Delivering a unique insight into the views and opinions of 70,000 current and new students

Knight Frank

Student Accommodation Survey

2021

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UCAS

FOREWORD

MATT BOWEN

HEAD OF STUDENT PROPERTY RESEARCH, KNIGHT FRANK

Despite the unparalleled uncertainty this academic cycle, investors continue to view the student accommodation sector favourably. The market has performed stronger than expected throughout the crisis with reports of robust booking and occupancy rates, and it has once again proved its value to students, universities and owners of stock.

The sector should be proud of the way it has responded to covid-19. Our survey confirms that operators of private purpose-built student accommodation (PBSA) have responded positively in the eyes of the students they accommodate.

Issues relating to student wellbeing have been driven to the forefront of the way operators engage with students – not least because of the pressures front line staff have faced in supporting students who were shielding or who were isolated from their friends and families. It has also brought into stark contrast the differences in quality and experience between professionally managed purpose-built accommodation and the offering available to students within the wider private rented sector.

The pandemic has accelerated many of the trends that we have highlighted in our previous reports – doubts about the long-term future of campus-style universities have again surfaced as online learning took over. However, longer term, student numbers are still forecast to rise and the campus will continue to be at the centre of a university's offering to students. Many of the broader drivers of accommodation will be political, whether that is via impacts to higher education as a result of Brexit or directly in the form of regulation, for example as the UK moves towards meeting environmental targets.

Regardless, it is clear that being able to navigate through this will be critical for investors and operators over the next few years. The most successful will have an understanding beyond bricks and mortar, and will be mindful of the wider issues facing students and higher education. A lasting impact of covid-19 will be that the quality of the accommodation experience of all students will become 'hardwired' into university planning, and those who are part of the vision that universities have of the future will benefit most.

One of the key lessons from our experience this cycle is the speed with which higher education has been able to adapt to the challenges it has faced. Operators must also be agile. It is for this reason that we continue to work in partnership with UCAS to bring the highest quality insight to the sector. Coherent and timely data that supports decision making has never been more important. The views and opinions of students shared in this report takes our sector-wide research further than it has ever been before.

SARAH BARR MILLER

HEAD OF INSIGHT & CONSULTING, UCAS

The 2020 admissions cycle brought many challenges to the HE sector unlike any which have been seen before. The pivot to online teaching and the continued perseverance of young people in the UK and globally to attend higher education no matter the circumstances, is testament to the appeal that the UK market has in the global market place. But for many universities they are still battling with continued uncertainty around their student numbers in light of the continued pandemic, especially for those international students.

What has been heartening for all is the continued demand we are seeing into the 2021 application cycle which provides us with a glimpse of what is to come in the next few years. In 2020, 37% of all UK 18 year olds applied to go to university, with rates much higher in certain areas like London; who knows how high this may rise as economic options may look less appealing. This is linked to a rise in the number of mature students entering HE; in 2020 we saw the highest growth in a year since 2009 with the sector placing 114,440 applicants, many in the medical profession. Demand from mature applicants in 2021 is already looking strong.

When we look beyond our shores, while 2021 will be a difficult recruitment period for EU students given the changes to their fees, there continues to be strong demand from international students. The best gauge we have of this so far is from the October 15th deadline point when applicants need to apply to the most competitive courses and universities; here UCAS saw a 12% increase in overall numbers of applications, a growth also driven by strong demand from the usual recruitment markets like China and India. So, much reason to be optimistic in the medium term.

As Matt notes, the accommodation sector should feel proud of the support it has shown these young people over a time when undoubtedly many felt very vulnerable and isolated. The survey shows how positively they have reacted to the support shown and also underlines, again, the importance that accommodation plays in terms of a student's mental wellbeing and support.

Though challenges undoubtedly remain, and the adjustments to new ways of learning and working continue, the 2020 undergraduate admissions cycle closed on a much more positive note than anyone dared to dream when we think back to the spring of last year. This year will bring its own set of hurdles and both universities and the accommodation sector, I am sure, will rise to the challenge of providing an engaging learning experience and a true home away from home.

About the survey

The survey was undertaken in the period between February and November 2020 and comprises both applicants, current students and new students who started university in the 2020/21 academic year. We received a response from 43,281 applicants, who answered the applicant survey form, and 31,000 current or new students, who answered the current student survey form.

SURVEYING THE MARKET

Accommodation plays a crucial role in the overall student experience. Understanding the needs and motivations of students will help the sector plan for the future.

Last year, we suggested the most pressing challenge facing the student market was political. One thing we could not have foreseen was a global pandemic, and the knock-on impact that this would have on the higher education landscape.

The sector has faced unparalleled levels of uncertainty in this year's academic cycle, including around bookings and occupancy levels, as well as whether international students would be able to travel to the UK.

Despite this backdrop, a record 516,650 students were accepted at UK universities this year, according to data from UCAS. International student enrolment also increased to its highest ever level.

Increasing participation rates are just one factor underpinning the student accommodation market, alongside an undersupply of purpose built student accommodation (PBSA) and growing investment volumes.

Data from UCAS indicates that international students remain committed to their study in the UK at the October 15th deadline (where applicants apply to the most competitive subjects). Demand from international students grew by around 20% compared to 2020 and this provides some reassurance that whilst this cycle may have been severely disrupted, it may only be a short term 'blip'.

Politics not forgotten

Political challenges do remain. The impact that the UK's departure from the EU poses for research funding is still not fully understood. Partnerships between universities and businesses, especially those that are international, will become increasingly important for UK higher education.

