Nottingham Student Accommodation Update Report

June 2025

Nottingham City Council

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. This report refreshes the previous Student Accommodation Update Report, August 2024 and pulls together updated and additional relevant information on the student accommodation market in Nottingham.

1.2 One of the main purposes of the report is to confirm the findings of the 2024-25 Purpose Built Student Accommodation (PBSA) Occupancy Survey but it also highlights other monitoring that is undertaken by the Planning Policy team and pulls together other known student accommodation evidence which is relevant to student accommodation in Nottingham.

1.3 Details are also provided on the enrolment numbers for the universities for the 2024-25 academic year and the potential likely numbers in subsequent years including setting out some uncertainties on what future enrolment numbers might be.

1.4 There is also discussion on the delivery of new PBSA expected to be operational for the 2025-26 academic year and the pipeline of other PBSA schemes likely to come forward in future years.

1.5 Reference is made to a review of Student Council Tax Exemptions (CTE) as an indication of where students live and changing trends in the distribution of students across the City including a fall in the overall number of on-street CTEs in the last three years particularly in Wards where there is the highest concentration of students.

1.6 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.

1.7 Details are provided on the rental costs of PBSA schemes in Nottingham, benchmarked against the average cost of accommodation in HMO properties, using data that is provided by the Council's partner Unipol.

1.8 Finally, an update is provided on the draft PBSA Supplementary Planning Document (SPD) that was consulted on in 2024.

PBSA Occupancy Survey Academic Year 2024-25

1.9 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.

1.10 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.

1.11 A similar survey has been re-run for the 2024-25 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 past academic year across the market. A summary of the findings is set out below:

- 33 providers responded to the survey, representing approximately **85% of the known PBSA bedspaces** within Nottingham.
- Reported **vacancy rate for the 2024-25 academic year is 11.2%** which is **a further marked increase from the 2023-24 academic year which was 3.5%.** This figure is nearly three times higher than the vacancy rate in the previous 2023-24 academic year.
- Vacancy rates of cluster flats and studios flats are almost identical at 11.2%. Previously for the academic year of 2023/24, there was a higher studio vacancy rate (4.7%), compared to cluster beds (2.8%). Given this fluctuation, broader conclusions about the differences between cluster vacancies and studio vacancies should be treated cautiously until a clear long-term trend is established. However, it should be noted that there have been heavy discounts on studios by some providers (including cashback and other incentives) with these units often being the last to rent and mainly booked by agents for international students (where demand is falling).
- A number of **recently completed PBSA schemes have reported high vacancy rates**. However this may be due to initial operational challenges, such as the timing of the accommodation's readiness for the start of the new academic year, marketing efforts, rent levels and competition with established options.
- **In general, PBSA schemes outside of the city centre and university campuses and/or those that began operating in 2024/25, have higher vacancy rates.**

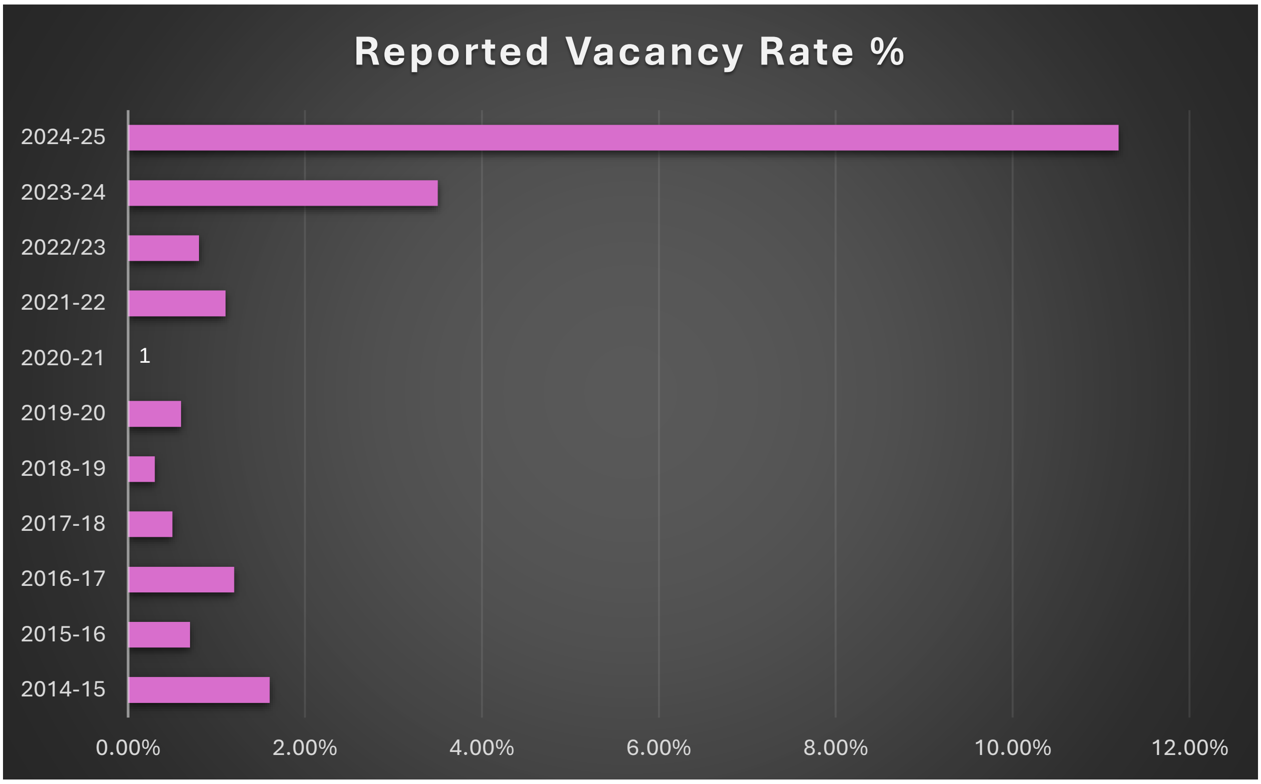
1.12 The vacancy rates including previous years are shown in the table below and figure 1.

