



Cityheart - Hereford

Supply and Demand Study

September 2018

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For and on behalf of GVA Grimley Limited

1. Introduction

- 1.1 Cityheart in consortium with Engie Regeneration were chosen by Herefordshire Council in Autumn 2017 as their strategic development partner.
- 1.2 The first project to be developed by the partnership will be a 200 bed student accommodation project for Hereford College of Arts on a site next to the railway station.
- 1.3 It is anticipated that Herefordshire Council will support financing of the project either directly (through their own capital reserves or prudential borrowing) or by credit enhancement external third party funding in a form to be agreed.
- 1.4 Cityheart have approached GVA and asked if we would provide a supply and demand report on student accommodation in Hereford in connection with this project.

2. Background

- 2.1 The College was originally founded in 1851 then known as Herefordshire College of Art and Design. The College now offers courses in both further and higher education in art and design, music and performing arts.
- 2.2 Based in Hereford, the College operates from two campuses, Folly Lane Campus which provides primarily FE courses and College Road campus from which all the University HE students are based.
- 2.3 The College is located to the north of Hereford city centre being an approximate 10 minute walk to Hereford Rail Station and 15 minute walk to the city centre (see Plan at Appendix I).
- 2.4 In 2013 the College acquired the former Royal National College building on College Road. This building has been refurbished to provide teaching, social, studio and workshop spaces for HE students.
- 2.5 The College is now looking to expand the number of University level courses which it offers.
- 2.6 Working with Engie, Cityheart are looking to develop and provide a purpose built student housing scheme of approximately 200 beds for the College close to the railway station. A suitable site has been identified and has been targeted for delivery for the start of the academic year September 2020.

3. Hereford College of Arts

- 3.1 HCA has undergone an extensive process of strategy development. The board has committed to significant investment and a major curriculum development programme. The provision of purpose built student accommodation is seen as a key platform for this strategy. The College urgently needs purpose built student accommodation and there are concerns that the lack of high quality student accommodation may be an important deciding factor in potential students' choice of institution to study at.
- 3.2 The College currently has between 150 and 190 students in residential accommodation.
- 3.3 The College's inhouse forecast of their accommodation needs for 2020 are that there will be in the order of 150 HCA students who will require accommodation within bespoke halls. This figure is expected to rise rapidly with the projected increase in first year BA course students at HCA from 2021.
- 3.4 It is understood that the College is prepared to underwrite 115 rooms as a minimum for 2020 and will require a full block of 200 rooms in 2021.
- 3.5 At the present time the College has a number of rooms available in residential accommodation at the nearby Royal National College for the Blind (RNC). These rooms are not of a particularly high standard and there is considerable uncertainty as to their availability in the future.
- 3.6 The College offers a brokerage service to students for accommodation within Hereford in HMO (houses in multiple occupation) accommodation.

4. Student Demand

4.1 Hereford College of Arts currently provides higher education to 375 HE students. The College has approved a new strategy which aims to grow the number of full time HE students to at least 680 by academic year 2022/23.

4.2 See chart below setting out anticipated student numbers from 2017/18 to 2022/23:-

HE Planning	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Student Numbers (FTE) – existing courses	375	368	371	418	477	537
Student Numbers(FTE) – new courses	0	0	10	43	92	145
Total Student Numbers(FTE)	375	368	381	461	569	682
First Year Full-Time BA(Hons) Students	106	110	133	163	196	236

4.3 It is understood that the College's strategy does not assume significant growth in international students over the next 5 years. However the College is looking to increase the number of students from outside of the local region who will require residential accommodation.

4.4 The existing residential accommodation which is leased from the RNC and also in private rented houses is unlikely to be able to meet future demand requirements. In addition and of some concern is that this existing accommodation falls short of expected standards for student accommodation. There is further concern that the RNC plans to convert some of its existing residential accommodation to offices and is therefore only likely to be available in the short term.

4.5 The University's accommodation strategy forecast is that 50% of first years will require residential accommodation. The University's calculations are that a minimum of 148 students will require accommodation in 2020.