More subjectively, the "value" of going to university is also under the spotlight. The Office for Students' consultation on regulating quality and standards in higher education demonstrates the focus of government on outcomes for students from their study. Accommodation plays a crucial role in supporting and providing students with a solid base from which to succeed academically.

"At a time of unprecedented uncertainty our survey delivers timely insight into the preferences and concerns that students have when it comes to the housing choices available to them"

MATT BOWEN
HEAD OF STUDENT PROPERTY RESEARCH

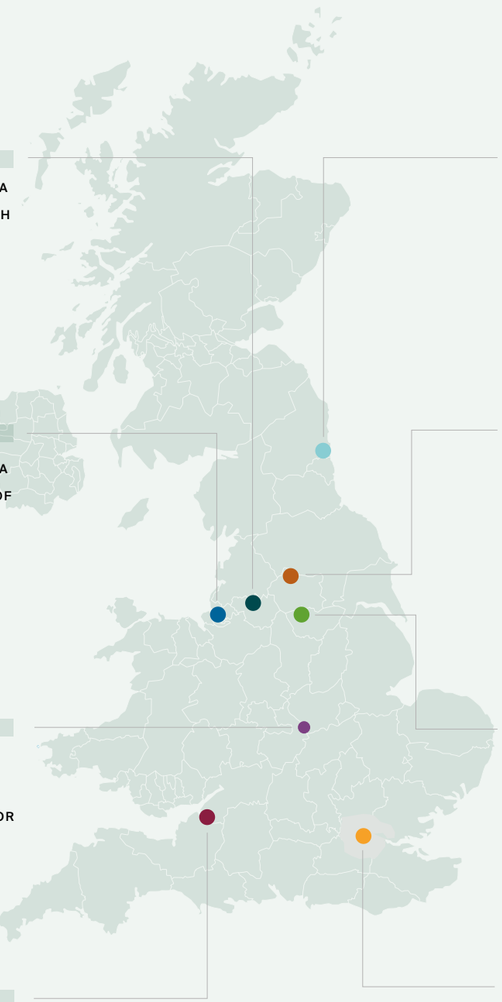
This will be an area that will receive even greater scrutiny, as the overall cost of going to university is measured against outcomes for students. This year's survey again points to affordability being the number one issue when it comes to accommodation. Operators must continue to demonstrate that they are meeting their obligations to students. In doing so, the trust that students have in their accommodation has never been more important.

Encouragingly, our survey suggests that operators of purpose built student accommodation (PBSA) have dealt better with the challenges that the pandemic has created than landlords in the wider rental market, highlighting the benefits of professionally-managed, and high quality purpose-built housing for residents.

One of the key observations from this year's survey is the volume of 'change' occurring right across the sector. Covid-19 has brought significant short-term changes to the way students are engaging with their accommodation and those that provide it. However, it has also accelerated longer-term trends that were already in motion.

Unique insight

More than 70,000 students from across the UK responded to the UCAS/Knight Frank 2020/2021 Student Accommodation Survey. The responses deliver a unique insight into the preferences and concerns that students have when it comes to their housing requirements.



82%
OF STUDENTS LIVING IN PRIVATE PBSA IN MANCHESTER WERE SATISFIED WITH THEIR ACCOMMODATION

96%
OF STUDENTS LIVING IN NEWCASTLE ARE HAPPY WITH THEIR ACCOMMODATION

91%
OF STUDENTS LIVING IN PRIVATE PBSA IN LIVERPOOL RATED THE LOCATION OF THEIR ACCOMMODATION AS 'GOOD' OR 'EXCELLENT'

<50%
OF STUDENTS LIVING IN HOUSE SHARES RENTED FROM A PRIVATE LANDLORD IN LEEDS RATED THE QUALITY OF THEIR ACCOMMODATION AS 'GOOD' OR 'EXCELLENT'

82%
OF FIRST YEAR STUDENTS LIVING IN PRIVATE PBSA IN LEICESTER WERE OFFERED FREE OR DISCOUNTED WIFI OR OTHER SERVICES AS AN INCENTIVE

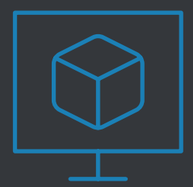
77%
OF STUDENTS LIVING IN PRIVATE PBSA IN SHEFFIELD RATED THEIR ACCOMMODATION AS GOOD VALUE FOR MONEY

60%+
OF STUDENTS IN BRISTOL HAD SECURED THEIR ACCOMMODATION FOR THE FOLLOWING YEAR BY THE END OF MARCH

67%
OF RESPONDENTS IN LONDON INDICATED THAT THEY WILL STAY IN THE CITY AFTER GRADUATING

TRENDS TO MONITOR

Below we highlight some of the trends set to influence student property markets in 2021 and beyond



Digital learning

The pandemic has accelerated the delivery of online learning and whilst this has raised questions about the future of campus, students want an immersive experience of university. Digital will have a positive impact and will enhance face-to-face learning, not replace it.

Strengthening university finances

Most of the anxiety before the beginning of the 2020/2021 academic year was about international student demand and whether students would be put off by online learning. This has not transpired. Whilst there may be lower numbers of international students on campus, the latest data from UCAS on international student demand for the next cycle shows a significant uptick.

A growing sensitivity to quality

A holistic student experience will drive demand for different universities. Accommodation will continue to play a central role in delivering a high quality experience and universities will recognise the need to do this for all students and not just first years.

