To the Lord Mayor and
Members of Dublin City Council

Report No. 112/2019
Report of the Assistant Chief Executive

Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Report on Purpose Built Student Accommodation in Dublin City.

In accordance with the wishes of the South Central and Central Area Committees, a report on Purpose Built Student Accommodation (PBSA) in Dublin City entitled "Social, Economic and Land Use Study of the Impact of PBSA in Dublin City" was commissioned in September 2018. The Report was carried out by EY consultants, Coyne Research and Dublin City Council. The full body of the report is circulated separately and the executive findings and main summary are as follows:

The purpose of the study is to provide an evidence-based approach to the consideration of a number of issues pertaining to the provision of Purpose Built Student Accommodation (PBSA) in Dublin City at present, including:

- Current demand and supply of student accommodation,
- The impact of PBSA in contributing to the release of existing standard housing
- Economic and community impacts and
- A comparison with international examples

The Rebuilding Ireland Action Plan underlines the importance of providing well designed and located student accommodation to meet growing demand and avoid additional pressures in the private rental sector (standard housing). At present there are 76,381 full time students enrolled in HEA-aided third level institutions in the Dublin area, with approximately 53,000 students enrolled in the ten third level institutions (HEA-aided and private) within the canals of Dublin City. The National Student Accommodation Strategy (NSAS), published in May 2017, identifies the key target of the construction of at least an additional 16,374 PBSA bed spaces to provide an overall supply of 28,806 PBSA bed spaces in the Dublin area by 2024.

It is a policy of the Dublin City Development Plan 2016-2022 to support the provision of high-quality, professionally managed and purpose built third-level student accommodation on campuses or in appropriate locations close to the main campus, in the inner city or adjacent to high-quality public transport corridors and cycle routes, in a manner which respects the residential amenity and character of the surrounding area, in order to support the knowledge economy. There are approximately 6,364 PBSA bed spaces currently operational within the canals of Dublin city centre, growing to over 9,000 operational by 2020, given the number under construction at present. There is the potential for a total of approximately 14,000 PBSA bed spaces to be available for students by 2024, given the number of PBSA bed spaces approved and in the planning process at present. While PBSA bed space provision in the Dublin City Council area is on track to meet the NSAS supply target, this would address only one third of the predicted demand for PBSA bed spaces by 2025 in the Dublin area, estimated at over 50,000 as identified in the EY report.

Consultations were held with stakeholders in the PBSA market, including interviews with students living in PBSA, developers, facility managers, HEI's in Dublin and housing agencies. Stakeholders were all of the view that there is an urgent need for PBSA in Dublin, with any failure to build likely to negatively impact Dublin's attractiveness as an education destination. Interviews with students residing in seven PBSA facilities across Dublin found that 79% of those surveyed are international students. Nearly half would have chosen to live in private rental accommodation if PBSA was not available but quality and proximity to university/college are the most important factors in their choice for PBSA. In general it is considered that any negative impact associated with the rise in the number of students in a particular area is outweighed by the positive impact regarding expenditure, engagement and regeneration.

This study also found that PBSA has not forced out private residential development from previously vacant and underutilised sites in the city centre. A review of planning histories of a number of recent PBSA facilities in the city found that the majority of these sites have previous permissions for mixed use developments, including apartment units, granted before the last economic recession and remained undeveloped. At a national and city level a significant unmet requirement for PBSA, particularly in the city centre close to third-level institutions, was identified. These previously vacant sites in highly accessible locations were well suited for use by students attending a range of third-level institutions in the vicinity, and the combination of the significant demand for PBSA and availability of appropriate undeveloped sites have resulted in developers now providing such PBSA.

A review of recent PBSA developments in Dublin City has found that these developments have resulted in benefits to the local environment including the renewal of vacant and underutilised sites, the restoration and reuse of historic buildings and increased pedestrian linkages. These developments have allowed the renewal of vacant and underutilised sites in close proximity to the city centre which remained undeveloped during the Celtic Tiger years. A number of Protected Structures and historic buildings have also been restored and reused as part of these PBSA developments, including No. 10 Mill Street and the former Frawleys department store and adjoining historic buildings at Thomas Street in the Liberties.

The economic benefits of PBSA are multi-fold, ranging from the direct employment of approximately 145 people in existing PBSA facilities in the city centre, the total non-rental spend of €24.3m by existing PBSA residents in Dublin city centre during the academic year and an additional €1m tourist expenditure outside of academic term time. The research also found that the majority of students in PBSA use local services and facilities regularly and 15% work or volunteer locally, which could be increased as these new facilities become more established in their local area.

Section 5 of the report analyses the current and upcoming locations of PBSA developments in the city. This shows that whilst the current supply of bed spaces is higher in Dublin 1 and 8, the PBSA developments currently under construction and in the planning process are more spread across the inner city and will result in D8, D7 and D1 seeing an increase in PBSA bedspaces, in particular adjoining the Grangegorman campus in D7. D2 is slightly lower, reflective of the lower number of underutilised sites. The geographical spread shows the clustering of the facilities within 1km of the larger third level institutions within the City, allowing most residents to easily walk to their place of education. International comparisons indicate that Dublin has a relatively low proportion of students accommodated in PBSA, with approximately 16% of the student population accommodated in PBSA in 2018 compared to approximately 38% in Edinburgh. As recognised in the planning policies of other international cities, a major advantage of purpose built student accommodation is that that purpose-built and well managed schemes reduce potential issues such as antisocial behaviour compared to the widespread conversion of family housing, into shared student properties which are more difficult to manage. International examples indicate that the prime planning issue is the location of PBSA on sites where there is accessibility to third level institutions by sustainable transport and thresholds limits or requirements to ensure PBSA is located away from existing concentrations in city centres have proved contradictory and the result of these restrictions would be to direct such developments to less sustainable locations.

The report concludes that the use of a criteria policy for PBSA developments, including topic areas such as amenity, character, appearance and management, allows for consideration of impacts on a site by site basis and allows each case to be considered on its own merit. As identified by the National Student Accommodation Strategy, by developing and utilising an appropriate Management Plan for PBSA, the managers of PBSA can minimise any potential negative impacts from the PBSA developments and their occupants on surrounding properties and neighbourhoods and can create a positive and safe living environment for students and develop and enhance the neighbourhoods in which they are situated for the betterment of the whole community.

Richard Shakespeare
Assistant Chief Executive
21st March 2019

Social, Economic and Land Use Study of the Impact of Purpose Built Student Accommodation in Dublin City

Prepared for Dublin City Council

FINAL REPORT

Reliance Restricted

26 February 2019 | Final

Comhairle Cathrach Bhaile Átha Cliath Dublin City Council

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26 February 2019

Social, Economic and Land Use Study of the Impact of Purpose Built Student Accommodation in Dublin City

Dear Sir/Madam

In accordance with the terms or our engagement agreement dated 1 October 2018, we have assisted Dublin City Council (the "Council" or "DCC") in the review of Purpose Built Student Accommodation (the "Purpose") in Dublin. Our role is to provide you with our findings for your consideration.

Limitations of Scope

We will not, except to such extent as you request and we agree to in writing, seek to verify the accuracy of the data, information and explanations provided by yourselves, and you are solely responsible for this data, information and explanations. We will therefore rely on the information provided by you to be accurate and complete in all material respects. We will not seek to verify the accuracy of survey results provided by Coyne Research. Coyne Research are solely responsible for this data, information and explanations. This report has been provided to you for the above Purpose only and should not be used or relied upon for any other purpose, nor should it be disclosed to, or discussed with, any other party without our prior consent in writing.

