Nottingham Student Accommodation Update Report

March 2026

Nottingham City Council

Contents

Executive Summary

The Nottingham student accommodation market is undergoing a period of transition, shaped by shifting demographics, slowing demand, and wider economic pressures. After years of sustained growth, the Purpose-Built Student Accommodation (PBSA) sector is now experiencing a third consecutive year of softened demand, with the 2025/26 PBSA occupancy survey reporting an overall vacancy rate of 12.7%, up from 11.2% in 2024/25 and significantly higher than pre-2023 levels, which were typically below 1%. Studios have been especially affected, with vacancy rates rising to 16.1%, compared with 11.6% in cluster flats, reflecting in part reduced demand from international postgraduates who historically are a key market for studios and students looking for more affordable accommodation in shared flats.

At the same time, the number of full-time students requiring accommodation within the City has fallen for the third consecutive year. This drop reflects both national declines in international and domestic recruitment and a growing number of students commuting from home. Despite this downturn, Nottingham's substantial PBSA delivery—averaging 2,086 new bedspaces per year over the past five years —has prevented the shortages experienced elsewhere in other universities cities and has contributed to a reduction in on-street student households. Council Tax Exemptions have fallen from 6,748 in 2022 to 6,172 in 2025, supporting the rebalancing of neighbourhoods with an overall reduction of 10.6% of student households on street since 2021.

There remains a substantial pipeline of approved PBSA beds, however construction activity has slowed significantly for this forthcoming academic year, and it is less certain whether the momentum of new PBSA delivery will continue. It is likely that new PBSA beds for 2026/27 will be under 700 units (or less) for September 2026.

With slowing leasing velocities, rising reliance on incentives such as cashback offers, and clear evidence of growing affordability pressures, future PBSA development must be more closely aligned to genuine need and supported by competitively priced products.

National trends also show students taking longer to commit and placing far greater emphasis on value for money, reinforcing the importance of prioritising affordable, shared accommodation particularly cluster flats that can remain attractive in a more price-sensitive market. New PBSA should also be designed for long-term adaptability, enabling potential conversion to general housing where appropriate. This will help future-proof accommodation and ensure developments contribute positively to the wider housing market.

Ongoing policy work the Council is undertaking on student accommodation includes;

- The Nottingham Student Living Strategy continues to play a central coordinating role, strengthening joint working between the Council, universities, and student unions. Its focus on affordable, safe, and well-managed accommodation has supported improvements ranging from reduced antisocial behaviour to better alignment of PBSA schemes with student needs particularly through an emphasis on shared living formats.
- The Council is currently consulting on a draft Co-living Interim Planning Guidance. This document provides a positive opportunity to ensure that any future PBSA-to-co-living conversions deliver high-quality accommodation. By setting clear expectations around space, amenity, and design, the guidance supports well-designed schemes that can genuinely meet the needs of longer-term residents.
- The Council has also recently gained consent to reinstate a new and importantly permanent, Regulation 7 Direction on letting boards which should help create cleaner, more attractive neighbourhoods in areas with high student populations and other HMOs.

Background

1.1 The student accommodation market in Nottingham is undergoing significant changes, driven by both local influences, national and international trends. This report examines the current state of the market, highlighting key statistics, emerging trends, and potential challenges. It refreshes the previous Student Accommodation Update Report, June 2025 and pulls together updated and additional relevant information on the student accommodation market in Nottingham and nationally where relevant.

1.2 This report primarily confirms the findings of the 2025–26 PBSA Occupancy Survey, while also drawing together wider monitoring undertaken by the Planning Policy team and other relevant evidence on student accommodation in Nottingham. It provides updated 2024–25 enrolment figures and an outlook for future years, noting the uncertainties around longer-term projections. The report additionally uses Student Council Tax Exemption data to show where students live and how patterns are changing, including a four-year decline in on-street CTEs, particularly in areas with the highest concentrations of students.

1.3 There is also an update on the Nottingham Student Living Strategy (SLS), a collaborative plan by Nottingham City Council, the University of Nottingham, and Nottingham Trent University. This initiative has been widely praised and awarded, and it has strengthened partnerships, enabling the discussion and action on additional issues, such as reintroducing Letting Board Restrictions in areas with high student concentrations.

PBSA Occupancy Survey Academic Year 2025-26

1.4 Since 2014 the Council has carried out an annual occupancy survey of the Nottingham PBSA market which has confirmed that there have been consistently very low rates of vacancies in all types of PBSA within the City.

1.5 This survey has been an important piece of evidence and has given the Council the confidence to continue to pursue its Local Plan policy of promoting PBSA in appropriate locations.

1.6 A similar survey has been re-run for the 2025-26 academic year, and the findings show that parts of the PBSA market have found it a lot more challenging with a noticeable increase in the number of vacant bedspaces for this current academic year across the market. The key findings are set out below:

- The 2025/26 survey focuses on schemes with 50+ beds with 26 providers supplying usable returns for 90 schemes (accounting for 28,937 beds). Within NCC boundary (and including the whole Broadgate Park scheme), responses cover **~83%** of all 50+ bedspaces.
- **Reported vacancy rate for the 2025-26 academic year is 12.7%** (i.e. 3,541 beds for schemes who responded). This is **a further increase from the 2024-25 academic year which was 11.2%[1].** However, although the vacancy rate is slightly higher, its rate of growth has slowed significantly.
- **Vacancy rates of cluster flats were 11.6%, and of studios was 16.1%.** This is a slight increase for cluster flats, but a substantial increase for studio flats (in 24/25, both cluster and studio flats had a vacancy rate of around 11.2%) and may reflect a sharp decline in international postgraduate student numbers, a key market for studios and students looking for more affordable accommodation options in shared flats.
- Last year, the schemes that started operating in that academic year (24/25) had substantially high vacancy rates than older schemes. A year into operating, this has seemingly rectified with their total vacancy rate being slightly lower than the overall vacancy rate (11% vs 12.7%). **This indicates that the first year of operation can have some difficultly in initial operations**, which can slightly skew the overall vacancy rate.

[1] Noting the methodology changes, if the approach applied this year (50+ bed schemes only) was applied to last year's data, this results in only a slightly higher vacancy rate (11.4% vs 11.2%). Given the modest difference, no further adjustments were made.

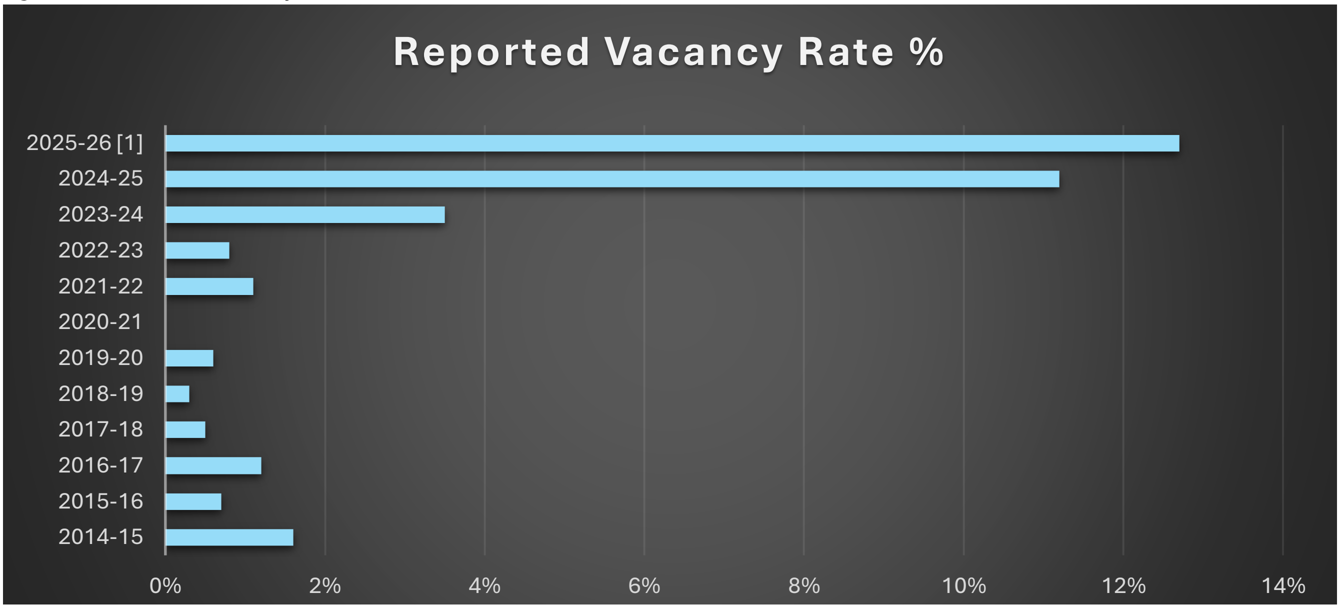
- For schemes that opened in 25/26, the pattern was similar but mixed, with several major schemes still completing construction at the start of the academic year, complicating vacancy rates. (Some were excluded for this reason as we could not accurately determine the vacancy levels, noting that had these been included this would have raised the overall vacancy rate).
- In terms of other explanatory factors, **schemes operated by, or on in partnership with the universities (and largely on campus), had lower vacancy rates**. Conversely, **the largest schemes (483 or more beds), had higher vacancy rates,** which may indicate that larger schemes face a bigger challenge to fill the scheme and thus appear to carry more vacancy risk in the current market.
- Location was a less clear driver of vacancy rates this year, with minimal differences between the total vacancy rates for schemes in the city centre and outside, excluding university operated or partnership schemes (which are typically on or near campuses).