Increasing satisfaction with PBSA

An increase in the levels of satisfaction with private PBSA this year demonstrates that investors and operators are building stronger outcomes for students through high quality service provision and scheme design.

Delivering value for money

The student accommodation market is now characterised by more choice at a wider range of price points. The current perception of students is that PBSA provides greater value for money than other accommodation options. This is underpinned not only by a higher standard of accommodation but also by developing community.

An increasing gap between PBSA and other accommodation options

Some 69% of students living in PBSA (either privately operated or university operated) felt positive about their accommodation provider's response to the covid-19 pandemic. This compared to just 25% of students living in the wider private rented sector. The benefits of high-quality, purpose-built accommodation with centralised management have come to the fore across the pandemic.

Post Qualification Admissions?

There will be significant operational consequences for accommodation providers if PQA is introduced. The booking cycle could be crammed into a shorter time period. This will cause major disruption if a compromise between schools, examining boards and universities cannot be achieved.

Student wellbeing as an outcome of investment

High quality accommodation underpins positive outcomes for students and is the number one factor influencing their wellbeing, according to our survey. Measures to support student wellbeing will increasingly feature in the ESG agenda for investors in PBSA. Operators of PBSA are at the forefront of an opportunity to make a significant difference to the mental health of the students they accommodate.

2020: A YEAR LIKE NO OTHER

How well do students think their accommodation providers responded to the unique challenges of the last year?

More than two thirds (69%) of students living in PBSA (either privately operated or university operated) felt positive about their accommodation provider's response to the covid-19 pandemic, with the benefits of high-quality, purpose-built accommodation with centralised management coming to the fore.

By comparison, just a quarter (25%) of students living within house-shares rented from landlords in the wider private rented sector said the same.

Among the reasons cited for student's positivity towards their accommodation provider were the ability to terminate tenancy agreements and flexibility on rents (including refunds). Strong and regular communication and having a respectful relationship were also highlighted.

Negative feelings were predominantly driven by landlords not being prepared to make any allowances for the impacts of the virus. Poor communication or lack of understanding and sensitivity around students' financial situations and job losses were also key factors in this regard.

Some 72% of first year students - the majority of whom live in purpose built accommodation – said they had stopped paying rent in the summer term after campuses closed. Conversely, 71% of second or more year students – the majority of whom live in house shares in the wider rental market – were paying full rent.

Home study

Approximately three quarters of survey respondents had either moved back home or were planning to move back home at the time they answered the survey (March to June).

This varied by location - only 53% of students at universities in London said that they had returned home, compared to 80% of students in Nottingham and 78% of students in Liverpool. This suggests some local variation in the decisions students were making. London universities typically have higher proportions of international students and this may also be a factor.

However, there was also a significant difference in the behaviour of students according to the year of study, with 75% of first year students already having returned home, but only 61% of second or more year students having done the same.

Those living in purpose built accommodation (private or university operated) were more likely to have already returned home (77%) compared to students living in house shares rented from a private landlord (64%).

Standing out from the crowd

The lasting impacts of the pandemic on the accommodation preferences of students is not yet known.

However, the survey suggests students' experience of the pandemic is markedly different depending on the type of accommodation they live in. In turn, this impacted their willingness to make a positive recommendation of their accommodation to other students.

Some 93% who indicated that their accommodation provider had responded to covid-19 in a positive way said they would recommend their accommodation to other students. Only 29% of those that indicated who their accommodation provider had responded negatively would do the same.

Given the overwhelmingly positive response felt by those in private PBSA, the differences between this and the offering in the wider rental market has never been so stark.

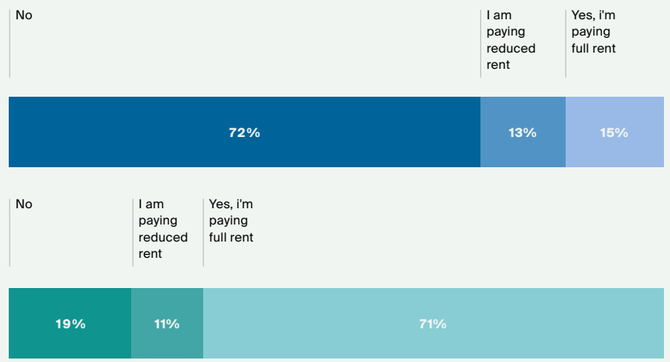
"My landlord has been incredible, delivering food items and food vouchers simply because they want to. They have also called to check everything is okay and whether I needed anything"

SECOND YEAR STUDENT

"Accommodation was very good with the way they dealt with Coronavirus. They had cleaners cleaning the flats and the stairs constantly ... They sent ... information out about the virus and were ready to help"

INTERNATIONAL STUDENT

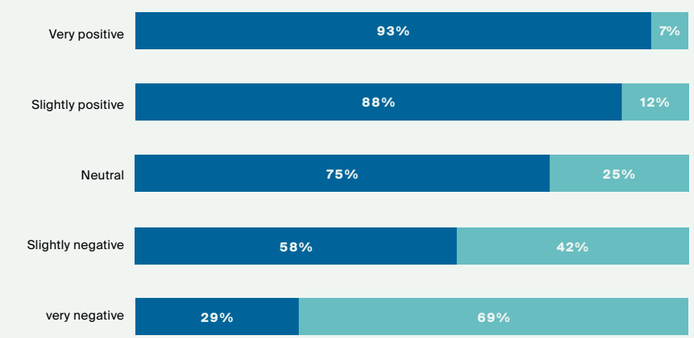
1 Were students paying rent in the 2020 summer term?