4.6 We would expect in future years the percentage of students requiring accommodation will increase above 50%. From our experience of other HEI's demand from 1st year students would be expected to be in the order of 65-70%.

- 4.7 Typically we would expect 70% of first year HE students to require accommodation.
- 4.8 However, increasingly we have seen returning second and third year students having a preference for purpose built accommodation as opposed to HMO stock. Therefore in the medium term would expect in the order of 50% of second and third year students to also require accommodation.
- 4.9 We would therefore see potential demand in the medium term for accommodation being in the order of 50/55% of all fulltime HE students.

5. Existing Supply

- 5.1 It is understood the College has an agreement with RNC in respect of accommodation at Dowdell Hall for 32 rooms. This is a 1970's block which is tired and not contemporary. This accommodation is managed by RNC. In addition 8 rooms are available in Gardner Hall also managed by RNC.
- 5.2 All other rented accommodation is in private rental flats or houses varying from one bed to eight beds but primarily four bed accommodation.
- 5.3 Given the location of the College the main area of Hereford for rented houses and flats is the wards of Central and College. It is in these wards that the majority of rented residential accommodation is available. There are other parts of Hereford which do have availability of residential accommodation to rent but many of these are south of the River Wye and as such not particularly convenient for students at the College.
- 5.4 Attached at Appendix II to this report is a summary of private rented accommodation which was available as at the end of July 2018. Typical rents per bed per week were as follows:-

Description	Amount £ pw
HMO	95
One bed	109
Two bed	73
Three bed	59
Four/five/six bed	62

- 5.5 Rents in the purpose built accommodation ranged from £90 to £110 per week for accommodation with shared bathrooms and £135 per week for en suite accommodation.
- 5.6 Typical HMO accommodation at £95 per week is likely to be taken on 51 week contract. This would give an annual commitment of £4,845. However, in addition there would be utility payments which we would estimate at £10 per week giving a total commitment of £5,345 per annum. This equates to an all-inclusive rent on a 42 week agreement of £127.26.
- 5.7 We are therefore comfortable that the projected rent for new purpose built en-suite accommodation would be £135 per week.
- 5.8 Purpose built accommodation offers significant benefits to students and is much better suited to their requirements.

6. Pipeline

- 6.1 We have investigated the planning portal for Herefordshire Council. We have been unable to discover any applications for purpose built student accommodation within Hereford.
- 6.2 However, we would point out that there are proposals for a new university NMiTE (New Model in Technology and Engineering) to create a new engineering based university campus within Hereford. Whilst this new university has already secured substantial funding it is at this time still at the planning stage.
- 6.3 It is understood that the University's aspirations are to be opened by 2020 and for there to be in the order of 5,000 students at the University by 2030. It is understood that the University's proposals for a new campus would also include a significant amount of purpose built student accommodation.
- 6.4 In our report we have not taken into consideration the potential impact which the new university may have on the residential accommodation sector within Hereford.
- 6.5 However, we would comment that with the scale of the new University's plans that should these come to fruition they are likely to have a significant impact on the provision of residential accommodation within Hereford and the immediate local area. This will undoubtedly put pressure on the supply of existing accommodation and would likely reduce the amount of accommodation which would be available to students at HCA and also see an increase in rental levels generally across the city.
- 6.6 Should the NMiTE proposals proceed we would recommend that a supplementary report be prepared commenting upon the impacts of this on HCA's proposals.

