



## Homes Fit for Study London

This briefing looks at the findings of the Homes Fit For Study research in relation to students' experiences of the private rented and purpose-built student accommodation sectors in London

### Introduction

Homes Fit for Study, published in March 2014 was the NUS Welfare Zone's flagship research project exploring the provision of housing for students. The research focused on how students access and experience the private rented sector. Across the UK, over 7,000 students responded to the Homes Fit for Study survey which was open from November to December 2013, and almost 3,000 of them lived in the private rented sector. As the majority of students who live in the private rented sector are also enrolled at higher education institutions, the national report focused on the experiences of these students in particular. However, the student population is diverse and as a follow up to the main report there are a number of briefings available on the experiences of particular groups who are likely to have markedly different experiences to the majority of students.

There are more students living in London than anywhere else in the country. They face a larger market to access housing from, but also a market in which there are more dangers of exploitation. The London housing market is larger, more competitive, and dynamic; properties move between student renters and others, as opposed to there being a distinct 'student sector' as is the case in many other cities. The diversity of locations of institutions and breadth of London's geography also mean that students may not live in the vicinity of their institution and will invariably have to compete with both students and other London residents.

The London market is unique, and commonly held to be fraught with difficulties for student renters, as well as others. Where elsewhere, certain issues exist for students and others, the level of the structural undersupply of housing of all types in London brings with it some very specific problems. Where elsewhere, students' unions are concerned about students renting too early in markets flooded with housing supply, in London students' unions are concerned about whether students will be able to rent at all – and if so, what the conditions and costs associated may be. **A total of 980 London students studying a higher education course responded to this survey, with 397 living in the private rented sector. Please note, these findings have not been weighted, and so cannot be directly compared to the national findings**

## Key findings

- **Housing choices** Location, affordability and ease dictated the choice of housing for respondents and was marginally higher than the national findings.
- **Housing choices** London-based respondents overwhelmingly wanted to live in accredited accommodation, though they felt that support and their knowledge of tenants' rights was inadequate
- **Accreditation schemes** The majority of respondents, 83 per cent, did not know about local accreditation schemes and therefore made no use of them.
- **Deposits, non-refundable fees and rent** Average rents for respondents were higher than the average, largely ranging from £400 - £700 per month with rent levels most commonly falling between £500 and £600 per month. A third paid £600 or more.
- **Deposits, non-refundable fees and rent** Respondents relied heavily on borrowing or informal financial support from friends or family, as well as student loans to cover their housing costs.
- **Deposits, non-refundable fees and rent** Those who paid letting fees to secure their property paid mostly in the region of £100 - £200 per person.
- **Deposits, non-refundable fees and rent** Most respondents who had previously rented as students had their deposits returned in full. However, just under a quarter had their deposit partially or fully withheld.
- **Amenities** While respondents' homes largely had functioning heating and recycling facilities, security measures were lacking and a low proportion of homes had double glazed windows.
- **Satisfaction with property** Just over half were satisfied or very satisfied with the management of their property, while more than a quarter were dissatisfied or very dissatisfied.
- **Satisfaction with landlords** A high proportion of respondents had had poor experiences with landlords; the most frequent issues were delays to repairs, poor communication and entry to property without prior warning.
- **Satisfaction with landlords** A quarter of respondents in London were asked to pay a holding deposit before seeing a copy of the proposed contract, while pressure to sign a contract was experienced by a fifth of respondents.
- **Guarantors** Just over half of London students were asked for a UK based guarantor and 90 per cent were able to provide one.
- **Policy changes** Respondents most wanted to see minimum standards for housing in the private rented sector, a ban on letting agent fees and more regulation of landlords and letting agents.