Source: Knight Frank/UCAS Student Accommodation Survey 2021

2 How has your accommodation provider responded to Covid-19?

% of students that would recommend their accommodation to other students



Source: Knight Frank/UCAS Student Accommodation Survey 2021

"Very uncooperative when asking for discount on rent due to no one being in the property to no utilities (included) are being used. Even after explaining that I had lost my job no sympathy was given"

THIRD YEAR STUDENT

"Our property managers gave us no advice on what to do if we could not pay rent, we were forwarded to credit control who did not help either, and we have had no contact with our landlord"

SECOND YEAR STUDENT

STUDENT SATISFACTION

How happy and satisfied are students with their accommodation, and what does this mean for future demand?

Students living in private PBSA or university-run halls were the most satisfied with their accommodation, with 82% of such respondents indicating this was the case. This is up slightly from 78% in last year's survey.

Whilst those living in the private rented sector were satisfied overall, a lower proportion (78%) said this was the case.

Looking specifically at property types, those living in a cluster flat, or in a shared house, said they were happier with their accommodation than those living in single occupancy studio or alone.

Despite these differences, a clear majority of students said they are happy with their accommodation choice.

Where students were dissatisfied, the most cited reasons among those living in privately operated PBSA related to a lack of value for money and problems with the building. For those in university operated accommodation it was a lack of value for money or noise problems.

The most commonly cited problem for students living in privately rented house-shares were problems with the building and having problems with the landlord or agent.

The survey shows that, in addition to property type, other key drivers of happiness with private PBSA are location, the option to live with friends and the quality of accommodation.

Looking specifically at private PBSA, efforts to create a community were also highlighted as being important, with the atmosphere and social scene provided within accommodation rated positively by 51% and 41% of respondents. Whilst these proportions are higher than in last year's survey, they still fall behind the positive ratings of these aspects from students living in university operated PBSA.

High levels of overall happiness within student accommodation are reflected by the fact that, in total, 70% of students who lived in private PBSA said that they would recommend their accommodation to new first-year students. This compares to just 52% of students living within house shares rented from private landlords.

We also asked second year students living in private PBSA if they would recommend their accommodation to first year students moving into their second year, with 73% indicating that they would do so.

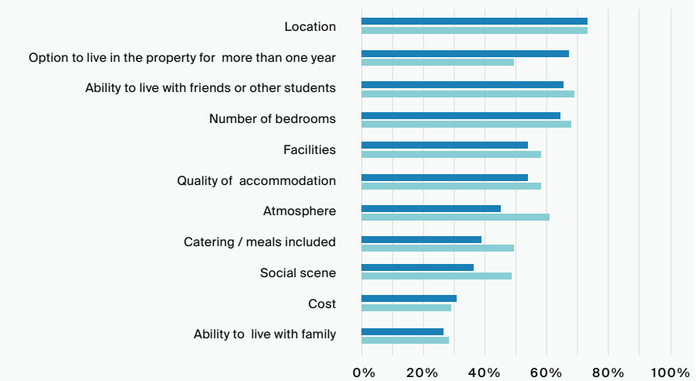
TAKEAWAY

Students' experience of the pandemic has varied depending on the type of accommodation they live in, with 69% of those living in PBSA feeling positive about their providers response.

4 What influences how happy you are with your accommodation?

● % of students living in privately operated PBSA rating the below as either 'good' or 'excellent'

● % of students living in university operated PBSA raiting the below as either 'good' or 'excellent'



Source: Knight Frank/UCAS Student Accommodation Survey 2021

3 Where are students most satisfied with their accommodation?

● % of students living in private PBSA who are satisfied with their accommodation

● % of students living in privately rented house-shares who are satisfied with their accommodation

Source: Knight Frank/UCAS Student Accommodation Survey 2021

LIFESTYLE

Identifying and understanding the elements in accommodation that are most important to students is vital for operators.

The single most important factor influencing the choice students make about where they live is value for money. Some 93% of respondents rated this as being either 'very' or 'extremely' important to them.

Just over half (51%) of students indicated that their current accommodation represented 'extremely good' or 'good' value for money, up from 49% last year.

Responses were comparable regardless of whether students were living in private or university-owned PBSA or in the private rented sector, despite the variations in cost between the three. This highlights the fact that perceived value for money is not driven entirely by cost.

TAKEAWAY

Better wifi is the number one service that students will pay a premium for, alongside more space, on site gyms and 24-hour security. Students are less willing to pay premiums for swimming pools, cinemas and games rooms.

Quality = value

Indeed, the survey suggests a preference for high-quality accommodation that provides clear and obvious elements that add value. For example, respondents said that, on top of their existing rent, they would be prepared to pay a premium for access to certain amenities. These include 24 hour security, a larger bedroom, a bigger or comfier bed and on site facilities such as a gym.

Stronger WiFi remained the number one service that students living in private purpose built accommodation would pay a premium for. The opposite is true for amenities such as on-site swimming pools, cinemas and games rooms.

When deciding where to live other factors identified by students as "extremely" or "very important" included the cleanliness of the bedroom (87%), the overall quality of the accommodation (85%) and the facilities offered (68%).

More subjective factors include reviews of the accommodation by other students, and the level of daylight in the bedroom. These two factors were particularly important to first-year students, with over 80% saying it helped them decide on their accommodation.

Biggest turn offs

The biggest 'turn offs' for students when viewing accommodation include the size of the bedroom, quality of the furnishings and the cleanliness of the property.

