

Preston Local Plan 2012-2026
Student Accommodation Policy Note
August 2019



1. This note has been prepared by Preston City Council (the City Council) in order to provide clarification on the interpretation of Preston Local Plan 2012-2026 (Site Allocations & Development Management Policies) (Adopted Local Plan) Policy HS6 following the publication of a Student Accommodation Demand and Supply Study (May 2019) produced by consultants on behalf of the City Council ([Link](#)).
2. Adopted Local Plan Policy HS6 is the statutory development plan policy relating to student accommodation in Preston.

The content of Policy HS6 can be seen below:

Policy HS6 – University of Central Lancashire

Within and adjoining the area defined as HS6 on the Policies Map, development will be permitted for educational uses (Use Classes D1, D2), or any other appropriate complementary uses, including student accommodation and knowledge based and creative industry, that relate to the operation of the University, or welfare of staff and students.

Outside the area defined as HS6 on the Policies Map, proposals for student accommodation will need to be justified and will be considered taking the following matters into account:

- a) the existing supply of and need for student accommodation (including vacancies), gaps in the market and provision for accommodation of students with special needs;
- b) the type of accommodation proposed and whether it will provide a beneficial alternative to the existing stock of student accommodation in the area;
- c) the surrounding land uses, whether they are residential dwellings, and the level of facilities available in the area;
- d) the accessibility of public transport provision in the area and the strength of links with the University campuses;
- e) The density of development including the appropriateness of the development taking account of surrounding land uses / densities

3. This note focuses on part (a) of Policy HS6, which states that proposals for student accommodation outside of the area defined as HS6 on the Policies Map¹ will need to be justified and will be considered taking into account:

¹ Refer to the [Local Plan Mapping Service](#) to see the extent of the area defined as HS6 on the Policies Map.

'(a) the existing supply of and need for student accommodation (including vacancies), gaps in the market and provision for accommodation of students with special needs'

4. The supporting text to Policy HS6 states (at Paragraph 5.62 of the Adopted Local Plan) that proposals for student accommodation outside the HS6 area will be '*strictly controlled and subject to the criteria set out in Policy HS6*' and that all new student accommodation outside the area defined as HS6:

'i. Does not result in an over-supply of student accommodation and increase vacancy levels of existing accommodation within the defined area'

5. Whilst Policy HS6 forms part of the development plan in Preston, to date, there has been an absence of evidence to underpin the robust application of the policy. In February 2019, the City Council commissioned consultants Cushman & Wakefield to undertake a demand and supply study, with respect to student accommodation, within the City. This study has now been completed.
6. The conclusions in the study with respect to demand reveal an overall fall in student numbers which has directly impacted on demand for student accommodation in the City. Similar to a number of post-1992 universities across the UK, UCLan is not currently planning for growth in student numbers.
7. On the supply side, UCLan (as of the 2018/19 academic year) provides 1,736 beds to students. In addition, the private sector market provides 3,873 beds to students – with just under a third of those (1,027) having opened in the last three years, in contrast to the falling student numbers in the same period of time. This provides a total purpose built stock of **5,609 student beds**.
8. Furthermore, as of July 2019, a further 924 beds currently sit within the development pipeline, as student or apartment based accommodation, within the City. Although it remains unlikely that all these developments will be realised.
9. Finally, from the supply side, the Houses in Multiple Occupation (HMO) market plays an important role in providing accommodation for students. At 2017, 2,862 students were living in shared accommodation in the private sector.
10. In overall terms therefore, the study expresses the current student accommodation market in the City in a student to bed ratio, whereby a nationally observed healthy ratio being 2.0:1 i.e. two students for every bed offered. A lower ratio would indicate an oversupply in the market, and vice versa.
11. The City-wide all year student to bed ratio in Preston currently stands at **1.7:1**, which would, of course fall further should any of the schemes within the development pipeline be realised. **There is therefore a current significant oversupply in**

purpose built student accommodation within the City. The first year student to bed ratio in Preston currently stands at **0.7:1**.

12. Considering the above ratios in pure numbers, **the study finds that there are currently 1,061² unfilled bed spaces within the City.** Overall, 4,106 first year student beds are currently demanded, along with a 21% returning market (subsequent year students also demanding purpose build accommodation) this increases to **4,548 student beds**. Should the current development pipeline be included the oversupply situation would be further exacerbated.
13. In the context of the decline in student numbers in recent years, alongside the continued attractiveness of the HMO sector to contribute to the student accommodation supply (especially to returning students), it is clear that a continuation in growth of purpose built student accommodation in the City is not sustainable.
14. The study makes clear, on the basis of current and future supply and demand of purpose built student accommodation, a need to allow for an ‘evolution’ of product in the City in order to increase the attractiveness of UCLan as a study destination thereby delivering wider benefits for the City. The priority in this regard ought to be delivering better quality, largely en-suite schemes that support modern student living habits and enhance the student experience.

Clarification of Policy Position

15. The evidence clearly shows that the student accommodation market in Preston is now in a state of oversupply. **As such, in accordance with criterion (a) to Policy HS6 of the Adopted Local Plan, all current and future planning applications for net additional purpose built student accommodation outside of the area defined as HS6 on the Policies Map will be required to:**

Submit a **Student Accommodation Assessment** which:

- Demonstrates evidence of demand for the proposed size and type of student accommodation taking account of:
 - existing provision of purpose built student accommodation
 - approved and under construction purpose built student accommodation
 - current and future demand for purpose built student accommodation
- Provides evidence of consultation and engagement undertaken with UCLan in the formulation of the development proposed.

16. The City Council will keep the situation under review, however it is anticipated that this position will continue until such a time as a new policy is adopted as part of the Local Plan Review process.

² Current Student Bed Supply (5,609 beds) – Current Student Bed Demand (4,548 beds).