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We appreciate the opportunity to have provided EY's Advisory services to Dublin City Council. Should you have any queries or comments regarding this report or if we may be of any further assistance, please do not hesitate to contact me on +353 1 479 2197.

Yours sincerely

Shane MacSweeney
Partner

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Glossary of Terms

Acronyms

- AY = Academic Year
- CSO = Central Statistics Office
- DCC = Dublin City Council
- DCU = Dublin City University
- DES = Department of Education and Skills
- DIT = Dublin Institute of Technology
- EU = European Union
- FOE = Field of Education
- GDA = Greater Dublin Area
- HEA = Higher Education Authority
- HEI = Higher Education Institute
- IADT = Dun Laoghaire Institute Of Art Design + Technology
- IoTs = Institutes of Technology
- NCAD = National College of Art and Design
- NCI = National College of Ireland
- PBSA = Purpose Built Student Accommodation
- PRS (standard housing) = Private Rental Sector
- ROI = Republic of Ireland
- TCD = Trinity College Dublin
- UCD = University College Dublin
- UK = United Kingdom
- RCSI = Royal College of Surgeons Ireland

Terms

- Non-EU = Students from outside the EU and thus eligible to pay full HEI fees
- Dublin City (Centre): The area in Dublin City Centre between the two canals
- DES/HEA aided = Those institutions which are classed as public HEIs and receive majority of their funding from exchequer sources
- International students = Students domiciled outside Ireland before studying in Ireland
- PBSA = Purpose Built Student Accommodation refers to accommodation built solely and exclusively for third level student use
- PRS (standard housing) = Private Rental Sectors refers to all other all other rental models other than PBSA. That is renting a room in a family home, sharing a house with others (not exclusively students) and renting an apartment/studio by oneself

Table of contents

Executive Summary

Executive Summary

The purpose of this study is to provide an evidence-based approach to the consideration of a number of issues pertaining to the provision of Purpose Built Student Accommodation (PBSA) in Dublin City at present, including

- Current demand and supply of student accommodation,
- The impact of PBSA in contributing to the release of existing standard housing,
- Economic and community impacts and
- A comparison with international examples.

The Government's Rebuilding Ireland Action Plan underlines the importance of providing well designed and located student accommodation to meet growing demand and avoid additional pressures in the private rental sector (PRS) (standard housing). At present there are 76,381 full time students enrolled in HEA-aided third level institutions in the Dublin area, with approximately 53,000 students enrolled in the ten third level institutions (HEA-aided and private) within the canals of Dublin City. The National Student Accommodation Strategy, published in May 2017, sought to ensure that there is an increased level of supply of Purpose Built Student Accommodation (PBSA) to reduce the demand for accommodation in the private rental sector by both domestic and international students attending Higher Education Institutions (HEIs). This identifies the key target of the construction of at least an additional 16,374 PBSA bed spaces to provide an overall supply of 28,806 PBSA bed spaces in the Dublin area by 2024.

It is a policy of the Dublin City Development Plan 2016-2022 to support the provision of high-quality, professionally managed and purpose built third-level student accommodation on campuses or in appropriate locations close to the main campus, in the inner city or adjacent to high-quality public transport corridors and cycle routes, in a manner which respects the residential amenity and character of the surrounding area, and in order to support the knowledge economy.

There are approximately 6,364 PBSA bed spaces currently operational within the canals of Dublin city centre, growing to over 9,000 operational by 2020, given the number under construction at present. There is the potential for a total of approximately 14,000 PBSA bed spaces to be available for students by 2024, given the number of PBSA bed spaces approved and in the planning process at present. While PBSA bed space provision in the Dublin City Council area is on track to meet the NSAS supply target, this would address only one third of the predicted demand for PBSA bed spaces by 2025 in the Dublin area, estimated at over 50,000 as identified in this report.

Consultations were held with stakeholders in the PBSA market, including interviews with students living in PBSA, developers, facility managers, HEI's in Dublin and housing agencies. Stakeholders were unanimous in the view that there is an urgent need for PBSA in Dublin, with any failure to build likely to negatively impact Dublin's attractiveness as an education destination. The Higher Education Authority (HEA) reports that approximately €1 billion of total gross investment is likely to be made by HEIs and private developers between 2017 and 2024.

Interviews with students residing in seven PBSA facilities across Dublin found that 79% of those surveyed are international students. Nearly half would have chosen to live in private rental accommodation if PBSA was not available, but quality and proximity to university/college are the most important factors in their choice for PBSA. Rent is on average €250 per week and students of PBSA claim to spend an average of €64 per week in the local area. With regard to the impact of PBSA on the local community, the consensus amongst stakeholders was clear - PBSA has a positive impact. In general it is considered that any negative impact associated with the rise in the number of students in a particular area is outweighed by the positive impact regarding expenditure, engagement and regeneration.

Executive Summary

Concerns regarding the PRS (standard housing) were raised by all stakeholders, who held the view that if further PBSA is not developed, students will be forced into an already pressurised PRS (standard housing). According to forecasts presented in this report the level of demand for student accommodation in Dublin is set to increase to between approximately 50,000 and 57,000 by 2025, a number unlikely to be met completely by the PRS (standard housing), given the issues in the sector. It is therefore imperative that demand is met with alternative options, including that provided by PBSA.

This study also found that PBSA has not forced out private residential development from previously vacant and underutilised sites in the city centre. A review of the planning histories of a number of recent PBSA facilities in the city found that the majority of these sites have had previous permissions granted for mixed use developments, including apartment units, before the last economic recession, but remained undeveloped as applicants found it difficult to attract office and commercial users of the magnitude required to take up the extant mixed use permissions.

In the same period, the economic benefits of attracting talent through developing Dublin further as an attractive place to live and visit for students were identified and policies were adopted for the promotion of Dublin as an international student city. At a national and city level a significant unmet requirement for PBSA, particularly in the city centre close to third-level institutions, was identified. These previously vacant sites in highly accessible locations were well suited for use by students attending a range of third-level institutions in the vicinity, and the combination of the significant demand for PBSA and availability of appropriate undeveloped sites, have resulted in developers now providing such PBSA.

A review of recent PBSA developments in Dublin City has found that these developments have resulted in benefits to the local environment, including the renewal of vacant and underutilised sites, the restoration and reuse of historic buildings and increased pedestrian linkages.

These developments have allowed the renewal of vacant and underutilised sites in close proximity to the city centre, which remained undeveloped during the Celtic Tiger years, including The Tannery Student Accommodation at Blackpitts, Kavanagh Court and Beckett House at Summerhill, Dorset Point on Dorset Street, and the Binary Hub at the Digital Hub complex on Thomas Street. A number of Protected Structures and historic buildings have also been restored and reused as part of these PBSA developments, including No. 10 Mill Street and the former Frawleys department store and adjoining historic buildings at Thomas Street in the Liberties.

The economic benefits of PBSA are multi-fold, ranging from the direct employment of approximately 145 people in existing PBSA facilities in the city centre, the total non-rental spend of €24.3m by existing PBSA residents in Dublin city centre during the academic year, and an additional €1m tourist expenditure outside of academic term time.

