

Policy H15 Purpose-built student accommodation

- A Boroughs should seek to ensure that local and strategic need for purpose-built student accommodation is addressed, provided that:
- 1) at the neighbourhood level, the development contributes to a mixed and inclusive neighbourhood
 - 2) the use of the accommodation is secured for students⁷⁶
 - 3) the majority of the bedrooms in the development including all of the affordable student accommodation bedrooms are secured through a nomination agreement for occupation by students of one or more higher education provider⁷⁷
 - 4) the maximum level of accommodation is secured as affordable student accommodation as defined through the London Plan and associated guidance:
 - a) to follow the Fast Track Route, at least 35 per cent of the accommodation must be secured as affordable student accommodation or 50 per cent where the development is on public land or industrial land appropriate for residential uses in accordance with Policy E7 Industrial intensification, co-location and substitution

⁷⁶ For the implementation of this policy a student is a person following a course in higher education as recognised by the Office for Students.

⁷⁷ A higher education provider is defined as an education institution that provides a designated course that has been approved by the Department for Education for higher education study which allows the student to apply for government-financed student loans. Higher education study is at qualification Level 4 or above (i.e. above A-level or equivalent). Further information on qualification levels can be found here: <https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels>. The Office for Students provides a register listing all the English higher education providers that it officially recognises, which can be found at <https://www.officeforstudents.org.uk/advice-and-guidance/the-register/the-ofs-register/>. This register can be used to determine if a higher education provider delivers designated courses and thus satisfies the above definition. Further advice on higher education providers and designated courses can be obtained by contacting London Higher at enquiry@londonhigher.ac.uk

- b) where the requirements of 4a above are not met, applications must follow the Viability Tested Route set out in Policy H5 Threshold approach to applications, Part E
 - c) the affordable student accommodation bedrooms should be allocated by the higher education provider(s) that operates the accommodation, or has the nomination right to it, to students it considers most in need of the accommodation.
 - 5) the accommodation provides adequate functional living space and layout.
- B Boroughs, student accommodation providers and higher education providers are encouraged to develop student accommodation in locations well-connected to local services by walking, cycling and public transport, as part of mixed-use regeneration and redevelopment schemes.

- 4.15.1 London's higher education providers make a significant contribution to its economy and labour market. It is important that their attractiveness and potential growth are not compromised by inadequate provision for new student accommodation. The housing need of students in London, whether in **Purpose-Built Student Accommodation** (PBSA) or shared conventional housing, is an element of the overall housing need for London determined in the 2017 London SHMA. London's overall housing need in the SHMA is expressed in terms of the number of conventional self-contained housing units. However, new flats, houses or bedrooms in PBSA all contribute to meeting London's housing need. The completion of new PBSA therefore contributes to meeting London's overall housing need and is not in addition to this need.
- 4.15.2 The **overall strategic requirement for PBSA** in London has been established through the work of the Mayor's Academic Forum, and a requirement for 3,500 PBSA bed spaces to be provided annually over the Plan period has been identified.⁷⁸ Meeting the requirement for PBSA should not undermine policy to secure mixed and inclusive neighbourhoods.
- 4.15.3 The strategic need for PBSA is not broken down into borough-level targets as the location of this need will vary over the Plan period with changes in higher education providers' estate and expansion plans, availability of appropriate

⁷⁸ Student population projections and accommodation need for new London Plan 2017 (amended October 2018) GLA

sites, and changes in Government policy that affect their growth and funding. To demonstrate that there is a need for a new PBSA development and ensure the accommodation will be supporting London's higher education providers, the student accommodation must either be operated directly by a higher education provider or the development must have an agreement in place from initial occupation with one or more higher education providers, to provide housing for its students, and to commit to having such an agreement for as long as the development is used for student accommodation. This agreement is known as a **nomination agreement**. A majority of the bedrooms in the development must be covered by these agreements. Therefore, the borough should ensure, through condition or legal agreement, that the development will, from the point of occupation, maintain a nomination agreement or enter a new nomination agreement with one or more higher education provider(s) for a majority of the bedrooms in the development, for as long as it is used as student accommodation. There is no requirement for the higher education provider linked by the agreement to the PBSA to be located within the borough where the development is proposed.

