

YOUTH FORUM

THE COST OF LIVING

LOCATION, LOCATION, LOCATION

With **66% of respondents VERY concerned** about the cost of living, city living is becoming less desirable, especially for international students. With London being one of the most notoriously expensive locations to study, it seems that many are considering how necessary it is to study in the capital.



"I'M CONCERNED, BECAUSE I KNOW IT'S AN EXPENSIVE CITY, THAT I MIGHT HAVE PROBLEMS IN THE FUTURE COMPARED TO IF I WERE LIVING IN A SMALLER CITY."

Does the sector in London and beyond need to delve deeper into what the real threshold of cost is for students to study and live in our university towns?

FULL TIME STUDENT, PART TIME WORKER

The 'make-do' attitude is arguably a rite of passage for student life. Cupboards full of pot noodles and pasta, borrowing books from the library, and forgoing expensive luxuries are stereotypically associated with the student population. But following the energy crisis and subsequent rise in the cost of living, affordability has become more precarious. With added pressure on students to **make their money go further**, this could be an important moment in time to explore the affordability aspect of student living – a subject that has long been debated.

The Youth Forum survey looked at the worries surrounding the cost of living for students, and how their accommodation plan fits into that, while our focus group discussed the wider approaches to those situations. Here is a summary of the findings:

- 48% HAVE A PART-TIME JOB
- 59% WORK 1-10 HOURS A WEEK
- 20% WORK 11-20 HOURS A WEEK



"AS AN INTERNATIONAL STUDENT, IT WILL PROBABLY BE EASIER FOR ME TO MOVE BACK HOME."

This comment alludes to potential struggles with graduate retention since many international students might favour moving back home after graduating.

One route to consider is, of course, an **all-inclusive package**, which we will discuss the benefits of later. But having that additional visibility before committing to an accommodation package could be a deciding factor in whether London is a viable option or not. **A fixed contract is also an area of consideration**, where students are incentivised with a fixed rate if they commit to two or three years.



SOCIALISING TAKES A BACK SEAT

Of those surveyed, the **number one challenge is rent**, followed by:

- BILLS
- FOOD
- TRAVEL
- SOCIALISING

It seems as long as students can cover their primary bills, they are willing to cut back in other areas to accommodate.

Many of the students taking part in our forum noted that they have **reduced their external social activities** such as going to the pub, restaurants or using public transport to try and save money, as opposed to saving on bills and accommodation.

Travel was also a significant area of discussion:



"I GO ALMOST EVERYWHERE ON FOOT, TO SAVE MONEY"



"MOST OF THE MONEY IS BEING PUT TOWARDS TRAINS BECAUSE THEY ARE SO EXPENSIVE. SO I'M VERY CONSCIOUS WHEN I GO OUT WITH MY FRIENDS ABOUT MY MONEY."

PBSA providers could consider adding value in this area. If students are cutting back on socialising or travelling further afield, free on-site events and **socialising initiatives** such as shared study spaces could be an option. It's important to nurture the socialising aspect of the university experience for community and overall well-being. We could also argue that for student accommodation operators this is a real risk, without the ability to socialise - the need to live on campus becomes less attractive.