7. Planning Policy

- 7.1 The key planning document is the Herefordshire Local Plan Core Strategy 2011-2031 which was adopted in October 2015.
- 7.2 The Council is currently preparing the emerging Hereford Area Plan. In April 2017 the Council published an Issues and Options document for public consultation.
- 7.3 Policy SC1 in the core strategy states that the provision or improvement of higher education facilities and the continuing engagement of existing or provision of new training and skills facilities will be actively promoted.
- 7.4 The Issues and Options Consultation document paper of 2017 made reference to the proposals for a new University within Hereford. Whilst this document did not specifically set out a policy in respect of student housing it did anticipate that students at the new University would live in University accommodation for the duration of their degree courses to reduce pressure on the existing housing stock in the city.
- 7.5 The Consultation document also commented on the HMO sector within Hereford. The Consultation document raised the possibility of an Article 4 direction coming into force within Hereford to set a restrictive policy for larger HMO's and to remove the permitted development rights in relation to small HMO's. The adoption of such a policy would have a significant impact on the availability of accommodation for students at HCA.
- 7.6 The Herefordshire Council issued a Site Options Consultation document in August 2018 in respect of potential sites for housing in central Hereford. This included a number of sites in the vicinity of the station including the proposed site for student housing adjacent to the station (reference CEN21K).
- 7.7 Whilst the various planning documents and the emerging Local Plan make reference to provision of higher education within Hereford and the proposed new University there is no specific reference to a bespoke policy in respect of student housing.

8. Peer Group Accommodation Strategy

- 8.1 We have investigated the policy of other leading Schools of Art in the UK in respect of accommodation strategy.
- 8.2 At Appendix III to this Report is a summary of the accommodation strategy and where available details on the number of rooms which they provide and the typical rent of a room per week.
- 8.3 There is a wide range of accommodation options within the peer group. These range from Exeter School of Art who provide no accommodation to Aberystwyth University, Falmouth University College and Plymouth College of Art who all provide guaranteed accommodation in dedicated Halls of Residence.
- 8.4 Typically accommodation within the peer group for a modern en-suite cluster room is in the range of £130-£150 per week. This would place the projected rent of £135 per week towards the lower end of this range.
- 8.5 Some of the peer group colleges are able to offer a very attractive property offering. In this respect we would particularly highlight the Norwich University of the Arts who have a new Hall of Residence in central Norwich and Falmouth University College who are able to offer accommodation in 8 separate halls within Falmouth.
- 8.6 Based on our analysis of the peer group offerings we are able to see that they typically would be offering an en-suite cluster room of approximately 12.5/14 sq m with the following amenities:-
- Clusters of between 4 and 12 rooms
 - Communal study space
 - Laundry
 - Cycle storage
 - Student common room
 - High Speed Broadband and WiFi
 - Shared kitchen
 - Tenancy of 39-46 weeks

9. Proposed Scheme

- 9.1 The scheme is located in Station Approach, Hereford on the site of a current car park adjacent to Hereford Train Station.
- 9.2 The scheme will incorporate as well as the 200 student rooms and ancillary accommodation 2 commercial units of 167.5 and 156 sq m.
- 9.3 The location is one which has seen recent changes with the new City Link Road completed connecting Commercial Road to Edgar Street in an area which is generally undergoing redevelopment and refurbishment.
- 9.4 The site is approximately 650 metres from HCA Campus and 700 metres from the city centre.
- 9.5 The scheme comprises a total of 200 rooms. The breakdown of the accommodation is:-
- standard cluster room – 189
 - accessible cluster room – 3
 - studio – 4
 - accessible studio – 4
- 9.6 The majority of the accommodation is located on the first, second and third floors. Each of these floors also has either a group study space or games room.
- 9.7 The accommodation is accessed from a central reception area. The ground floor also contains a student common room, group study room and a multi-functional room.
- 9.8 Also at ground floor level is a laundry, parcel room, cycle store, reception and administrative office.
- 9.9 The building has the benefit of 2 cores each containing a staircase and a single lift. These in turn give access to the upper floors. There are 5 flats located off each of the upper floor lobbies.
- 9.10 The majority of the accommodation is arranged as 6 person cluster flats each with its own lounge/kitchen area.
- 9.11 We consider the scheme is well designed for undergraduate students. It provides easy access to the College Campus and is conveniently located from the city centre and station.

