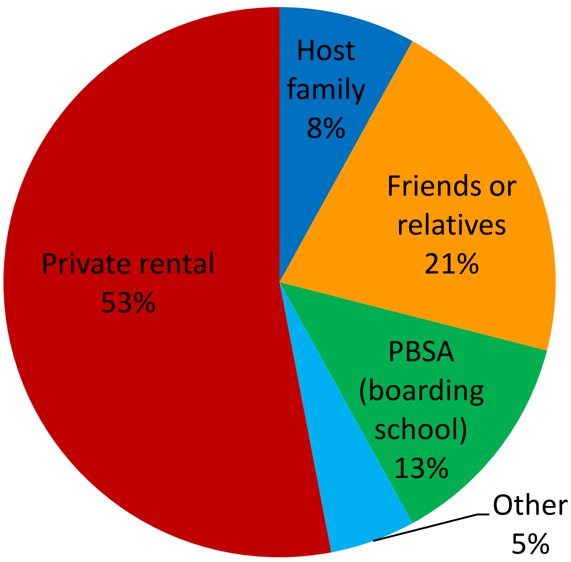
5 Other Accommodation

5.1 PRIVATE RENTAL MARKET

The private rental market represents a key alternative for students looking for affordable accommodation. Many of students rent a room in share houses or group together and rent a house in the surrounding suburbs to university campuses. The supply and relative affordability of private rental stock is a major factor impacting demand for student accommodation. As such, we have investigated the local rental market in Australia.

As outlined in Chart 5.1, the 2014 International Student Survey found that over half of international tertiary students stayed in the private rental market in 2014, which highlights the importance of the market to accommodating international students. This included 55% of higher education students and 51% of ELICOS students.

International Tertiary Student Accommodation
2014 CHART 5.1



Source: Department of Education and Training

5.1.1 MEDIAN RENTS

Table 5.1 outlines weekly median rental prices in 2014 and 2015 for the major Australian cities. Prices in 2015 ranged from $280 to $500 a week for a unit, and from $340 to $640 a week for a house. Darwin had the highest median rent for both units and houses in 2015, that reflects the strong demand from the resource sector. Sydney was on par with Darwin in weekly unit rent price in 2015, recording a median weekly rent of $500 in 2015.

Sydney's annual growth between 2014 and 2015 was the highest for both units and houses at 4.2% and 4.0%, respectively. Conversely, Perth had the lowest annual growth rate recording a negative growth rate for both units and houses at -6.7% and -4.3%, respectively as the declining resource sector has impacted the rental market in Perth. Although a negative growth rate was recorded, median rent prices were in the top end of the bracket relative to other cities. The cheapest weekly rent price was recorded in Greater Hobart in 2014 and 2015 for both units and houses.

Metropolitan City Average Rental Growth

UNITS AND HOUSES, 2014 TO 2015 (YEAR ENDING MAY) TABLE 5.1

	UNITS			HOUSES		
CITY	2014	2015	ANNUAL GROWTH (%)	2014	2015	ANNUAL GROWTH (%)
Sydney	$480	$500	4.2%	$500	$520	4.0%
Canberra	$400	$390	-2.5%	$480	$480	0.0%
Darwin	$500	$500	0.0%	$650	$640	-1.5%
Brisbane	$380	$390	2.6%	$400	$410	2.5%
Adelaide	$295	$300	1.7%	$340	$350	2.9%
Greater Hobart	$270	$280	3.7%	$330	$340	3.0%
Melbourne	$360	$370	2.7%	$380	$390	2.6%
Perth	$450	$420	-6.7%	$470	$450	-4.3%

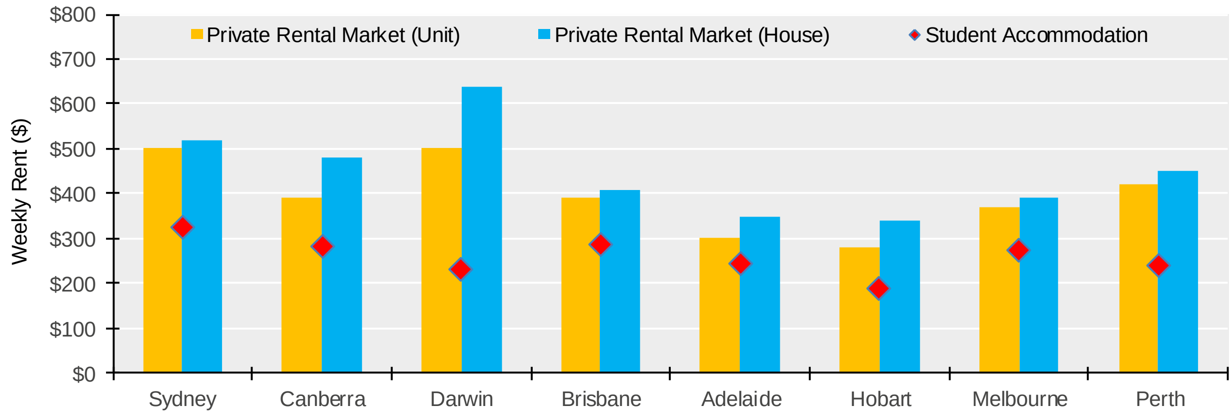
Source: RP Data, Urbis

5.1.2 RENTAL COMPARISON WITH STUDENT ACCOMMODATION

Chart 5.2 illustrates the median rental prices for each city for both units and houses (based on data presented in Table 5.1) against the prices for non-catered student accommodation facilities. To note, the prices for the private rental market are on a per dwelling basis, whereas student accommodation is quoted on a per bed basis.

Private Rental Market v. Student Accommodation

METROPOLITAN CITIES, 2015 CHART 5.2



Private Rental Market reflect median prices for the year ending May 2015

Price of student accommodation bed is an average of non-catered facilities

Source: Urbis

In order to compare the relativity of these private rental figures against student accommodation rent prices it is important to breakdown the median rental prices on a per bed basis. As such, Table 5.2 shows the weekly median rent prices broken down by the number of beds.

Due to the limited availability of data, only NSW, QLD, VIC and SA have been included in the table.

To note, due to differences in data sets between states, we have quoted rental figures for the 2014 December quarter for consistency.

The highest weekly rent is in a two bedroom unit in Sydney at $500, while a one bedroom unit has the lowest rent at $150 a week.

Weekly Rents Breakdown by Number of Beds

HOUSES AND UNITS, DECEMBER QUARTER 2014 TABLE 5.2

CITY	NSW	QLD	VIC	SA
Capital City				
1 Bed Unit	$450	$333	$320	$240
2 Bed Unit	$500	$400	$370	$280
2 Bed House	$400	$380	$400	$300
3 Bed House	$450	$420	$360	$330
Regional				
1 Bed Unit	$180	N/A	$170	$150
2 Bed Unit	$245	N/A	$230	$190
2 Bed House	$250	N/A	$240	$210
3 Bed House	$300	N/A	$280	$255

Source: RTA; NSW Department of Housing, Department of Human Services

Table 5.3 presents the cost of renting in the private market for each city on a per bedroom basis (based on data presented in Table 5.2) compared against the average price of student accommodation beds in non-catered facilities in each metropolitan city.

The adjusted rents account for the additional costs that are associated with renting that are included within the cost of most student accommodation rents including fully furnished rooms, internet and utilities.

- The assumed cost of furniture set up in the private rental market is $2,400 per bed upfront, which equates to $15 on a weekly basis when amortised over a three year period. This assumption considers a likely mix of mostly second hand with some new items that students would procure. Analysis of Gumtree (a second hand sales website) indicates that most household goods can be procured very cheaply (or even for free) if willing to go and pick up from the seller

- Utility costs have been estimated at $30-40 per week including electricity, gas, water and internet. The cost has been assumed to decline as the apartment size gets bigger due to economies of scale.

Student accommodation is relatively lower in price against one bedroom units in the private rental market. However, the private rental market offers a lower median weekly rent price for two bedroom units and two and three bedroom houses across all the comparable cities. As the number of bedrooms increase in the private market, the cost differential between the private market and student accommodation market becomes larger. This may help to explain why continuing students (e.g. second year students) and post graduate students gravitate towards private housing as they establish friendship and contacts that they can share housing with.

The greatest price difference are for three bedroom houses in Sydney and Melbourne with a percentage price difference of 64% and 62%, respectively, when compared to the student accommodation market.

Private Rental Market v. Student Accommodation

DECEMBER QUARTER 2014 TABLE 5.3

	Median Rent[1]	Rent per Room	Adjusted Rent per Room[2]	Student Accommodation[3]	% Difference (Student Beds Relative to Private Accommodation)
Sydney					
Units					
1 Bedroom	$450	$450	$505	$373	-26%
2 Bedroom	$500	$250	$300	$287	-4%
Houses					
2 Bedroom	$400	$200	$255	$287	13%
3 Bedroom	$450	$150	$200	$287	43%
Brisbane					
Units					
1 Bedroom	$333	$333	$388	$293	-24%
2 Bedroom	$400	$200	$250	$270	8%
Houses					
2 Bedroom	$380	$190	$245	$270	10%
3 Bedroom	$420	$140	$190	$270	42%
Melbourne					
Units					
1 Bedroom	$320	$320	$375	$291	-22%
2 Bedroom	$370	$185	$235	$254	8%
Houses					
2 Bedroom	$400	$200	$255	$254	0%
3 Bedroom	$360	$120	$170	$254	50%
Adelaide					
Units					
1 Bedroom	$240	$240	$295	$271	-8%
2 Bedroom	$280	$140	$190	$233	23%
Houses					
2 Bedroom	$300	$150	$205	$233	14%
3 Bedroom	$330	$110	$160	$233	46%

1 Private Rental Market, based on December quarter 2014 data
2. Includes furniture set up and utility costs
3. Average taken from non-catered facilities
Source: RTA; NSW Department of Housing; Urbis

5.1.3 VACANCY RATES

Chart 5.3 highlights the historical residential vacancy rates in each Australian city over the last 10 years based on data prepared by the Real Estate Institute of Australia. The data is available for purchase from the Real Estate Institute of Australia.