Results from the PBSA vacancy surveys

<table>
<tr><th>Academic Year</th><th>Reported Vacancy Rate %</th><th>Studio Vacancy Rate %</th><th>Cluster Bed Vacancy Rate %</th></tr>
<tr><td>2024-25</td><td>11.2%</td><td>11.2%</td><td>11.2%</td></tr>
<tr><td>2023-24</td><td>3.5%</td><td>4.7%</td><td>2.8%</td></tr>
<tr><td>2022-23</td><td>0.8%</td><td colspan="2" rowspan="9">Data previously not collected as vacancy rates were so low across all known types of accommodation.</td></tr>
<tr><td>2021-22</td><td>1.1%</td></tr>
<tr><td>2020-21</td><td>N/A[1]</td></tr>
<tr><td>2019-20</td><td>0.6%</td></tr>
<tr><td>2018-19</td><td>0.3%</td></tr>
<tr><td>2017-18</td><td>0.5%</td></tr>
<tr><td>2016-17</td><td>1.2%</td></tr>
<tr><td>2015-16</td><td>0.7%</td></tr>
<tr><td>2014-15</td><td>1.6%</td></tr>
</table>

[1] 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.

Figure 1: Overall vacancy rate for PBSA student accommodation



1.13 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, as well as the origins of the students, i.e. either home or international. In addition, where there are voids, providers were also asked to set out what changes they are proposing to reduce vacancies. Only a few providers responded to these questions and unfortunately the return rate is too low to provide any meaningful analysis or comparison with previous years.

1.14 Recent analysis by StuRents have found similar levels of vacancy in Nottingham, providing further validation for these findings. Importantly, this data also shows that as of April 2025, leasing of student accommodation for 2025/26 was considerably lower than that of April 2024, which indicates that vacancy rates may be even higher in the next academic year. Some providers may consider lowering rents further due to this softening demand.

Conclusion on the results

1.15 The results of the PBSA occupancy survey indicate that Nottingham is becoming a much more competitive PBSA market with the number of voids significantly increasing for the second year. 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 PBSA. 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). Additionally, with cluster flats having the same vacancy rates as studios it is important that the PBSA occupancy survey continues to be repeated until a clear pattern emerges.

1.16 Recent analysis by StuRents on the Nottingham PBSA market reveals that even if only 40% of approved PBSA schemes are delivered, student demand would still need to grow by 4% annually to match supply. Given that student numbers are currently stagnating or declining, and significant progress has already been made in reducing the number of students living in on-street housing (see Figure 4), such growth appears increasingly unlikely. If this trend continues, vacancy levels may persist or even increase, potentially prompting some providers to lower rents further in an effort to maximise occupancy.

1.17 StuRents also went on to say that the market in Nottingham is showing signs of softening with slowing demand, slower bookings, falling rents, and weaker conversion of searches to sign ups which they consider are pointing toward a more challenging environment for PBSA providers in Nottingham[2].

Overall number of students requiring accommodation

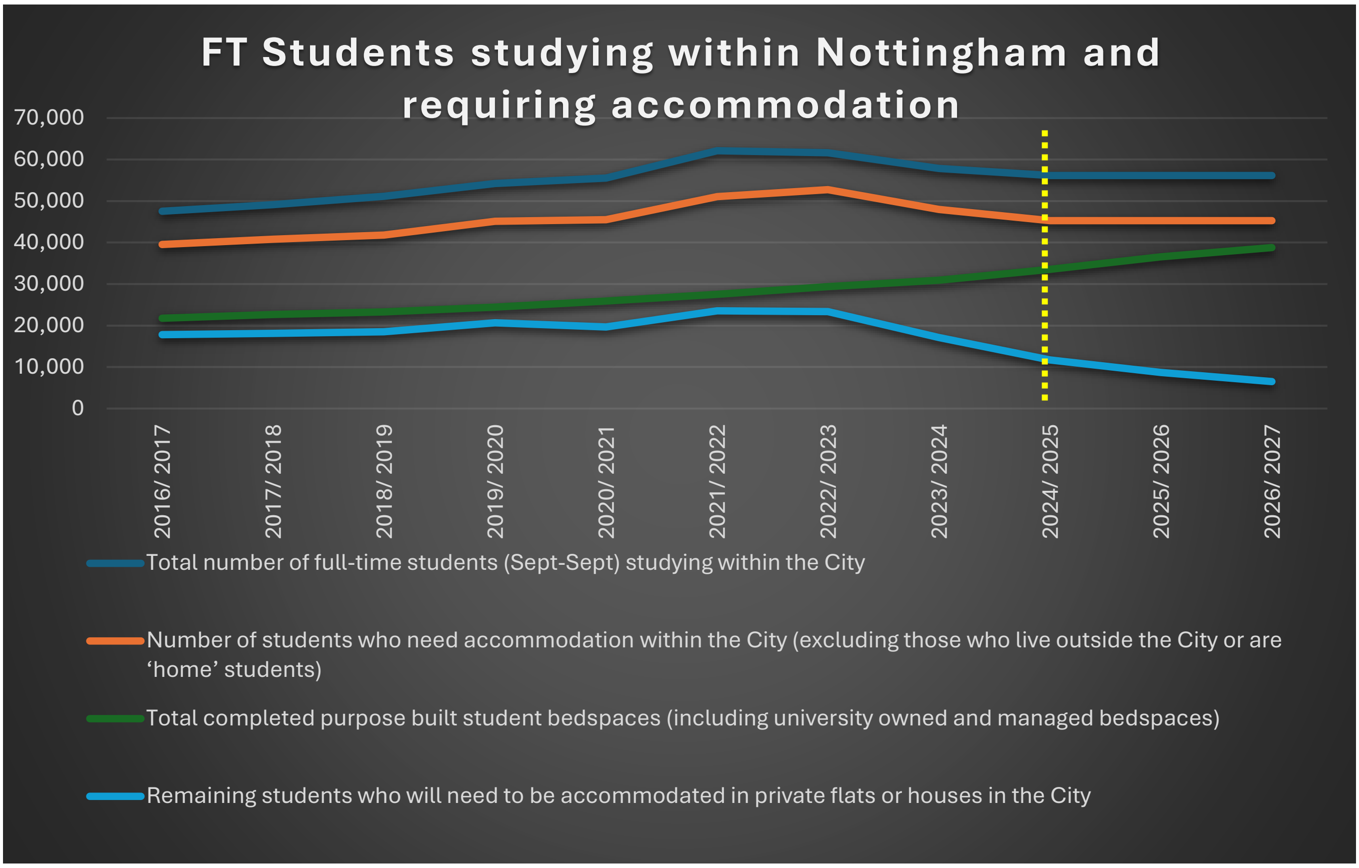
1.18 In recent years, the Council has worked closely with both Universities to establish a clear methodology to estimate the number of students who require accommodation within the City. This is very different to the headline number of students studying at the universities from established data sources 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 set out the number of students who actually require accommodation.