1.7 The vacancy rates including previous years are shown in the table below and figure 1.

Results from the PBSA vacancy surveys (total vacancy rate)

Academic Year	Reported Vacancy Rate %	Studio Vacancy Rate %	Cluster Bed Vacancy Rate %
2025-26[2]	12.7%	16.1%	11.6%
2024-25	11.2%	11.2%	11.2%
2023-24	3.5%	4.7%	2.8%
2022-23	0.8%	Data previously not collected as vacancy rates were so low across all known types of accommodation.	
2021-22	1.1%		
2020-21	N/A[3]		
2019-20	0.6%		
2018-19	0.3%		
2017-18	0.5%		
2016-17	1.2%		
2015-16	0.7%		
2014-15	1.6%		

Figure 1: Overall vacancy rate for PBSA student accommodation



1.8 In reviewing vacancy rates, the vacancy rates varied between 0%-59%, with the breakdown as follows:
- 43% of schemes had a vacancy rate of 0-5%.
- 25% of schemes had a vacancy rate of 5.1-15%.

2 Note however the methodological change to focus only on schemes with 50+ beds.

3 Due to the pandemic, alternative survey carried out – this found that 84% of providers expected the PBSA market to return to 'normal'/past trends post Covid.

- 20% of schemes had a vacancy rate of 15.1-30%.
- 13% of schemes had a vacancy rate of greater than 30%.

1.9 This indicates that the experience of vacancies is somewhat polarised – nearly half of schemes have low vacancy rates, whereas just over half experience moderate to very high vacancy rates (not taking into account any weighting due to scheme size). This indicates considerable differences in the ability of scheme operators to respond to this changing economic situation. Behind the vacancy rates it is difficult to draw clear conclusions on what is happening to individual schemes and how they have responded to the softening in demand on the market. Anecdotally it is noted that some providers have provided significant incentives including substantial cashbacks and other incentives such as reduced tenancy lengths and free public transport passes to lower their vacancies.

1.10 Looking ahead to 2026/27, there is some national evidence that leasing velocities are still down year on year[4], so it is possible that vacancy rates may still rise further. However, if this follows the same pattern as this year, this is likely to be a slight increase and not a significant increase as occurred in 2023/24 and 2024/25.

1.11 This year, we expanded the occupancy survey to include Broxtowe, aiming to build a fuller picture of how the student housing market operates across the wider Nottingham area, including locations beyond the City boundary. In terms of vacancy figures, we received results for half the operational schemes, and thus providing a vacancy rate for Broxtowe would be somewhat misleading. We will continue to monitor this and develop this further for next year's survey.

PBSA Occupancy Survey: Year of study

1.12 As part of the survey the providers were also asked to confirm the breakdown of the type of students who live in their schemes, i.e. 1st years, returners (2nd and 3rd years), and postgraduates. Given our experience in past years asking this question, we framed this far more generally, asking for each provider to give a rough breakdown of students in their schemes. As such, these figures should be treated as indicative. The figures are also stated as a simple average per scheme, not weighted for scheme size.

1.13 **Roughly,** providers indicated that in their schemes:

- 38% of students were first year,
- 41% were undergraduate students in their second year or above,
- 17% were postgraduate students,
- 4% of students fell into the 'other' category, such as foundation year.

1.14 A large proportion of 1st year students choose to live in PBSA (including those within in University managed accommodation) which is consistent with the typical pattern before these students move on to other forms of student accommodation, such as HMOs. Encouragingly, the fact that 41% of residents are second-year students or above indicates that a substantial proportion are choosing to remain in PBSA beyond their first year (either in the same scheme or moving to a different PBSA scheme). Many PBSA providers do now provider incentives for students who decide to stay in the same accommodation.

1.15 The proportion of postgraduate students broadly reflects the typical postgraduate-to-undergraduate ratios at NTU and UoN. The 'other' category was higher than anticipated (4%), highlighting the role of PBSA in accommodating students on alternative pathways such as foundation year programmes. We have therefore refined our methodology for assessing student supply to ensure it captures these groups more accurately.

1.16 There was also significant variation between providers. For example, the proportion of beds allocated to first-year students ranged from 0% to 83%, for second-year students and above varied from 0% to 97%, and for postgraduate from 0% to 75%. This suggests a degree of market specialisation. Such patterns are well recognised in university managed accommodation, which

[4] StuRents - 2026 Student Accommodation Trends to Watch

typically prioritises first-year students. What was less widely understood is that private PBSA providers also appear to specialise, with some focusing on particular year groups rather than offering a uniformly mixed provision.

1.17 This may also explain some of the differential ability of providers to respond to changing market conditions, with (some) schemes focusing on postgraduate students having higher vacancy rates given that the more significant change in this market.

Conclusion on the PBSA occupancy survey results

1.18 The results of the PBSA occupancy survey indicate that Nottingham is becoming a much more competitive with the number of voids remaining high but similar to levels in 24/25, although vacancy levels remain higher than what would be expected under natural vacancy rates. This will likely put greater pressure on PBSA providers to limit rent increases or even provide more competitive rents, improve existing facilities, or offer incentives to attract students to live in or remain in PBSA through their studies. It may be that some providers of smaller, older, and less well-located PBSA schemes may consider exiting the market altogether resulting in applications to repurpose this stock – a trend that will need to be monitored to ensure that alternative uses are appropriate (e.g. including sufficient accommodation standards in line with Local Plan policies).

1.19 Importantly it should be noted that Nottingham's high volume of additional PBSA stock in recent years has meant it has avoided the crisis faced by many other UK cities of having insufficient student accommodation, with shortages acting a key driver to then raise rents in these cities, and also students being accommodated in substandard accommodation[5]. As a result, Nottingham has avoided the market distortions associated with undersupply.

Overall number of students requiring accommodation

1.20 For several years, the Council has worked closely with both Universities to establish a clear methodology to estimate the number of students who require accommodation within the City. This is very different to the headline number of students studying at the universities from established data sources such as Higher Education Statistics Agency (HESA) and Office for Students as those figures will often include part-time students, and students who study in other campuses outside of the City and do not therefore accurately set out the number of students who actually require accommodation in Nottingham.

1.21 Figures are provided by both universities on the number of full-time students who study within the City (excluding other campuses outside of the City). Using actual student enrolment data per year, the Universities are then also able to exclude those students who either live at home (with parents or their own home). There is also some cleaning of the data to omit some students who live outside of the City boundaries. Note that the data is based on students correctly completing their university home addresses when enrolling, however both Universities do check and cleanse this data. This provides a reasonably accurate number of students who require accommodation within the City. A consistent data set is now available dating back to 2016-17.

1.22 Figure 2 shows the total number of full-time students studying and living within the City (**light blue** line). Those students who live in their own home (and therefore don't have housing need) are excluded leaving only those students studying within Nottingham with housing need (**orange** line). PBSA delivery including anticipated future years is shown on the **green** line, based on scheme and with, or likely to get planning approval. Finally, this leaves remaining students who are assumed to be living 'on-street' either in HMOs or other accommodation such as small houses or flats on the **purple** line.

[5] Moore 20205 - Rising rent, falling access: what the Durham student housing market tells us