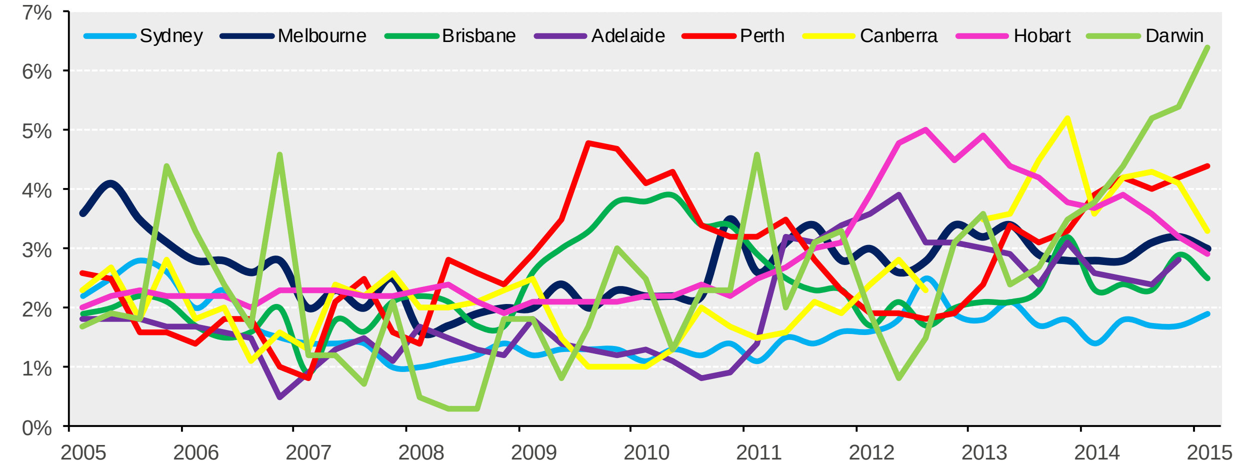
The Sydney vacancy rate has remained fairly stable over the period at around 1.6%. This is below all the other city averages over the period. The highest average vacancy rate was recorded in Perth and Hobart at 2.8%.

Perth's vacancy rate peaked in 2009, recording an average of 4.0%. Over the past couple of years the vacancy rate in Perth has been climbing again, currently at 4.4% in the March quarter of 2015. On the other hand, Hobart's vacancy rates peaked in 2012 averaging 4.6% however since has been trending downwards currently at 2.9% in the March quarter of 2015.

Darwin's vacancy rates have been volatile over the period, recording a low of 0.3% in 2008 and peaking to almost 5% in the years 2005, 2006 and 2011. Over the past two years the vacancy rate has been trending upwards from an average of 3.1% in 2013 to 6.4% in the March quarter of 2015.

Rental Vacancy Rates

METROPOLITAN CITIES, 2005-2015 CHART 5.3



Source: Real Estate Institute of Australia; Urbis

SQM publishes residential vacancy data on their website (www.sqmresearch.com.au) at the suburb, postcode and capital city level. The data is sourced by monitoring the number of residential properties advertised for rent and comparing that to the estimated number of properties available for rent. The following table highlights the vacancy rate for capital cities in Australia.

A rental vacancy rate in an area of under 2.5% is indicative that there is an undersupply of rental accommodation, which may push students into student accommodation or force them to live further away from the campus. This highlights that the rental market in Sydney, Canberra, Adelaide, Melbourne and Hobart may potentially be inhibiting the capacity to accommodate university students.

Residential Vacancy Rate

METROPOLITAN CITIES, OCTOBER 2015 TABLE 5.4

CITY	VACANCY RATE
Sydney	1.6%
Canberra	2.1%
Darwin	3.5%
Brisbane	2.6%
Adelaide	1.9%
Hobart	1.1%
Melbourne	2.4%
Perth	3.8%

Source: SQM

The following table provides an example of how SQM vacancy data can be used to calculate the vacancy rate for individual university catchments. As a proxy, it is considered that the postcodes directly adjacent to a university campus would represent the major rental catchment.

In the table below, the vacancy data was extracted for the postcodes directly adjacent to the University of New South Wales Kensington campus (2052 postcode). There are three postcodes directly surrounding the campus with a total of 168 vacant properties in October 2015, which equated to a vacancy rate of around 1.3%. As such, the vacancy rate of around 1.3% surrounding the University of New South Wales Kensington campus is below the wider Sydney vacancy rate of 1.6% and is likely placing increased pressure on students to find private rental accommodation.

Residential Vacancy Rate
UNSW CATCHMENT, OCTOBER 2015 — TABLE 5.5

POSTCODE	VACANT PROPERTIES	VACANCY RATE
2052 (UNSW)	0	N/a
2031	79	1.1%
2032	49	1.5%
2033	40	1.6%
University of NSW Catchment	**168**	**1.3%**

Source: SQM, Urbis

5.2 HOMESTAY

Homestay is an alternate accommodation choice for students, whereby students live with host families (unrelated) offering accommodation (often with food) while they study. This form of accommodation choice is generally accessed by international students that want to immerse themselves in the culture and improve their English skills or want a higher level of supervision (such as international school students and ELICOS students).

There is no one organisation that administers the homestay sector, which means data on the number of students who choose homestay accommodation in Australia is limited.

The International Student Survey 2014 by the Department of Education and Training published a report on their findings from around 54,400 international tertiary student respondents studying in the higher education, VET and ELICOS higher education sectors. The findings from the report reported the following:

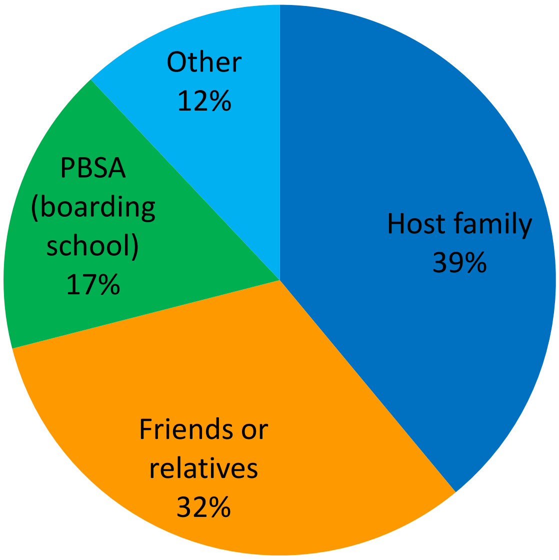
- Around 8% of tertiary respondents stayed with a host family with the following breakdown by education sector:
  - Around 4% of higher education students stayed with a host family
  - Around 10% of VET students stayed with a host family
  - Around 21% of ELICOS students stayed with a host family
- Around 39% of school respondents stayed with a host family.

Chart 5.4 below highlights the importance of homestay to the secondary school market with over 70% of international school students staying with a host family or friends or relatives.

International School Student Accommodation

2014

CHART 5.4



Source: Department of Education and Training

The Australian Homestay Network is one of the largest homestay operators in Australia and currently places around 10,000 students in homestays. Charges vary by location with a traditional homestay (two meals a day Monday to Friday and three meals on weekends) ranging from $235 to $285.

5.3 ACCOMMODATION AFFORDABILITY

The following table compares average student accommodation rents with Australian student's average weekly income to get an indication of the ratio of income spent on accommodation. It is noted that the analysis is indicative only and is based on the following data:

- Income: Average weekly income for Australian tertiary students. The data was based on Australian Bureau of Statistics (ABS) 2011 Census data and then projected forward to 2015 using the ABS Wage Price Index. It is noted that the wages reflect domestic students with detailed income estimates for international students unavailable.

- Student Accommodation Rent: Average weekly rent in 2015 for non-catered student accommodation based on the Urbis Student Accommodation Database.

Based on the analysis, average purpose built student accommodation rents account for an estimated 48% of the average income of domestic students. It is generally considered that housing costs accounting for over 30% of income is an indication of housing stress.

Student Accommodation Affordability

CAPITAL CITY, 2015 TABLE 5.6

CITY	AVERAGE WEEKLY DOMESTIC STUDENT INCOME	AVERAGE STUDENT ACCOMODATION RENT (NON-CATERED)	RENT %
Sydney	$567	$327	58%
Melbourne	$501	$276	55%
Brisbane	$564	$276	49%
Adelaide	$510	$242	48%
Perth	$559	$238	43%
Hobart	$560	$188	34%
Darwin	$932	$232	25%
Canberra	$757	$277	37%
Australia	**$577**	**$275**	**48%**

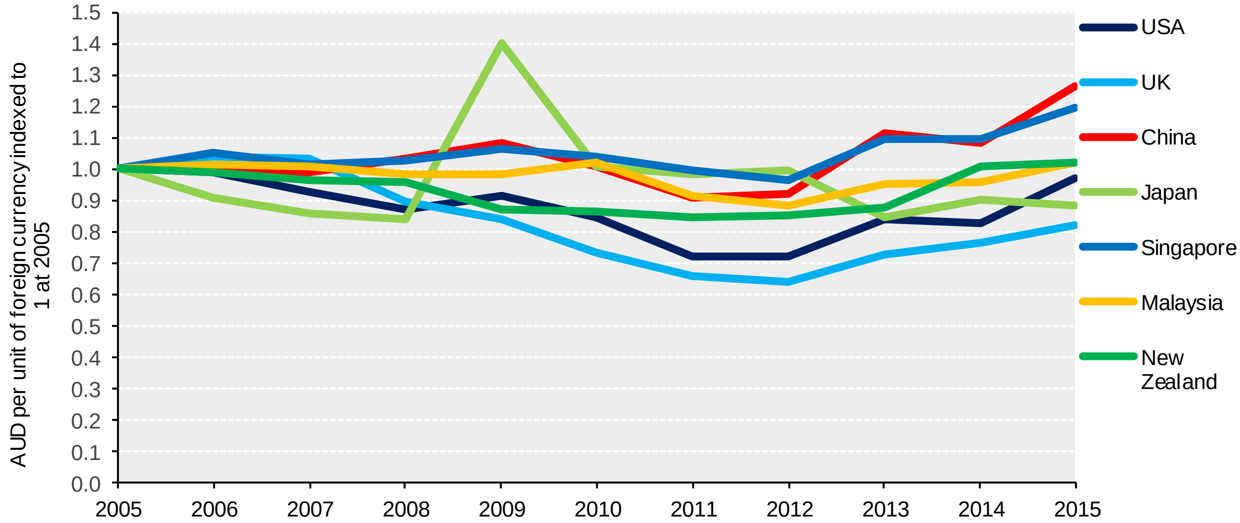
Source: ABS, Urbis

The value of the Australian dollar also affects the global competitiveness of Australia's higher education market and the relative cost of living. From 2010 to the middle of 2013 the value of other world currencies against the AUD declined substantially as illustrated in Chart 5.3. Or, in other words, the value of the AUD against other currencies increased. At the beginning of 2013 the value of the AUD reached historic highs, which increased the cost of higher education courses in Australia relative to other countries. It is worth noting however that strong growth in enrolments from India and China continued over this period despite the appreciation of the AUD against both countries' currencies since 2002, particularly the Indian Rupee.