Second and third-year students also sought value for money but were equally influenced by the absolute cost of accommodation, with 92% rating this as either "very" or "extremely important".

They also deemed being able to maintain friendship groups as important, with over 68% of this group identifying the number of bedrooms available in a property, and the effect this had on being able to live either with friends or alone, as influencing their choice.

Importance of brand

Brand recognition again featured as a key influence with 50% of new first years living in private PBSA saying it was a factor in their decision of where to live, comparable to the 40% of new students who said the same last year. For second or more year students currently living in private PBSA it was even more of an influencer, with 63% indicating it was an important factor.

5 Which of the following influenced your decision on where to live?

■ % of second or more year students
■ % of first year students

Source: Knight Frank/UCAS Student Accommodation Survey 2021

93%

of students overall said value for money was important to them in deciding where to live

Parental involvement

Parental involvement also had a bearing on decision making, especially for first-year students, with 72% saying that their parents were involved when they were deciding where to live. Parental involvement is much lower for second and third year students at 52%.

Affordability

The pressures of meeting living costs are at the forefront of any discussion about student housing.

According to the results, on average students living in private PBSA are paying £7,200 per annum for their accommodation. This compares with an average of £6,650 for those living in university-operated accommodation and £5,900 for students living in privately rented house shares.

84%

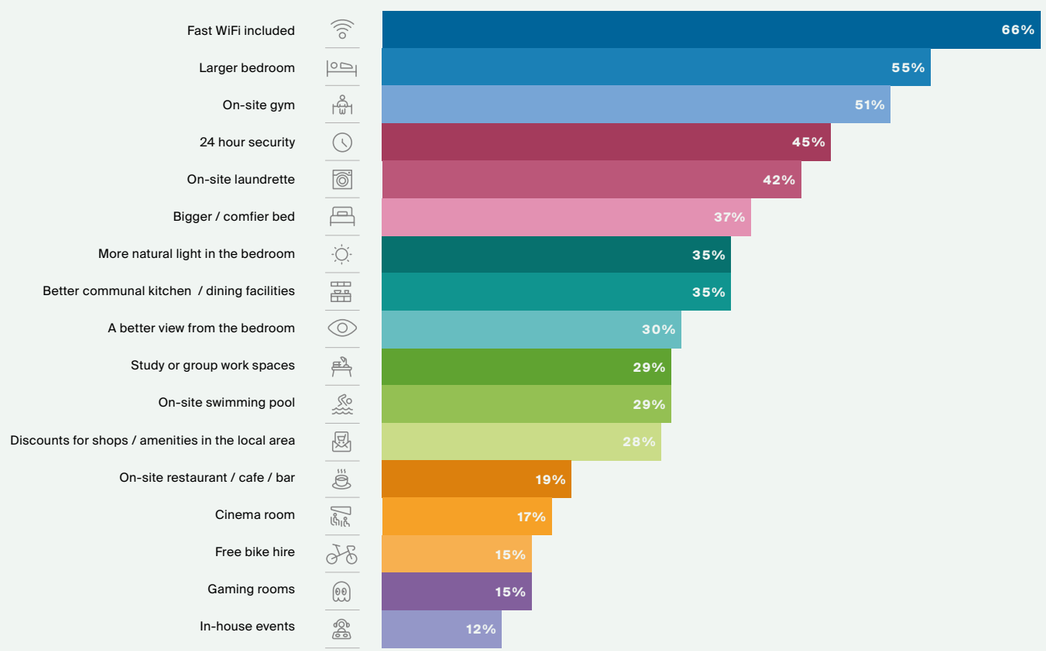
of students indicated that their accommodation costs were affordable

Regardless of the type of accommodation they were living in, most students (84%) indicated that their accommodation costs were either affordable or just about affordable, in line with the findings in last year's survey suggesting that perceived affordability has not worsened, or improved.

The majority of first-year students (75%) said they pay for their rent directly from their own bank account, rising to 82% for second years. The remainder said their rent was paid at least sometimes by

6 Which of the following would you be willing to pay a rental premium for?

% of students living in PBSA



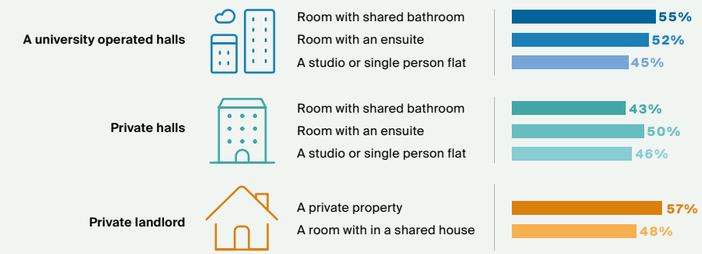
Source: Knight Frank/UCAS Student Accommodation Survey 2021

someone else, typically by their parents. Some 62% of students said they are able to turn to their parents if they need financial support. However, 55% of students indicated that they were worried about the impact the financial cost of their study was having on their parents.

Overall, 47% of students said that parents or guardians had contributed to their rent and general living costs for the academic year. Only 32% of respondents indicated that their maintenance loan was covering all of their costs. Nearly half (46%) of students indicated that they needed to work part time to afford the cost of their accommodation.