10. Summary

- 10.1 There is a very limited supply of purpose built student accommodation within Hereford. The accommodation which does exist is somewhat dated.
- 10.2 There is no pipeline of student accommodation either under construction with planning consent or awaiting planning consent. It is therefore unlikely that any purpose built student accommodation could be provided before September 2020.
- 10.3 There are in the order of 368 full time HE students at Hereford College of Arts for the academic year 2018/19. Existing demand for accommodation is estimated by the College to be between 150 and 190 students. Approximately 40-50% of the number of full time HE students.
- 10.4 Potential demand from students is expected to increase rapidly. With predicted full time HE students of 682 by 2022/23 demand for accommodation is expected to be in excess of 300 beds.
- 10.5 With the exception of about 40 students who are in purpose built accommodation operated by RNC the majority of HE students who require accommodation are accommodated in HMO properties within Hereford.
- 10.6 The Hereford emerging local plan consultation document has raised the possibility of an Article 4 direction being introduced in the city. This would have the effect of curtailing the amount of available HMO properties. This would in our opinion place considerable pressure on the rented housing sector leading to reduced supply and increased rents.
- 10.7 The majority of peer group colleges offering art and design courses are able to offer their students purpose built halls of residence. The availability of purpose built accommodation is increasingly seen as a key consideration in the student's degree course decision process.
- 10.8 In addition some of the regional FE Colleges are also offering purpose built accommodation to students on degree level courses.
- 10.9 Rents in the peer group colleges for a typical en-suite cluster room are in the range of £130-£150 per week. Tenancies are typically between 39 and 44 weeks.
- 10.10 If the plans for the New Model in Technology and Engineering University are to go ahead they will be looking to take their first intake of students in 2019. The potential presence of NMiTE in Hereford is in the short to medium term likely to place considerable pressure on the limited supply of rental housing within the city.

- 10.11 The proposed scheme for a purpose built student housing block in Station Approach is considered to be of a good design, layout and location which is likely to prove very popular with students.
- 10.12 The proposed indicative rents of £135 per week on a 42 week tenancy are considered to be realistic.

11. Reservations

- 11.1 We would advise that this Report is for general information purposes only and does not constitute a form of valuation, appraisal or recommendation. This Report is confidential to the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or any other document without our prior written consent.
- 11.2 Whilst every effort is being made to ensure the data contained in this report is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or information being unavailable and inaccessible during the research period. Our findings are based on the assumptions given which should be regarded as valid for a limited period of time and subject to periodic review.
- 11.3 This report is based upon research carried out in July/August 2018.