From the middle of 2013 the value of the AUD has generally fallen against other currencies, as evident in Chart 5.4. This means that studying in Australia has become cheaper, in relative terms, to overseas destinations. As long as the AUD continues to depreciate against other countries, or at least remain constant, this is expected to drive growth in international enrolments going forward. There is often a lag between exchange rate movements and international demand as it takes time for students to change their circumstances and can often take 12-18 months.

Australian Dollar Cross Exchange Rates

AUSTRALIA'S MAJOR TRADING PARTNERS, 2005-2015 CHART 5.5



Source : XE.com ;Urbis

6 International Benchmarking

The following section provides a summary of the student accommodation sector in some of Australia's key competitive markets to understand the relative metrics that underpin the provision of student accommodation within these key markets. Where possible, the benchmarks are based on data that mirror the Australian data as closely as possible. However, comparable datasets have not been sourced for each county due to data availability.

6.1 NEW ZEALAND

New Zealand has eight public universities and 18 institutes of technology and polytechnics (ITPs). University students make up the majority of New Zealand tertiary (degree) students at around 85% (slightly lower than Australia at 93%), with the balance from other private training establishments and colleges.

Table 6.1 shows the number of full-time equivalent enrolments by university in New Zealand in 2014 compared to enrolment numbers in 2009. From the table the following is drawn:

- Overall, full-time equivalent enrolments in New Zealand universities have declined at an average growth rate of 1.6% over the last five years
- Lincoln University recorded the highest annual growth rate in New Zealand of 13.7% between 2009 and 2014, albeit off a small base
- University of Canterbury enrolments had a negative CAGR of -22.3% over the period due to the fact the University was impacted by the 2011 Christchurch earthquake. We note however that the impact of the loss of housing in Christchurch has affected occupancy levels at the University's student accommodation which has risen despite falling enrolments.

Full-Time Equivalent Enrolments by University

NEW ZEALAND, 2009 AND 2014

TABLE 6.1

UNIVERSITY	2009	2014	COMPOUND ANNUAL GROWTH RATE (%), 2009 TO 2014
University of Auckland	31,581	33,448	5.9%
University of Waikato	10,230	9,850	-3.7%
Massey University	19,796	18,669	-5.7%
Victoria University of Wellington	17,757	17,005	-4.2%
University of Canterbury	15,290	11,884	-22.3%
Lincoln University	2,489	2,831	13.7%
University of Otago	19,126	18,781	-1.8%
Auckland University of Technology	17,693	19,343	9.3%
Total	**133,962**	**131,810**	**-1.6%**

Source: New Zealand Ministry of Education; Urbis

Table 6.2 shows the country origin of international higher education students studying in New Zealand in 2014. Students from China account for almost 40% of international students, followed by India (19%).

Origin of International Students in New Zealand

FULL-TIME EQUIVALENT, BY COUNTRY, 2013 TABLE 6.2

COUNTRY	NO.	PROPORTION (%)
China	13,715	38%
India	6,972	19%
Malaysia	1,396	4%
USA	1,329	4%
South Korea	1,268	3%
Saudi Arabia	1,036	3%
Viet Nam	940	3%
Japan	883	2%
Philippines	516	1%
Thailand	498	1%
Sri Lanka	490	1%
Indonesia	459	1%
United Kingdom	423	1%
Fiji	395	1%
Germany	389	1%
Tonga	381	1%
Singapore	333	1%
Iran	312	1%
Canada	307	1%
Taiwan	292	1%
Other	4,215	12%
Total	**36,551**	**100%**

Source: New Zealand Ministry of Education; Urbis

There is an estimated 19,910 student accommodation beds in New Zealand. It is estimated that around 18,534 beds are targeted towards university students with around 1,376 beds associated with polytechnic and other institutions.

There was an estimated total of 105,930 full-time university enrolments in 2014, which equated to a ratio of around 5.7 full-time university students per bed. This benchmark is based on all full-time university students and not just mobile students. It is noted that New Zealand has a higher supply benchmark than Australia (10.9), which reflects the established tradition for most commencing university students to live in student accommodation during their first year of study given the relatively high number of domestic students that travel to university from regional locations.

Student Accommodation Supply Benchmarks, On-Campus vs. Off-Campus

FULL-TIME STUDENTS PER BED TABLE 6.3

UNIVERSITY	ON-CAMPUS BEDS (#)	OFF-CAMPUS BEDS (#)	ALL BEDS (#)	FULL-TIME STUDENTS (2014)
Lincoln University	4	-	3.6	2,089
Victoria University of Wellington	5	29	4.4	13,798
University of Canterbury	5	64	4.5	10,025
University of Otago	8	12	4.7	16,310
University of Auckland	16	8	5.1	27,771
Massey University	8	22	5.8	12,491
University of Waikato	10	74	9.1	8,147
Auckland University of Technology	22	-	21.6	15,297
Total	**9**	**17**	**5.7**	**105,929**

Note: (-) No student accommodation beds

Source: Various Universities; NZ Ministry of Education; Urbis

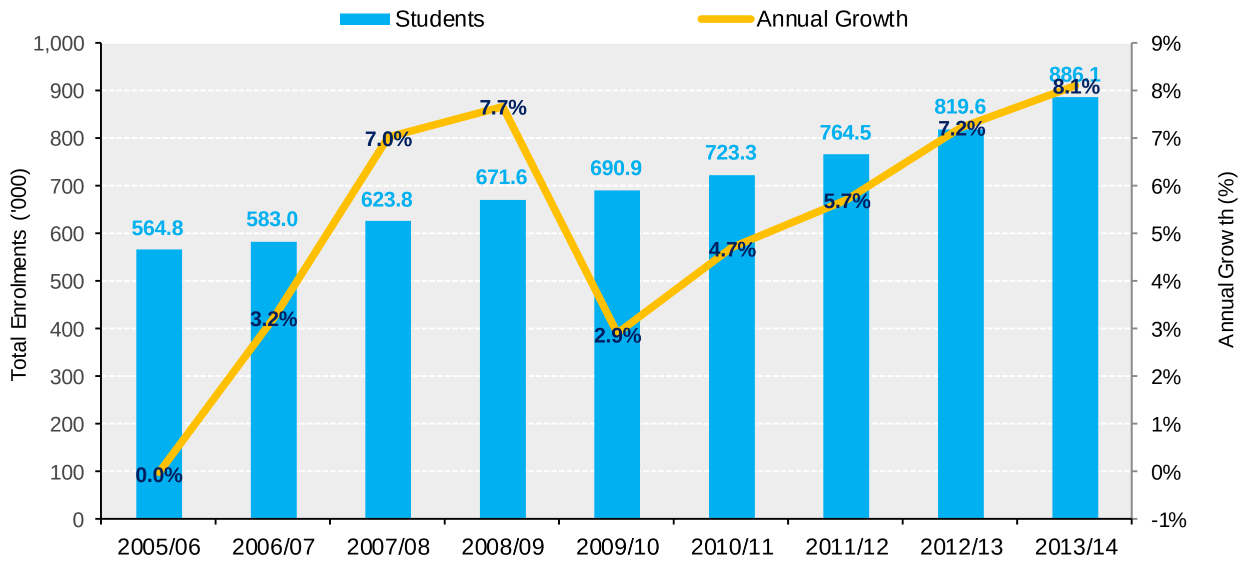
6.2 UNITED STATES OF AMERICA

The National Center for Education Statistics reported there were an estimated 20.6 million higher education students enrolled in the United States of America (USA) in 2012. It is reported that approximately 12.7 million or 62% are full-time students.

Chart 6.1 shows the international student enrolment trends between 2005-06 and 2013-04. International enrolled students have increased over the years, increasing from 564,766 in 2005/06 to 886,052 in 2013/14. The strong growth has been driven by the relatively lower cost of studying in the US (whilst the US dollar was lower) and the change in preference away from the UK after student visa changes came into effect in early 2012.

International Student Enrolment

USA, 2006 TO 2013 CHART 6.1



Source: The Institute of International Education; Urbis

Due to the size of the USA, it is difficult to source consolidated student accommodation data for the country. The National Census of University Student Accommodation Providers 2014 estimates that there were 2,850,000 student accommodation beds in the USA in 2007 based on analysis on Investment Opportunities in the Student Housing Market by Red Capital Group. When compared to the estimated 12,740,000 full-time students in 2012, there were around 4.5 full-time students per student accommodation bed.

It is noted that student accommodation is well established in the USA, with a lot of universities encouraging commencing (and sometimes returning) students to stay on-campus in university operated facilities. In addition, there is a strong cultural background in the USA of domestic students travelling to study after they finish high school, which generates strong demand for student accommodation. There are also a lot of universities located in smaller towns, which means there is not the underlying accommodation supply in the private market to accommodation students.