- 4.15.4 Where all the bedrooms in the PBSA development are provided at a rental cost that qualifies as affordable student accommodation as defined in paragraph [4.15.8](#) and maintained in perpetuity through legal agreement or condition, there is no requirement for it to have a nomination agreement with a higher education provider.
- 4.15.5 If the accommodation is not secured for use by students and secured through a nomination agreement for occupation by students of one or more higher educational providers as set out in paragraph [4.15.3](#) or is exempt from this requirement as set out in paragraph [4.15.4](#), it will not be considered as purpose-built student accommodation or meeting a need for purpose-built student accommodation; and the development proposal will normally be considered large-scale **purpose-built shared living** and be assessed by the requirements of [Policy H16 Large-scale purpose-built shared living](#).
- 4.15.6 PBSA should provide adequate functional living space and layout for the occupants. The **design** of the development must be high quality and in accordance with the requirements of [Policy D3 Optimising site capacity through the design-led approach](#).
- 4.15.7 To ensure students with an income equivalent to that provided to full-time UK students by state-funded sources of financial support for living costs can afford to stay in PBSA, the maximum number of bedrooms in PBSA are required to be affordable at this income level. The rental cost for this affordable student accommodation has been defined through the work of the

Mayor's Academic Forum.⁷⁹ In addition, the Mayor seeks the development of student accommodation which is affordable for the student body as a whole. Providers of PBSA are encouraged to develop models for delivery of PBSA in London which **minimise rental costs** for the majority of the bedrooms in the development and bring these rates nearer to the rate of affordable student accommodation.

- 4.15.8 The **definition of affordable student accommodation** is a PBSA bedroom that is provided at a rental cost for the academic year equal to or below 55 per cent of the maximum income that a new full-time student studying in London and living away from home could receive from the Government's maintenance loan for living costs for that academic year. The actual amount the Mayor defines as affordable student accommodation for the coming academic year is published in the Mayor's Annual Monitoring Report. Should the Government make significant changes to the operation of the maintenance loan for living costs as the main source of income available from the Government for higher education students, the Mayor will review the definition of affordable student accommodation and may provide updated guidance.
- 4.15.9 To provide greater certainty, speed up the planning process and increase the delivery of affordable student accommodation, a threshold has been introduced for PBSA schemes to take advantage of the Fast Track Route. To follow the **Fast Track Route** the amount of affordable student accommodation provided should be at least 35 per cent of student bedrooms in the development, or 50 per cent where required by Part B of [Policy H5 Threshold approach to applications](#). If the required threshold for affordable student accommodation is not met, a scheme will be considered under the **Viability Tested Route** in line with Part E of [Policy H5 Threshold approach to applications](#) and the Mayor's Affordable Housing and Viability SPG.
- 4.15.10 The affordable student accommodation should be equivalent to the non-affordable rooms in the development in terms of room sizes and room occupancy level. The **rent** charged must include all services and utilities which are offered as part of the package for an equivalent non-affordable room in the development. There should be no additional charges specific to the affordable accommodation.
- 4.15.11 The **initial annual rental cost** for the element of affordable accommodation should not exceed the level set out in the Mayor's Annual Monitoring Report for

⁷⁹ The Mayor's Academic Forum is composed of representatives from the boroughs, universities, private and voluntary sector accommodation providers and students, and is chaired and serviced by the GLA.

the relevant year. For following years, the rental cost for this accommodation can be linked to changes in a nationally-recognised index of inflation such as the Consumer Prices Index or CPIH.⁸⁰ A review period, such as every three years, could be set by the borough to allow for recalibrating the affordable student accommodation to the level stated as affordable in the Mayor's Annual Monitoring Report.

- 4.15.12 Where the development is not operated directly by a higher education provider, the affordable student accommodation bedrooms should be part of the PBSA that is subject to a nomination agreement. **Allocation** of affordable student accommodation should be by the higher education provider(s) which operates it or has the nomination right to it, and the provider(s) should allocate the rooms to students it considers most in need of the accommodation.
- 4.15.13 To enable providers of PBSA to maximise the delivery of affordable student accommodation by increasing the profitability of the development, boroughs should consider allowing the **temporary use of accommodation** during vacation periods for ancillary uses. Examples of such uses, amongst others, include providing accommodation for conference delegates, visitors, interns on university placements, and students on short-term education courses at any institution approved in advance by the borough. The temporary use should not disrupt the accommodation of the resident students during their academic year. Conditions and/or legal agreements could be attached to any planning permission to ensure that the ancillary use does not result in a material change of use of the building.
- 4.15.14 Where a PBSA development meets all the requirements of Part A, boroughs should not require on-site provision of, or a contribution towards, conventional Use Class C3 affordable housing.
- 4.15.15 In **monitoring** the implementation of this policy, particular regard will be given to the delivery of PBSA, the amount of affordable student accommodation provided, and the rental costs of the non-affordable rooms in PBSA developments.

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CPIH is a new additional measure of consumer price inflation including a measure of owner occupiers' housing costs, please see this webpage for further information: <https://www.ons.gov.uk/economy/inflationandpriceindices/qmis/consumerpriceinflationqmi>.