7 Which room type offers the most value for money?

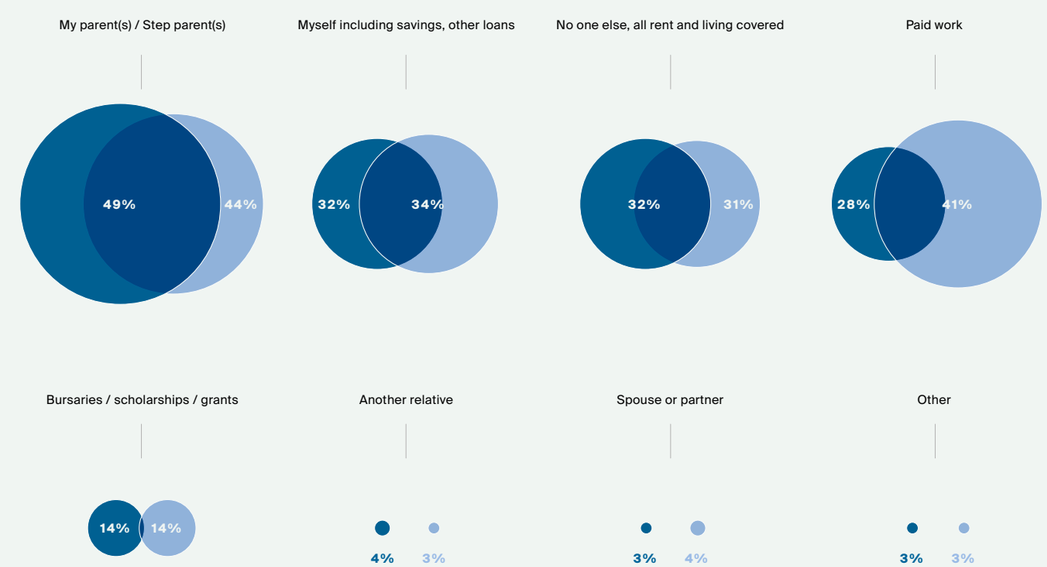
% rating it as "good" or "extremely good" value for money



Source: Knight Frank/UCAS Student Accommodation Survey 2021

8 How are you funding your accommodation costs?

% of second year plus
% of first year



Source: Knight Frank/UCAS Student Accommodation Survey 2021

WELLBEING

High quality accommodation plays an important role in supporting student wellbeing and is an essential element of a good student experience, something that universities will need to plan for.

Accommodation is the most important factor influencing student wellbeing.

Some 89% of students identified affordable living costs as being either 'important' or 'very important' with regards their overall wellbeing. The standard of accommodation was also identified as a key factor, with 82% identifying it as either "important" or "very important".

Last year, we reported that supporting student wellbeing through service provision and scheme design would become increasingly important. This year's survey indicates this is the case, with gym access, for example, becoming the third most important factor to students.

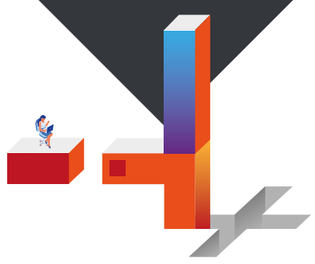
Community is also a significant factor. Being able to make friends was important to 88% of first-year students, whilst 80% of students overall identified a good campus atmosphere as important to their wellbeing.

Accommodation providers have a role to play in this regard. Many have developed a comprehensive approach to wellbeing and mental health. Organised groups or clubs were again identified as being the most important supporting element in student wellbeing, followed by good quality communal or social space to improve interaction within halls.

As well as improving mental health outcomes for students, the benefit for PBSA providers is the positive sense of community and belonging that is developed. This can help support retention and brand awareness. Importantly, such students are also more likely to provide a positive review or a recommendation.

TAKEAWAY

Improving student wellbeing and creating a sense of community can help support retention and boost brand awareness.



Creating communities

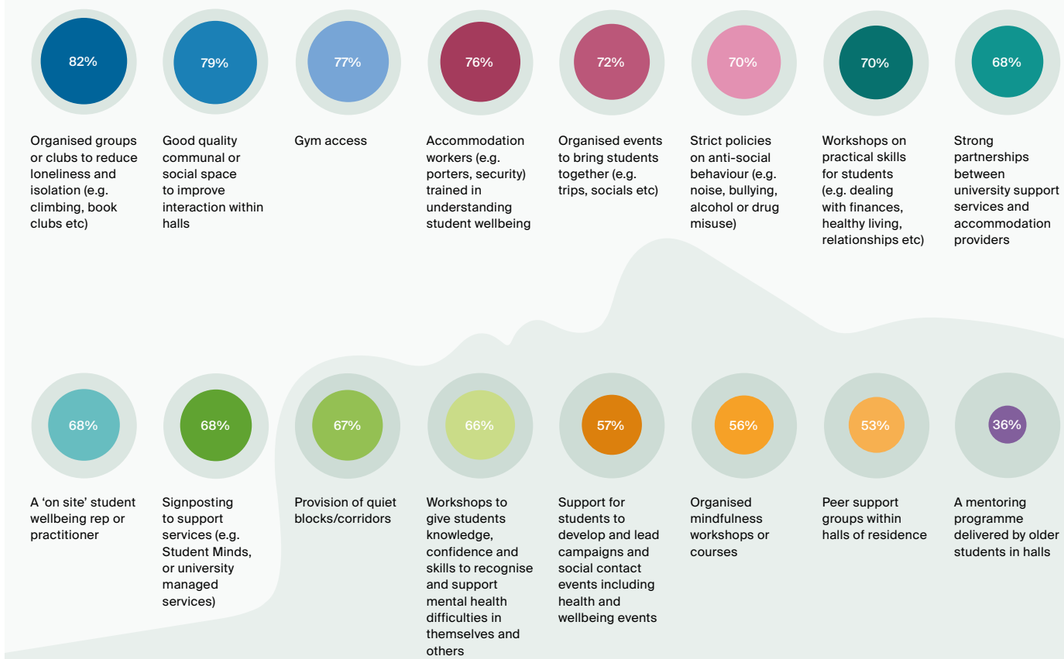
Last year's survey indicated that purpose built accommodation was uniquely placed to deliver meaningful impacts on student wellbeing. We found that high quality accommodation is more than just the standard of furnishings and cleanliness, it is also about delivering the human elements and creating communities.