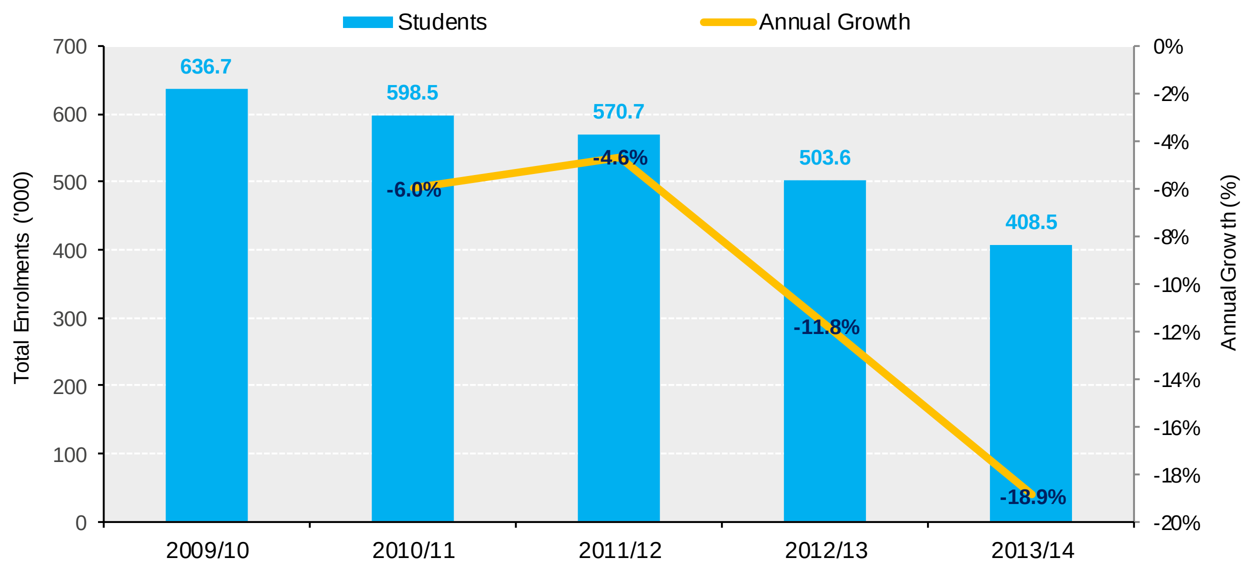
6.3 UNITED KINGDOM

Between 2012/13 and 2013/14, the total number of undergraduate and post graduate students in the United Kingdom (UK) decreased by 2.7%. This decline was mainly caused by the introduction of new tuition fees. This decline in students was also reflected in the international student enrolment trends, shown in Chart 6.2.

International enrolled students in 2013/14 accounted for around 18% of the UK student population. Enrolment by international students to the UK saw a trending decline between 2008/09 and 2013/14. This was magnified when stricter visa regimes for foreign students were implemented in April 2012. The visa changes mean that international students now have fewer opportunities to work in the UK after finishing their degree and greater difficulty for partners of students to work and study in the UK. This has resulted in a 50% drop in the number of postgraduate students coming from India and Pakistan, and close to a 25% drop in the number of students who enrolled from the EU in 2013 compared to 2012.

International Student Enrolment

UK, 2009/10 TO 2013/14 CHART 6.2



Source: Higher Education Statistics Agency; Urbis

According to a research report by GVA in 2013, there was a total of around 322,000 student accommodation beds located in the 27 largest cities and towns in the UK. The study found that student housing in the UK is mainly university owned (55%) compared to (45%) privately owned.

A large share of the student housing is located in London and, as such, the availability of data for cities other than London is more difficult to obtain and for the most part unavailable. Therefore, the following data presented is focused more toward the London market.

In relation to the number of student in London, there were approximately 367,000 students studying in London during the 2013/14 academic year (according to HESA data). This figure was slightly less than the previous academic year (378,000). The negative growth rate of -2.9% was similar to the rate of decrease of students across the UK over this period (-2.7%). Of the 367,000 student in London approximately 77% were studying full-time.

According to the Savills UK Student Housing 2015 report, there is currently an estimated 70,000 student accommodation beds in London. The National Census of University Student Accommodation Providers 2014 estimates that there were 490,000 student accommodation beds in the UK in 2011 based on research by Jones Lang LaSalle. This equates to a supply benchmark of approximately 3.5 full-time students per student accommodation bed in the UK.

According to the Savills UK Student Housing 2015 report, there is a wide range in the scale of new purpose built student housing supply expected in local markets. The future supply pipeline in London contains over 20,000 beds, with 10,000 currently under construction and expected to be completed in 2015 and 2016.

The following table compares the rental distribution of student accommodation and private rental properties in London. Around 34% of student accommodation beds in London are under 200 pounds per week, compared to 38% of one bedroom properties and over 75% of properties with more than one bed. This highlights that rental properties are generally cheaper than student accommodation in London. Despite this fact, London has a high supply benchmark of around 4 full-time students per student accommodation bed, which is well above all Australian capital cities excluding Canberra.

Rental Distribution per Bed per Week

LONDON, 2015 TABLE 6.4

WEEKLY RENT PER BEDROOM (POUNDS)	% OF PROPERTIES			
	STUDENT ACCOMMODATION	UP TO 1 BED	2 BED	3 BED
75-100	1%	0%	10%	36%
100-150	15%	8%	42%	38%
150-200	18%	30%	25%	11%
200-250	23%	22%	10%	5%
250-300	19%	13%	5%	4%
300-350	11%	12%	5%	2%
350-400	5%	7%	1%	1%
400-450	2%	2%	1%	0%
450-500	2%	2%	0%	0%
Over 500	4%	4%	1%	3%

Source: Savills 2015

6.4 CANADA

Canada is a federation of 10 provinces and three territories and under the Canadian Constitution, provincial governments have exclusive responsibility for all levels of education. There is no ministry or department of education at the federal level, which means data is generally only published at a provincial level. As such, statistics on education throughout Canada are difficult to source. Universities Canada reports that there are approximately 1.7 million people studying at Canadian universities, including 979,000 full-time students.

The most recent consolidated data was published by The Association of Universities and Colleges of Canada in their Trends in Higher Education publication, which includes enrolment data up to 2010. In 2010, there were almost 1.3 million students in degree programs on Canadian campuses comprising:

- 755,000 (58%) were undergraduates

  - 181,200 (24%) part-time students
  - 573,800 (76%) full-time students
- 143,400 (11%) graduate students studying full-time
- 275,800 (21%) students were studying part-time
- 120,000 (9%) were international students.

In 2010, there were 3.5 times more international students enrolled at Canadian universities than in 1995, (i.e. 90,000 in 2010 compared to 25,500 in 1995). An additional 13,000 international students were studying part-time in 2010. Almost half of all international students originate from one of five countries:

- China (16,000 students): Canada's top source of international students since 2001
- France: Recruitment activities in France led to steady increases in students generating more than 7,100 students in 2008 and overtaking the U.S. as the second leading sending country.
- U.S (over 6,000 students)
- India (around 2,900 students)
- South Korea (around 2,780).

6.5 SUMMARY

The following table compares the ratio of full-time university enrolments to student accommodation beds in Australia to key competitors. It is noted that the limited availability of data and lack of consistency makes it difficult to draw strong conclusions. However, the data does provide an indication 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 2014 full-time enrolments and total supply from Urbis' database of student accommodation facilities in both countries. New Zealand has a benchmark supply of almost half that of Australia, 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).

Student Accommodation Benchmarks

KEY COMPETITORS TABLE 6.5

COUNTRY	FULL-TIME UNIVERSITY ENROLMENTS	STUDENT ACCOMMODATION BEDS	RATIO
Australia	862,771 (2014)[13]	79,460 (2015)[14]	10.9
USA	12,737,013 (2012)[15]	2,850,000 (2007)[16]	4.5
United Kingdom	1,696,000 (2013/14)[17]	490,000 (2011)[18]	3.5
London	282,600 (2013/14)[19]	70,000 (2015)[20]	4.0
Canada	979,000 (2014/15)[21]	N/a	N/a
New Zealand	105,929 (2014)[22]	18,534 (2015)[23]	5.7

Source: Various sources as outlined in the footnotes; Urbis

Some of the features of the Australian market that explain the current lower supply benchmark include:

- A relatively low number of mobile domestic students travelling to study given the high urban concentration of the population and the broad base of Australian universities that are able to meet local educational needs.
- The rapid rate of growth in the international student enrolments that has grown quickly relative to the new student accommodation.
- The high level of competition for land around universities making it difficult for purpose built student accommodation to be developed.
- The lower rates of international students attending Australian institutions living in purpose built student accommodation.

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[13] Department of Education and Training, Higher Education Statistics uCube, 2015
[14] Urbis, Australian Student Accommodation Database, 2015
[15] National Center for Education Statistics, Digest of Education Statistics 2013, 2014
[16] Red Capital Group, Investment Opportunities in the Student Housing Market, 2007
[17] Higher Education Statistics Agency, 2013/14 Statistics, 2014
[18] Jones Lang LaSalle, Student housing a new global asset class, 2012
[19] Higher Education Statistics Agency, 2013/14 Statistics, 2014
[20] Jones Lang LaSalle, JLL Australian Student Accommodation Market Update 2015, 2015
[21] The Association of Universities and Colleges of Canada, 2014/15 Statistics, 2015
[22] New Zealand Ministry of Education, Provider Based Enrolments, 2015
[23] Urbis New Zealand Student Accommodation Database, 2015

7 Student Accommodation Rating Scheme

The following section assesses the potential opportunity for developing an official rating system for student accommodation facilities in Australia. This could potential range from an accreditation scheme based around a code of conduct to a full rating scheme.

7.1 OVERVIEW

There is currently no official rating scheme for student accommodation facilities in Australia.

It is noted that there is a website for the Student Accommodation Rating Scheme located at www.stars-australia.com, though it appears to be a privately operated website that focusses on private rental properties. The Student Accommodation Rating Scheme purports to be a system that enables owners and managers of properties suitable for student accommodation, to assess their property using objective criteria (www.stars-australia.com/how). Each property is awarded a score out of 10, reflecting the following assessment criteria:

- The compliance status and safety of the property
- The location of the property
- The quality and amenity of the building and the individual rooms
- Value for money.

The rating system has not been adopted by the broader industry and as such there is currently no industry or consumer accepted rating system in the Australian market.

There also does not appear to be student accommodation rating schemes in other countries, even in more established education markets such as the USA, United Kingdom and Canada.

It is noted that the United Kingdom has several codes of practice to oversee the management of student accommodation, though the codes focus on meeting minimum standards rather than rating facilities. To comply with the Housing Act 2004, all higher education institutions can sign up to one of three codes of practice:

- The Student Accommodation Code
- The Accreditation Network UK (ANUK) Code of Practice for Student Accommodation Managed by Higher Education Establishments (HEEs)
- The Accreditation Network UK (ANUK) Code of Practice for Student Accommodation Managed by Undertakings Subject to HMO Licensing (private landlords providing student accommodation).

Accommodation rating schemes have typically been more common in the tourism accommodation sector, where travellers generally look to get a quick indication on the quality of an accommodation establishment. These schemes are generally operated by an industry association to improve information and confidence in the market.

7.2 CASE STUDIES

Three rating schemes have been profiled, with a focus on the objectives, administration, rating process and licensing. These include rating schemes for private rental accommodation and commercial tourism accommodation establishments.

- Dunedin Student Tenancy Accommodation Rating Scheme: A rating scheme for private rental properties that are targeted towards tertiary students in Dunedin, New Zealand

- Australian STAR Rating Scheme: A rating scheme for tourism accommodation establishments in Australian

- New Zealand Qualmark: A rating scheme for tourism accommodation establishments and other tourism operators in New Zealand.