The research also found that the majority of students in PBSA use local services and facilities regularly and 15% work or volunteer locally, which could be increased as these new facilities become more established in their local area.

Both north and south sides of the city have a fairly even distribution of PBSA, with approximately 3,300 bed spaces operating on the north side of the river, around the Grangegorman campus and in the Docklands, and 3,062 on the south side of the city centre, within walking distance of Trinity College, the Royal College of Surgeons, Dublin Business School and Griffith College.

International comparisons indicate that Dublin has a relatively low proportion of students accommodated in PBSA, with approximately 16% of the student population accommodated in PBSA in 2018 compared to approximately 38% in Edinburgh. As recognised in the planning policies of other international cities, a major advantage of purpose built student accommodation is that that purpose-built and well managed schemes reduce potential issues such as antisocial behaviour, compared to the widespread conversion of family housing into shared student properties which are more difficult to manage.

Executive Summary

International examples indicate that the prime planning issue is the location of PBSA. Most important is that locations are accessible to third level institutions by sustainable transport needs. Thresholds limits or requirements to ensure PBSA is located away from existing concentrations in city centres have proved contradictory and the result of these restrictions would be to direct such developments to less sustainable locations.

The report concludes that the use of a criteria policy for PBSA developments, including topics such as amenity, character, appearance and management, allows for consideration of impacts on a site-by-site basis. This allows each case to be considered on its own merit. As identified by the National Student Accommodation Strategy, by developing and utilising an appropriate Management Plan for PBSA, the managers of PBSA can minimise any potential negative impacts from the PBSA developments and their occupants on surrounding properties and neighbourhoods. It also means that a positive and safe living environment can be created for students as well as acting to develop and enhance the neighbourhoods in which they are situated for the betterment of the whole community.

1

Context

1 Context

Student accommodation – context and policy background

Dublin City Council have commissioned EY-DKM and Coyne Research to undertake an assessment of the PBSA market in Dublin City Centre.

This assessment includes:

- A review of the demographics of the student population in Dublin. This includes a detailed student survey, undertaken by Coyne Research, of students currently residing in PBSA in Dublin
- Analysis for current and future demand for PBSA, based on Department of Education and Skills *Projections of Demand for Full-Time third-level Education 2018-2040*
- A study of the supply of PBSA in Dublin City Centre, including the future pipeline of developments
- Stakeholder consultations to provide context to the analysis provided above.
- An assessment of the role of PBSA in the regeneration in the City Centre and the impact of PBSA on the development of standard housing
- International benchmarking

Policy underpinning supply of Purpose Built Student Accommodation

The Government, in it's *Action Plan for Education 2017*[1], underscored the core objective to have the best education and training service in Europe by 2026. This ambition is for the education sector as a whole, from primary to tertiary. Further to this ambition, in its report *National Strategy for Higher Education to 2030*, the Higher Education Strategy Group (HESG) set out its long-term plan for higher education, in terms of its vision, objectives and recommendations of how to prepare for the future.[2]

The first high-level objective for higher education listed by the Strategy Group was that *"Ireland will have an excellent higher education system that will attract and respond to a wide range of potential students from Ireland and abroad and will be fully accessible throughout their lives and changing circumstances."*

Although written in 2011, the Chairman of the Group acknowledged that the capacity of higher education would almost double over the next 20 years, with most of the growth coming from non-traditional areas, such as 'mature' students and those from overseas, as well as increased postgraduate activity. Indeed Ireland's changing demographics are such that data available from the Department of Education and Skills (DES) suggests that by 2040, the national full-time student population could range between 188,000 and 225,000, up from 183,642 in 2017/18.[3] These ambitions have been accompanied, in recent years, by an increase in spending across the board in Ireland's education sector. Total public expenditure on third-level education has increased from €1.54 billion in 2013 to €1.61 billion in 2018.

The contribution of the higher education sector is also acknowledged in the *Expert Group on Future Funding (EGFF)* report which examined long-term sustainable funding options for the sector.[4] However, in regard to the two reports from the HESG and the EGFF, neither make any specific mention of student housing or student accommodation.

[1] https://www.education.ie/en/Press-Events/Press-Releases/2017-Press-Releases/PR2017-06-02.html
[2] National Strategy for Higher Education to 2030 – Report of the Higher Education Strategy Group to the Minister for Education and Skills, 2011.
[3] HEA, Statistics 2016/17 <http://hea.ie/statistics/>.
[4] Investing in National Ambition: A Strategy for Funding Higher Education, Report of the Expert Group on Future Funding for Higher Education, March 2016.

1 Context

Student accommodation – context and policy background

The changing demographics, combined with the objective of attracting greater numbers of students from home and abroad, will create a growing demand for suitable and affordable student accommodation.

Current supply and pipeline of PBSA bed spaces in Ireland

The provision of student accommodation has an important role to play in alleviating the current housing shortage and the crisis in the general rental market. The National Student Accommodation Strategy, published in mid-2017, concluded that the provision of 7,000 bed spaces by the end of 2019 and a total of 21,000 additional PBSA bed spaces by the end of 2024 would free up at least an additional 5,000 rental units for the wider residential sector.[5]

Further to this 7,901 PBSA bed spaces have been granted planning permission nationally and 472 are in the planning process. In all a total of 18,729 PBSA bed spaces were either completed or in the planning process nationally at the end of Q3 2018.

Current and pipeline PBSA (bed spaces), National, since 2016

	Q4 17	Q1 18	Q2 18	Q3 18
Developments since 2016				
Completions	2,606	2,687	2,990	5,531
Developments on site	4,553	5,842	7,257	4,825
Potential developments (bed spaces)				
Planning permission granted	6,927	8,636	7,154	7,901
Planning permission applied	1,816	917	1,209	472
Total	**15,902**	**18,082**	**18,610**	**18,729**

The *National Student Accommodation Strategy* estimated that there is an existing unmet demand for student accommodation nationally of approximately 24,000 bed spaces, three-quarters of which exists in Dublin. In light of these factors, the Government, in its Rebuilding Ireland Action Plan, underlined the importance of providing well designed and located student accommodation to meet this demand and avoid additional pressures in the PRS (standard housing).[6]

As the Union of Students of Ireland highlighted in an Oireachtas submission, student housing problems (i.e. a lack of on-campus PBSA, private sector rent price increases and the lack of rental properties) contribute to a dropout culture in third-level education.[7] Given the importance of a highly educated citizenry to social and economic wellbeing, steps to improve course completion would benefit communities and the economy through increased human potential.

The Irish Universities Association's submission to the Minister for Housing, Planning & Local Government highlighted the benefits of enabling incremental and accelerated investment in student accommodation.[8] These include:

1. Easing of pressures in the general rental market by freeing up housing occupied by students
2. Easing of pressures on students to find suitable accommodation
3. Opportunity for job creation in the construction sector
4. Increased tax revenues to the Exchequer during the construction phase
5. Greater opportunity to meet demographic pressures
6. Ability to attract additional international students with the associated export income/FDI associated with international fee income and the multiplier economic impact of these students.