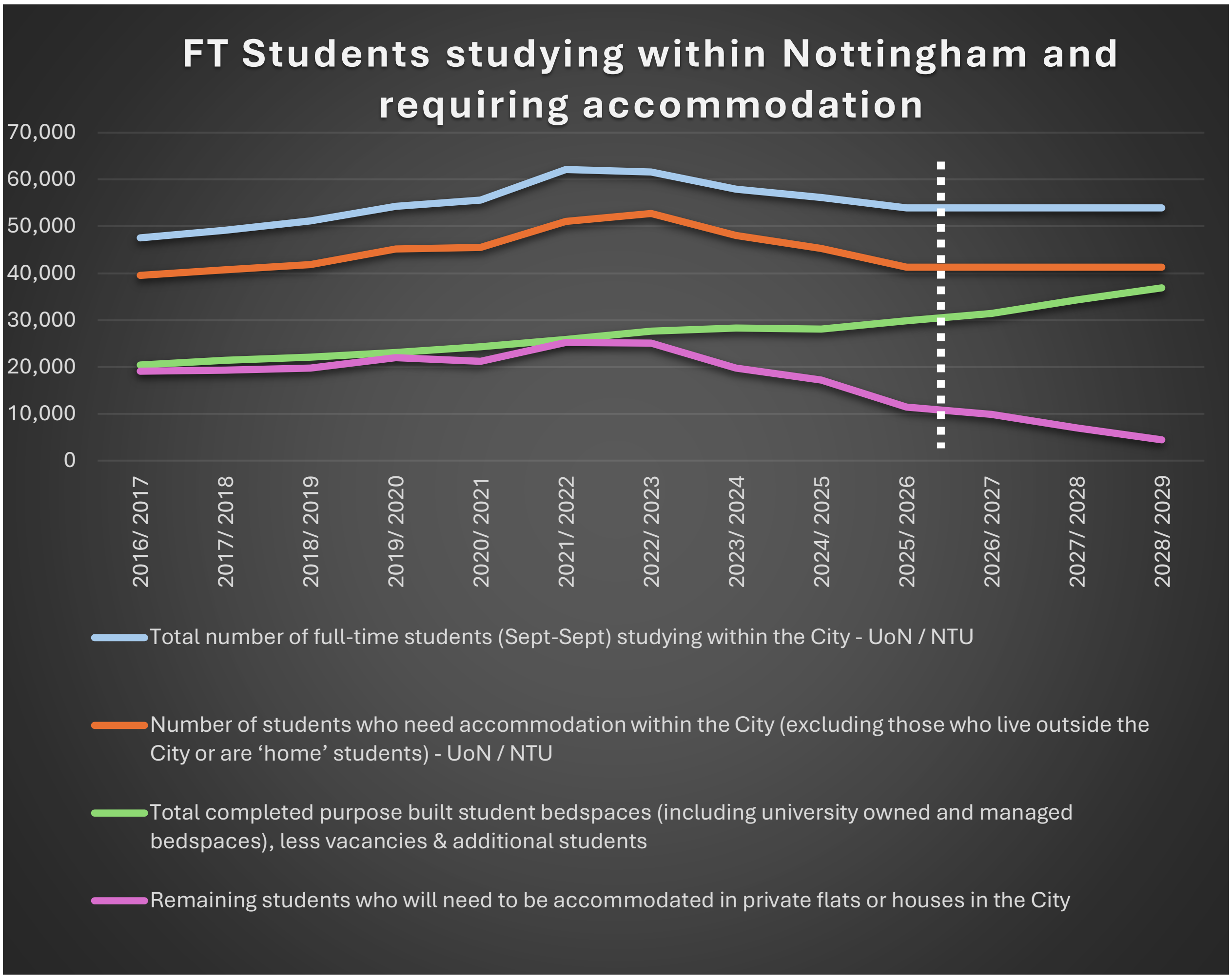


Figure 2: Full time students with housing need in Nottingham, growth of PBSA bedspaces and remaining students living 'on-street'.

1.23 As shown in Figure 2, using this approach, in 2025/26 the total number of full-time students from NTU and UoN in the City was 53,888, and the number needing accommodation is 41,314. Given that for 2025/26 the total number of occupied PBSA beds was an estimated 29,903[6], this leaves a deficit of at least 11,411 students who are accommodated in private flats or houses in the City.

1.24 The number of students requiring accommodation in the City had continued to increase since the base year of 2016-17 (when data became available) (approximately 39,538) through to a peak in 2022-23 (approximately 52,743) resulting in approximately 13,205 additional students requiring accommodation. This growth inevitably increasing the number of students requiring somewhere to live within the City and subsequently the overall number of student households.

1.25 In the past, PBSA delivery did not keep pace with the growth in student numbers, and this inevitably meant that students would have had to look elsewhere in the housing market to meet their accommodation needs. If this trend had continued, it would have added even more pressure on the private on-street rental market and could have resulted in a student accommodation 'crisis' in Nottingham as seen in other University cities across the UK. In the most extreme cases this has meant students living in other cities from where they are studying.

1.26 Since the "peak" in students requiring accommodation within the City in the 2022-23 academic year there has been a contraction in the number of students who have required accommodation. Overall, there has been a net reduction of approximately 11,429 students who require accommodation in Nottingham since 2022-23. Notably, the overall drop in the number of students in this time period was considerably smaller (7,732). This drop in the number of students is partially explained later in this report (see paragraph 1.31 onwards).

[6] Less vacancies, refurbished and mothballed schemes, and beds occupied by students not at NTU or UoN.

1.27 One further factor explaining the substantial difference between the drop in the number of students and number of students needing accommodation is a growing proportion of students studying at the Universities originating from the East Midlands[7]. It is likely that this trend is due to the cost-of-living crisis as some home students looks to reduce their overall costs of studying. This trend could be indicative of, and/or lead to, increased numbers of students commuting from home (at least for part of their study), and thus lowering demand for student accommodation including PBSA.

1.28 One important qualifier regarding Figure 2 is the projected figures (2026/27-2028/29) work under various assumptions, including; student numbers remaining constant in future years, the pipeline of student accommodation being fully delivered, vacancy rates dropping year on year by roughly 2%, and around 5% of beds being occupied by students studying at other institutions, or NTU / UoN campuses outside of the City, or being unavailable for use (e.g., refurbishment or mothballing). This is a necessary scenario to model as it gives a sensitivity test of what might happen, especially considering when evaluating any future proposals for new PBSA. Thus, this should be treated as a possible projection of what might occur, not a definitive estimate, given the number of unknowns that are impossible to predict with certainty.

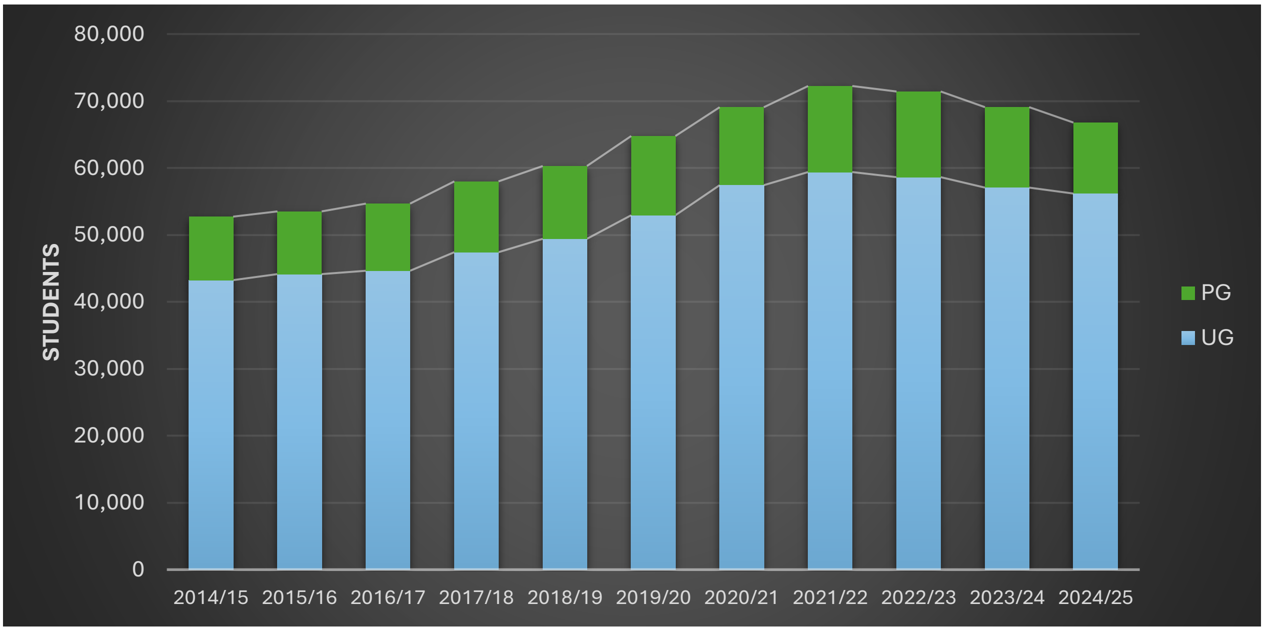
Greater Nottingham

1.29 This year, we also looked at the Greater Nottingham situation (see paragraphs 1.10 and 1.11). Using a wider approach – namely looking all students studying at one of the Nottingham Campuses regardless of where the live (i.e. could live in Broxtowe, or even outside the City) – this raises the total number of students from 53,888 to 63,628, indicating that potentially as much as 9,740 more students studying in the Greater Nottingham area. There may also be some of the students who study at the campuses outside of the Nottingham boundaries (i.e. Sutton Bonington and Brackenhurst) but who are live within the boundaries of Greater Nottingham.

1.30 This higher estimate of student numbers represents further potential student demand that could be captured by PBSA in the City, or by surrounding districts. This suggests that planning for PBSA provision should consider not only current confirmed student counts, but also this broader potential demand when assessing future capacity requirements.

Changes in student numbers

Figure 3: Overall enrolments at University of Nottingham and Nottingham Trent University (Data: HESA)



7 Based on figures provided by the Universities, 19% of students either live at home or live outside of the City for 2024-25 compared to 14% in 2022/23. This trend is also mirrored in UCAS available data which shows a growing proportion of students accepted from within the East Midlands for both universities.