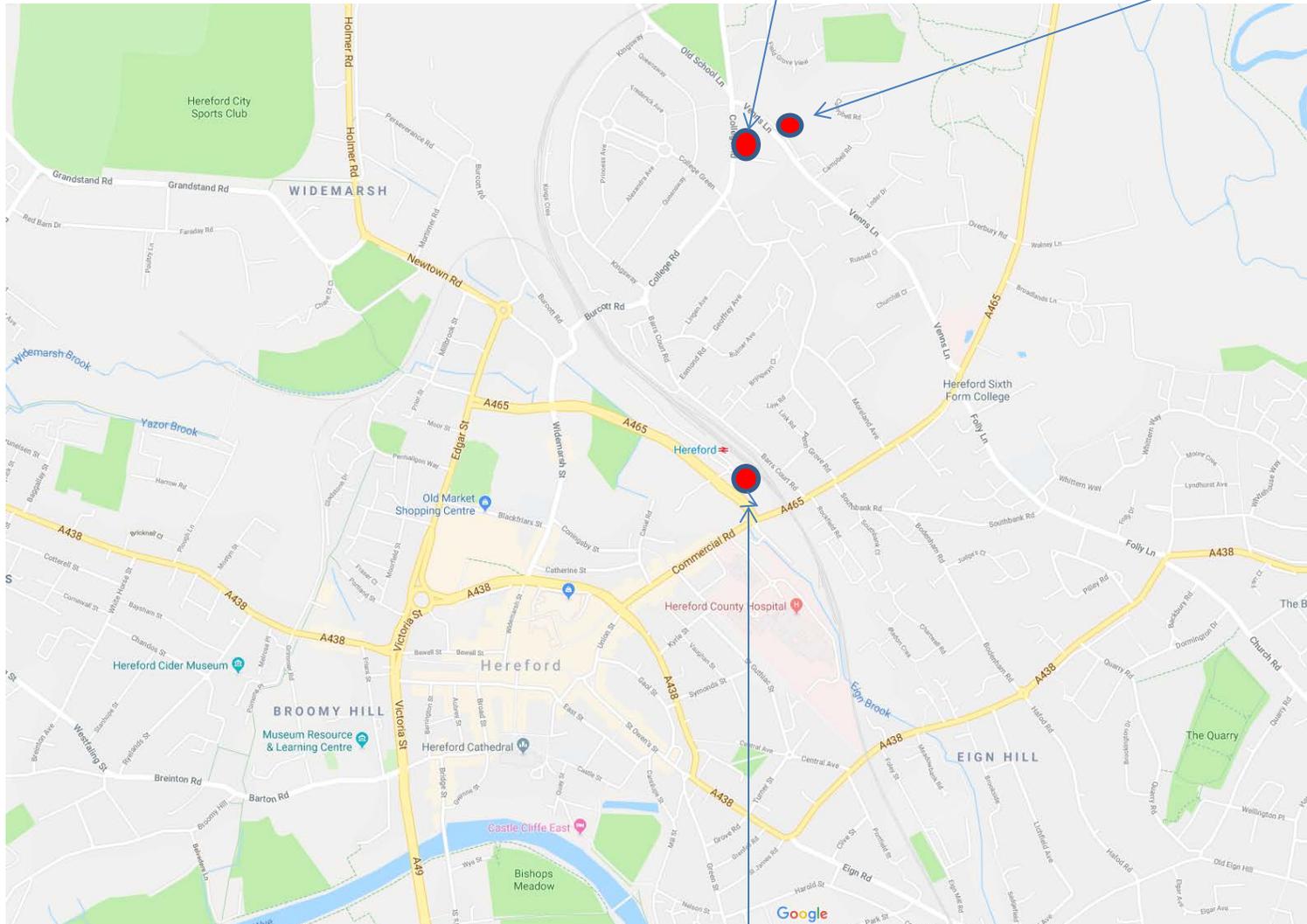
Appendix I

Location Plan

Hereford – Location Plan

Hereford College of Art

Dowdall Hall



Station Approach Site

Appendix II

Summary Private Rented Accommodation

Hereford College of Art
Accommodation In Hereford
Private Rented sector (w/c 30 July 2018)