In addition, the United Kingdom Student Accommodation Code has been profiled as an example of an alternative approach to a rating system. Accreditation approaches are equally appropriate to consider against rating systems as both work to build confidence in a product in the market.

STAR RATING SCHEME – AUSTRALIAN TOURISM ACCOMMODATION	
Overview	The STAR Rating Scheme is Australia's official accommodation accreditation program. The Australian Star Ratings scheme has been around since the 1950s, steadily developing to offer a single ratings model that could be consistently followed by all seven Auto Clubs. In the 1980s and 1990s, the scheme was expanded to offer ratings for different accommodation types, including hosted accommodation, serviced apartments, caravan parks and self-catering properties Historically the STAR rating system had minimum requirements for various hotel attributes. Recently however, it has been identified that a new Ratings system was required. Following extensive consumer research AAA Tourism has implemented a new STAR Rating system that is structured around three key criteria, these being; ▪ Facilities and Services ▪ Cleanliness ▪ Quality and Condition.
Administration	Star Ratings Australia is a division of Australian Motoring Services, a wholly owned subsidiary of the Australian Auto Clubs – the NRMA, RACV, RACQ, RACWA, RAA and RACT.
Rating Process	Process includes an application, assessment and ongoing review. After an application has been received, a Star Ratings Australia team member visits the property and rates each aspect of the property. The property is reviewed for a Star Rating once every three years.
Licensing	The 'star' symbols are a licensed trademark and can only be used by properties that have been licensed to use them by Australian Motoring Services – a wholly owned subsidiary of the Australian Auto Clubs.
Outcomes	The scheme awards independent STAR Ratings to around 7,000 properties around Australia. Research suggests that around 39% of travellers utilise this rating system when considering accommodation choice (Australian Motoring Services: STAR Rating Scheme Review, Sweeney Research). Consumer research suggests that the importance of the STAR rating increases the higher the accommodation is rated. It also suggests that going forward STAR ratings within Australia will become increasingly important when consumers consider their accommodation choice.
Advantages	▪ Criteria vary between different categories of accommodation ▪ Independently assessed ▪ Ongoing review of properties.
Disadvantages	▪ No consideration is given to a property's uniqueness, popularity, value for money or staff attitude ▪ Has experienced a decline in membership as people moving towards the use of travel websites such as TripAdvisor and other social media platforms such as Facebook and Twitter.

Star Rating Band Definitions

STAR RATING SCHEME TABLE 7.1

3 STAR	4 STAR	5 STAR
Properties that deliver a broad range of amenities that exceed above-average accommodation needs. Good quality service, design and physical attributes are typically fit for purpose to match guest expectations. In general, these hotels are targeted towards visitors who do not require a large time in the establishment.	Properties which achieve a deluxe guest experience. A wide range of facilities and superior design qualities is typically complemented by service standards that reflect the varied and discerning needs of the guest.	Properties that typify luxury across all areas of operation. Guests will enjoy an extensive range of facilities and comprehensive or highly personalised service relevant to the accommodation type. Properties at this level will display excellent design quality and attention to detail.

Source: Hotel – Standards and Guidelines – Australian STAR Rating Scheme

An establishment's Star Rating is determined by more than 200 criteria that have been ranked by Australian travellers according to what's important to them.

Consumer Importance Weighting Index

STAR RATING SCHEME TABLE 7.2

AREA	FACILITIES AND SERVICES	CLEANLINESS	QUALITY AND CONDITION
Bedroom	25%	21%	22%
Bathroom	17%	22%	18%
In-Room Facilities	14%	17%	17%
Recreation Facilities	12%	11%	10%
Food and Beverage	11%	9%	12%
Guest Services	11%	8%	11%
Building Exterior	10%	12%	10%

Source: Hotel – Standards and Guidelines – Australian STAR Rating Scheme

Historically the STAR Ratings have proved to be inconsistent and largely based on minimum facility requirements. Through the STAR Rating review and the implementation of the new rating system, STAR Rating has the potential to become increasingly important when consumers are identifying accommodation. However, the improved system will continue to experience significant competition from various social media platforms.

DUNEDIN STUDENT TENANCY ACCOMMODATION RATING SCHEME (STARS)	
Overview	STARS is a voluntary scheme aiding Dunedin students to make informed choices about their accommodation options, as well as encouraging landlords to use best management practice and maintain high quality accommodation and facilities for students to rent. The STARS initiative was conceived of in May 2009, after an environment assessment of housing in Dunedin's Tertiary Precinct. Following a pilot started in 2010, a review of the system was undertaken. This included a survey of landlords and tenants of STARS properties, a review of all feedback received since the project's beginning and interviews with key stakeholders. Based on the recommendations and feedback from this evaluation process, an updated iteration was launched in May 2012. STARS was developed by the Tertiary Precinct Planning Group in cooperation with Dunedin City Council, the University of Otago and Otago Polytechnic.
Administration	The system is managed by the University of Otago Accommodation Office.
Rating Process	STARS follows a self-review model. To receive ratings for their properties, landlords complete an online questionnaire, which is then scored and a STAR rating automatically generated in accordance with where the property falls within certain score brackets. The survey is based around four criteria: ▪ Fire safety ▪ Security ▪ Insulation ▪ Heating and ventilation. The actual responses submitted by landlords are able to be accessed by users when they search for properties on the system. Landlords are able to make alterations to their properties and update their STARS rating at any time. Selected properties are audited by STARS on an annual basis, in order to promote accurate information provision amongst landlords
Licensing	Landlords do not have to pay to participate in the scheme. Participants are permitted to display STARS ratings on their websites.
Outcomes	As of 18th May 2014, STARS had rated over 400 Dunedin flats and studios, with a further 140 rental premises nationwide attaining a rating. This represents under 10% of student rental properties in Dunedin. Historically, demand for accommodation has exceeded supply so there has not been a strong incentive to participate in the scheme.
Advantages	▪ Differentiates landlords maintaining housing of a higher standard from poorer quality properties ▪ Selected properties are audited by STARS on an annual basis, in order to promote accurate information provision amongst landlords.
Disadvantages	▪ The accuracy of information is based on a good faith scheme, and STARS does not check the veracity of all the information supplied by landlords ▪ Participation in the scheme is relatively low ▪ As the scheme is voluntary, landlords offering poorer quality accommodation can avoid having their properties rated and face no repercussions ▪ There is no direct forum for objections about ratings, however, this can be done through the general feedback portal ▪ Criteria focus on safety and comfort aspects of housing, but do not assess the location, environment and convenience of the premises.

NEW ZEALAND QUALMARK	
Overview	Established in 1993, Qualmark is New Zealand's official tourism quality assurance organisation that issues accreditations for tourism businesses. Qualmark aims to help tourists select the best options in accommodation, travel and activities. The programme is run as a non-profit service for the benefit of the New Zealand tourism industry.
Administration	Jointly owned by Tourism New Zealand and the New Zealand Automobile Association.
Rating Process	Businesses are independently assessed onsite by a Qualmark Tourism Business Advisor annually. Each assessment is about three hours in duration, and focuses on five areas: ▪ Customer service ▪ Standard of facilities ▪ Overall business operations ▪ Environmental practices ▪ General safety. The evaluation ensures that legal, insurance and health and safety standards have been met. Qualmark accreditations are issued in three main areas: ▪ A star grading system for accommodation and venues ▪ Endorsements for operators of other tourism businesses e.g. travel, activities, visitor services and tours ▪ Additional 'Qualmark Green' accreditation for best environmental practice.
Licensing	Qualmark licenses tourism businesses to use their official 'quality mark' in order to attract customers to stay, travel or otherwise engage with them. Qualmark charges an annual fee, consisting of a base fee and a variable fee.
Advantages	▪ Qualmark offers credibility and visibility that comes with the backing of the country's official tourism body, Tourism New Zealand ▪ Evaluation standards are tailored to different type of businesses ▪ The system is regularly reviewed to adapt to shifting industry standards and customer demands.
Disadvantages	▪ Official ratings systems are becoming somewhat obsolete with the increasing presence of online tools and reviews describing actual customer experience ▪ Since a business' score is never published, it raises issues of how to differentiate between operators within a star rating or endorsement level ▪ There have been reports that Qualmark is not well-known to international clients/travellers, despite Qualmark promoting its international exposure and recognition.

UNITED KINGDOM STUDENT ACCOMMODATION CODE OF PRACTICE	
Overview	The Code of Practice was established as statements of good practice to reinforce and, where necessary, encourage better management of accommodation provided by universities and major private suppliers. The Code of Practice was established to serve three principal purposes: ▪ Improving the management arrangements for the benefit of the 255,378 students who are resident in the higher education establishments ▪ To set out the main elements of good management practice for student housing in a “source document” which would provide an initial bench mark for assessing and enhancing the management, and quality, of student accommodation provided1 by higher education institutions ▪ To meet the requirements of the Housing Act 2004, and subsequent statutory instruments, which introduced a licensing requirement for houses with multiple occupation. 154 institutions are registered with the Code (143 in England and 11 in Wales) and cover more than 4,591 buildings and 253,796 rooms. An annual report on the Code is prepared each year, which outlines the results of audits and procedures to be implemented by operators.
Administration	The Code is administered by Universities UK and the Higher Education Guild (GuildHE)
Accreditation Process	The Code covers areas such as health and safety, maintenance and repair, and relationships between managers and student tenants. Operators are required to undertake audits against the Code each year, which are then compiled by Universities UK and the Higher Education Guild (GuildHE)
Advantages	▪ It is considered that the Code has helped to reduce the number of poor quality establishments that can give the student accommodation sector a bad reputation. The UK continues to have among the highest penetration rates for student accommodation in the world. ▪ Improved the standard of student accommodation in the UK ▪ Improved the overall reputation of the industry.
Disadvantages	▪ Cost to establishments for compliance.

7.3 STUDENT ACCOMMODATION FACILITIES AND SERVICES

Table 7.3 outlines the facilities and services that can be provided in student accommodation. It is noted that the quality and level of provision differs significantly between the type of facility (residential college, university operated facility and privately operated). Colleges and university operated facilities generally have a high level of pastoral care provision such as academic and student assistance and organised sporting, cultural and social events.