## Demographics of the sample

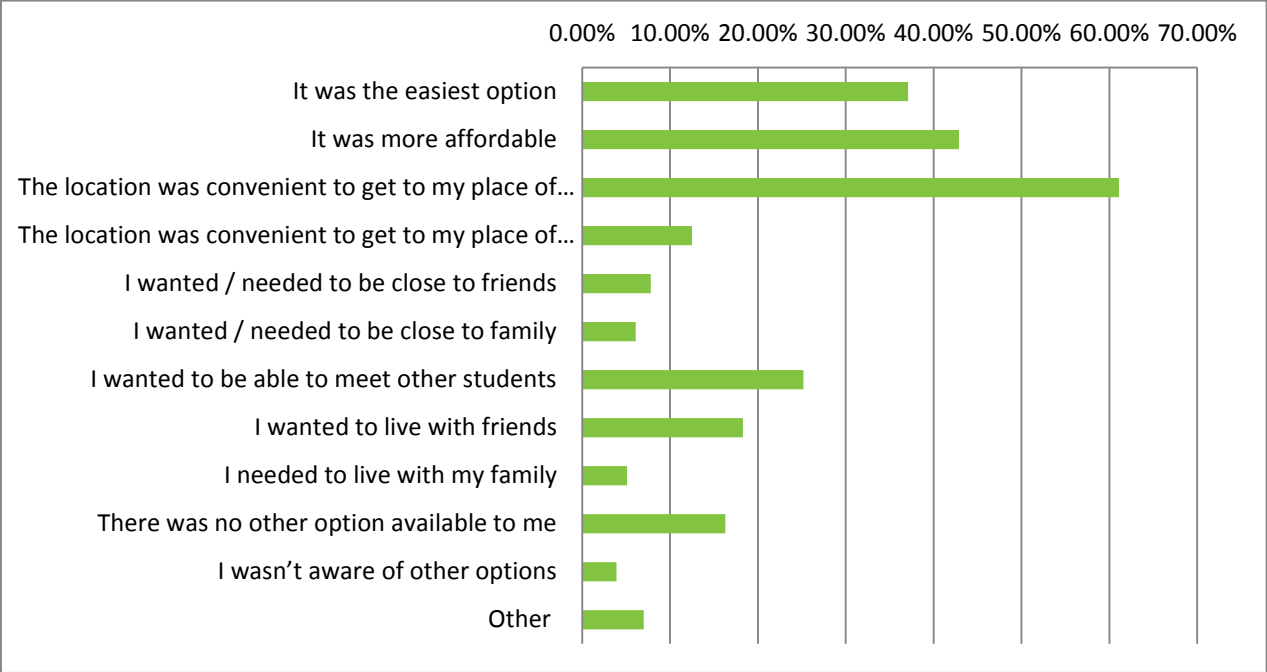
The demographics of the sample were as below.

Table 1: Demographics					
Gender		Age		Ethnicity	
Man	362	16-18	188	White	736
Woman	648	19	158	Non-White	259
In another way (please describe)	6	20	112		
Prefer not to say	11	21-24	304		
		25-29	145		
		30+	105		
Year of study		Level of study			
Year one	529	Further Education	53		
Year two	219	Undergraduate	635		
Year three	187	Postgraduate	345		
Year four	63	Other	-		
Year five or after	25				

Disability	
Physical impairment, such as using a wheelchair to get around and / or mobility difficulties	7
Blind or partially sighted	4
Deaf or hard of hearing	5
Mental health difficulties, such as depression or schizophrenia	65
Learning difficulty (such as dyslexia, dyspraxia)	41
Profound and / or multiple learning difficulties	1
Autistic Spectrum Disorder	6
An unseen disability or health condition (e.g. diabetes, epilepsy, asthma, HIV)	41
A disability not listed above (please describe)	12
Prefer not to say	11
No known disability, impairment of long-term health condition	490

# Housing choices

Respondents noted a range of different priorities when deciding which kind of accommodation to live in during their studies (fig 1). The top three priorities were the same as the national findings; location being convenient for place of study, affordability, and ease. In each case, these were noted by a higher proportion of respondents than the national sample. It is interesting to note that for many, holding more than one of these priorities may result in some tough trade-offs; for instance, going for the easiest option in the best location for their place of study may be directly at odds with concerns about affordability.



**Figure 1 Why did you choose this type of accommodation**

Among those respondents living in the private rented sector, opinion of the sector was largely negative and many expressed concerns about student housing in the city (fig 2). Although there is currently very little accreditation operating in the city, almost three-quarters of respondents stated that they would prefer to rent from an accredited provider where possible, and this is similar to the national findings. This may be of note considering the current rollout of the London Rental Standard.

The views of London-based respondents on the sector as a whole were largely much more negative than the national sample as a whole. In particular, very few felt that they had a lot of choice when it came to housing (27 per cent compared to 42 per cent nationally) and just 18 per cent felt that there was enough support available for renters (compared to 31 per cent nationally). These statistics indicate a sense of injustice at the challenges they face in seeking appropriate housing in one of the world’s most sought after cities. To illustrate this further, just 20 per cent felt that tenants had enough rights in the private rented sector in general, compared to 28 per cent in the wider sample.