1.19 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, the Universities are then also able to exclude those students who either live at home (with parents or their own home) or live outside of the City as these groups have no accommodation needs. 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.

1.20 Figure 2 shows the total number of full-time students studying and living within the City (**dark 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 **light blue** line.

[2] Student Market Demand Assessment: Nottingham & Beyond | StuRents Summit Update June 2025

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



1.21 As shown in Figure 2, in 2024/25 the total number of full-time students in the City was 56,143, and the number needing accommodation is 45,293. Given that for 2024/25 the total number of completed PBSA beds was 33,569, this leaves a deficit of 11,724 students who will need to be accommodated in private flats or houses.

1.22 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 39,500) through to a peak in 2022-23 (approximately 52,700) resulting in approximately 13,200 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.

1.23 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.

1.24 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. This has resulted in a fall in the number by approximately 4,700 students between 2022-23 and 2023-24 then a further fall from 2023-24 to the 2024-25 academic year of approx. 2,700 students. Overall, a net reduction of approximately 7,450 students who require accommodation in Nottingham since 2022-23.

1.25 One further factor affecting demand for student accommodation is a growing proportion of students studying at the Universities originating from the East Midlands[3]. 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 lower demand for student accommodation including PBSA.

International student numbers have declined

1.26 Nationally there has been a decline in the number of international students studying in the UK[4] in recent years and it is understood that this same trend has played out within both Universities in Nottingham. 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 as there is a preference for this type of accommodation from international students.

1.27 Since January 2024, most taught masters and undergraduate course students can no longer bring family members unless on research programmes or scholarships. This has reduced demand from some international students particularly from India and Nigeria. There has also been greater global competition from other countries offering university education and a general rise in the cost of studying in the UK. All these factors have led to a decline in the number of international students coming to the UK.

1.28 The UK government recently published the Immigration White Paper which proposes tougher international visa requirements – visa refusal rate, enrolment rate and course completion rate, a 6% Levy on International Student Fees and reducing the Graduate Visa Cut down from 2 years to 18 months. Such changes, if implemented may further reduce international student numbers both to the UK and to the two universities in Nottingham.

1.29 However, it is acknowledged that broader geopolitical issues could impact the number of international students to the UK (and Nottingham). For example, the USA's evolving policies towards international students may lead some to prefer other English-speaking countries for their studies. Overall, therefore it is difficult to predict whether the softening in demand and decline in international students studying at our Universities will continue.

Future student numbers

1.30 Whilst it is difficult to accurately forecast student numbers for future years, projections have previously been optimistic towards growth, in part due to an expected growing 18-year-old population in England and Wales between 2019-2030. However, total student numbers have stalled and then declined in 2022-23 and 2023-24 despite this demographic pattern. Given this, and the fluctuations in the numbers of international

[3] 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.
[4] Based on most recent available HESA dataset 2023-2024 and Office for Student data.

students, forecasting future student numbers is now far more difficult with far greater uncertainty in the predictions.

1.31 There are felt to be a number of factors influencing student enrolment numbers across the sector and in Nottingham, at present, including, amongst others:

- Uncertainties for international students and rising global competition,
- Cost of living crisis exacerbated by insufficient maintenance loans,
- Increasing alternatives to university education such as paid apprenticeships.

1.32 The overall softening of demand was not fully anticipated including the reduction in the overall number of students, reduction in international students and an increase trend in home commuters. Given these factors, this report does not predict student numbers for future years but instead assumes numbers will remain relatively static.