Building guidelines and town planning is generally the domain of state government and local government. This means there are different requirements in terms of design guidelines such as ventilation, insulation, fire lighting, room sizes, facilities and other areas. As such, it is noted that the design and building quality of student accommodation differs between states (and even within states).

Student Accommodation Characteristics

FACILITIES AND SERVICES

TABLE 7.3

AREA	FACTORS
Building/ Design Quality	▪ Ventilation ▪ Insulation ▪ Air conditioning/ heating ▪ Natural light ▪ Noise.
Safety/ Security	▪ Fire safety ▪ Building security systems (swipe cards, CCTV, etc.) ▪ Room security (key, electronic, swipe card, other) ▪ On-site staff availability ▪ Lighting.
Common Facilities	▪ Lounge room (s) ▪ Cinema room ▪ Games room (pool table, table tennis etc.) ▪ Gym ▪ Recreational facilities (Pool, sauna, tennis court, basketball court etc.) ▪ Study room(s) ▪ Computer room ▪ Kitchen/ dining room ▪ Outdoor area/ BBQ facilities ▪ Laundry room ▪ Shared bathrooms.
Utilities	▪ Internet/ Wi-Fi (room/ common area) ▪ Telephone connection ▪ Electric/ gas appliances.
Services and Pastoral Care	▪ Study assistance/ organised tutorials ▪ Resident Advisor scheme ▪ Organised sporting programs ▪ Organised cultural programs (music, drama, debating etc.) ▪ Organised social events ▪ Religious services (Chaplain, programs etc.) ▪ Counselling ▪ Catering/ meals ▪ Room cleaning.
Location/ Transport	▪ Walking distance to educational institution(s) ▪ Distance to public transport stops (train, bus, tram, ferry) ▪ Car parking spaces ▪ Bike racks/ storage.

Source: Urbis

7.4 IMPLICATIONS FOR THE STUDY

Official industry rating schemes have declined in relevance in recent years with the growth in online customer rating/booking websites. This is especially the case for tourism accommodation where websites such as TripAdvisor and Wotif allow customers to rate their stay at an establishment. People looking to book accommodation can view and compare ratings for different facilities and then book their chosen accommodation through the website. It is also noted that the extent of facility and service provision for most facilities (especially the larger establishments) is provided on their websites and available to prospective residents.

Rate My Flat (ratemyflat.org.nz) is an online database of rental properties in New Zealand that are rated by their previous tenants so that prospective tenants have more information on the property before signing a lease. The website, which was established in Dunedin in 2014 has recorded strong take-up from students in Dunedin that usually rent houses annually. The website has similarities to TripAdvisor by allowing previous tenants to rate properties and increase available information for future tenants and is an example of what could be developed for student accommodation in Australia.

A student accommodation code of conduct has the potential to set the minimum building quality and service level for student accommodation facilities. This will allow facilities to sign up to the Code of Conduct and then use their accreditation as part of their marketing activities to persuade potential residents of the quality of their facility and service level. It is recommended that a Code of Conduct focus on the more ‘essential’ facilities and services including:

- Building/ Design Quality
  - Ventilation
  - Insulation
  - Air conditioning/ heating
  - Natural light
  - Noise
- Safety/ Security
  - Fire safety
  - Building security systems (swipe cards, CCTV, etc.)
  - Room security (key, electronic, swipe card, other)
  - On-site staff availability
  - Lighting
- Common Facilities
  - Lounge room (s)
  - Kitchen facilities
  - Laundry room
- Utilities
  - Internet/ Wi-Fi (room/ common area)
- Student welfare/ assistance services.

A Code of Conduct would also focus on responsibilities of providers to residents including accuracy of marketing, safety and responding to complaints.

It is noted that the characteristics, drivers and objectives of colleges and private accommodation providers are different. Colleges generally place a higher emphasis on creating a community where students are actively encouraged to participate in academic, cultural and social activities. As such, Colleges generally provide a high service level including pastoral care services. Private operators also try to create a residential community though residents have more independence relating to their participation in activities. As such, a separate Code of Conduct may be required for Colleges and other accommodation to reflect the different objectives and service provision.

8 Key Indicators

8.1 KEY INDICATORS

The following table summarises the recommended indicators that the Department of Education and Training should monitor to assess the availability of affordable student accommodation. The indicators comprise the key data that needs to be monitored and the relevance to analysing the current and future student accommodation capacity.

The indicators are grouped under key segments including:

- Enrolment growth
- Student accommodation supply
- Accommodation affordability
- Accommodation availability.

It is noted that the indicators are focussed towards higher education data as higher education students represent the major demand drivers for purpose built student accommodation. In addition, the higher education sector has the most detailed available data.

TABLE 8.1

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Enrolment Growth			
International Students	Number of international students by location of study.	This provides a high level indication of the number of international higher education students that require accommodation and is important in informing the amount of accommodation that is required to meet the needs of international higher education. International higher education students have a high propensity to stay in student accommodation as they generally have fewer relationships in Australia and ability to enter the private rental market.	In 2014, there were an estimated **249,990 international higher education students studying in Australia**.
Mobile Students	Number of full-time international students and on-campus domestic students where their permanent place of address at enrolment is more than 60km from their pace of study.	Domestic students that enrol to study at a tertiary education institution more than 60km away are generally unable to commute and require accommodation closer to their place of study. Student accommodation is attractive to full-time students, particularly commencing students that are entering tertiary education straight out of high school. Understanding the current proportion of higher education students that are 'mobile' will allow the 2014 proportion to be used as a proxy in future years and applied to total full-time on-campus enrolments to monitor growth.	There were an estimated **295,250 'mobile' students studying at Australian universities in 2014**. This equated to approximately 32% of full-time on-campus students studying at Australian higher education institutions.
International Student Growth	Forecast growth in international student arrivals to Australia.	The Department of Immigration and Border Protection prepares quarterly forecasts of arrivals to Australia including those on student visas. This is important to monitor as international students represent a major driver student accommodation.	The number of international student arrivals to Australia is projected to record to record growth **of 9.0% per annum** from the Year Ending September 2015 to the Year Ending June 2019.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Student Accommodation Supply			
Australian Supply Benchmark – Mobile Students	The number of 'mobile' university students divided by the number of student accommodation beds in a given area. Supply gap includes total 'mobile' university students less the number of student accommodation beds in a given area.	The supply benchmark highlights how many 'mobile' university students there are for each student accommodation bed. The benchmark is a good indicator of accommodation capacity as it compares demand (full-time on-campus students living away from home) with supply (total student accommodation beds). Areas with a high ratio have a lower supply of student accommodation beds relative to students, which may indicate an undersupply/ capacity constraint. Australia has a culture where the majority of full-time tertiary students will continue to live at home while they study if their family home is within commuting distance of their place of study. As such, the number of 'mobile' students is considered to represent a more accurate indication of the potential demand for university student accommodation than total full-time on-campus students.	There were an estimated 295,250 'mobile' students studying at Australian universities in 2014 compared to the total student accommodation supply of 74,560 beds in 2014. This equates to a ratio of **4.0 'mobile' students for every student accommodation bed**.
Australian Supply Benchmark – Total Full-Time Students	The number of full-time on-campus university students divided by the number of student accommodation beds in a given area.	The supply benchmark highlights how many full-time on-campus students there are for each student accommodation bed. The benchmark is a good indicator of accommodation capacity as it compares a proxy for demand (full-time on-campus students) with supply (total student accommodation beds). Areas with a high ratio have a lower supply of student accommodation beds relative to students, which may indicate an undersupply/ capacity constraint. The indicator is based on student enrolment data that is generally more available internationally than 'mobile student' data that requires access to comprehensive enrolment data. As such, the Total Full-Time Student indicator is more suitable for international benchmarking.	In 2015, Australia has an estimated supply of 79,460 student accommodation beds, which equates to **10.9 full-time on-campus university students (in 2014) for every student accommodation bed**. It is noted that this benchmark is based on all full-time on-campus university students (and not just mobile students) and also includes offshore international students. As such, the above benchmark of 10.9 is likely to be an overestimate though allows for comparisons throughout Australian and overseas.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
New Zealand Supply Benchmark – Full-Time Students	The number of full-time university students in New Zealand divided by the number of student accommodation beds.	New Zealand is a good benchmark for the future potential for student accommodation supply in Australia as it supports a higher ratio of accommodation and has similar characteristics that make it an attractive place to study to Asian and other international students. New Zealand has a higher supply benchmark, which reflects the established tradition for most commencing university students to live in student accommodation during their first year of study, noting the relatively high number of regional domestic students that travel to study.	In 2015, New Zealand has an estimated supply of **1 bed per every 5.7 full-time university students (in 2014).** This is approximately double the supply benchmark in Australia, indicating there is room for Australia to increase the supply of accommodation considerably.
Supply Pipeline	Number of new student accommodation beds by: ▪ Location ▪ Development status (under construction, development approval, development application and early planning) ▪ Anticipated year of completion.	It is important to monitor the proposed future supply of student accommodation to determine how the supply of beds will change over time. It is important to monitor the status of the projects (including approvals and construction status) as there is often significant uncertainty to projects in the early stages of planning meaning all proposed beds are unlikely to be developed.	Based on research undertaken by Urbis and data in Cordell Connect, there is an estimated **25,180 student accommodation beds** proposed for Australia over the next five years including: ▪ Construction: 5,437 ▪ Development Approval: 2,932 ▪ Development Application: 5,577 ▪ Early Planning: 11,234. This equates to annual growth of **6.7%** between 2015 and 2019.
Future Capacity	Comparing projected annual growth in student accommodation with projected international student growth.	Comparing the projected annual growth in student accommodation with projected international student growth provides an indication of whether new accommodation is anticipated to keep pace with enrolment growth. Student accommodation growth below enrolment growth could indicate a deterioration in the capacity to accommodate international students.	The number of international student arrivals to Australia is projected to record growth **of 9.0% per annum** from 2015 to 2019, above proposed student accommodation bed growth of **6.7% per annum**.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Accommodation Affordability			
Rental Price Comparison	Median price of private rents compared to median price of student accommodation beds.	The overall cost of education is a major driver of the decision to study and housing is usually one of the top two costs along with education fees. The cost of student accommodation relative to private rents in an area is an indicator of the need for student accommodation. Student accommodation rents that are well above private rents are an indicator that there may be an under supply of student accommodation. It is noted that student accommodation rents are generally higher than private rents due to the higher provision of services to residents such as pastoral care.	It is difficult to provide a national benchmark on the price differential between private rents and student accommodation rents due to the significant difference between property markets across the country. An indicative comparison of median three bedroom house rents and shared student accommodation apartment rents are that student accommodation is **around 20% higher**.
Student Accommodation Rents as % of Income.	The ratio of average weekly non-catered student accommodation rents to average weekly income of domestic students.	The cost of living is an important decision when deciding if and where to study. Rent (and the proportion of income this represents) is a major expense for students and an important consideration when making education decisions It is generally considered that housing costs accounting for over 30% of income is an indication of housing stress.	It is estimated that average weekly rent (non-catered) in 2015 for student accommodation in Australia equates to around **48% of average weekly income** for domestic tertiary students.
Exchange Rate	The current exchange rate of the Australian Dollar compared to currencies of major international student source markets and competitor countries.	The Australian exchange rate compared to the currency of key education markets can have a significant impact on the cost of studying and living in Australia relative to other locations. A depreciation in the value of the Australian dollar generally makes the cost of studying and living relatively cheaper to international students and more attractive.	Annual change in value of Australian Dollar compared to key currencies of key education markets such as: ▪ United States ▪ China ▪ United Kingdom.