Nurturing environments that enable students to build relationships and combat loneliness is integral to ensuring they get the most from their experience. Poor mental health is one of the single biggest drivers of students dropping out of university. This year's survey again highlights the importance that students place on being able to live together with 68% of second-or-more-year students indicating that living with friends was important to overall wellbeing.

Students are increasingly looking for a holistic student experience. One which is more than just the quality of education that they will receive. Some 87%, for example, identified being able to focus on the things that they are passionate about as being important to their wellbeing.

Students are becoming more sensitive to their overall experience and this will drive demand for places at different universities. Accommodation will continue to play a central role in delivering a high quality experience. Universities are beginning to recognise the need to do this for all students and not just first years.

9 How important are the following in supporting students' wellbeing? % of students rating it as 'i important' or 'very important'



Source: Knight Frank/UCAS Student Accommodation Survey 2021

EVOLVING MARKETS

Decisions on how and when students secure their accommodation will have a big impact on the marketing and pricing of schemes.

Operators this year have faced unprecedented levels of disruption due to covid-19 with a much later booking cycle compared to previous years. However, our survey shows that 92% of applicants for the start of the current academic cycle had secured their accommodation by October 2020. Some 61% of students applying to university for the first time secured their accommodation in September and October, which is comparable to last year. Less than 80% of students applying for university for the first time this year thought that there were enough accommodation options in their chosen university town or city.

40%

of second years living in private PBSA plan to stay in the same accommodation the following year

Market variation

The picture for existing students is varied. For example, 60% of first-year students who responded to our survey this year said that they had secured accommodation between May and August. By comparison, nearly the same proportion (63%) of second and third year students said that they had secured their accommodation for this academic year by the end of March.

Only 23% of second and third-year students were without accommodation for the following academic year by the end of May.

Interestingly, there are additional differences in timings depending on university city. In Bristol and Nottingham, for example, over 60% of students had secured their accommodation for the following year by the end of March, whilst in London only 32% of students had done so. 18% of students in London secured their accommodation for this year in September.

The timing of when new and existing students find somewhere to live for the following year has a material impact on how student housing providers price and market accommodation and competition between PBSA operators has intensified in some key cities over the last few academic cycles.

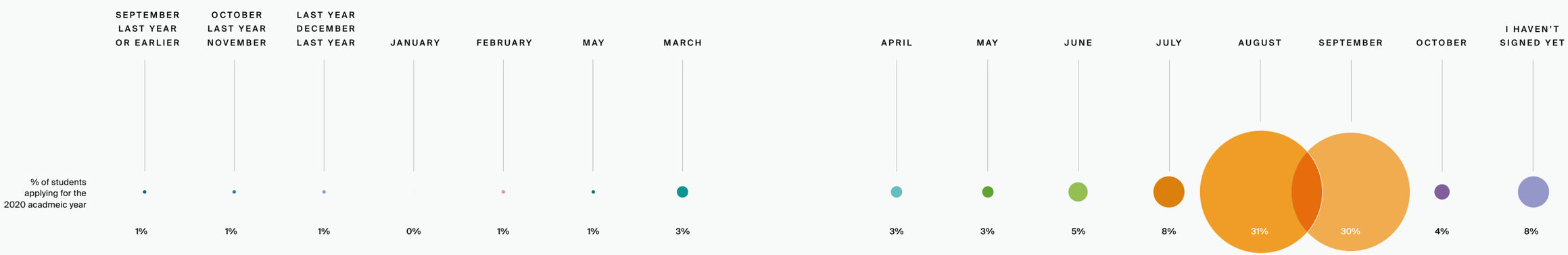
Deals and incentives

In order to attract new students and retain existing ones, some private PBSA providers offer incentives and deals to students. Indeed, over 50% of first-years living in private PBSA were offered an incentive when looking for somewhere to live. This is higher than last year when only 39% of first year students said the same and indicates that incentives continue to play a significant role in the market for private PBSA. Of those that chose the accommodation offering the incentive, 22% said they would not have chosen the same accommodation had it not been offered, comparable to last year.

While the majority of first-year students live in a form of PBSA, this changes in the second year. Some 73% of first year students who are currently living in PBSA said they planned to move into mainstream private rental accommodation in their second year.

Some 25% of first year students who currently live in private PBSA said they planned to stay in the same accommodation the following year. Some 40% of second years living in private PBSA said the same.

10 When did you sign the tenancy agreement?



Source: Knight Frank/UCAS Student Accommodation Survey 2021

BRAIN GAIN

Some 39% of final-year students said they intend to stay in the city in which they study after graduation. Providing them with high-quality purpose-built rental accommodation is a real opportunity for residential investors.

Students moving from one location to another before and after their studies makes up a large share of domestic migration in the UK.

London has historically been a net exporter of students, whilst large regional cities tend to be net importers. This typically reverses upon graduation, with London acting as a magnet for recent university leavers looking for jobs, or joining graduate schemes in the capital. It also means that retention rates for in London are typically high, at 67%.