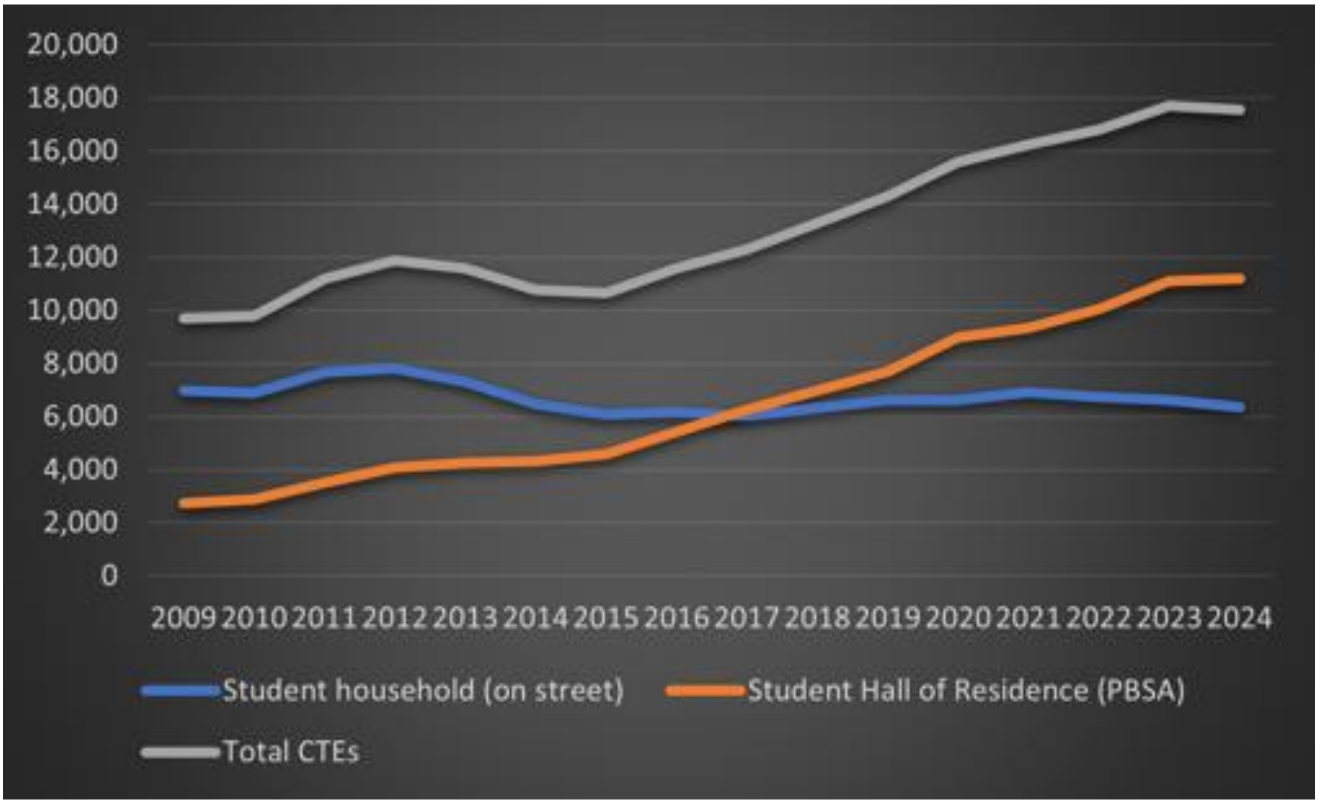
1.33 It should be noted however that both Universities remain hugely popular choices to study at and remain amongst the best higher education institutions in the country. For example, the University of Nottingham has recently been ranked among the world's top 100 universities (QS World University Rankings). It was also identified in 2023-24 as one of the institutions with the highest growth in accepted applications in England (according to UCAS data / UNIPOL analysis). Nottingham Trent University was shortlisted for five categories in the Whatuni Student Choice Awards (WUSCA) this year and was previously voted University of the Year in 2023.

Student Council Tax Exemptions

1.34 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. The data is categorised into 'Halls' and 'Student Households'. The graph (Figure 3) and table below display the figures, including the latest data from November 2024.

1.35 It should be noted that a property may not always remain CTE due to changes in resident status. If all residents are not students, the property cannot be classed as student Council Tax exempt, leading to annual fluctuations. Additionally, 'Halls' (PBSA) classified as 'households' (averaged at five students per house) differ from the number of PBSA bed spaces (students). Properties may also be rented as HMOs to non-student residents while remaining within the Use Class C4.

Figure 3: Student Council Tax Exemptions (2009-2024)



Year	Student household (on-street)	Student Hall of Residence (PBSA)	Total CTEs
2024	6,342	11,197	17,539
2023	6,611	11,084	17,695
2022	6,748	10,064	16,812
2021	6,900	9,348	16,248
2020	6,620	8,970	15,590
2019	6,610	7,693	14,303
2018	6,323	6,970	13,293
2017	6,029	6,272	12,301
2016	6,170	5,413	11,583
2015	6,084	4,572	10,656
2014	6,457	4,321	10,778
2013	7,310	4,254	11,564
2012	7,800	4,071	11,871

1.36 Figure 3 shows that the number of PBSA CTEs is increasing, in line with policies promoting PBSA in suitable locations. Meanwhile, the number of on-street student households shows an overall downward trend and specifically in the last few years has started to reduce significantly with a reduction of 2% between 2021 and 2022, a further 2% between 2022 and 2023 and a more significant drop of 4% between 2023 and 2024. This has resulted in a net reduction in the number of student CTE properties of 550 homes.

1.37 This decline in on-street CTEs will have increased the Council Tax base liability. If the recent trend continues for five years (assume a further 3-4% reduction year on year), Council Tax could increase by approximately £5 million over that period[5].

