

# YOUTH FORUM

## THE COST OF LIVING

**W**ith cost-of-living pressures continuing to hit those on lower incomes hardest, is the housing crisis brewing in the higher education sector going to be the breaking point for many students?

With the majority of today's third year undergraduates born in 2002, they will stare at you in disbelief when you describe the time – not that long ago – when tuition fees and the majority of living costs were paid for by the local education authority.

Today, most students leave university with significant debts and despite economising on food, limiting travel and getting part-time jobs, many still struggle to make ends meet.

The Youth Forum survey looked at what was worrying today's students most about the cost-of-living pressures, and how this impacts their accommodation choices. Focus groups then followed up the headline findings of the survey in more detail. Here's a summary of what we discovered.

# CUTTING BACK IS THE NEW GOING OUT

### What are our respondents most concerned about when paying bills?

Having met the financial cost of rent, bills and travel, one student in our focus group remarked that she had friends on her course who were left with a £5 per week food budget – a level that even the most avid bargain hunter would struggle to make sustainable, never mind sufficiently nutritional to fuel the high levels of concentration and hours of study needed.

54% RENT

21% BILLS

17% FOOD

6% TRAVEL



ELIZABETH

"IN THE PAST, I WOULDN'T MIND GOING TO THE GROCERY STORE WITHOUT CARING ABOUT THE PRICE. BUT THIS YEAR I'M HAVING TO WRITE DOWN HOW MUCH EVERYTHING IS, BECAUSE BY THE TIME I GOT TO THE CHECKOUT, I'D BE SPENDING LIKE £20/£30 AND IT JUST WASN'T NORMAL."

# 64%

OF RESPONDENTS ARE STRUGGLING FINANCIALLY

DESPITE OVER

# 60%

HAVING A JOB

# 2 in 5

OF THOSE WITH A JOB, WORKING AT LEAST 20 HOURS A WEEK.

# RENT: A TICKING TIME BOMB?



The struggle to find a place to live that is affordable, in decent condition and within an easy walk or cycle to uni has been getting harder over the last year. The number one worry for our respondents is how to afford to keep a roof over their heads so they can finish their course.



OPEYEM

"I'D SAY CERTAIN LUXURIES HAVE TO BE PUT ON THE BACKBURNER. THERE ARE CERTAIN THINGS YOU HAVE TO SACRIFICE TO ENSURE THAT RENT IS TAKEN CARE OF, BECAUSE THAT'S THE MOST IMPORTANT PAYMENT."

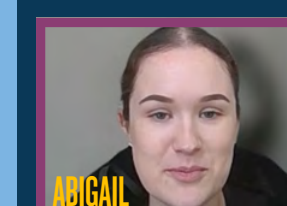
Students responding to our survey confirmed that current financial pressures had changed their future plans. The majority of those would be looking for cheaper rentals, moving back home and commuting to uni or potentially even dropping out altogether.



RUBEN

"AT MY UNIVERSITY AND THE STUDENT HOUSES, THE RENT IS KNOWN FOR BEING HIGH FOR WHAT YOU'RE ACTUALLY GETTING."

The rise in rental costs means students are now, more than ever, increasingly aware of the disparity between what they are paying and the value they are receiving.



ABIGAIL

"IN OUR FIFTH YEAR AS MEDICAL STUDENTS, WE WON'T GET STUDENT FINANCE JUST A MAINTENANCE LOAN OF £1,000. THAT'S IT. SO I THINK A LOT OF PEOPLE ARE REALLY WORRIED NEXT YEAR ABOUT HOW THEY'RE GOING TO PAY RENT BECAUSE YOU CAN'T LIVE OFF £1,000 A YEAR."