INDICATOR	DESCRIPTION	JUSTIFICATION	MEASURE
Accommodation Availability			
Private Rental Vacancy	The proportion of rental properties that are vacant by capital city/ region and surrounding educational campuses (postcodes adjacent to the campus).	Private rental accommodation is the most common type of accommodation for 'mobile students'. Low vacancy rates indicate high competition for accommodation, which can push students into student accommodation or force them to live further away from the campus than desired. Full-time students generally have a lower ability to pay for private rental accommodation, which means students are often priced out by other renters in competitive markets. This is particularly the case in inner city locations where there are professionals looking to rent close to their place of work in the CBD.	A rental vacancy rate in an area of **under 2.5%** is indicative that there is an undersupply of rental accommodation, which may push students into student accommodation or force them to live further away from the campus than desired. It is recommended that publically available SQM data be monitored for capital and regional cities to highlight overall vacancy rates. If monitoring specific campuses is required, it is recommended that data from postcodes directly adjacent to the campus be monitored to provide a more relevant indication of vacancy rates to university students.

Source: Urbis

8.2 DATA ISSUES

Monitoring the need for student accommodation is reliant on accurate and timely data on enrolments, accommodation supply and other factors. Potential data issues include:

- Need for accurate data on the place of residence of students before they started studying and their place of residence during study to help identify the number of 'mobile' students. It is noted that there are gaps in the availability and accuracy of data provided by the education institutions to the Commonwealth Government. This is likely due to inaccurate data provided by the students to the institutions.

- University data on student enrolments is fairly comprehensive due to legislation requiring operators to provide information on students. However, enrolment data for other education sectors (such as VET, ELICOS and schooling) is not as comprehensive. International enrolments for these sectors is generally available at a state level though is not broken down to local levels that would make it more useful for accommodation demand analysis.

- Vacancies within student accommodation facilities throughout an area are a strong indicator there is a sufficient supply of student accommodation in an area. Occupancy rates of under 95% generally indicate that there is capacity in the accommodation. However, it is noted that there are often characteristics of individual facilities that can result in vacancies such as lower quality facilities/services, poor location and high rents.

  Sourcing performance data from student accommodation operators such as occupancy rates can be difficult as it is commercially sensitive. Operators that are not fully occupied are likely to want to keep this information confidential. To get an indication of overall occupancy rates, calls would need to be made to operators at a certain point in time to get an indication of what proportion of operators are fully occupied and what proportion have vacancies.

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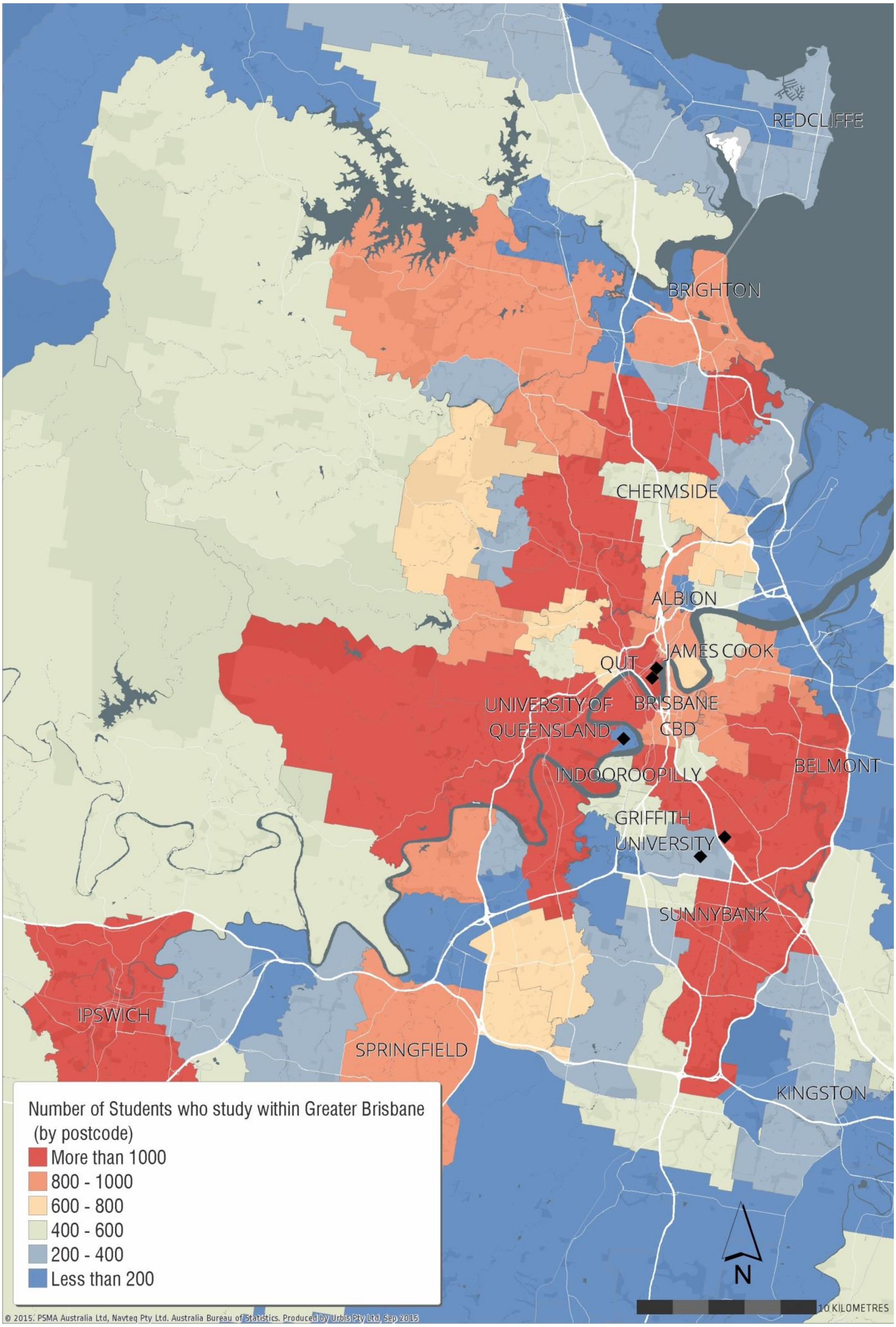
Appendix A Location of Study and Residence