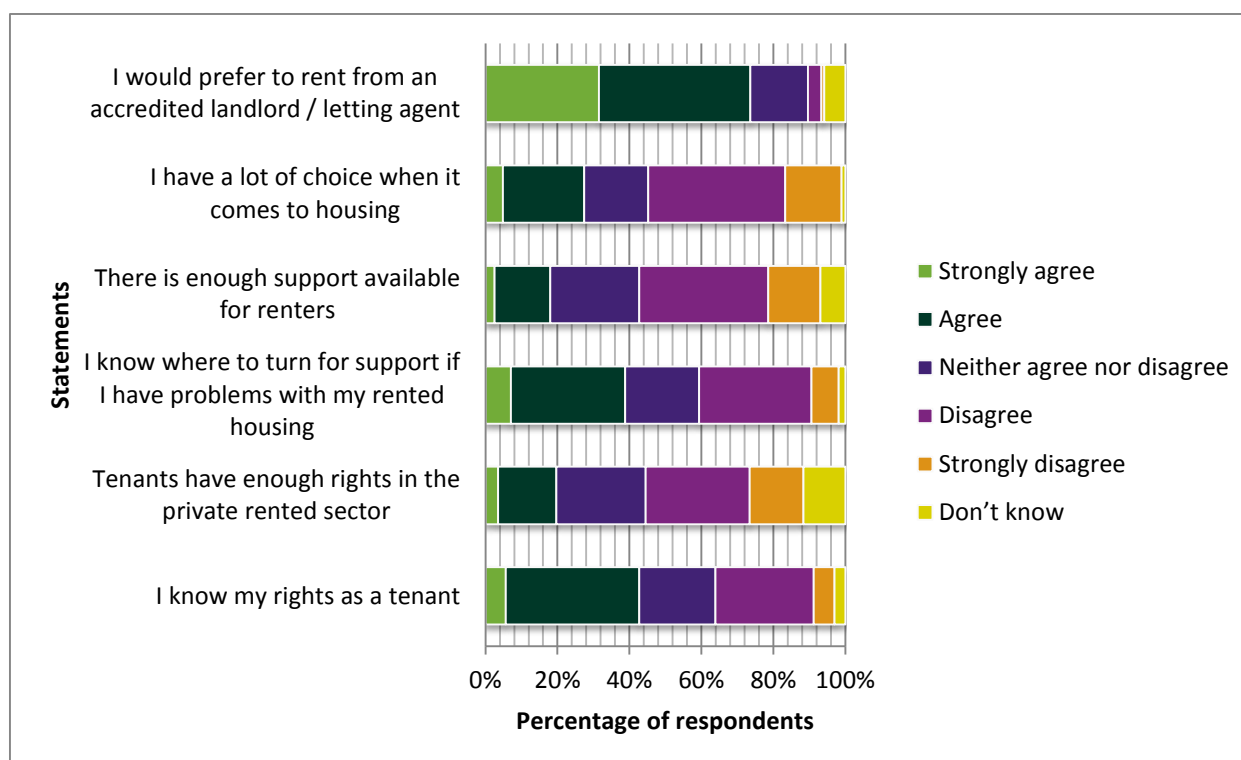


Figure 2 Views on the private rented sector

## Rent, deposits and non-refundable fees

Living in London is expensive and housing costs are one of the key causes of the rising price of living in the capital. London has a relatively lower provision of purpose-built student accommodation (PBSA) for the number of students residing there in comparison to other cities in the UK, and much of this is at the higher end of the market. As such, while this kind of accommodation can offer convenience, it is not appropriate or feasible for many students who only have a student loan or limited money from family to support them.

While the private rented sector does represent an intermediary rent level within London compared to PBSA, the rents are still much higher than outside the capital and even relative to a slightly elevated student loan entitlement for home students. An imbalance between demand and supply means that rents will probably continue to remain high at least in the near future. This demand allows landlords and letting agents to take advantage of intense competition between tenants, and consequently properties which are poorly maintained may be rented at a high rent level. While student loans are also higher in London due to cost of living, they consistently do not cover the cost of renting in the city, meaning students have to use a variety of different means to maintain decent living standards.