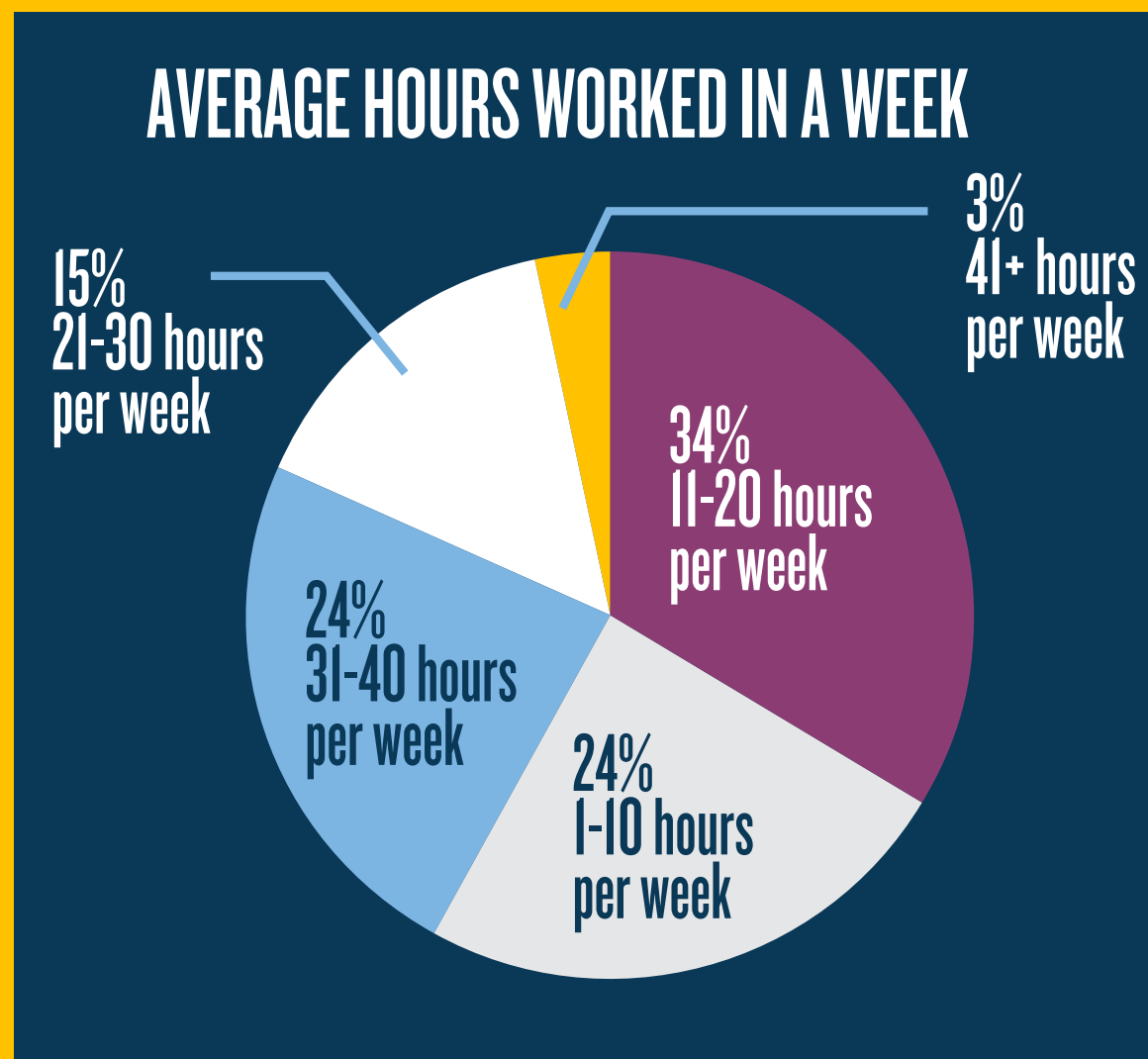
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# IT'S NOT ALL WORK, WORK, WORK (BUT IT'S GETTING THAT WAY)

Nearly two-thirds of survey respondents now have a paid job alongside their university studies reflecting the reality that once the main bills are paid (rent, utilities, travel, food) there would be little, if any, left for socialising for many students.



"I'M WORKING IN MY LOCAL COUNCIL PART-TIME IN THE RANGE OF 20 TO 25 HOURS A WEEK, JUST TO SUSTAIN BILLS, RENT AND OTHER LIVING EXPENSES."

If the university experience can only be afforded for many by taking on part-time work, it is likely that there will be an increase in students in the future questioning whether the traditional higher education route is for them. We're already seeing an increase in the volume of apprenticeship degree courses where remote or online study can be combined with working, allowing people to continue living in the family home, or in non-university towns and cities where accommodation costs are not as expensive. For those that do choose to still go to university, being able to fix as many costs as possible (such as an all-inclusive accommodation package) will likely be increasingly important to help with budgeting.



"THIS WEEK I'VE WORKED DOUBLE TO MEET THE RENT, BUT ALSO TO BE ABLE TO GO OUT WITH MY FRIENDS. IF I WASN'T WORKING, THEN I WOULDN'T BE ABLE TO DO THAT. AND I PROBABLY WOULDN'T BE ABLE TO PAY MY RENT EITHER."

# GETTING BY WITH TOO LITTLE HELP?

## 78%

SAY THAT THE COST OF LIVING CRISIS HAS AFFECTED THEIR MENTAL WELLBEING



"THERE ARE BURSARIES, BUT THEY'RE SO HARD TO GET. YOU HAVE TO BE IN REALLY SPECIFIC CIRCUMSTANCES AND HAVE TO PROVE ALL OF THIS; A LOT OF PEOPLE CAN'T MEET THE CRITERIA EVEN THOUGH THEY CAN'T AFFORD THEIR RENT!"

## 65%

SAY THAT THEY HAVE NOT SPOKEN TO THEIR UNI OR ACCOMMODATION ABOUT THEIR FINANCIAL WORRIES

High energy prices see many of those students we spoke to who are not living in all-inclusive accommodation, avoiding using some appliances, such as dishwashers or tumble dryers, and making sure that lights, televisions and other devices are all switched off when not in use. For those PBSA providers offering fixed charges, it will be vital to balance the affordability of an all-inclusive rent when faced with an increasingly cost-conscious market, and the need to ensure another spike in energy prices doesn't leave them carrying unbudgeted costs.

## WHAT NEXT?

The economic squeeze is not expected to relent any time soon. Furthermore, the thought of paying off student debts for most of your working life becomes even less appealing when the university experience itself is now such a struggle for many. Whilst we know that we are leading to a peak in 18-year old students in 2030, the trend is then set to decline\*. If we don't build accommodation that meets the needs and pockets of all those who want to continue with higher education, it will impact both university and accommodation providers. Being flexible and adaptable to the changing market will be vital for PBSA providers and universities who want to remain ahead of the curve.

\* UCAS, Knight Frank and Unite Report – Journey to a Million

## 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.**