[5] National Student Accommodation Strategy, Department of Housing, Planning and Local Government, July 2017. p9.
[6] Rebuilding Ireland Action Plan for Housing and Homelessness, July 2016, pp. 73-74.
[7] Union of Students of Ireland http://usi.ie/wp-content/uploads/2016/05/USI-Submission-to-the-Oireacthas-Committee-on-Housing-and-Homelessness-1152016.pdf.
[8] Irish Universities Association (IUA) Submission to the Minister for Housing, Planning & Local Government in respect of Proposals for the Development of Student Accommodation, June 2016.
Source: Q3 2018 Progress Report on the National Student Accommodation Strategy
Note: Figure relate to the end of each quarter

1 Context
Student accommodation – context and policy background

An increase in student accommodation would thus fulfil university needs in terms of easing pressures on students to find suitable accommodation and would also facilitate meeting economic and demographic pressures in terms of increasing housing supply. Such a development would also enhance the ability of universities to attract international students, who, through international fees, provide universities with the income they need to develop their resources and offer a high service to students and the community at large.

PBSA Standards in the Dublin City Development Plan 2016-2022

With regard to the provision of PBSA in Dublin specifically, Dublin City Council outlines a number of student accommodation policies and standards from the Dublin City Development Plan 2016-2022. The document outlines the requirements for "*appropriately located high quality, purpose built and professionally managed student housing schemes, which can make the city's educational institutions more attractive to students from Ireland and abroad, and can also become a revitalising force for regeneration areas*."

The Dublin City Development Plan 2016 – 2022 outlines two specific policies that focus on the development of PBSA:

1) QH31: It is the policy of Dublin City Council to support the provision of high-quality, professionally managed and purpose built third-level student accommodation on campuses or in appropriate locations close to the main campus, in the inner city or adjacent to high-quality public transport corridors and cycle routes, in a manner which respects the residential amenity and character of the surrounding area, in order to support the knowledge economy. Proposals for student accommodation shall comply with the 'Guidelines for Student Accommodation' contained in the development standards.
2) CEE19: It is the policy of Dublin City Council to promote Dublin as an international education centre/student city, as set out in national policy, and to support and encourage provision of necessary infrastructure such as colleges (including English language colleges) and high quality, custom-built and professionally managed student housing.

The following internal standards apply to all proposals for PBSA:

- Student accommodation generally to be provided by grouping study bedrooms in "house" units, with a minimum of 3 bed spaces with an overall minimum gross floor area of 55 sq m up to a maximum of 8 bed spaces and a maximum gross floor area of 160 sq m
- Single/ double occupancy studio units that provide en-suite bathroom facilities and kitchenettes/ cooking facilities will also be considered, with a minimum gross floor area of 25 sq m and a maximum gross floor area of 35 sq m
- Within campus locations consideration will be given to the provision of townhouse, 'own-door' student accommodation with a maximum of 12 bed spaces per townhouse
- Shared kitchen/ living/ dining rooms shall be provided, based on a minimum 4 sq m. per bed space in the "house" and "town house" unit, in addition to any circulation space
- Minimum bedrooms sizes for "house" and "town house" units will be:
- Single study bedroom: 8 sq m (with en-suite shower, toilet and basin: 12 sq m)
  - Twin study bedroom: 15 sq m (with en-suite shower, toilet and basin: 1 8 sq m)
  - Single disabled study bedroom, with en-suite disabled shower, toilet and basin: 15 sq m)
- Bathrooms: Either en-suite with study bedrooms/ studio units or to serve a maximum of 3 bed spaces
- Communal facilities and services which serve the needs of students shall be provided for, which include laundry facilities, caretaker/ security and refuse facilities (either on site or nearby within a campus setting)

1 Context

Student accommodation – context and policy background

- The applicant must submit evidence to demonstrate that there is not an overconcentration of student accommodation within an area, including a map showing all such facilities within 1km of a proposal

The patterns of development and evolving trends in PBSA in Dublin have been closely monitored by Dublin City Council in recent years. In the Dublin City Development Plan 2016-2022[9] the provision of high-quality, professionally-managed student accommodation is recognised as a priority to promote Dublin as an international education centre and student city.

[9] http://www.dublincity.ie/sites/default/files/content/Planning/DublinCityDevelopmentPlan/Documents/Dublin%20City%20Development%20Plan%202016%20-%202022%20Volume%202.pdf

2

Student Demographics

2 Student Demographics

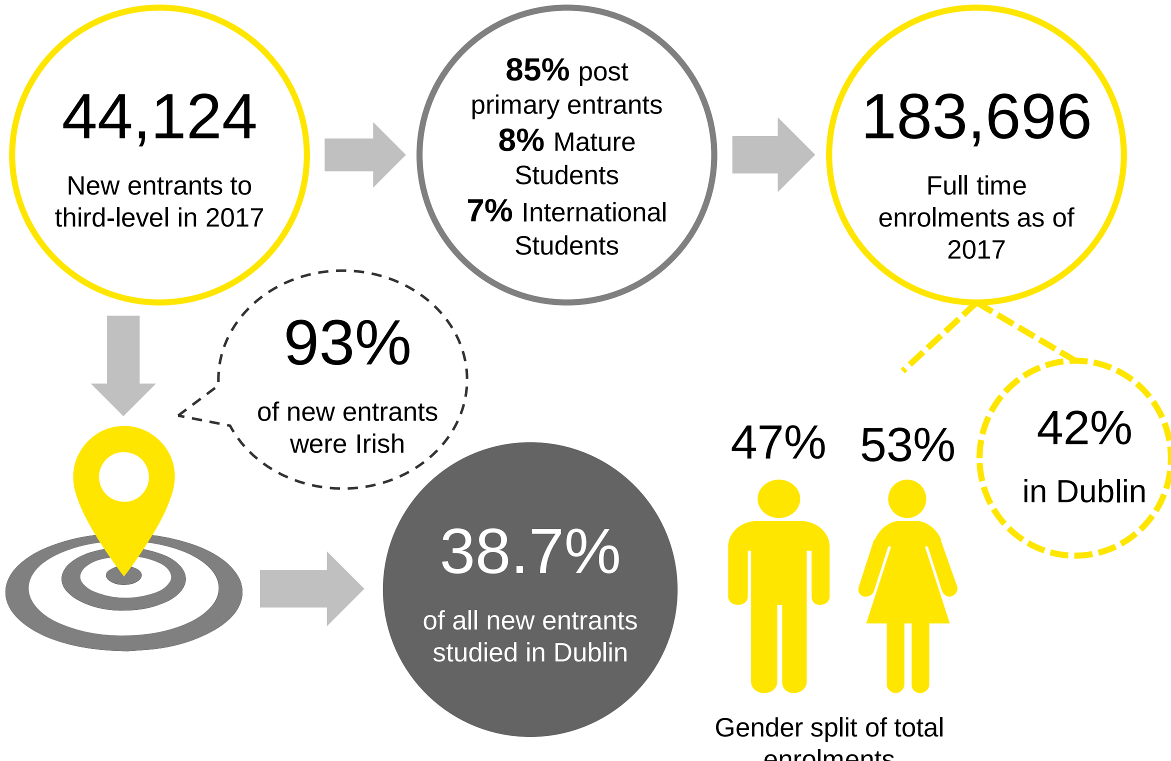
National student enrolment in third-level institutions

A total of 44,124 new entrants entered third-level education in the academic year 2017/18, according to figures from the Higher Education Authority (HEA). As of 2017 there were a total of 183,696 students enrolled in full time education in third-level institutions in Ireland. This represents 1.8% growth in total enrolments in Ireland since 2016/17 and 13.7% since 2010/11.