As expected the cost of rent was higher than national findings with a concentration of London respondents paying £500 - £700; in the national findings most students paid between £300 - £500 (table 2). A significant minority were also paying over £700 in rent in PBSAs; rents of this level were rare in the national findings. It is clear from the table overleaf that, apart from those living in the family home, finding a rent level below £400 per month was fairly unusual in London, and finding a room below £500 per month was challenging in PBSA. Of those living in accommodation not managed by their institution and living in accommodation managed by private providers 17 per cent were paying £700 or more.

Table 2: Average Rent								
How much do you contribute to monthly rent or mortgage payments?								
	Privately rented house/flat	Privately rented house/flat with a live-in landlord	Student accommodation managed by my institution	Student accommodation managed by another provider	In my family home	In my own home	In social housing	Other
<b>Greater than £0 to £100</b>	1%	3%	1%	1%	56%	9%	9%	11%
<b>Greater than £100 to £200</b>	2%	3%	9%	10%	15%	9%	18%	22%
<b>Greater than £200 to £300</b>	3%	3%	2%	5%	11%	9%	9%	33%
<b>Greater than £300 to £400</b>	12%	14%	4%	1%	7%	4%	9%	22%
<b>Greater than £400 to £500</b>	24%	22%	19%	7%	4%	26%	36%	-
<b>Greater than £500 to £600</b>	30%	38%	25%	23%	-	4%	9%	-
<b>Greater than £600 to £700</b>	17%	19%	19%	12%	-	13%	9%	-
<b>Greater than £700 to £800</b>	5%	-	12%	17%	-	9%	-	11%
<b>Greater than £800 to £900</b>	2%	-	3%	9%	4%	9%	-	-
<b>Greater than £900 to £1000</b>	2%	-	4%	7%	-	9%	-	-
<b>Greater than £1000</b>	2%	-	2%	9%	4%	-	-	-

There was a variety of means through which respondents financed their rental costs (table 3). While most home students did use their student loan, an even higher proportion of students reported using informal support given by families, partners or friends and many also reported using salaries or personal savings. Not only does this suggest that a number of financial means are necessary for London students to be able to rent, it suggests that current student loan entitlements fail to meet students' financial needs.

<b>Table 3: How rent is paid</b>	
Student Loan	48%
Personal Savings	44%
Money given by friends / family / partner	50%
Scholarship	19%
Salary	31%
Social Security Benefits (e.g. Housing Benefit)	2%
Credit Card	3%
Overdraft Facility	23%
Money borrowed from a bank	3%
Money borrowed from friends / family / partner	13%
Money borrowed from a 'payday' lender	1%
Applied for financial support from my university or college	8%
Other	4%

It also suggests that even with student loans and employment, rent levels are still too high in London and students are likely to find it harder to live and study in London without periodic financial hardship. This is also alluded to with the significant proportion relying on either debt (whether formal or informal) or financial support from their university or college.

Those students who reported paying non-refundable letting fees largely paid between £0 and £300, Overall 43 per cent of those who had paid fees reported they had paid £200 or more in non-refundable charges which is markedly more than the rest of the UK (table 4).

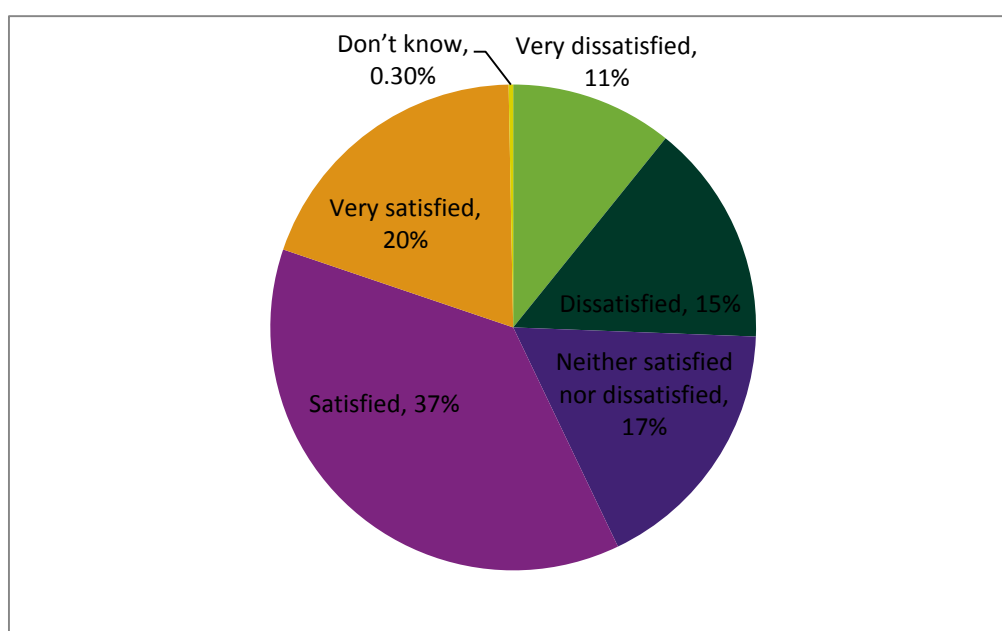
<b>Table 4: Non-refundable fees</b>	
As far as you remember, approximately how much did these non-refundable fees total?	
<b>Greater than £0 to 100</b>	16%
<b>Greater than £100 to £200</b>	29%
<b>Greater than £200 to £300</b>	18%
<b>Greater than £300 to £400</b>	8%
<b>Greater than £400 to £500</b>	7%
<b>Greater than £500 to £600</b>	4%
<b>Greater than £600 to £700</b>	3%
<b>Greater than £700 to £800</b>	4%
<b>Greater than £800 to £900</b>	1%
<b>Greater than £900 to £1000</b>	4%
<b>Greater than £1000</b>	6%