1.31 Looking more broadly at all enrolments at University of Nottingham and Nottingham Trent University (ie looking broader than just students living in the City), we can see a drop in student enrolments since reaching a peak in 2021/22. In the period from 21/22 to 24/25, student numbers have dropped:

- For undergraduate students, by 3,210 students (5.4%),
- For postgraduate students, by 2,245 (17.5%),

leading to an overall decline in student numbers of 7.6% (5,455) students. There are numerous possible reasons for these declines set out below.

International student numbers have declined

1.32 Nationally there has been a decline in the number of international students studying in the UK[8] in recent years and it is understood that this same trend has played out within both Universities in Nottingham. The City has experiencing one of the sharpest annual declines in total student numbers in the UK, driven mainly by falling postgraduate especially international postgraduate enrolments. Overall, Nottingham is particularly exposed because it relies heavily on the international postgraduate segment that is declining most rapidly[9].

1.33 By their very nature, such students require accommodation and therefore any reduction in the number of international students will also have softened demand in the student accommodation market. This may have particularly affected occupancy in PBSA schemes, especially for studio units, as there is a preference for this type of accommodation from international students.

1.34 The sharp decline in international student numbers in the UK has been driven chiefly by the January 2024 rule change preventing most taught postgraduate and all undergraduate students from bringing dependants, a shift that triggered steep drops in demand from key markets such as India and Nigeria and contributed to an 84–85% collapse in dependant visa applications and a 14% fall in sponsored study visas in 2024[10]. At the same time, the UK faces rising global competition from emerging destinations in Asia and the Middle East, while growing study and living costs continue to undermine the country's attractiveness. Additional tightening of immigration rules from higher income requirements to stricter institutional compliance measures has further increased uncertainty, compounding the already visible fall in student visa applications throughout 2024 and deepening the disruption to the UK's international recruitment pipeline..

Changes in domestic student numbers

1.35 Domestic demand in the UK has also softened, with UCAS data showing that applications from UK students fell by 5.8% over the past decade and continued to decline in 2024 as the post-COVID surge works its way out of the system, even though acceptances rose by 3% as universities adopted more flexible admissions to stabilise numbers[11]. The exact reasons for this drop are still being debated, with explanations varying from cost of studying (including falling maintenance support given increased costs of living), stalling participation rates, lower school attainment, growing concerns over value for money of university education, and increasingly hostile rhetoric about the value of university education[12].

1.36 However, within this national context, Nottingham remains dominated by home students, indicating a strong domestic base even as wider trends show fluctuating demand. While Nottingham mirrors national patterns of slightly reduced applicant volumes the broad stability in undergraduate enrolments suggests that the city's universities continue to attract a substantial share of UK students despite demographic and market pressures.

[8] Based on most recent available HESA dataset 2024-25 and Office for Student data.
[9] StuRents' Quarters Q1 2026
[10] ICEF: UK: Reduced demand from India, Nigeria, and Bangladesh drive a 14% decline in sponsored study visas in 2024; Migration Observatory 2025 - Student Migration to the UK
[11] Unipol - What's Happening with Student Numbers? Insights for the 2024/2025 Academic Year
[12] HEPI - Student Demand to 2035

1.37 For the PBSA market, the growing tendency for domestic students to live at home (see paragraph 1.23), combined with falling student numbers, and rising cost pressures is likely to reduce overall demand but also influence the types of accommodation students seek, specifically an increased preference for cheaper student accommodation overall. This may explain the higher vacancy rates observed in studios (generally 20-25% more expensive) relative to the generally cheaper cluster flats.

Future student numbers

1.38 Whilst it is difficult to accurately forecast student numbers for future years, projections have previously been optimistic towards growth. However, as described in paragraph 1.25, recent years have primarily seen a drop in student numbers (8% drop from 21/22 to 24/25). It is unclear whether this downward trend will persist, as it has been influenced by wider national policy changes and macro-economic factors (as described) that are difficult to predict with confidence.

1.39 From 1 January 2027, the shortening of the UK's post-study work period from two years to 18 months may make the UK a less attractive destination for international students, as it reduces the time available for graduates to secure suitable employment and transition into skilled work. Evidence shows that many students and employees valued the previous two-year window because it offered greater flexibility and improved their chances of obtaining graduate-level roles; by limiting this period, the UK risks falling behind competitor countries that continue to provide more generous post-study opportunities.

1.40 Furthermore, changing demographics will start to decline in domestic student numbers after 2030, as the population of 18-year-olds is projected to fall sharply following its peak that year. This demographic shift is expected to reduce overall demand for higher education and student accommodation unless participation rates increase significantly.

1.41 It should be noted however that both Universities remain hugely popular choices to study at and remain amongst the best higher education institutions in the country. The University of Nottingham has recently been ranked 97th in the world and 17th in the UK in the 2026 QS World University Rankings, top 3 most targeted university by leading employers, (High Fliers 2026), more of their graduates enter highly skilled employment than any other UK university (HESA Graduate Outcomes 2025), remains in Top 25 Universities Europe (QS World Rankings - Europe) and pioneering research and product development as seen in Bafta award winning movie "I Swear". NTU was ranked 1st in the UK for Employability and named the best university in the UK by student reviewers on Uni Compare (2024/25), further demonstrating its strong standing in student satisfaction and outcomes[13].

Student Council Tax Exemptions

1.42 To monitor the location of students within the City, Student Council Tax exemption (CTE) data is used. For consistency, this data is requested from the Council Tax office on 1st November each year. We have revised our approach this year by comparing student-household CTEs with total PBSA bedspaces, as it is considered that this provides a more accurate reflection of changes in on-street student housing relative to PBSA.

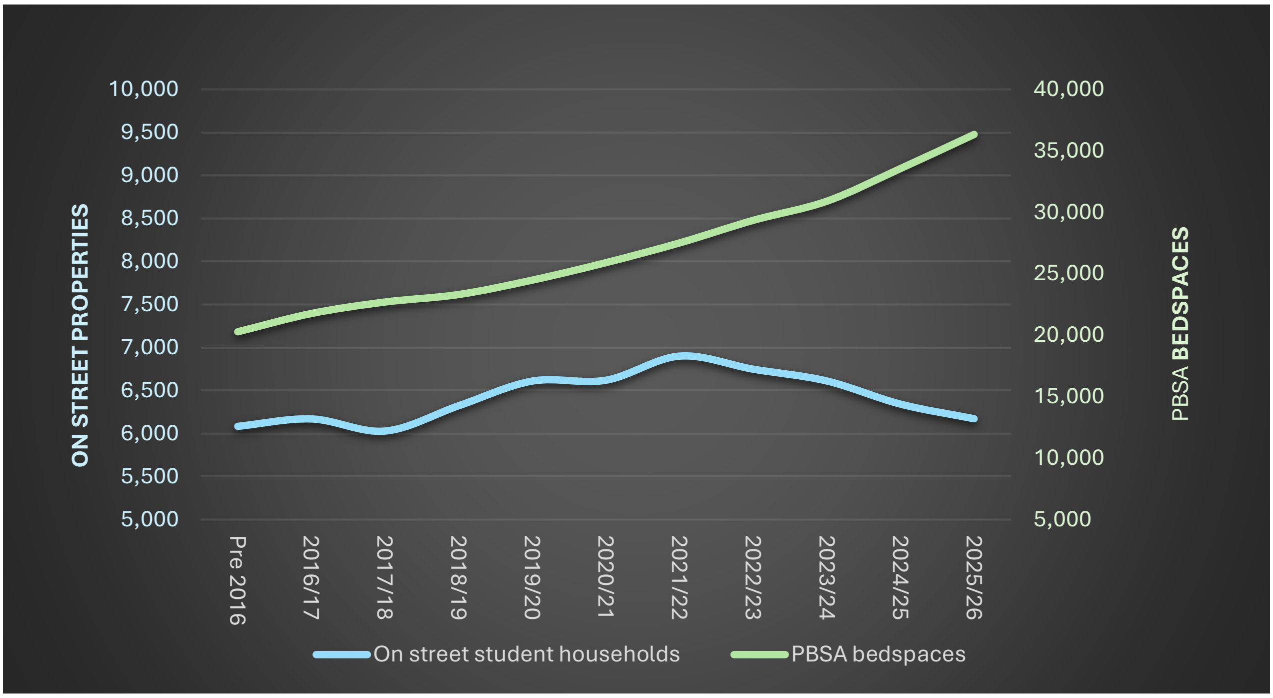
1.43 Figure 4 shows that the number of PBSA is increasing, in line with policies promoting PBSA in suitable locations. Meanwhile, the number of on-street student households shows an overall downward trend, with a 10.6% reduction between 2021 to 2025. This has resulted in a net reduction in the number of student CTE properties of 728 homes in this period (around 182 homes per annum).

[13] NTU - Our achievements and awards, UoN - University of Nottingham proud to be ranked as a world Top 100 university

1.44 This decline in on-street CTEs will have increased the Council Tax base liability, with the changes already observed potentially resulting in an additional £5 million in Council tax revenue since 2021[14].