A total of 93% of the new entrants to third-level institutions in 2017/18 were Irish, with almost two in every five students (38.7%) choosing to study in Dublin institutions.

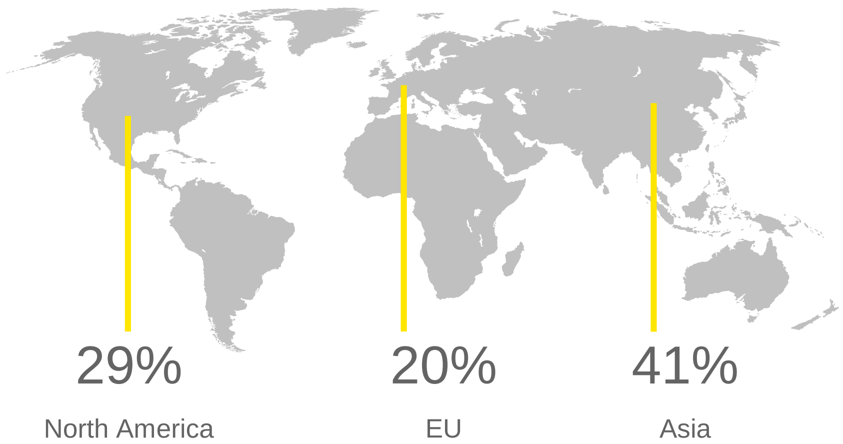
A total of 7% of all new entrants were international students, 90% of which were from Asia (41%), EU (20%) and North America (29%).

Academic year 2017/18 key national statistics



Source: HEA Key Facts and Figures for 2017/18

Percentage of full time international students origin



2 Student Demographics
Student enrolment in Dublin third-level institutions

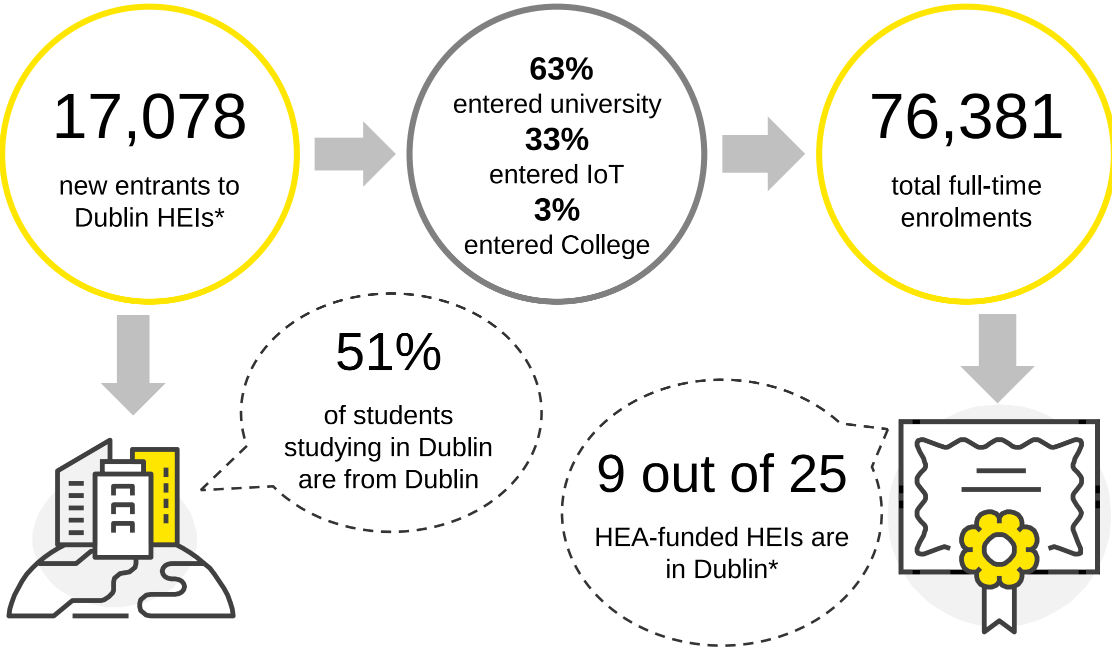
Within Dublin, there were just over 17,000 new entrants to Dublin HEIs in the 2017/18 academic year. This represents a marginal decline of 0.9% over the previous academic year and brings to 76,381 the total full-time enrolments in HEA-aided HEIs in Dublin. The decrease in new entrants was due, in particular, to the decrease in business students (-256) from the previous years. Out of 11 fields of education (FOE) in 2017/18, only four recorded an increase in student numbers.

Of those new entrants, 63% entered Dublin-based universities, 33% entered an Institute of Technology, while only 3% entered a Dublin-based college.

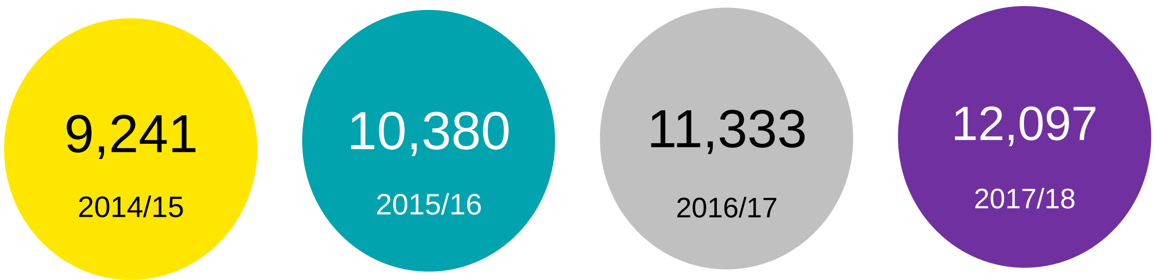
The number of international students choosing to study in Dublin has been on an upward trend over the past number of years. In 2017/18, approximately 12,100 international students were registered in Dublin-based HEIs. This represents a 6.7% increase on 2016/17 and a 31% rise on the number recorded in the 2014/15 academic year.

These figures relate exclusively to DES aided HEIs. However, when private colleges are included there are approximately 53,194 students studying within the canals in Dublin. Overall there is a total of 97,599 studying within the Greater Dublin Area.

Academic year 2017/18 key statistics



Number of International Students in Dublin



Source: HEA Academic Year 2017/18 * Only includes those aided by the HEA

2 Student Demographics

Composition by undergraduates/postgraduates

Undergraduate enrolments

Higher Education Institutes (HEIs) in Dublin are defined as universities, colleges and Institutes of Technology (IoT).[10] The proportion of students attending university has been on an upward trend over the past five academic years.[11] The total undergraduate population studying in Dublin universities grew by 7.1%, or 4,280 students, over the five year period.

IoT enrolment in Dublin has remained relatively stable over the five years with only a very marginal increase of 1.5% or 295 students in the period. Enrolment in colleges registered the most significant decline from 5,399 in 2013/14 to 3,101 in 2017/18 – a decline of 42.6%. Across the HEIs the share of male students has been on a slight decline since 2013/14, currently sitting at a share of 46% males and 54% females.