In terms of deposit return, London students were seemingly more likely to have their deposits returned than students nationally; however 90 students still had their deposits partially or fully withheld (table 5). A large proportion of respondents did not answer this as they were currently renting for the first time in the UK as a student and had therefore not been through the deposit return process.

<b>Table 5: Return on deposit</b>	
If you have previously left a rented property where you had paid a deposit	
<b>My deposit was returned in full</b>	66%
<b>My deposit was partially withheld</b>	30%
<b>My deposit was fully withheld</b>	4%

## Satisfaction

Overall satisfaction with the management of current accommodation was slightly lower amongst London respondents, with 37 per cent satisfied and 19 per cent very satisfied with their current property. This is against the national findings where 60 per cent of respondents either satisfied or very satisfied with their property (figure 3). However there were also more than a quarter of students who were dissatisfied or very dissatisfied and a fifth who were neither satisfied nor dissatisfied, suggesting that experiences of the private rented sector in London are ambivalent at best. There are also questions to be asked about the level of expectation students enter the private rented sector with.



**Figure 3 Overall, how satisfied are you with the management of your home?**

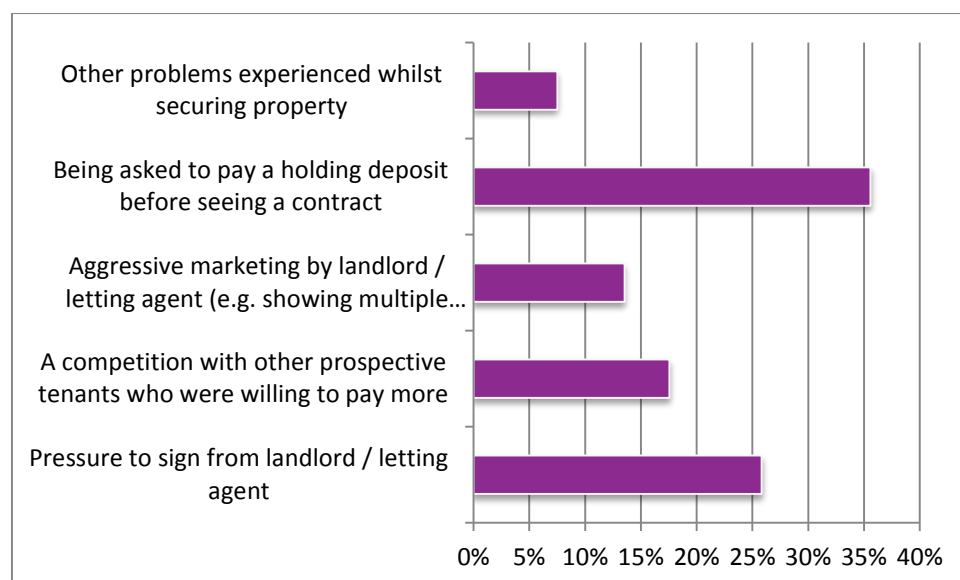
A recurring theme throughout the national findings was dissatisfaction with communication with landlords and agents and the timeliness of repairs. For London students this was broadly similar although landlords entering the property without seeking permission appeared to be more common (table 6).