REDCLIFFE
BRIGHTON
CHERMSIDE
ALBION
JAMES COOK
QUT
BRISBANE
CBD
UNIVERSITY OF
QUEENSLAND
BELMONT
INDOOROOPILLY
GRIFFITH
UNIVERSITY
SUNNYBANK
IPSWICH
SPRINGFIELD
KINGSTON
Number of Students who study within Greater Brisbane
(by postcode)
More than 1000
800 - 1000
600 - 800
400 - 600
200 - 400
Less than 200
N
10 KILOMETRES
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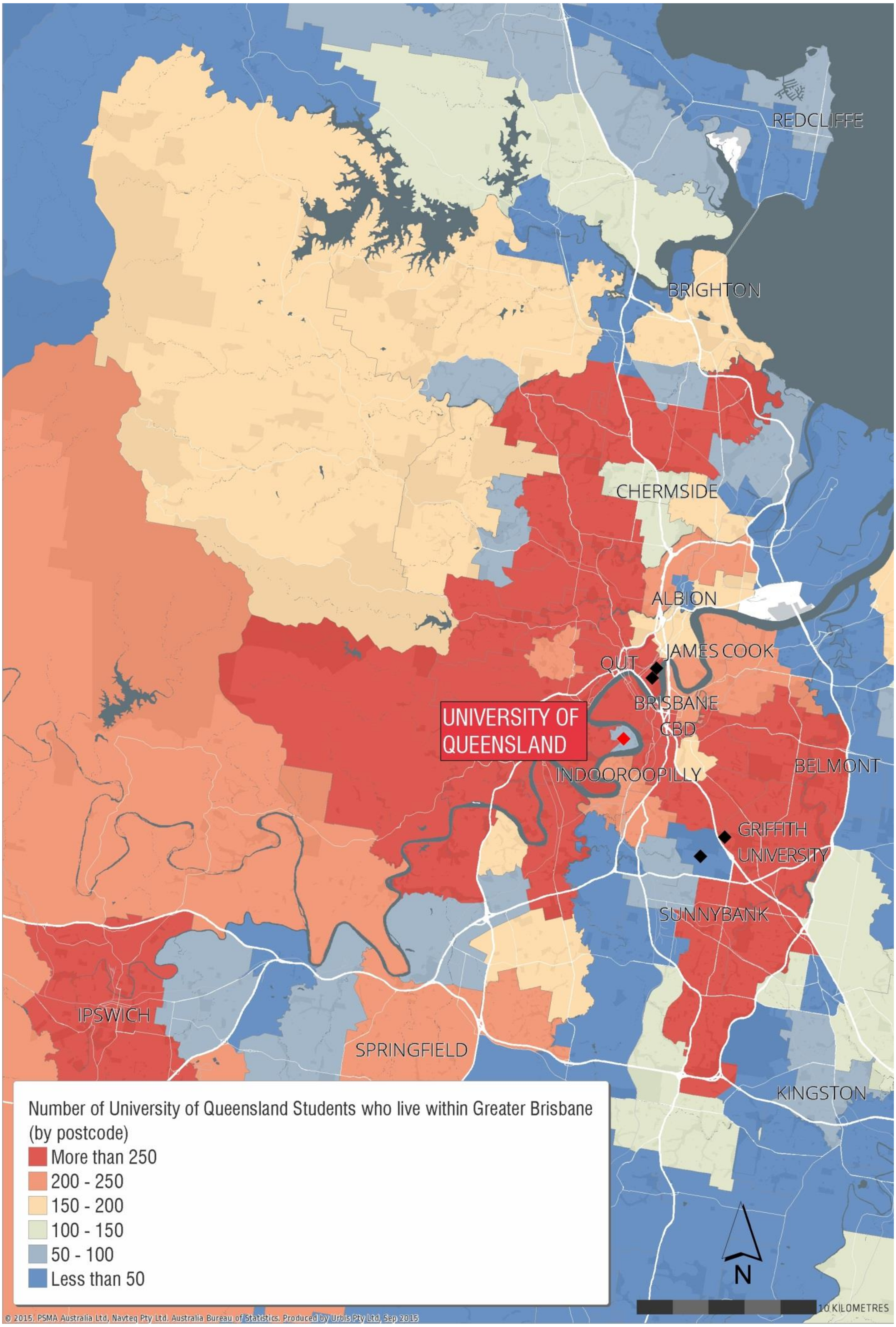
REDCLIFFE
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JAMES COOK
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CBD
UNIVERSITY OF
QUEENSLAND
INDOOROOPILLY
BELMONT
GRIFFITH
UNIVERSITY
SUNNYBANK
IPSWICH
SPRINGFIELD
KINGSTON
Number of University of Queensland Students who live within Greater Brisbane (by postcode)
More than 250
200 - 250
150 - 200
100 - 150
50 - 100
Less than 50
N
10 KILOMETRES
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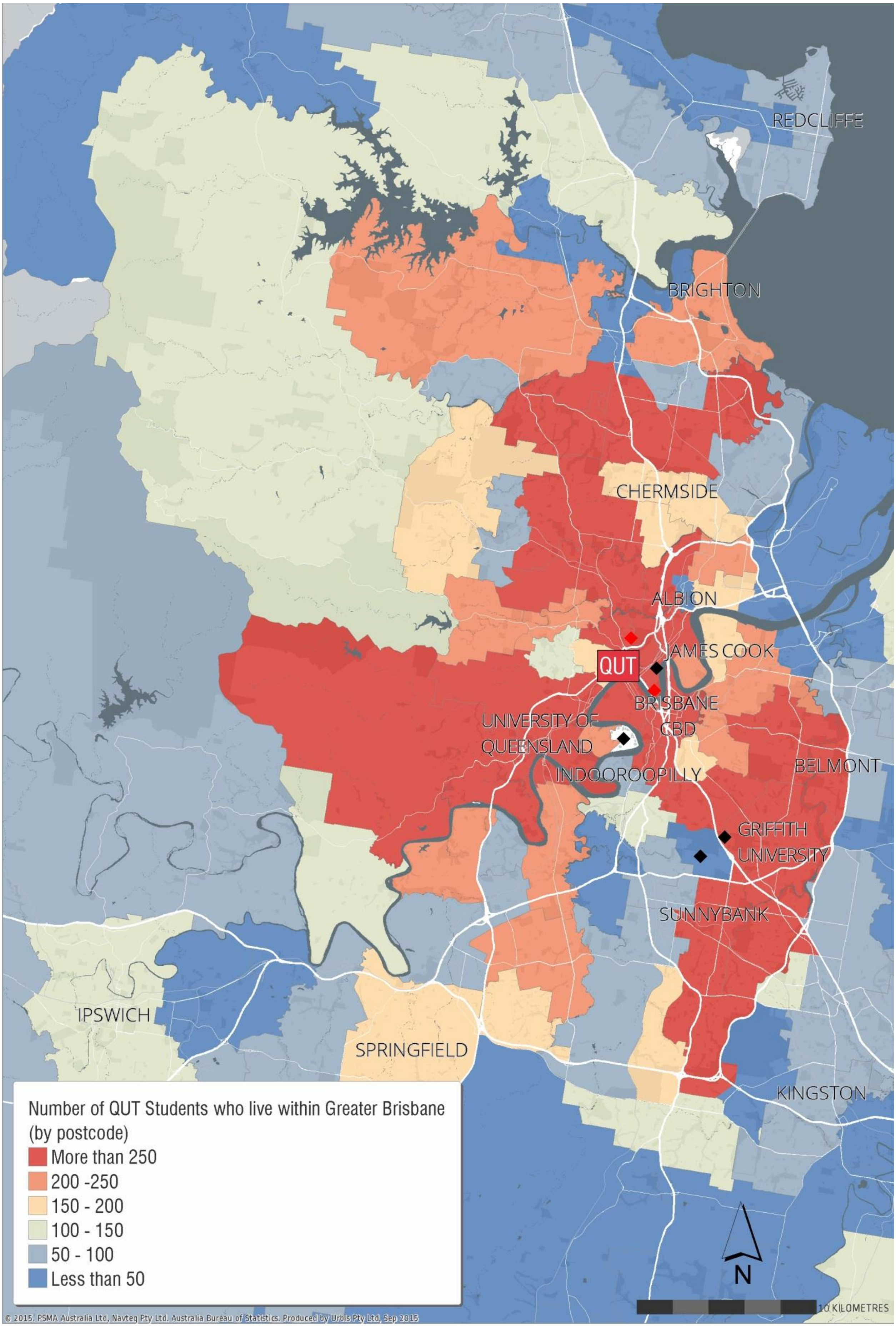
REDCLIFFE
BRIGHTON
CHERMSIDE
ALBION
JAMES COOK
QUT
BRISBANE CBD
UNIVERSITY OF QUEENSLAND
INDOOROOPILLY
BELMONT
GRIFFITH UNIVERSITY
SUNNYBANK
IPSWICH
SPRINGFIELD
KINGSTON
Number of QUT Students who live within Greater Brisbane (by postcode)
More than 250
200 -250
150 - 200
100 - 150
50 - 100
Less than 50
N
10 KILOMETRES
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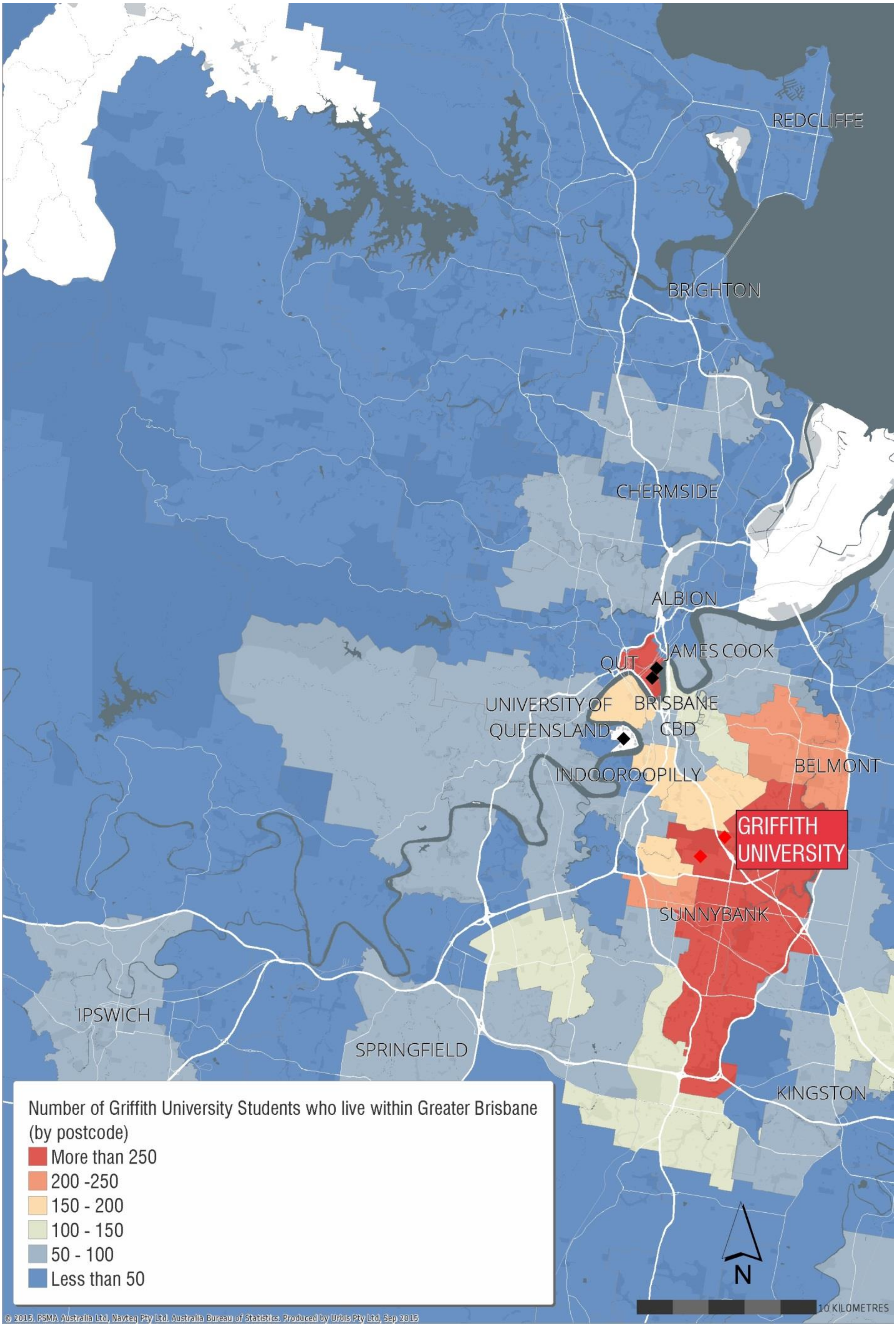
REDCLIFFE
BRIGHTON
CHERMSIDE
ALBION
JAMES COOK
QUT
BRISBANE CBD
UNIVERSITY OF QUEENSLAND
INDOOROOPILLY
BELMONT
GRIFFITH UNIVERSITY
SUNNYBANK
IPSWICH
SPRINGFIELD
KINGSTON
Number of Griffith University Students who live within Greater Brisbane (by postcode)
More than 250
200 -250
150 - 200
100 - 150
50 - 100
Less than 50
N
10 KILOMETRES
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