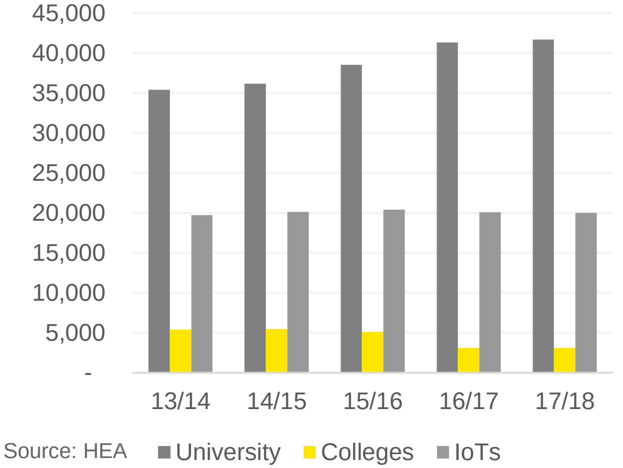
Postgraduate enrolments

Postgraduate enrolment is strongest in universities, with 85% (8,992 students) of all postgraduates in Dublin enrolled in universities in 2017/18. Over the previous four years, universities in Dublin recorded an increase of 7.2% (777 students) in postgraduate student numbers.

Enrolment at IoTs has remained relatively stable growing by just 4.3% (53 students). During 2013/14, 603 students studied at postgraduate level in colleges in Dublin and this has decreased by 20.2% (122 students) in the five years to 2017/18.

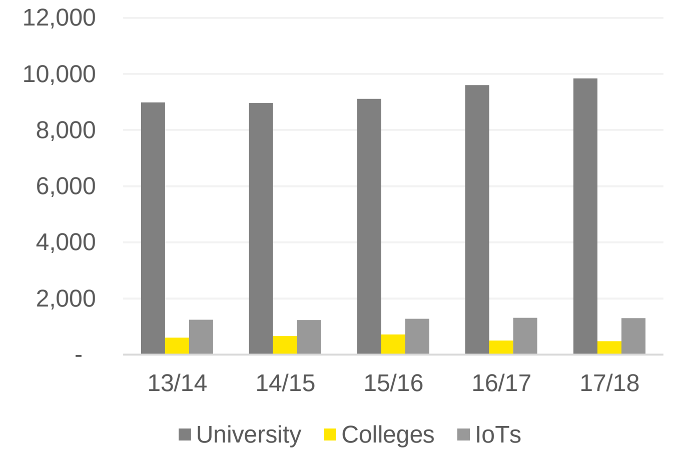
Similar to the data observed at an undergraduate level, the percentage of females undertaking postgraduate courses in Dublin is 57% compared to 43% males.

Number of undergraduate enrolments in Dublin HEIs by academic year



Source: HEA

Number of postgraduate enrolments in Dublin HEIs by academic year



Source: HEA

[10] Universities: DCU, TCD, UCD; Colleges: NCAD, RCSI; IoTs: DIT, Dun Laoghaire IADT, IT Blanchardstown, IT Tallaght
[11] Academic year is defined by the HEA as running from September to May

2 Student Demographics
Trends in international students

Number of students by field of education (FOE)

During the 2017/18 academic year, and across all HEIs in Dublin for both postgraduates and undergraduates, Health and Welfare is the most popular area of study with c.14,500 students. Business, Administration and Law as well as Arts and Humanities follow closely with c. 14,200 and 13,800 students respectively.

Other subject areas, such as Engineering, Manufacturing and Construction and Natural Sciences, Maths and Statistics, each have approximately 7,900 students enrolled in each field.

International students studying in Dublin

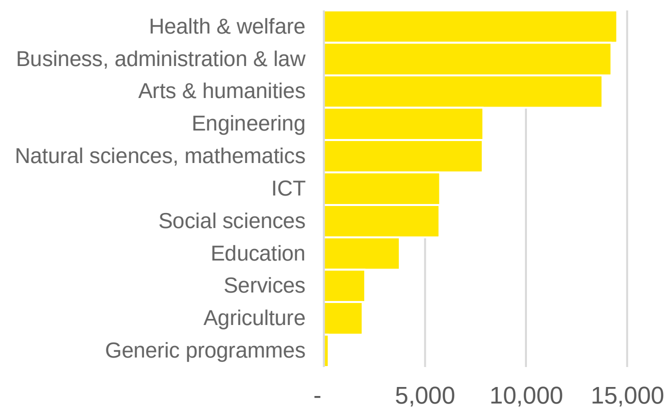
The number of international students[12] choosing to study in Dublin universities has grown by 51% between 2013/14 and 2017/18 to 12,097. Substantial growth was also recorded in IoTs, where the number of international students increased by 41% (412 students) in the same period. A marginal increase of 7.2% (115 students) was recorded in Dublin colleges. The share of international students choosing to study in Dublin, relative to other Irish locations, has remained somewhat unchanged since 2013/14, averaging 52% over the period.

A 2018 study commissioned by the HEA and the Irish Research Council identified that there has been an explicit policy commitment to facilitate and support the development of Ireland as an international education centre for over 20 years.[13] However one of the key risks/opportunities to attracting international students is that presented by Brexit. A recent report from the Royal Irish Academy Brexit Taskforce[14] propose three actions to harness the opportunities for higher education and research on the island of Ireland:

1. Actions to maintain the beneficial north-south, east-west axis between Ireland and Northern Ireland, and Ireland and Britain, in higher education and research
2. Actions to address underinvestment in higher education (north and south) and research to better position Ireland as a global hub for excellence in teaching and learning and research
3. Actions to align national research and internationalisation strategies that will grow Ireland’s international research connectivity and enhance it’s reputation as a hub for international talent.

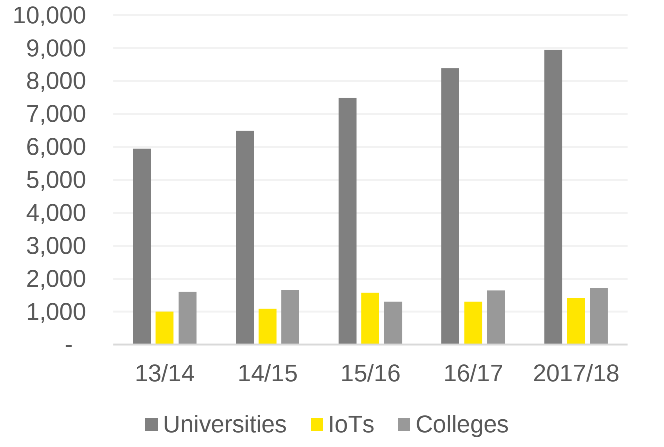
A case study on the implications of Brexit on the education sector is presented in Section 4.

Number of postgraduate and undergraduate by FOE 2017/18



Source: HEA

Number of international students in Dublin HEIs by academic year



Source: HEA

[12] International student defined as Full-time enrolment, domicile of origin not Ireland
[13] http://hea.ie/assets/uploads/2018/07/report_internationalisation_of_education_2018.pdf
[14] https://www.ria.ie/sites/default/files/roi_brexit_report-_e-version-1.pdf

2 Student Demographics
Students from the Greater Dublin Area

Student analysis of the Greater Dublin Area

Data from the CSO shows that, on average over the past seven years, 51% of students studying in Dublin live in County Dublin. Indeed the majority of students, some 70%, choosing to study in Dublin are originally domiciled in the Greater Dublin Area (GDA). The remaining 30% are originally from the Rest of Ireland and Northern Ireland. These proportions have remained relatively unchanged from 2010/11 to 2017/18.