<b>Table 6: Experiences with landlords and lettings agents</b>	
<b>Have you experienced any of the following?</b>	
<b>Delays by the landlord / letting agent when carrying out repairs</b>	36%
<b>Difficulty getting in touch with the landlord / letting agent</b>	26%
<b>Landlord / letting agent has unfairly kept my deposit</b>	8%
<b>Landlord / letting agent has entered my home without giving me reasonable notice or seeking my permission (24 hours in England and Wales and as specified in the contract in Scotland and Northern Ireland)</b>	16%
<b>Landlord / letting agent has harassed / threatened me / others in my household</b>	6%



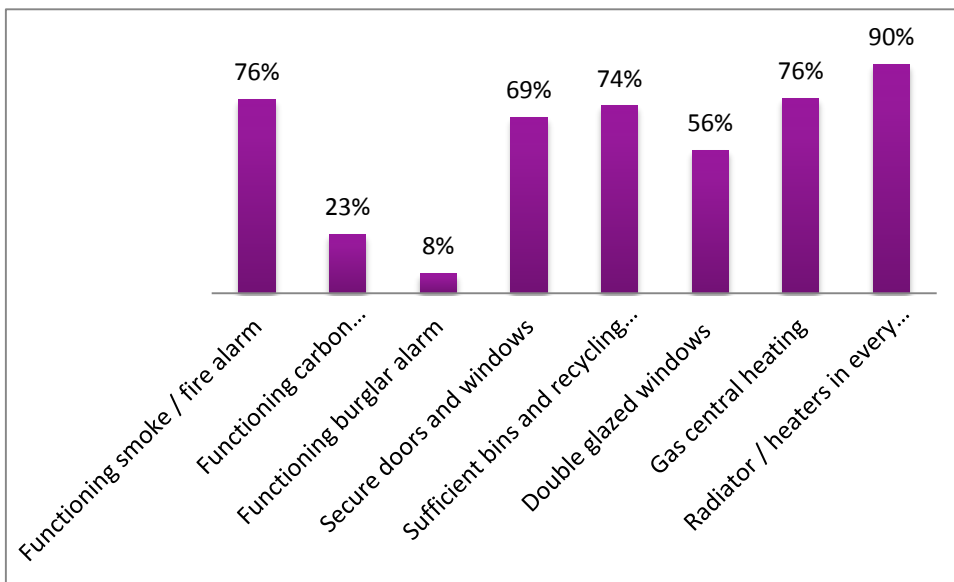
<b>Landlord / letting agent has threatened to ask me to leave my accommodation</b>	5%
<b>My home has been subject to burglary due to lack of security measures in place</b>	4%

When it came to negative experiences of securing a property, just over half (56 per cent) reported having one or more bad experience – higher than the national average of 42 per cent (figure 4). Over a quarter had experienced pressure to sign a contract from landlords and lettings agents and more than a third (37 per cent) were asked to pay a holding deposit before seeing a contract (compared to 23 per cent nationally). There were some experiences which were particularly common in London compared to the national sample and which are indicative of an overheated market – 14 per cent had experienced aggressive marketing techniques such as group viewings (compared to 10 per cent nationally) and 18 per cent had experienced a bidding war or competition with other prospective tenants over rent levels (compared to nine per cent nationally).



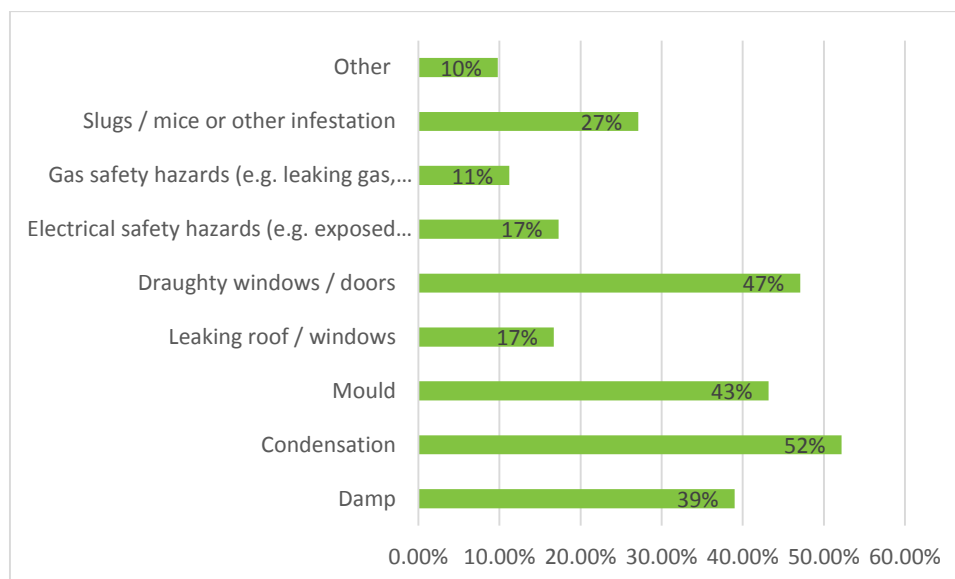
**Figure 4 Negative experiences of the private rented sector**

