

## About the student accommodation market

There are 2,260,000 full time and part time students in the UK (2004/05), of which some 310,000 are from EU and non-EU countries

- 76% of full-time students are enrolled in universities outside their home county and therefore require some form of accommodation.
- There are some 100,000 students who are not provided with university owned accommodation in their first year.
- Universities still meet less than 25% of potential demand for accommodation.
- 56% of students live in the traditional private rented sector, 15% live in university-owned accommodation, 13 per cent live with parents, and 6-8% live in commercial sector accommodation like UNITE.
- The Government has a target of 50% of young people to experience higher education by 2010. This represents a growth in student numbers of around 2.6% per annum over the next four years.
- Independent DTZ forecasts total student numbers to increase by 9% in the period to 2010.

Student accommodation for those studying away from home is largely provided by three main sources:

- Education establishments;
- Private landlords;
- Private sector serviced accommodation.

As the number of students has mushroomed in recent years, most universities and other further education establishments have been unable to match the supply with the demand for suitable accommodation. This has resulted in an increase in demand for accommodation from private landlords. However this provision has still failed to match demand levels and has been seen to leave students exposed to a relatively arbitrary service in terms of location and standards.

The Housing Act (2004) which came into force on 6 April 2006 will result in the improvement of the quality of private rented housing through more stringent standards and the introduction of a licensing scheme. The quality and high standard of UNITE's portfolio means that the Group is well placed to benefit from this legislation and from the continued growth in the sector.

The growth in the number of post-graduate students will increase demand for family accommodation, while the growth in the number of students from overseas and the increasingly multi-cultural nature of the indigenous student population will increase the requirement for provision that is sensitive to cultural and religious needs.