1.38 In November 2025 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.

Growth in the proportion of students living in PBSA

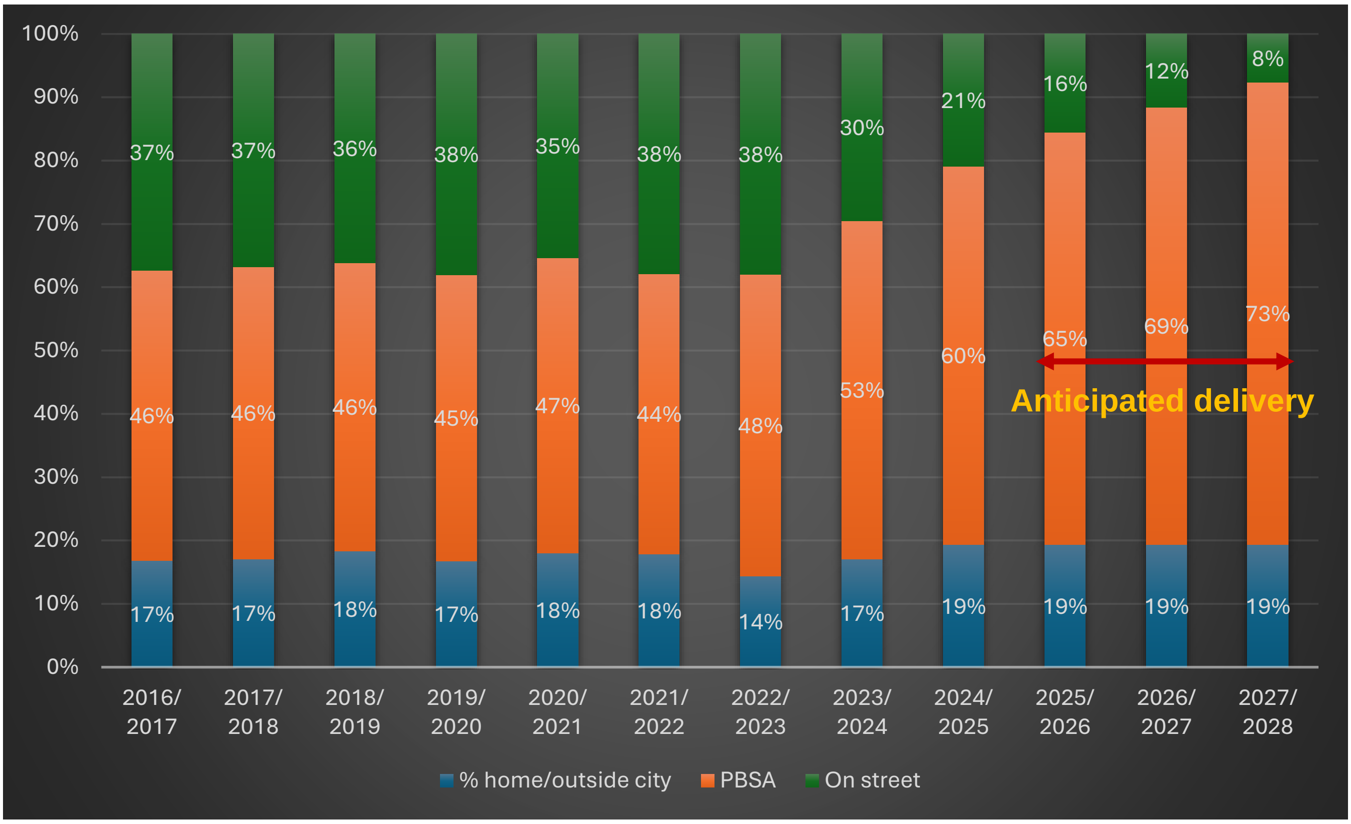
1.39 The Council has been very successful in encouraging the PBSA market in Nottingham which is evidenced by the completion of a substantial number of new private-sector led schemes. This additional capacity has been essential as student numbers have increased and has transformed the student accommodation market with a growing proportion of students living in PBSA compared to on-street private rented accommodation as illustrated in Figure 4.

1.40 Since 2016/17, the largest trend has been a growing number of students estimated to be living in PBSA, rising from 46% to 60% in 2024/25. Over the same period there has been a general decline in the number of students assuming to be living on street (from 37% to 21% 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 19%).

1.41 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.

[5] 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.

Figure 4: % of Students living either outside City/in own home, in PBSA or on street.



Council Tax Exemption data split down by high concentration Wards

1.42 The graphs below show the number of CTE households split by PBSA (Figure 5) and on-street (Figure 6) households since 2015 for the five wards with the highest number of CTE households.

Figure 5: PBSA Student Council Tax Exemptions for wards with the highest number of students