1.45 In November 2026 a further extract of the CTEs will be taken. It is anticipated that as student enrolments are likely to remain reasonably static, and the number of PBSA bedspaces continues to increase, there will be a further fall in on street CTEs. If this trend does continue for the next few years, it will further help to rebalance these communities where there have traditionally been high concentration levels of students. Projecting forward, further reductions in Council Tax exemptions (CTEs) based on past trends could increase annual Council Tax yield by approximately £3 million by the turn of the decade (2030).

Figure 4: Student Council Tax Exemptions (2009-2025)



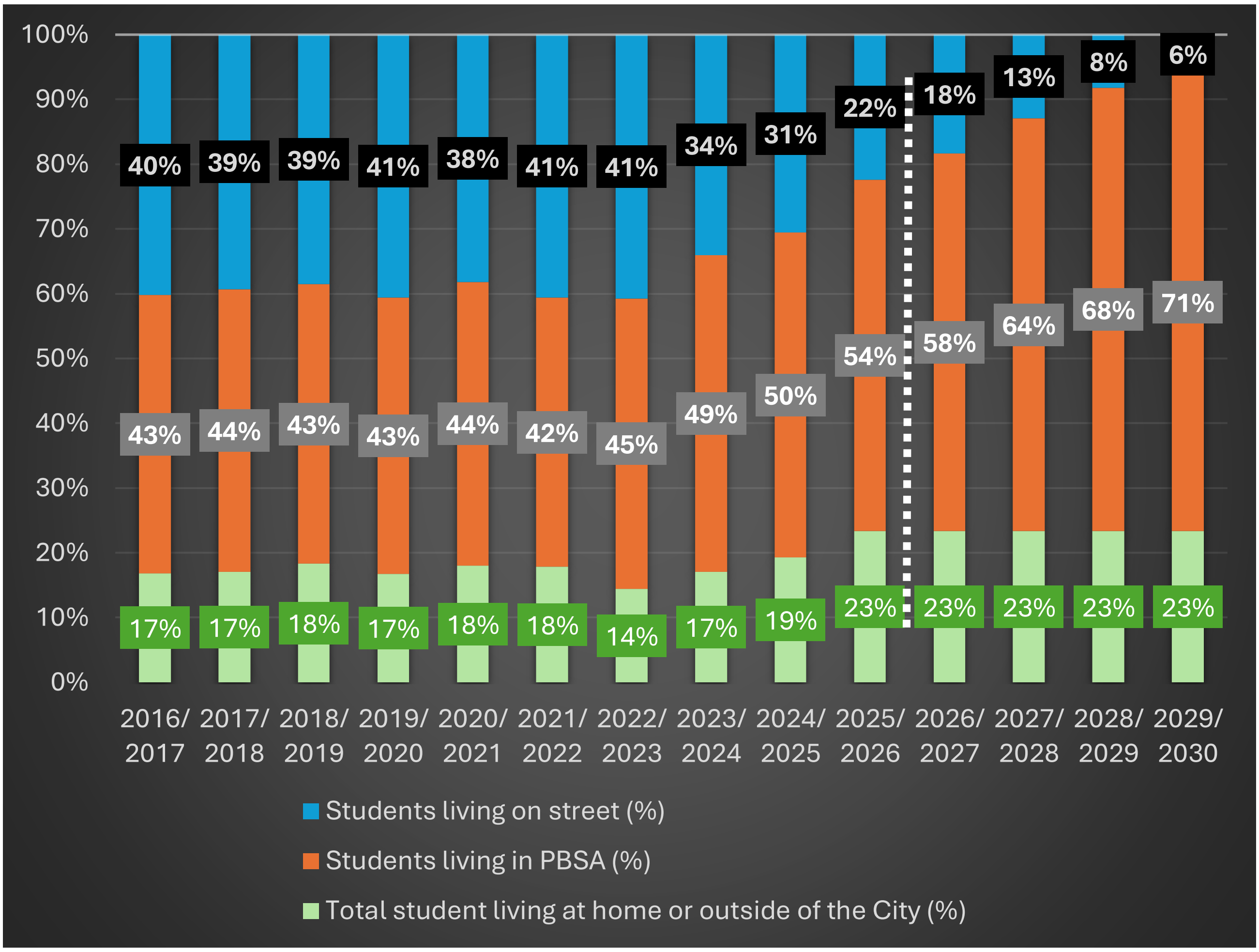
Year	Student household (on-street)	PBSA bedspaces	Student Hall of Residence (PBSA) – council tax properties
2025	6,172	36,334	11,408
2024	6,342	33,559	11,197
2023	6,611	30,904	11,084
2022	6,748	29,347	10,064
2021	6,900	27,510	9,348
2020	6,620	25,904	8,970
2019	6,610	24,484	7,693
2018	6,323	23,312	6,970
2017	6,029	22,701	6,272
2016	6,170	21,767	5,413
2015	6,084	20,281	4,572

14 Based on average Council Tax Band A and B properties become liable to Council Tax over the 5-year period with continued reduction in Council Tax Exempt properties of 3-4% year on year.

Growth in the proportion of students living in PBSA

1.46 The Council has been very successful in encouraging the PBSA market in Nottingham and is now the largest PBSA market outside of London[15]. This additional capacity had been essential as student numbers increased and has transformed the student accommodation market with a growing proportion of students living in PBSA compared to on-street private rented accommodation as illustrated in Figure 4 and 5.

Figure 5: % of Students living either outside City/in own home, in PBSA or on street.



1.47 Since 2016/17, the largest trend has been a growing number of students estimated to be living in PBSA, rising from 42% to 54% from 2021/22 to 2025/26[16]. Over the same period there has been a general decline in the number of students assuming to be living on street (from 41% to 22% in that same period). There has also been an overall trend of increasing numbers of students either living in their own home or outside of the City (rising from 17% to 23%).

1.48 Future years are shown through to 2027/28 however this assumes all PBSA stock that has or likely to get planning permission is completed as anticipated and is fully let. Both assumptions are unlikely and hence the overall reduction of students living on street is likely to be less significant than shown.

1.49 Importantly, similar to what is outlined in paragraph 1.28, the projected figures (2026/27-2028/29) work under various assumptions, including, student numbers remaining constant in future years, the pipeline of student accommodation being fully delivered, and vacancy rates dropping year on

[15] Cushman and Wakefield – Student Accommodation Report 2025

[16] With calculations of PBSA bedspaces adjusted to account for vacancies, refurbished beds and mothballed schemes, and beds occupied by students not at NTU or UoN. Note that this is an updated methodology compared to previous reports.

year by roughly 2% from their current high. This scenario is important to model as it provides a sensitivity test of potential outcomes if student numbers continue to fall, if the full pipeline is not delivered, or if vacancy numbers decrease. It should be viewed as one possible projection of what could occur, rather than a definitive forecast.

1.50 Similarly, students living on street in this chart is an estimate, this is based on the difference between the number of students living in PBSA and students with accommodation needs. This figure is thus more indicative, with on-street CTEs providing the firmer figure to rely on (albeit for number of properties versus number of students).

Council Tax Exemption data split down by high concentration wards

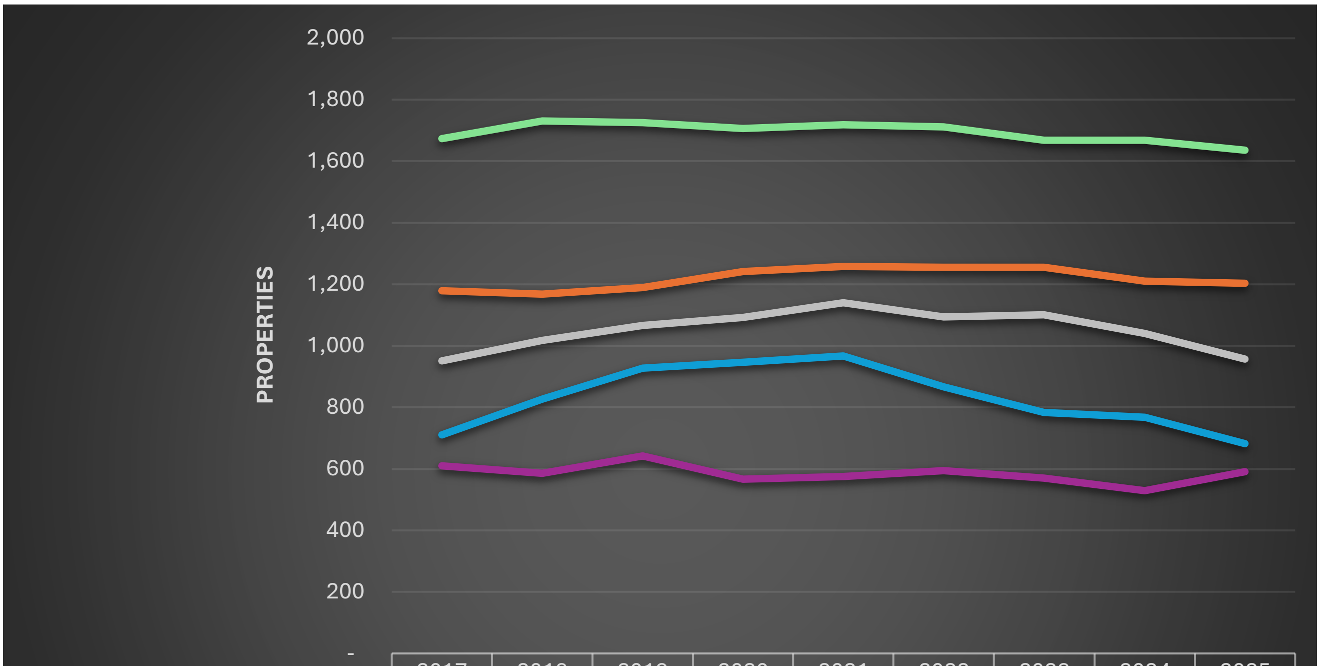
1.51 Figure 6 show the number of on-street CTE households and the number of PBSA bedspace (Figure 7) since 2015 for the five wards with the highest number of CTE households.