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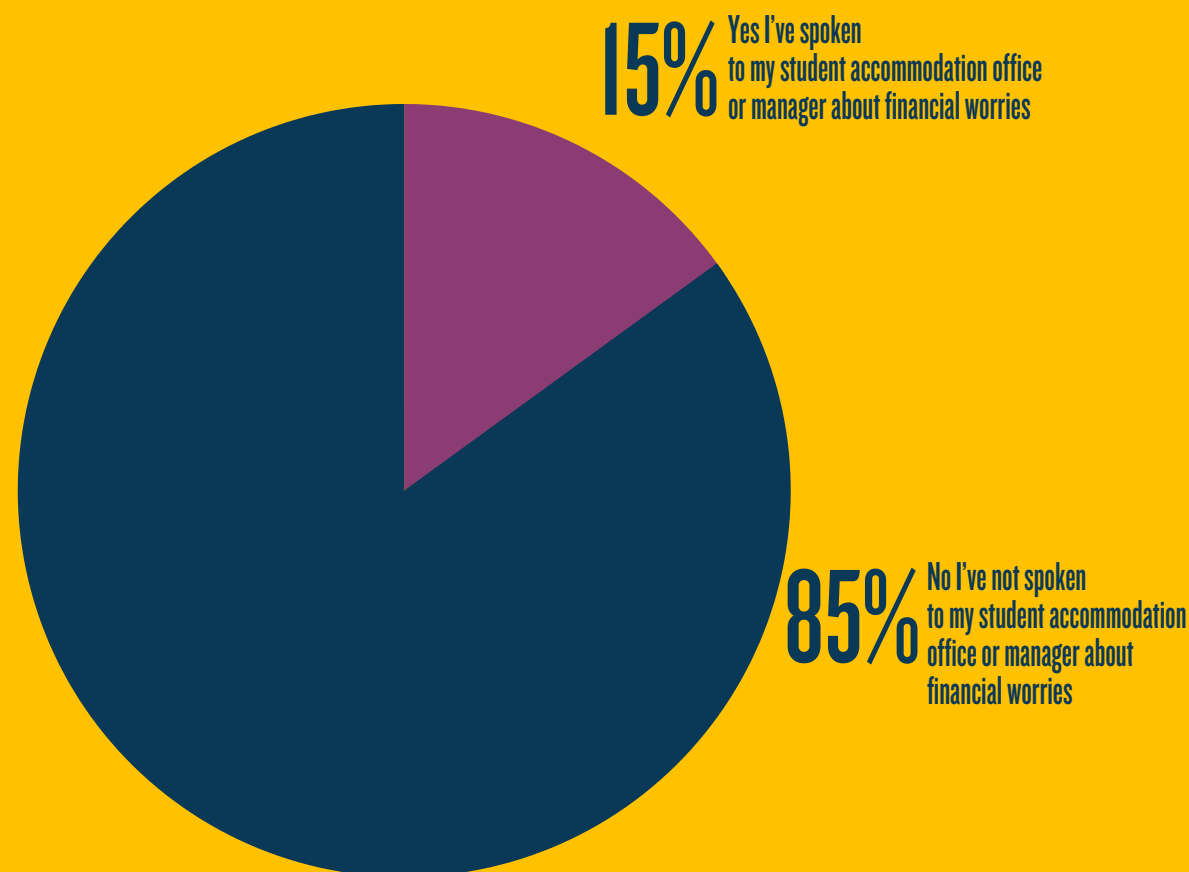
THE PROPERTY MARKETING STRATEGISTS

THINKING AHEAD

85%

OF RESPONDENTS

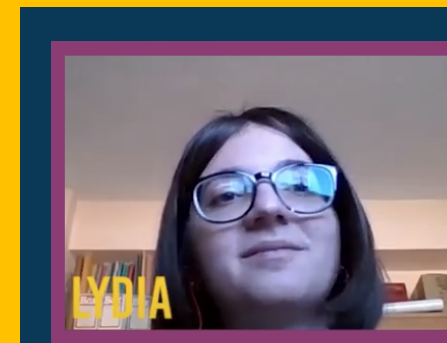
haven't spoken to their student accommodation office or manager despite 58% of them struggling to get by financially.



We've spoken at length before about the **importance of student mental health and wellbeing**. Perhaps there is more that can be done to address the concerns around the **cost-of-living crisis**, such as an open way of communicating worries, offering payment plans and signposting to helpful guidance and advice.

The future therefore **poses some worry** for students with many thinking twice before buying anything.

Perhaps **offering some transparency** as to what to expect in terms of costs for the following year would instil **some confidence back into students** grappling with these thoughts. The decision to stay near Uni or move back home seems to be one many students are now considering. Moving home does allow them to save costs but could impact the overall student experience.



"I'M WORRYING THAT PRICES WILL RISE NEXT YEAR ACCORDING TO THE CURRENT SITUATION."