The amenity levels respondents reported in London were largely lower than elsewhere in the country (figure 5). This may be due to the scarcity of properties resulting in less pressure on landlords to install certain facilities, or partially the lower saturation of accreditation schemes which are likely to place requirements on members, particularly around safety adaptations. While most respondents reported having sufficient heating, there were a lower proportion than the national average who reported having double glazed windows (56 per cent compared to 66 per cent nationally), and this is likely to have an impact on the overall energy efficiency of their properties. There are also some causes for concern in relation to the safety and security of the homes of respondents. Only 76 per cent had a functioning smoke alarm, compared to a national average of 87 per cent, just 23 per cent had a carbon monoxide detector (compared to 32 per cent) and only eight per cent had a burglar alarm (compared to 19 per cent). They were also less likely to report having secure doors and windows than the national average (69 per cent compared to 74 per cent).



**Figure 5 Does your property have any of the following?**

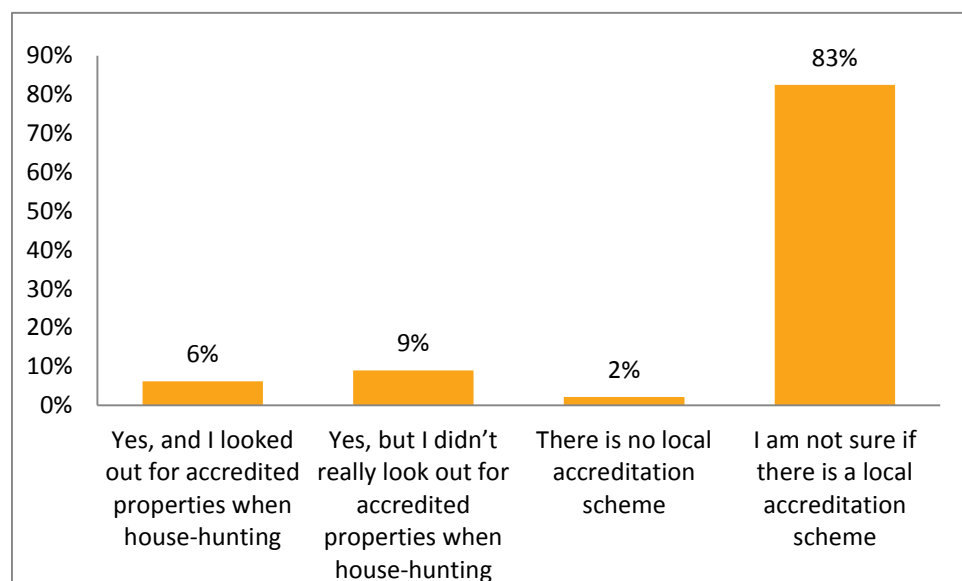
In the national findings there was a distinct prevalence of poor standards in student homes. The most common issues students had from the national findings were damp (41 per cent), condensation (52 per cent) and mould (47 per cent). In London the majority of respondents faced similar conditions with condensation (52 per cent) and draughty windows and doors (47 per cent) while a significant proportion also faced mould (43 per cent) and damp (39 per cent). While these were the most common issues, no single issue regarding the condition of a property was under 10 per cent meaning that students in London were likely to experience properties in poor condition regardless of other factors.



**Figure 2 In any of the accommodation you have lived in whilst you have been a student, have any of the following been present?**

## Accreditation, guarantors and tenancy agreements

London students were overwhelmingly not aware of local accreditation schemes and less than 10 per cent of students in London made use of an accreditation scheme in their house-hunting (fig 7). It will be interesting to monitor whether this changes with the implementation of the London Rental Standard and the potential for investment in its promotion.