1.52 These show that that the number of on-street CTEs (Figure 6) had remained reasonably static but is now starting to show some decline in most of these wards in the last few years. Where there is any growth in on-street CTEs, given the policy to resist the change of use from general housing (C3) to HMOs (C4) then this will be in homes where there is no control over students living in those types of properties (flats or small houses of accommodating less than 3 students).

1.53 PBSA bedspaces have grown considerably in these wards (Figure 7). In particular, the growth of PBSA bedspaces has been the highest in St Ann’s (213% since 2015/16) and Castle (165%, same time period). Growth in Lenton & Wollaton East has been the slowest of these five wards (20%), but this ward still has the largest number of PBSA bedspaces in the City.

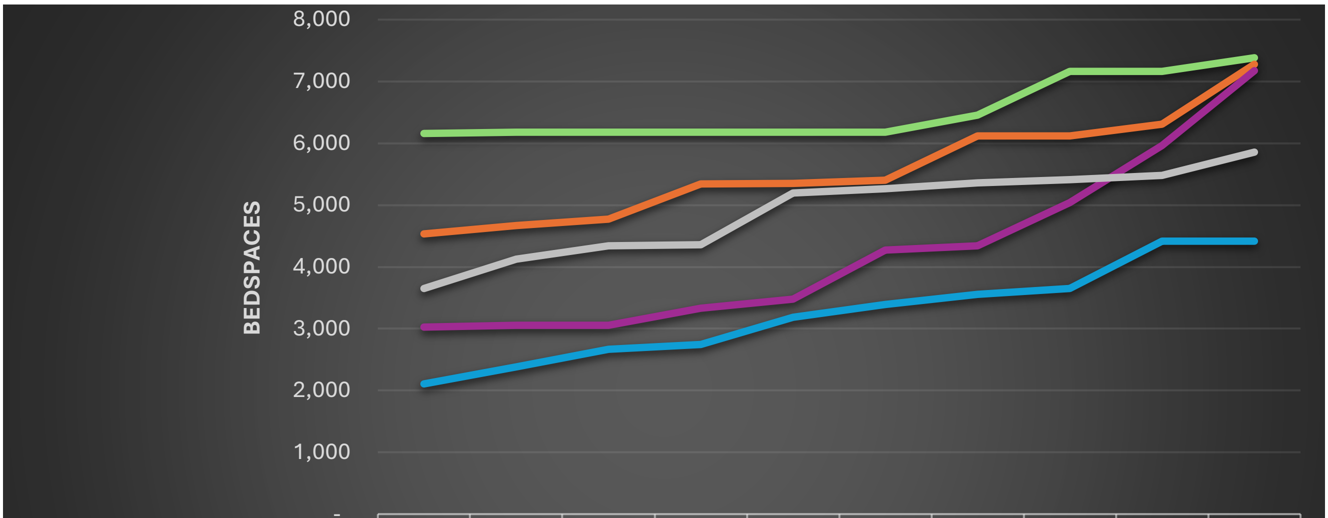
1.54 One other ward worth discussing is Meadows – while having considerably fewer PBSA bedspaces than the five high concentration wards (1,935 vs 6,421 bedspaces on average in the high concentration wards), this ward pre-2016 had no PBSA bedspaces. This provides a useful example of the changing geography of PBSA in the City and where students are living in the city.

Figure 6: Student Council Tax Exemptions (on-street) for wards with the highest number of students



	2017	2018	2019	2020	2021	2022	2023	2024	2025
Lenton & Wollaton East	1,674	1,731	1,726	1,707	1,718	1,711	1,668	1,668	1,636
Radford	1,179	1,168	1,189	1,242	1,258	1,256	1,256	1,211	1,203
Hyson Green & Arboretum	951	1,018	1,066	1,093	1,140	1,094	1,101	1,041	956
Castle	710	826	928	946	967	867	784	767	682
St Ann's	609	585	642	567	575	594	570	529	591

Figure 7: PBSA bedspaces for wards with the highest amount of students



	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Lenton & Wollaton East	6,158	6,183	6,183	6,183	6,183	6,183	6,456	7,161	7,161	7,383
Radford	4,534	4,666	4,769	5,344	5,352	5,405	6,115	6,115	6,312	7,278
St Ann's	3,026	3,053	3,053	3,335	3,475	4,269	4,343	5,043	5,961	7,174
Hyson Green & Arboretum	3,650	4,124	4,344	4,360	5,197	5,266	5,355	5,415	5,482	5,856
Castle	2,107	2,383	2,671	2,748	3,183	3,388	3,557	3,649	4,416	4,416

Delivery of PBSA and future pipeline

1.55 For the past 5 years (21/22 -25/26) on average there has been an increase of over 2,086 additional PBSA bedspaces with Nottingham often having the highest delivery of any City outside of London[17]. This has prevented a student accommodation 'crisis' in Nottingham that many other University cities up and down the country have faced where students have struggled to find accommodation and in extreme cases have been housed outside of the City in which they are studying.

1.56 The Council has a very healthy pipeline of PBSA schemes that may come forward in the next few years. This currently amounts to approximately ~5,500 bedspaces based on schemes that have planning permission or are likely to get planning permission. This data is available to view in the Council's PBSA App and PBSA Dashboard. While it is uncertain whether all schemes will be delivered under current market conditions, it is necessary to assess the implications of full delivery to ensure the City can respond appropriately to any future proposals for additional student accommodation. The pipeline doesn't include schemes that may come forward but which have not reached planning application stage or where the decision has not been finalised, including a scheme at Henson House for which an environmental assessment has been requested, or the recently refused Code Student application which is subject to appeal. Given the uncertainties of whether these scheme will come forward, the unit typology of these schemes including the number of studios/clusters, or timing, these are omitted from the pipeline figures.

1.57 Currently we are anticipating up to 663 new bedspaces for the next 2026-27 academic year, mostly from smaller schemes which may be delivered. This is a significant slowdown from previous years. In terms of major schemes under construction, Corner Point at 5 - 17 Huntingdon Street, a scheme of around 225 units is currently under construction, and some initial site work has commenced on the Crocus Street scheme of around 420 beds. However, given the limited construction activity currently underway, the actual delivery of new student beds may be significantly lower.

[17] See Knight Frank Report Q4 2025

1.58 It should be noted that despite high vacancy levels, looking both at the total number of students in Greater Nottingham, and at total PBSA supply (including beds PBSA schemes in Broxtowe), the ratio of beds to students is roughly 0.6, in other words, for every 5 students, there are 3 PBSA beds available. Nationally, this local ratio compares favourably with many major UK student cities. While not every student will live in PBSA, with some having their own residence or others choosing to live with their parents, this indicates that there is still a substantial market that can be tapped into for further PBSA schemes if the product, pricing and location are right.

1.59 The challenge is therefore for developers to deliver a product that is sufficiently affordable and of a type that will appeal to students who are currently opting for other forms of accommodation. This is particularly important given that 71% of students (nationally) indicate a preference for rented student houses or apartments, and only 22% for university or accommodation or PBSA, with affordability being the key concern[18].

1.60 In line with the Local Plan policy, during pre-application discussions developers need to provide robust evidence for additional student bed spaces and to provide a greater mix of tenure types to cater to an evolving market. In this way, the desirability of PBSA should become wider by offering an extended type of accommodation to meet the needs of 'returning' students (2nd and 3rd years), postgraduates, families and other groups whose needs are not normally always met in PBSA. Returning students prefer to live as a household with friends therefore, schemes addressing these preferences are more likely to be supported.

1.61 It is therefore imperative that 'shared accommodation' in the form of cluster flats is the dominant type within new PBSA to attract those students who naturally choose to live in on-street accommodation to share with friends. This type of accommodation is also on average 20-25% cheaper than studios and offers many well-being benefits, such as enhanced social interaction, a built-in support network, and reduced feelings of isolation. This aligns with the principles in the Nottingham Student Living Strategy and endorsed by both Universities.