However, as cities get bigger and attract more businesses and variety of occupiers, retention of students is of increasing importance. The intention of graduates to stay in Birmingham, for example, has increased from 40% in our 2020 survey to 46% this year.

Retaining and recruiting the brightest and best workers is key for cities to maintain their growth, with access to talent often cited as one of the biggest challenges for businesses looking to scale up.

Cross-sector opportunities

But aside from future employment opportunities, a city's ability to retain skilled graduates will depend on the availability of vibrant, amenity-rich, flexible living space for those workers in the right areas and at the right cost.

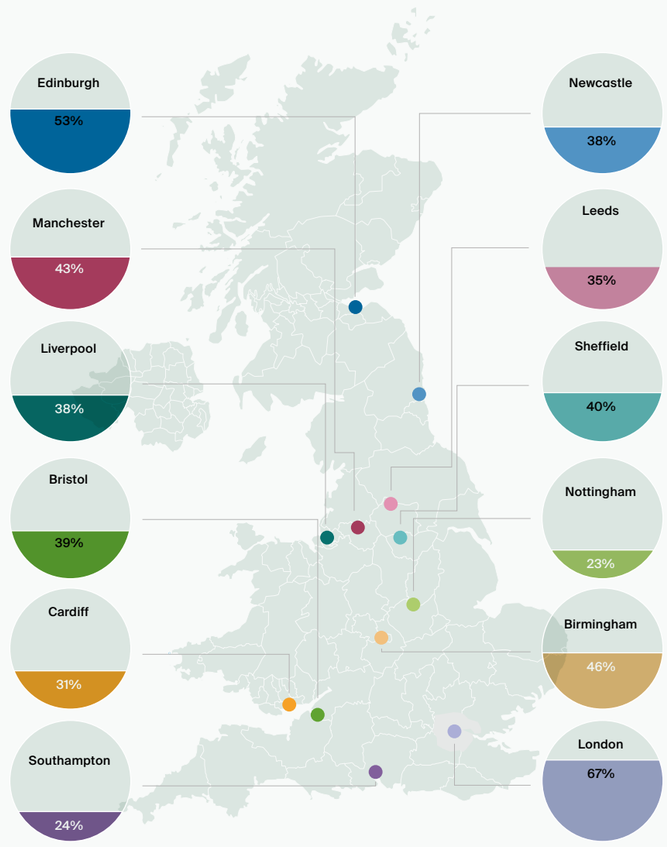
Tenure is key in this regard. Our survey suggests that nearly half (46%) of final year students, equating to some 235,000 individuals, plan to move directly into a property in the private rented sector upon graduation, for example.

As a result, delivering homes built specifically for the private rental market, be they co-living or Build to Rent (BTR), will ensure the convenience and quality of housing these households need in locations they want to be. Our analysis of completed BTR schemes in cities outside of London shows that the majority are located in central locations.

Accommodation influences the decisions student make on where to study, and it will increasingly influence the decisions among graduates on where they choose to work.

11 Graduate retention by city

% of respondents indicating they will stay in the city they studied post-graduation



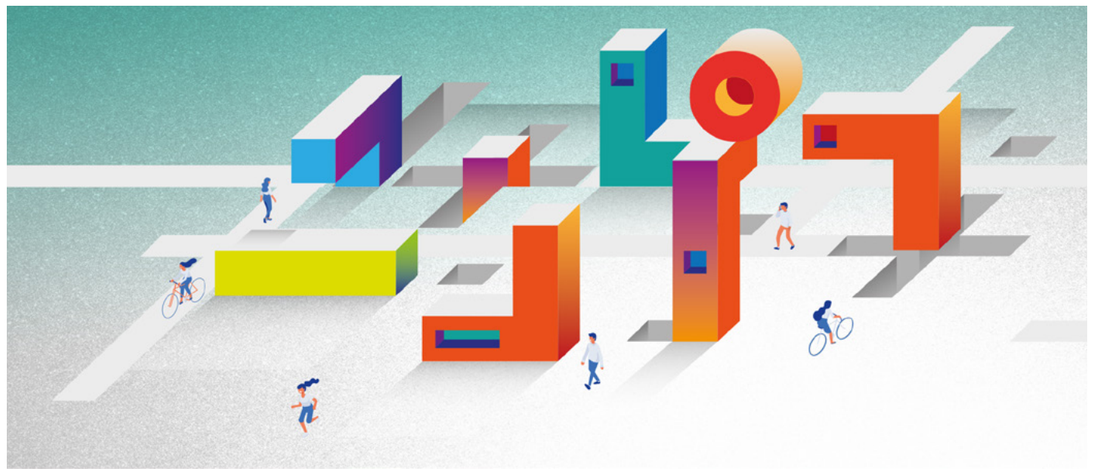
Source: Knight Frank/UCAS Student Accommodation Survey 2021

Innovation Cities

The Knight Frank Active Capital report examined almost 300 innovation-led global cities to determine which lead when it comes to innovation – defined as combining labour and capital in new ways to drive growth, whether because of academic research, targeted funding into biomedical research or grassroots motivation to innovate.

The field is led by London, the overwhelming star performer. However it is not the only UK location to feature, with cities such as Bristol, Birmingham and Cardiff all well placed. It is perhaps unsurprising that graduate retention rates in these locations are also high, according to our survey.

As UK cities look to grow and, increasingly, specialise in skilled and knowledge-intensive goods and services, the ability to retain graduates will be of critical importance.



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