**Figure 3 Are you aware of an accreditation scheme in your local area?**

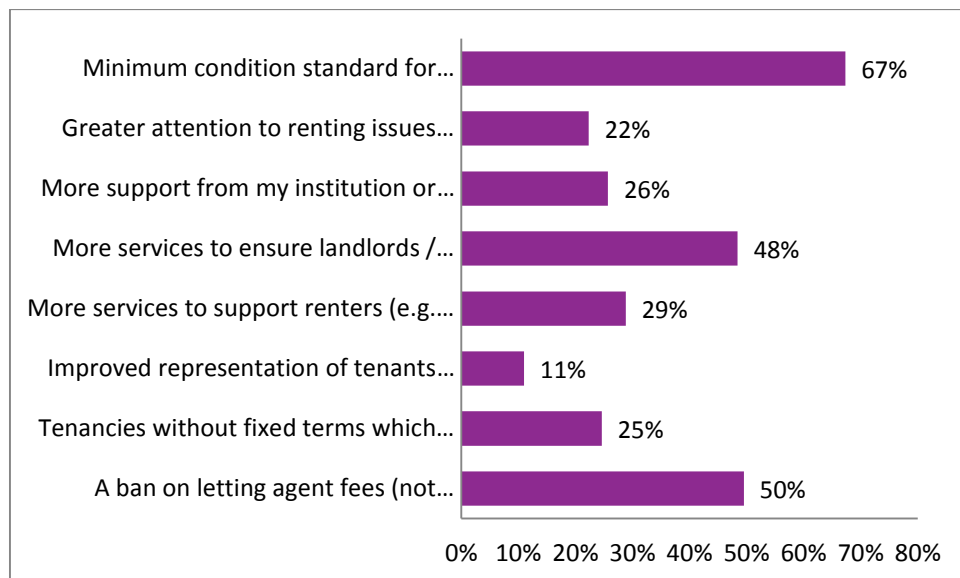
Largely, respondents reported reading their tenancy agreement at least to some extent (98 per cent) and the majority either read it thoroughly or had it checked by someone else (79 per cent) (table 7). This shows that respondents in London were largely engaging in what it means to enter into a tenancy agreement, though it is hard to tell how much of the content of their agreements they are likely to have fully understood.

Table 6: Tenancy Agreements	
Did you read through your tenancy agreement?	
No, not at all	1%
No, but all the other people I am living with read it	1%
Yes, briefly	18%
Yes, I read it thoroughly myself	57%
Yes, I had it checked by students' union or institution	3%
Yes, I had it checked by an advice provider not based at my institution	0%
Yes, I had it checked by my parents / member of my family	18%
Yes, I looked up advice online	1%
I did not receive a written tenancy agreement or contract	-

In terms of the requirement for a UK based guarantor, over half of respondents from London were asked for a guarantor (54 per cent) and most were able to provide one, though a sizable minority (nine per cent) were unable to.

## Policy change

Respondents were asked which policy changes they would most like to see (figure 8). The most popular policy change options for respondents in London were a minimum condition standard, a ban on letting agent fees and more services to ensure landlords and letting agents fulfil their responsibilities. This was broadly in line with the national preferences.



**Figure 8 Which of the following would you like to see? (select three)**

## Conclusion

Student housing in London is characterised by high cost, competition and, often, desperation. You can see the extent of the cost of living deficit for students by looking at the [Student Income and Expenditure Survey](#). Cost of living problems are exacerbated by the fact that rents in London remain on average around £200 per month higher than rents in the rest of the country. It is more than likely that a number of income sources will be needed to meet required rent payments and furthermore many students will struggle to find somewhere that is both affordable and convenient for their place of study. The situation for those in purpose-built accommodation is similar, with the highest rents in the country for student halls in London

The scarcity of properties and the competition this generates pushes rents up and can create an imbalance of power between student tenants and landlords and letting agents. Overall, London-based respondents felt their rights as tenants were unclear and insufficient, and they had a strong preference for accredited landlords and letting agents. As the data shows however, most students in London are not aware of accreditation schemes and therefore do not actively seek accredited properties. It remains to be seen to what extent the London Rental Standard will improve conditions, as it is likely that real change will not come until the structural undersupply of housing in the capital is dealt with in a systematic way. However, it may go some way to incentivising landlords to improve the standards of their properties if they want to attract the 'best' tenants and rents. Regardless, many will have to continue to make do with what is left for them, with little recourse where appropriate standards are not met.