1.62 Nottingham has a significantly higher average of studio accommodations (single-bedroom units) at approximately 26%, compared to the national average of 12%[19]. It is also important to note that many PBSA schemes currently under construction were approved before the Council implemented constraints on the number of studios. As a result, the proportion of studios is expected to continue rising in the coming years as these pre-approved schemes are completed. This underscores the need to impose stricter limits on the number of studios in future PBSA developments.

Student Accommodation Rental Costs

1.63 Unipol[20], the Council's partner, monitors student accommodation rents both for on-street and PBSA. They produce an annual summary of all the PBSA average rents in Nottingham and benchmark these against the average on-street rent. A summary of the latest data for the forthcoming academic year 2026-27 is provided in Figure 8. The key points from this are:

- There is a wide range of PBSA rents from approximately £110 to £310 depending on the location of the scheme, the facilities offered and the size and type of room.
- At the cheaper end of the market there has been a reduction in rents by 19% compared to the previous year (£135 down to £110).
- The cheapest city centre located ensuite room rentals start at around £125pw.
- The cheapest studio rental starts at around £160 per week. Generally, studio prices have dropped less than ensuites in this sample of schemes and rooms, and in a number of cases prices have increased considerably since last year. This may indicate cross subsidisation.
- The most expensive scheme is charging approximately £310 per week for a classic studio. In contrast, the most expensive ensuite room was around £245.

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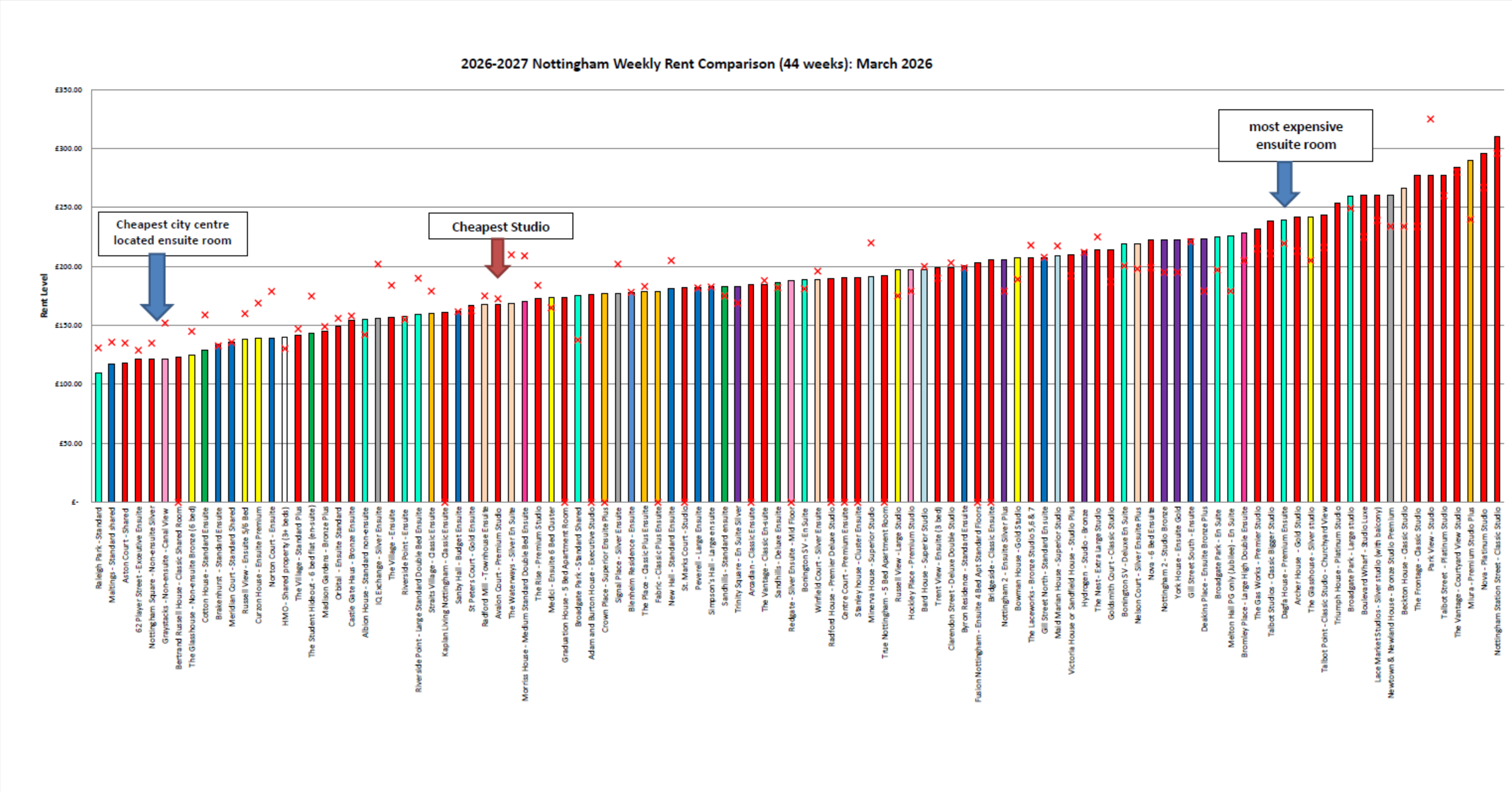
[18] UNIPOL Student House Hunting Behaviour 2025
[19] Data from Unipol Accommodation Costs Survey 2021. This is most recent estimate available of this figure.
[20] Unipol is a charity that provides help and assistance to students renting in the private sector, provides direct housing to students in Nottingham including PBSA, run a number of accreditation schemes and trains and promotes best practice in student housing.

Figure 8: Nottingham Student Accommodation Weekly Rent Comparison (44 weeks) 2026-27 – as of March 2026



1.64 Contrasting rentals in Nottingham with other UK cities, while rental levels nationally have grown by 4.44%, in Nottingham rents dropped overall by 2.9%, noting that cities such as Leeds and Sheffield have also higher falls in rental levels[21]. However, given the current concerns around cost of living and the reduced budgets faced by students, reductions in rental levels, as opposed to growth, may be more appropriate given these circumstances.

1.65 In interpreting rental levels, it is important to note that this analysis does not account for cash-based incentives. National evidence suggests these incentives are being used more frequently this year than in the previous academic year. Such incentives may influence student choices, as higher incentive values can make otherwise expensive rooms appear more affordable.

Renters Reform

1.66 The Renters' Rights Act is likely to create a split impact in Nottingham's student housing market. For most PBSA schemes that join an approved code (e.g., ANUK/Unipol) will be exempt from the new assured tenancy regime and allowing them to maintain fixed-term academic-year tenancies, continue using common-law arrangements, and recover possession more easily. However, all HMOs will be drawn into the new system, facing the abolition of Section 21, a shift to assured periodic tenancies, limits on rent increases, and restrictions on taking rent in advance, all of which will tighten operating flexibility (with some flexibility for HMOs through the new ground of possession, Ground 4A.)[22]

1.67 This is likely to place PBSA in a comparatively stronger and more predictable position than the wider HMO market, potentially increasing PBSA competitiveness in Nottingham while creating additional compliance, notice-timing, and operational challenges for HMO landlords, which may result in some landlords looking to exit the student accommodation market.

Other wider trends impacting Student Accommodation[23]

1.68 Recent national evidence indicates growing financial instability across the higher education sector, with the regulator warning that two-fifths of UK universities are forecast to be in deficit in 2026–27, up from around a quarter this year. These pressures stem from declining international fee income, rising inflation, and structural governance challenges. Locally, both Nottingham institutions have already taken corrective action: both universities have undertaken staff cuts, alongside reductions in certain academic programmes. Although both universities remain highly ranked and continue to attract strong domestic demand, the financial pressures facing the sector may create greater volatility in future student numbers, particularly in postgraduate and international cohorts. This reinforces the need for cautious planning and scenario-based modelling when assessing future accommodation requirements and likely overall demand.

1.69 Emerging national market intelligence suggests that the student lettings cycle has slowed significantly, with PBSA providers reporting "low and slow" leasing velocities and students taking notably longer to commit to accommodation for 2026/27 than in previous years. Increased vacancy levels, greater choice across the market, and widespread use of incentives including rising cashback offers have contributed to more cautious, price-sensitive student decision-making. Early-season demand has been strongest for value-for-money HMOs, with a marked increase in interest for 2- and 3-bed shared houses year-on-year, reflecting both affordability pressures and student preferences for small-group living. These behavioural shifts highlight the importance of competitively priced cluster flats and strong retention strategies, particularly for newer schemes and higher-priced studios.