Address	Locality/Ward	Property Type	Beds	£ per Month	£ per Week	£ pw per room	Comment
Barton Road	Central	HMO	1	370	85	85	
Grenfell Road	Central	HMO	1	375	87	87	
Elgin Road	Central	HMO	1	350	81	81	
Elgin Road	Central	HMO	1	475	110	110	
Stanhope Street	Central	HMO	1	500	115	115	
Edgar Street	Central	HMO	1	400	92	92	
HMO average			1	412	95	95	
St Owen Street	Central	Studio	1	450	104	104	
Southbank Road	College Estate	Studio	1	420	97	97	
Easthome Court	Central	Flat	1	420	97	97	
Kingsway	College	Flat	1	450	104	104	
St James Road	Central	Flat	1	475	110	110	
Oatlands	Bobblestock	Flat	1	395	91	91	
Aylestone Hill	Aylestone	Flat	1	370	85	85	
City Centre	Central	Flat	1	525	121	121	
Whitecross	Whitecross	Flat	1	525	121	121	
Bodenham Road	College	Flat	1	500	115	115	
Kingsway	College	Flat	1	475	110	110	
Broomy Hill	Bromy Hill	Flat	1	560	129	129	
St Martins Ave	South	Flat	1	525	121	121	
Bodenham Road	College	Flat	1	525	121	121	
Aylestone Hill	Aylestone	Flat	1	495	114	114	
Pastures	South	Terrace	1	525	121	121	
Pastures	South	Terrace	1	495	114	114	
Railway View	College	Terrace	1	395	91	91	
One bed average			1	474	109	109	
St Owen Street	Central	Flat	2	595	137	69	
Stratford House	College	Flat	2	595	137	69	
Wye Way	Central	Flat	2	675	156	78	
City Centre	Central	flat	2	695	160	80	
Pentwyn Ave	South	Flat	2	550	127	63	
Aylestone Hill	Aylestone	Flat	2	610	141	70	
Moor Farm	Whitecross	Flat	2	500	115	58	
Ramsey Close	South	Semi	2	650	150	75	
Kings Crescent	College	Semi	2	695	160	80	
Cornwall Street	Whitecross	Terrace	2	675	156	78	
Belmont	South	Terrace	2	595	137	69	
Grantham Close	South	Terrace	2	675	156	78	
Daws Road	Central	Terrace	2	650	150	75	
Moor Street	Widemarsh	Terrace	2	625	144	72	
Moor Street	Widemarsh	Terrace	2	625	144	72	
Chichester Close	South	Terrace	2	650	150	75	
Golden Lion Close	Widemarsh	Terrace	2	625	144	72	
Farringdon Ave	South	Terrace	2	650	150	75	
Whitecross	Whitecross	Terrace	2	685	158	79	
Bobblestock	Bobblestock	Terrace	2	650	150	75	
Moor Street	Central	Terrace	2	595	137	69	
Grandstand Road	Bobblestock	Terrace	2	650	150	75	
Widemarsh Street	Widemarsh	Terrace	2	695	160	80	
Two bed average			2	635	147	73	
Hunderton Road	South	Flat	3	600	138	46	
Ledbury Road	Central	Flat	3	725	167	56	
Friar Street	Central	Semi	3	750	173	58	
Holmer	Holmer	Semi	3	850	196	65	
Holmer	Holmer	Semi	3	795	183	61	
Belmont	South	Semi	3	850	196	65	
Whitefriars Road	Whitefriars	Semi	3	750	173	58	
St James Road	Central	Terrace	3	750	173	58	
Old Mill Close	Central	Terrace	3	760	175	58	
Moor Farm	Whitecross	Terrace	3	800	185	62	
Three bed average			3	763	176	59	
Holmer	Holmer	Semi	4	975	225	56	
Penn Grove Road	College	Semi	4	950	219	55	
Campbell Road	College	Detached	5	1300	300	60	
Barton Road	Bromy Hill	Period	6	1600	369	62	
Judges Close	College	Detached	6	1990	459	77	
Four bed plus				1363	315	62	

Appendix III

Peer Group Accommodation

Leading Schools of Art in UK (excluding London and Scotland)

Art School	Location	PBSA	Ensuite Cluster	Rent Range £ pw		Halls	Beds	Weeks	Accommodation Policy	Comments
			Rent £ pw	Min	Max					
Aberystwth Uni	Aberystwth	Yes	130	85	136	7	2760	44	Guarenteed accommodation for first years and non-UK students	
Bath Spa Uni	Bath	Yes	146	146	179	6	1372	39/40/44	Guarenteed accommodation subject to an eligibility test	
Bournemouth Arts Uni	Bournemouth	Yes	145	125	175	5	736	41/51	Non UK priority , first years by distance and availability	
Northern College of Art	Hartlepool	Yes	106	90	106	3	128	43		
Exeter School of Art	Exeter	No	n/a	n/a	n/a	0	0	n/a	Offfer no accommodation	
Falmouth University College	Falmouth	Yes	141.54	106	189	7	2623	40	Guarenteed accommodation for first years and non-UK students	
Leeds Art University	Leeds	Yes	140	118	140	2	803	42/44	Subject to availability , no guarentees, first come -first served	
Manchester School of Art	Manchester	Yes	143	106	153	10	3610	42/43	Guarenteed accommodation for first years and non-UK students	
Norwich University of Arts	Norwich	Yes	150	99	176	2	260	46	Priority by distance	
Plymouth College of Art	Plymouth	Yes	120	95	120	4	198	48	Guarenteed accommodation for first years and non-UK students	
University of Creative Arts	Canterbury	Yes	134	127	139	2	164	39/51	Priority first years by distance	
Winchester School of Art	Winchester	Yes	136	136	136	1	381	40/51	Guarenteed accommodation for first years and non-EU students	

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