Students studying HEIs in Dublin, by County in GDA, 2017

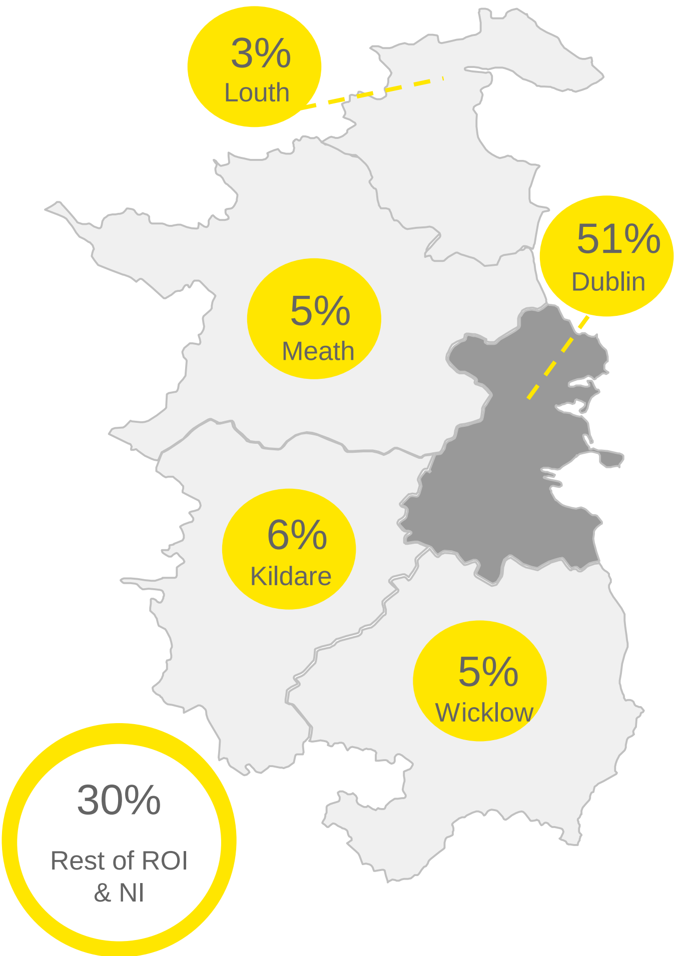
2017	Dublin	Kildare	Meath	Wicklow	Louth
No. of students	33,758	3,821	3,871	3,578	1,808

Source: CSO

This has significant implications for PBSA. While the demand for student accommodation is currently high, and in the event that students struggle to find suitable accommodation in the PRS (standard housing), students from the GDA may have the option of commuting from home for the duration of their studies. From this point of view it may be important that PBSA places itself as a strong, affordable alternative to the PRS (standard housing).

While there is a large cohort of students originally from the GDA, demand for appropriate student accommodation in Dublin is also driven by international students, 53% of whom chose to study in Dublin in the 2017/18 academic year.

Average percentage of students from the GDA studying in Dublin based third-level institutions, 2010-2017



Source: CSO

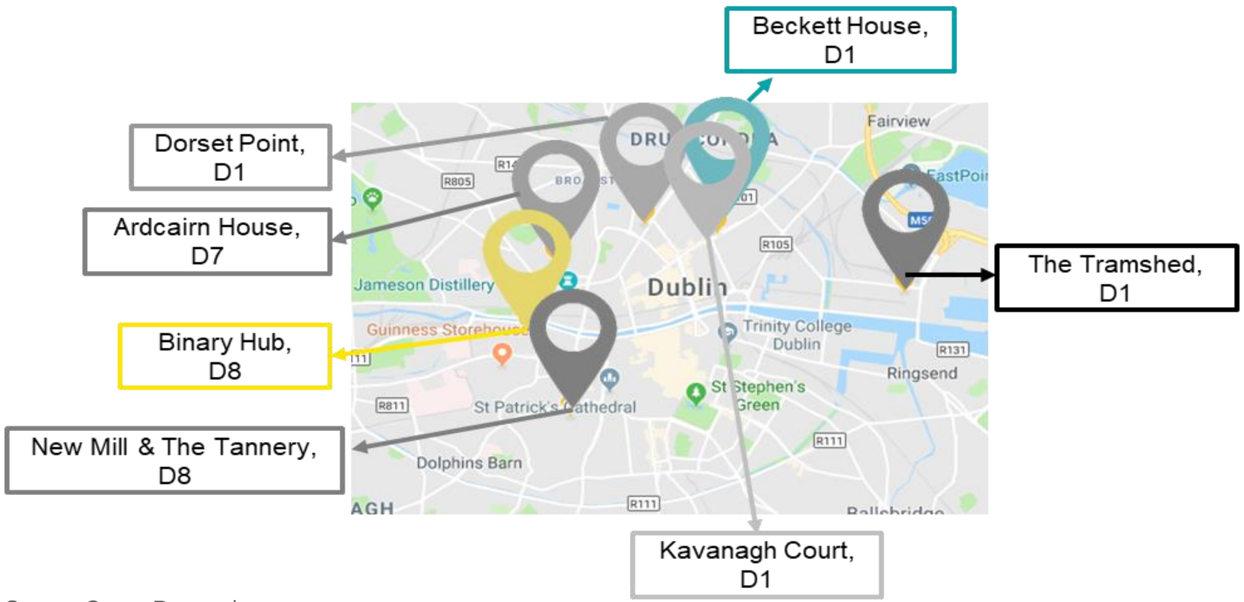
Introduction and background to the survey

The overall objective of the research undertaken by Coyne Research was to 'explore the social, economic and land use impacts of PBSA in Dublin'.

Key asks of the survey were to:

- Identify the profile of students currently renting in PBSA
- Gain an understanding of the rationale for students choosing to rent in PBSA
- Gain an understanding of preferences and ideal accommodation arrangements for third-level students
- Determine the interaction of, and engagement of students renting in PBSA with, local services and transport as well as their spending power in the local community

214 face-to-face interviews were conducted of residents across seven PBSA buildings in Dublin City Centre. Full survey results can be found in the Appendix.



Source: Coyne Research

Findings Overview

79% of surveyed PBSA residents were international students (4 in 5 residents)

PBSA residents outline they spend **€64 on average** in the local area per week

79% of residents claim the quality of the accommodation was a factor in choosing PBSA

93% of residents claim to use local supermarkets, 76% use other local shops and 53% use local cafés

46% of students stated that location is the most important element of accommodation.

91% of respondents stated that the availability of PBSA did not have an impact on their choice of college/university. This may indicate that these students are coming to study in Dublin regardless of the accommodation provided and without the provision of PBSA and as such a large number may be reliant on the PRS (standard housing)

2 Student Demographics

Survey findings – student demographics

Year of study for PBSA residents

A common misconception is that PBSA is primarily the accommodation choice for first year undergraduate students. Results from Coyne Research shows that this is not necessarily the case.

- 41% of the resident population of the seven surveyed PBSAs are third year students while 29% are first years.
- Interestingly 25% of the surveyed population are postgraduate students. This could be down to the recent drive by HEIs to recruit international (Non-EU) students into their degree programmes.