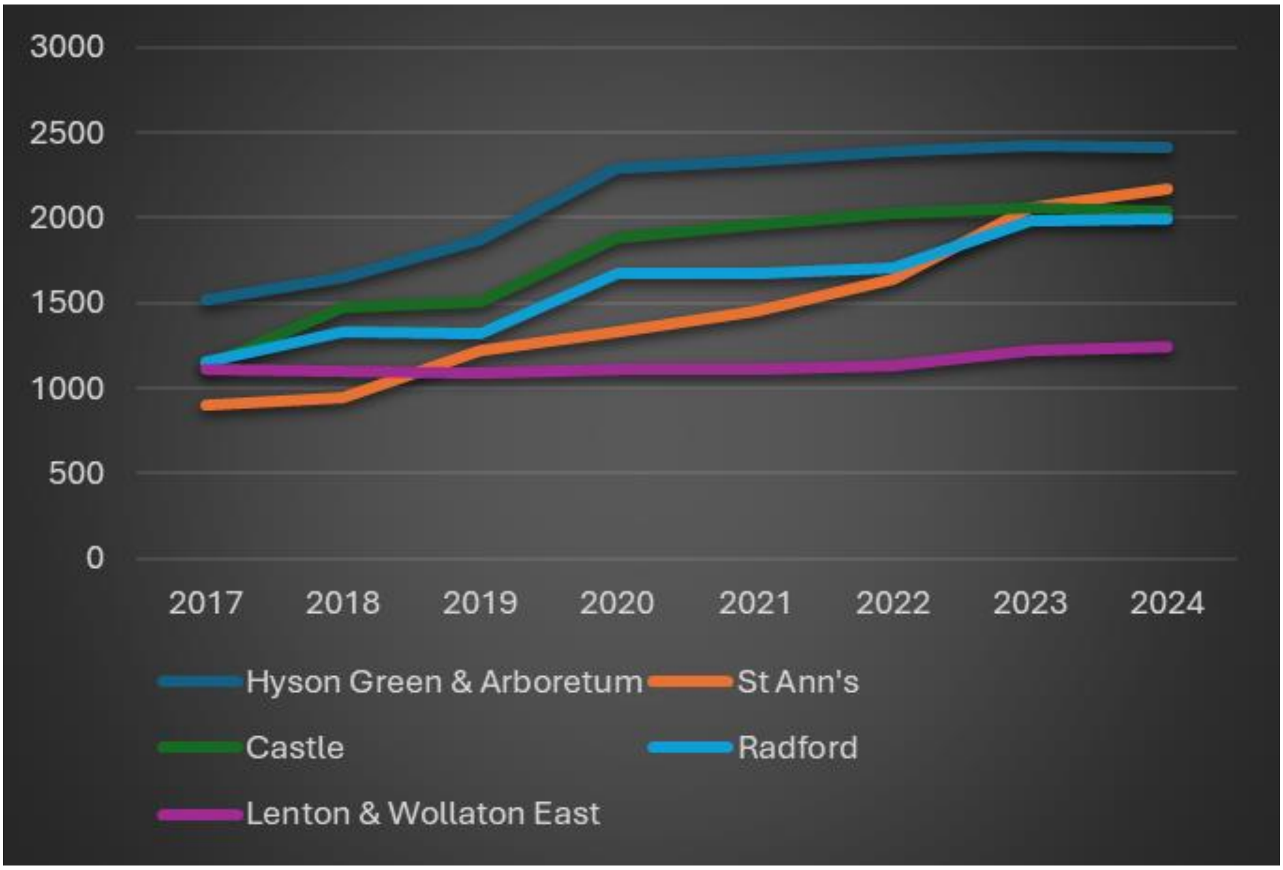
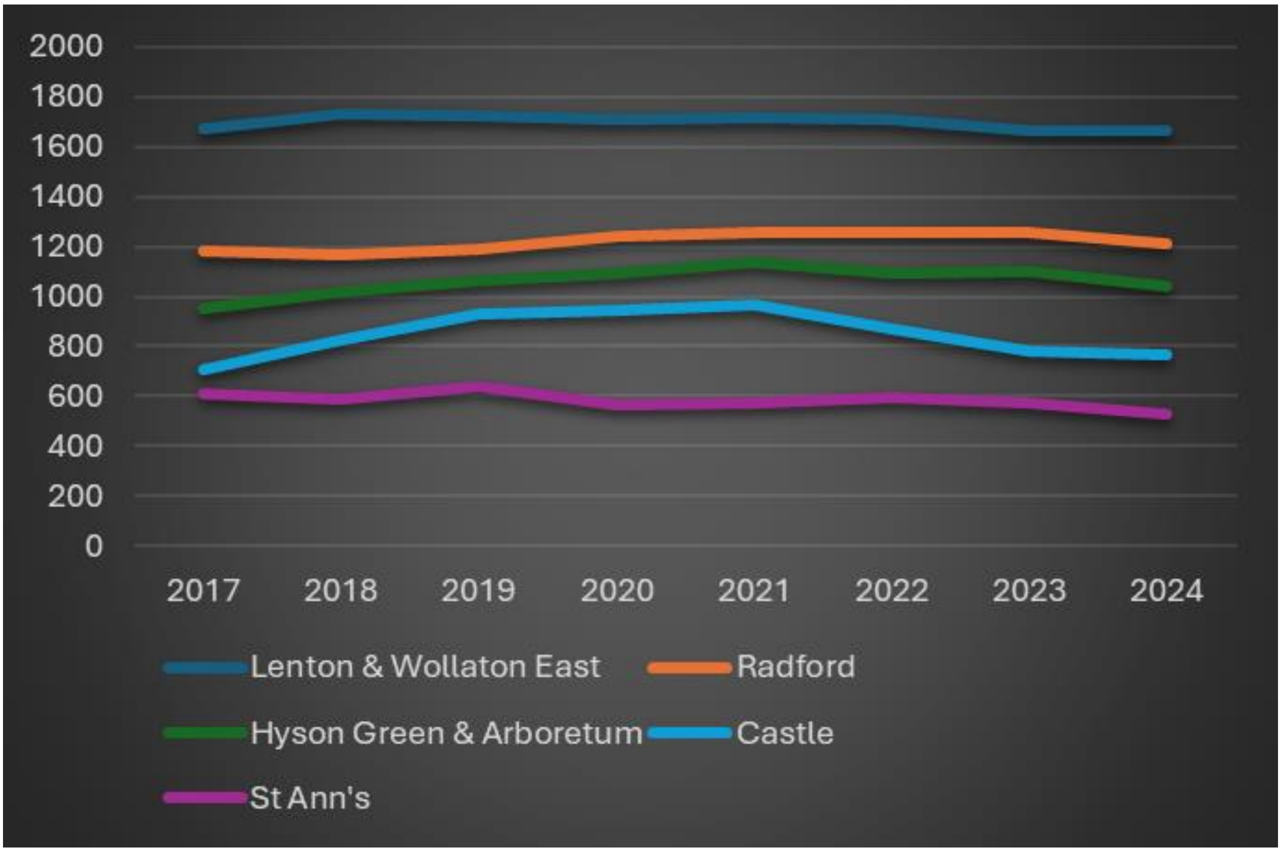


Figure 6: On-Street Student Council Tax Exemptions for wards with the highest amount of students



1.43 The data shows that it is the PBSA CTEs that are driving the rise in these wards and that the number of on-street CTEs has remained reasonably static but is now starting to show some decline in the last few years. Where there is any growth in on-street CTEs, given the policy to resist the change of use to HMOs then this will be in Use Class C3[6] homes where there is no control over students living in those types of properties (flats or small houses).

Student Accommodation Rental Costs

1.44 Unipol[7], 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 is provided in Figure 7. The key points from this are:

- There is a wide range of PBSA rents from approximately £135 to £330 depending on the location of the scheme, the facilities offered and the size and type of room.
- The figures include both individual studios as well as beds within cluster flats.
- The cheapest city centre located ensuite room rentals start at around £140pw.
- The cheapest studio rental starts at around £165 per week.
- There are only a few PBSA schemes which are lower in rent than on street HMOs and in these cases, it is only part of those schemes which are lower in price. These will inevitably be older PBSA which are often less accessible and likely to offer less facilities both within the room (e.g. no en-suite) or within the PBSA scheme itself (less social facilities including for example, no gym, cinema etc).