1.70 Changes to the student finance system and rising costs of higher education are increasingly shaping student behaviour and may impact future admissions and where student decide to live. The index-linking of tuition fees, the student loan repayment threshold converging with the

[21] Cushman and Wakefield – Student Accommodation Report 2025
[22] StuRents - Renters' Rights Act: What the implementation roadmap means for student accommodation; PBSA News - What does the Renters' Rights Act mean for PBSA?
[23] Largely drawn from Unipol Nottingham Code Owners' Briefing on 8 January 2026.

minimum wage, and the absence of wider maintenance support reforms are combining to place greater financial pressure on students, particularly those from lower-income backgrounds.

1.71 As living costs rise, growing numbers of applicants are opting to study from home, with UCAS data showing a shift from 22% of applicants intending to commute in 2016 to 31% in 2025. While 18-year-old acceptances remain at record levels nationally, the financial environment is expected to constrain mature student demand and may widen disparities between institutions depending on tariff level and subject mix. For Nottingham, this reinforces the need for a nuanced understanding of demand, recognising that affordability pressures are likely to increase preference for lower-cost accommodation types and may reduce reliance on PBSA among certain groups.

Planning policy updates

Purpose Built Student Accommodation Supplementary Planning Document

1.72 Following the publication of the draft PBSA Supplementary Planning Document (SPD), the Council has decided to place the SPD on hold. The subject matter may be revisited later as part of the local plan update, or as informal planning guidance but currently there is less pre-application for further PBSA schemes in the city. However, the Council remains committed to supporting the delivery of the right student accommodation that is affordable, accessible, well located and meets the needs of the student population with an emphasis on shared living. The insights gained through the SPD consultation will inform future policy development, including the Local Plan review.

Co-Living Informal Planning Guidance.

1.73 The Council is currently consulting on [Informal Planning Guidance for Co-living](), recognising that some PBSA schemes may convert partially or in full to this form of accommodation given the softening of demand shown in the occupancy rates. The guidance explains that while PBSA buildings can in principle be converted into co-living accommodation, such proposals will typically require significant alteration because PBSA is designed for short-term student occupation rather than longer-term residents such as working professionals. Existing student layouts often characterised by very small bedrooms, limited storage, and minimal communal space are generally insufficient to meet co-living expectations around privacy, amenity and daily living functionality. As a result, most PBSA-to-co-living conversions will constitute a material change of use requiring planning permission, and the converted accommodation must comply with the minimum room sizes, aggregated amenity standards, design requirements, management expectations and policy considerations set out in the guidance. Where only part of a PBSA building is being converted, applicants must demonstrate that mixed occupation can operate without conflict, ensuring safe access, appropriate management, and a satisfactory standard of accommodation for both student and non-student residents.

1.74 More broadly, the document signals important implications for the PBSA sector. Nottingham's mature PBSA market, combined with rising vacancy in older stock, is creating pressure to repurpose some buildings—but the guidance makes clear that conversion will only be supported where it results in genuinely high-quality, policy-compliant accommodation, rather than a low-cost rebranding exercise. This raises the bar for the future role of older PBSA, particularly schemes with outdated layouts or inadequate communal facilities, which may struggle to meet co-living standards without substantial reinvestment.

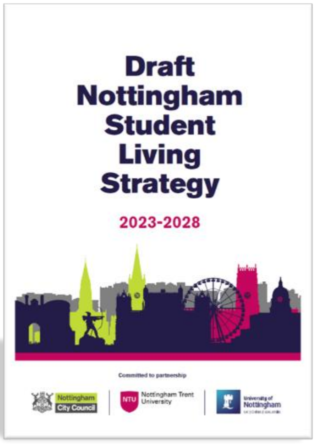
1.75 The guidance also indicates that PBSA can no longer be assumed to be easily repurposed into emerging residential typologies; instead, the Council will scrutinise conversions closely to safeguard living standards, infrastructure impacts and the overall housing mix. In doing so, the document reinforces a clear policy distinction between PBSA and co-living, with PBSA expected to maintain a high-quality student housing role unless fully re-designed to meet the needs of a wider residential market.

To Let Boards Restrictions

1.76 Nottingham City Council has recently reinstated strict controls on "To Let" boards under a newly approved Regulation 7 Direction, which comes into force on 30 March 2026 and applies in perpetuity across nine areas with high concentrations of student housing and HMOs (See Letting Boards web page). These restrictions mean that, within designated areas, all traditional letting boards will require express advertisement consent and will be unlawful without it, with enforcement commencing from 13 April 2026 and penalties including fines of up to £2,500 per board. The Direction also reinforces the council's broader aim of reducing visual clutter and the perception of transience in student-dominated neighbourhoods.

The Nottingham Student Living Strategy (SLS)

1.77 The Nottingham Student Living Strategy Nottingham Student Living Strategy (SLS) is a collaborative initiative developed by Nottingham City Council, the University of Nottingham, and Nottingham Trent University. It aims to improve the quality, safety, affordability, and location of student accommodation across the City. A key objective of the Strategy is to increase the choice and quality of affordable student housing, maximise the benefits of a large student population, and address the challenges this can pose for local communities. The Strategy places particular emphasis on delivering more purpose-built, affordable student accommodation in appropriate locations, with a focus on shared living formats.



1.78 The adoption of the Strategy in July 2023 marked the first formal commitment between the three organisations to work together on shared priorities for housing and local services. The Strategy has been widely recognised as a sector-leading initiative, receiving significant interest and praise, including awards from the Royal Town Planning Institute, Times Higher Education, and the UK Town and Gown Association.

1.79 Many of the Strategy's actions are now being embedded into the day-to-day work of the partners. The Strategy has also strengthened collaboration between the institutions, enabling wider issues beyond the original scope to be addressed. For example, both universities recently supported the Council's proposal to reintroduce restrictions on letting boards in areas with high concentrations of students.

1.80 There have also been a number of noticeable successes. These include a reduction in antisocial behaviour complaints related to students, an increase in student donations of unwanted items to charity helping to reduce waste and improved student registration on the electoral roll, supported by streamlined enrolment processes at the University of Nottingham. In addition, both universities have taken an increasingly active role in pre-application and planning discussions, contributing to the approval of higher-quality PBSA schemes that better meet the needs of students with a focus on shared living.

Conclusions

1.81 The Nottingham student accommodation market is entering a period of significant adjustment, shaped by shifting student demographics, evolving preferences, and wider economic and policy pressures. After a decade of rapid expansion, the PBSA sector is now experiencing sustained vacancy increases and clear signs of softening demand for the third year in a row. This increasingly competitive environment is driving providers to lower rents, offer incentives, and rethink their overall offer. It reinforces the need to prioritise affordable, well-located schemes that align with demonstrated student demand—particularly for shared cluster-flat models, which remain the most accessible and resilient part of the market.

1.82 Although the number of full-time students requiring accommodation in the City has fallen from the 2022–23 peak, demand remains substantial, and Nottingham's proactive PBSA delivery has insulated the City from the acute shortages seen elsewhere in the country. However, uncertainty around future student numbers particularly reductions in international postgraduate enrolments, combined with cost-of-living pressures and growing numbers of East Midlands students commuting from home creates a more complex outlook. Close engagement with both universities will therefore be crucial to ensure supply remains proportionate, responsive, and aligned to real housing need.

1.83 The Nottingham Student Living Strategy continues to play a vital role in shaping a coordinated response across the Council, universities, and student unions. Its emphasis on improving the affordability, safety, and quality of student housing alongside efforts to reduce impacts on local communities is helping to create a more balanced and sustainable housing market.

1.84 The continued decline in on-street Council Tax Exemptions (CTEs) and the ongoing shift towards PBSA indicate that long-standing planning policies promoting well-designed, well-located student accommodation are having a positive, stabilising effect. If current trends persist, this transition will help rebalance neighbourhoods with historically high student concentrations and increase the Council Tax base as more properties return to liable use. However, sustaining this trend depends partly on the PBSA sector's ability to provide affordable, attractive accommodation, especially given the growing share of undergraduate students and increasing financial pressures faced by students.

1.85 Going forward, policy and delivery must continue to focus on:

- Encouraging affordable, shared living models in PBSA, particularly cluster flats to wider the attractiveness of the PBSA market and restricting studios to no more than 20% of the total bedspace.
- Continued monitoring of the student accommodation market conditions and adapting to changes in student demand.
- Ensuring flexibility in planning guidance to accommodate emerging models such as co-living.
- Maintaining strong university partnerships to inform responsive housing strategies.

1.86 Given rising vacancies, slower letting velocities, and ongoing uncertainty around future enrolments, it is essential that all future PBSA proposals are supported by robust, site-specific evidence of need. This aligns with Local Plan Policy HO5 and HO6 and will help ensure that future development is both justified and directed toward genuine areas of housing pressure particularly affordable, shared models capable of serving a broad cross-section of the student population.

1.87 Furthermore, in recognition of changing market conditions, all new PBSA schemes should be designed with flexibility in mind, including the potential to be reconfigured through internal alterations to meet general housing needs in the future if this is required. Such repurposing through the change of use of PBSA does require planning permission which will allow the council to fully assess the proposals and ensure adequate rooms sizes are achieved. This approach will help future-proof developments and ensure repurposing of this housing stock if required.