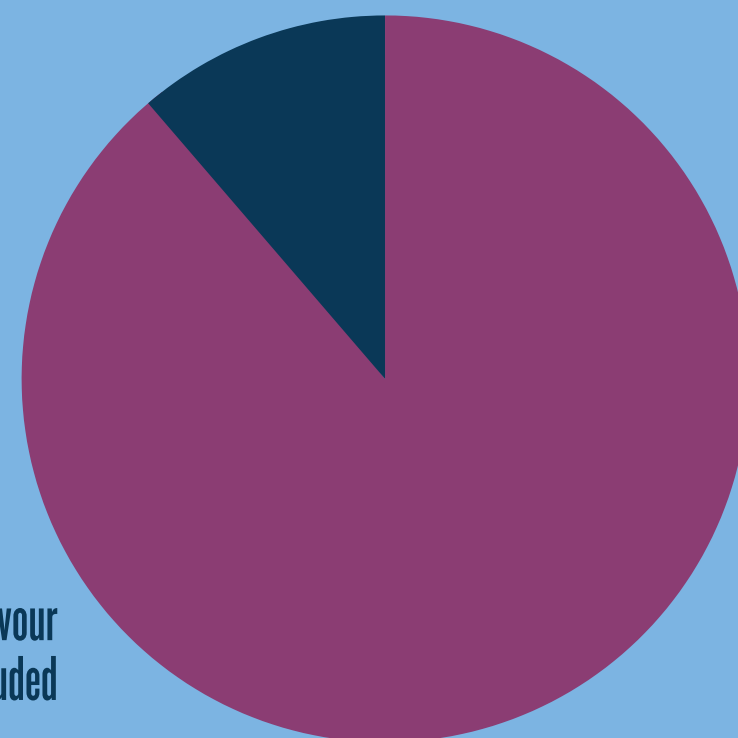
ALL-INCLUSIVE RENT

The idea of all-inclusive rent was **highly desirable among survey respondents** and our focus group participants. Whilst this is generally the norm for PBSA and university accommodation, it is less certain for HMOs. Words such as 'freeing' and 'comfortable' were used to describe an all-inclusive package.

"I MAKE MY PAYMENTS FOR THE SEMESTER AND DON'T HAVE TO WORRY. IT SAVES ME SHOPPING AROUND FOR BILLS."



11.3% Would not favour bills included



88.7% Would favour bills included

Despite those worries, this was still the favoured approach for most students, with a staggering 89% saying they would favour an 'all bills included' package.

While an all-inclusive bills package presents **less worry, less hassle and more security**, we do have to address the impact on sustainability and accountability. How is this likely to impact individual energy consumption? The other issue is of course, the **continued rise in energy costs**. For the academic year 23/24, this model could become problematic if rent prices were set for 22/23 before the energy rises.

Affordability looks set to continue to be a contributing factor in how students approach their university experience. It certainly carries even more weight than it has done previously, with more **students even opting to stay home**, or pursue an online degree instead. This would have a greater impact on on-campus communities with attendance levels affected.

The impact on the international student population is one we need to address, as this could carry consequences for PBSA providers.

Students don't want the **hassle of shopping around** for suppliers. Having an all-inclusive agreement allows them to assign a budget at the beginning of the term and know where they are with their funds for the rest of the semester. Although one focus group participant did offer an alternative perspective:



"YOU CAN'T HELP BUT THINK THAT WHOEVER IS IN CHARGE IS POSSIBLY TAKING ADVANTAGE OF THAT FACT, BECAUSE WE'RE NOT GIVEN A BREAKDOWN OF WHAT WE'RE PAYING. SO WE DON'T REALLY KNOW HOW MUCH WE'RE CONTRIBUTING TO BUT I THINK OVERALL IT IS PROBABLY THE EASIEST OPTION."

HOW YOU CAN GET INVOLVED

The Property Marketing Strategists' Youth Forum will provide you with unique access and opportunities to engage with your target market, and gain insight into what customers want. If you have a question or topic you would like to be explored, we can conduct bespoke research on your behalf.

You can also get your brand in front of an engaged audience of property and Gen Z businesses by partnering with The Property Marketing Strategists. You can influence the subjects we put to the Youth Forum and benefit from the results and exposure. **Get in Touch.**