[6] Class C3 is use as a family dwelling house (can be occupied by between 1-2 unrelated individuals).
[7] 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.

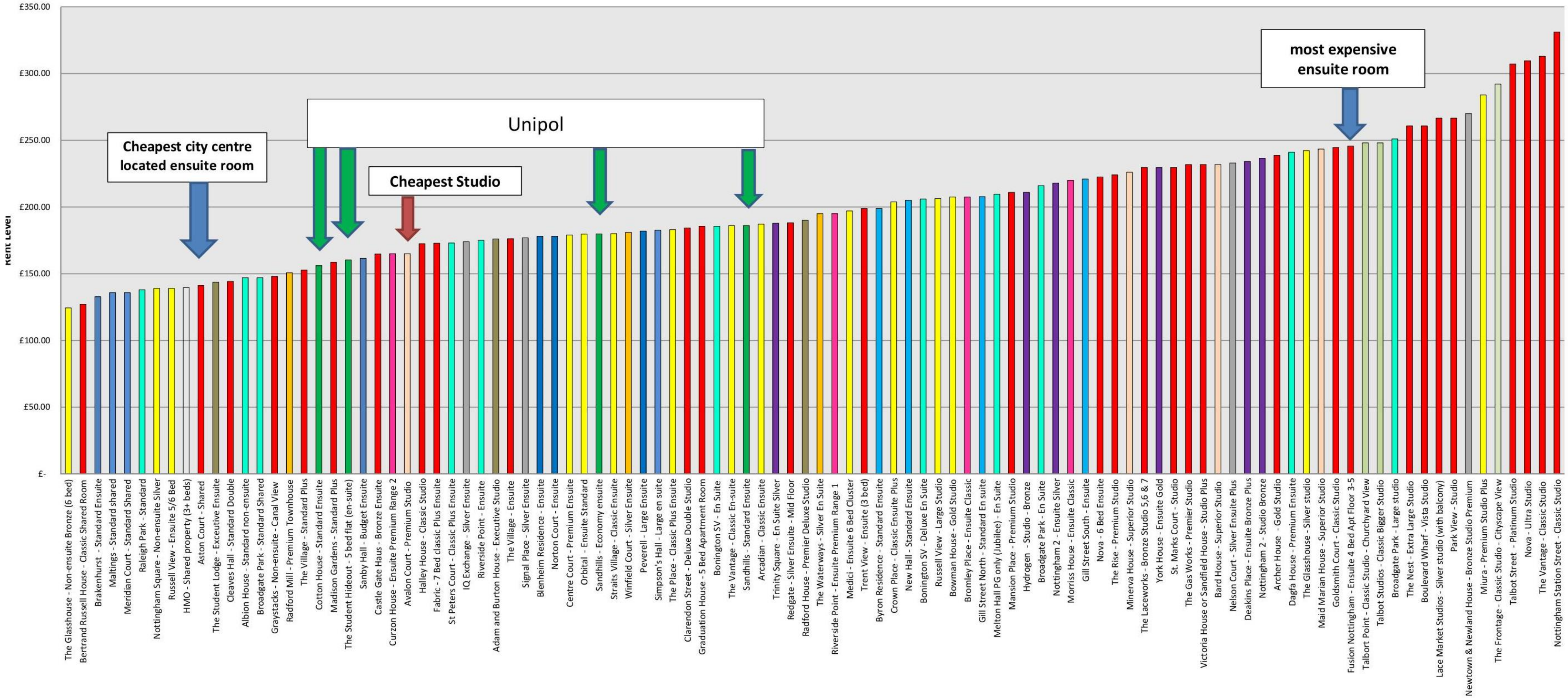
- The most expensive scheme is charging approximately £330 per week for the 2025-26 academic year.

1.45 It is worth noting however that the figures created in the graph are just a snapshot in time from earlier in 2025. Since then, Unipol have confirmed that there have been large fluctuations in rents due to dynamic pricing but that the overall trend is rents are falling on average across the market in Nottingham as providers seek to fill their schemes. Unipol's rent data also doesn't consider any snap "sales" or incentives such as cashback (examples of up to £2,000 per studio have been offered) or free benefits such as public transport passes.

1.46 Since this graph was produced, Unipol have done some further research using Student Crowd data which has shown that PBSA rents are currently tracking at around 2022/23 levels for en-suite rooms with incentives up above £400 for 2025/26 compared to £100 in 2022/23. For studios Unipol have stated rents are tracking at 2023/24 levels with incentives again around £400 compared to around £200 in 2022/23. Unipol also highlight that as there is additional capacity within the market with greater choice, students are taking longer to sign leases, there are more incentives, lower rents generally and lettings are slowing.

1.47 There may also be some mismatch between the rental amount set for new PBSA units and market demand, noting also the earlier mentioned finding of higher vacancy levels for recently completed PBSA schemes. Data from StuRents indicates that the average cost of PBSA in Nottingham that became operational in 2024 was approximately £200 pppw, which is considerably higher than the cost of the cheapest studio or ensuite accommodation, or rental rates for HMOs. This suggests that the market segment able to afford £200 pppw represents only a small portion of the overall student demand in the City, even as the supply of accommodation at this price point continues to increase[5].

Figure 7: Nottingham Student Accommodation Weekly Rent Comparison (44 weeks) 2025-26 – as of February 2025



Delivery of PBSA and future Pipeline

1.48 For the past 5 years on average there has been an increase of over 1,800 additional PBSA bedspaces with Nottingham often having the highest delivery of any City outside of London[8]. 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.

1.49 The Council has a very healthy pipeline of PBSA schemes that may come forward in the next few years. This currently amounts to approximately 7,000 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.

1.50 Currently we are anticipating a further 3,000 new bedspaces for the next 2025-26 academic year and a forward projection of over 2,000 bedspaces per year for the following 2 years (2026-27 and 2027-28). Inevitably some of these schemes will slip in delivery timescales or, given uncertainty in the wider development industry and PBSA sector, may not get completed. However, it is still reasonable to consider that significant additional capacity will be delivered on an annual basis for the next few years especially as some of these developments have commenced and are coming out of the ground.

1.51 There are uncertainties on student enrolments going forward as noted earlier. As a result, it is imperative that any additional capacity created in the PBSA market is aimed at students who would traditionally live in 'on-street' accommodation in shared housing as this could accelerate the shift in student preferences to PBSA. Further students moving out of traditional housing would help to rebalance communities where there remain high concentrations of student households. This has always been the aim of the Council's policy of promoting PBSA but it is only now that delivery is above the growth in student numbers that this is starting to have a direct impact indicated by the drop in CTEs in on-street housing.

1.52 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. The idea being that the PBSA market must become wider and offer 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 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.

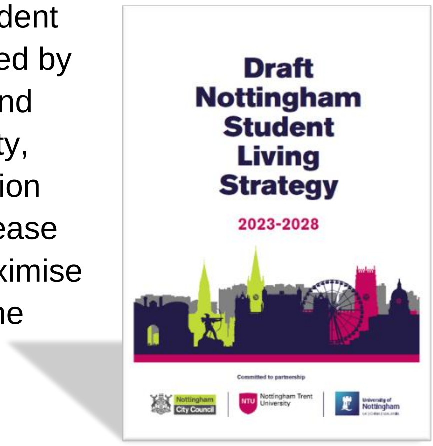
1.53 It is therefore imperative that 'shared accommodation' in the form of cluster flats is the dominant type within new PBSA to attract those students who naturally choose to live in on-street accommodation to share with friends. This type of accommodation is also on average 20-25% cheaper than studios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

[8] See Frank Knight Report Q4 2024

1.54 Nottingham has a significantly higher average of studio accommodations (single-bedroom units) at approximately 25%, compared to the national average of 12%[9]. 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.

The Nottingham Student Living Strategy (SLS)

1.55 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.



1.56 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.

1.57 Since its adoption, an SLS Implementation Group has been established to oversee delivery. This group includes representatives from the three partner organisations as well as from each of the Student Unions. 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.

1.58 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.

[9] Data from Unipol Accommodation Costs Survey 2021

PBSA Supplementary Planning Document (SPD)

1.59 Following the publication of the draft PBSA Supplementary Planning Document (SPD), the Council undertook a public consultation, receiving 21 responses from a range of stakeholders including residents, PBSA providers, universities, and students. While there was general support for the SPD's aims particularly its focus on design quality, affordability, and reducing pressure on HMOs, there were some concerns raised around affordability measures, accessibility requirements, and the proposed cap on studio accommodation (20%). Some providers also questioned the legal robustness of certain provisions and called for greater flexibility to reflect market conditions and site-specific constraints.

1.60 The Council has however decided to place the SPD on hold. This decision reflects several key considerations:

- **Effective Existing Policy Framework**: The Council's current Local Plan policies (notably Policies HO5 and HO6) are proving effective in guiding the delivery of high-quality PBSA schemes. Recent approvals demonstrate that the right mix of cluster and studio accommodation is being achieved through proactive engagement with developers and the City's universities, in line with the Student Living Strategy.
- **Changing Market Conditions**: There has been a noticeable increase in vacancy rates within existing PBSA stock as shown in the recent occupation survey and a slowdown in new pre-application enquiries. This suggests a more balanced supply-demand dynamic and a reduced interest in further PBSA provision.
- **Emerging Trends**: There is growing developer interest in co-living schemes and the repurposing of some existing PBSA for alternative uses. Given that the current Local Plan does not specifically address co-living products, the City Council will now prioritise the preparation of informal planning guidance on this emerging form of accommodation. This guidance will help shape future proposals and provide guidance ahead of the forthcoming Local Plan review for repurposing of PBSA if proposals emerge for a change of use.

1.61 While the PBSA SPD is not being progressed at this time, 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 and the forthcoming co-living guidance.

Conclusions

1.62 The Nottingham student accommodation market is entering a period of transition shaped by changing student demographics, evolving preferences, and emerging challenges in both the national and local context. The PBSA market, which has previously experienced rapid growth, is now facing increased vacancy rates and signs of market softening for the second consecutive year. These trends point to greater competition among providers including lowering of rents and a pressing need to ensure that new PBSA developments are affordable, appropriately located, and tailored to student demand particularly for shared living formats such as cluster flats.

1.63 While full-time students with housing need have recently declined, the overall number remains high. Nottingham's proactive delivery of PBSA has prevented the type of student accommodation shortages seen in other cities. However, uncertainty remains around future student numbers, particularly in light of reductions in international enrolments and wider cost-of-living pressures. This underlines the importance of careful planning and continued collaboration with university partners to ensure supply can best align with real demand.

1.64 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.

1.65 The downward trend in on-street Council Tax Exemptions (CTEs) and the shift towards PBSA are encouraging signs that the Council's longstanding policy to promote high-quality student accommodation in suitable locations is having a positive impact. If managed carefully, this transition could further increase the Council Tax base and support the rebalancing of neighbourhoods with previously high concentrations of student households.

1.66 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;
- 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.

1.67 Considering the increasing vacancy rates, softening demand, and uncertainty over future enrolments, it is now essential that future PBSA proposals are accompanied by robust and site-specific evidence of need. This aligns with the Council's adopted Local Plan policy requirement (set out in Policy HO6) to demonstrate the necessity for new student accommodation of the type proposed. Stronger scrutiny of applications will ensure that future development is both justified and targeted towards meeting genuine housing need particularly for shared, affordable models that serve a broader student population.

1.68 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.

1.69 With a strong pipeline of PBSA schemes and effective policy tools in place, Nottingham is well-positioned to respond to current challenges while supporting a thriving, inclusive, and well-managed student accommodation market.