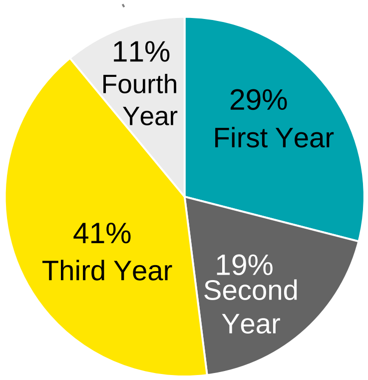
PBSA resident behaviour

- The main area of study is business, in line with aggregate results presented earlier in this report. Trinity College, at 42% of the total, is the most popular HEI for the surveyed students.
- 1 in 5 (21%) were attending college/university in Dublin last year, and just over 1 in 4 (28%) believe they will remain in this type of accommodation next year, most likely due to the high proportion of international students.
- 91% of students claim that the availability of PBSA had no impact on their choice of college/university.
- Of those who were in third-level education in Dublin in the last academic year (representing just 21% of PBSA residents), over half of them (57%) lived in similar PBSA accommodation.
- Of those who were not, the majority (59%) lived at home with their parents.
- Circa half of PBSA residents (48%) claim that if PBSA type accommodation was not available, they would likely have chosen the PRS (standard housing) in the standard housing market. This raises the question where the remaining 52% of residents would expect to live, it may be the case that they would not have chosen to study at their current HEI or they would have chosen on-campus accommodation.
- 34% of residents cite their ideal or preferred living circumstances would be the PRS (standard housing), while 15% would prefer on campus accommodation and 43% would prefer a similar PBSA.

PBSA residents domiciliary of origin

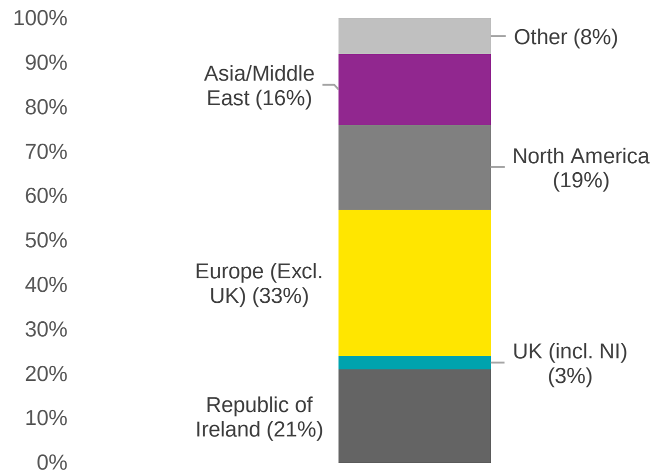
- Some 33% of students residing in PBSA are from Europe, with the Republic of Ireland being the second most popular domiciliary of origin (21%). North America (USA and Canada) make up 19% while Asia and the Middle East make up 16% of the PBSA population. The UK accounts for only 3%. The high number of non-EU international students (43%) correlates with the drive by HEIs in recent times to attract international students.

Surveyed residents year of study



Source: Coyne Research

Country of residence prior to entering third-level



Source: Coyne Research

2 Student Demographics

Survey findings - expenditure by students in PBSA

PBSA resident rental expenditure

- 98% of the surveyed residents have their own room. The majority (62%) of residents share kitchen facilities with between one and four people.
- The average weekly rent of PBSA residents is €250. A minority of residents (5%) spend more than €300 a week on accommodation. The average rent paid by students who were in Dublin in the previous year (2017/18) was €197. Stakeholders raised concerns that PBSA rent may be unsustainably high, however there are concerns that there is little scope for developers to compete on rents due to the fact that they face similar planning guidelines and construction costs.
- 57% of residents, who were in 3rd level education in Dublin in 2017, lived in PBSA while only 15% rented privately and 15% lived in on campus accommodation.
- 59% of students who were not in education in Dublin in 2017 lived at home with their parents, while 23% were accommodated in the PRS (standard housing).

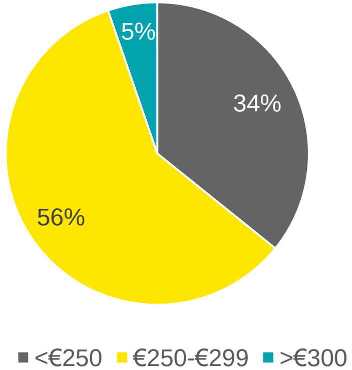
Advantages and disadvantages of PBSA

- Furthermore, most of the residents of the surveyed PBSA accommodation (63%) rent their accommodation for the full academic year which normally runs from September to May. For the majority of these residents (>97%), their rent includes broadband, utility bills, gyms, game rooms and a cinema. However, only 26% of surveyed residents had laundry facilities included in their rental cost.
- 46% of respondents noted 'good location' as one of the main advantages of PBSA. 21% of residents find being around other students as an advantage. The two main reasons for students choosing PBSA were the distance to their HEI (35%) and quality of the accommodation (20%). However, some 29% of respondents identified the rental cost as one of the key disadvantages of PBSA, while 1 in 4 residents claim no disadvantages to living in a PBSA. The "all-inclusive" nature of PBSA should be considered when comparing it to rents in the PRS (standard housing) – this was also highlighted by stakeholders.

PBSA resident living ancillary expenses

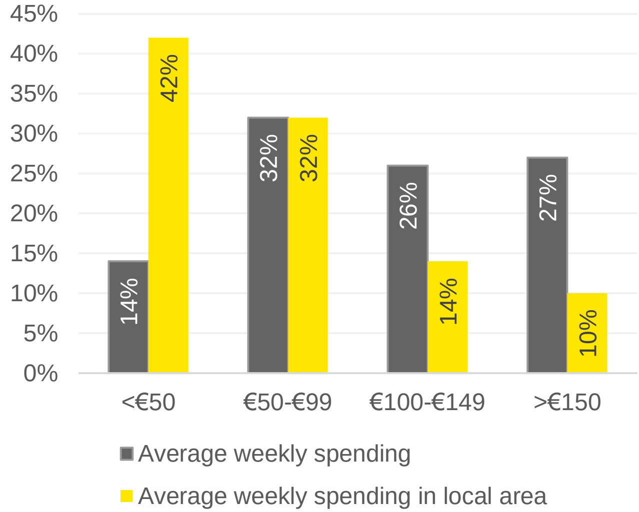
- 42% of PBSA residents claim to spend €50 per week or less in the local area. 32% of PBSA residents claim to spend between €50 and €99 per week while 24% claim to spend €100 or more per week.
- 93% of residents use local supermarkets on a regular basis, while 76% claim to use other local shops. Almost half (47%) claim to regularly interact with local shopkeepers, while 25% claim to interact with neighbours regularly. Just 13% either work or volunteer locally.
- 65% of residents typically walk to college/university therefore proximity is key from a planning perspective.

% of PBSA residents that spend with €X per week on rent



Source: Coyne Research

% of PBSA residents that spend €X per week (excl. rent & bills)



Source: Coyne Research

2 Student Demographics
Expenditure by students in PBSA in local community

Ancillary expenditure by PBSA residents

Research from Coyne Research outlines that, on average, PBSA residents spend €106 per week, not including rent and bills. Of this, €64 is reportedly spent in the local economy. Using this data, combined with the number of bed spaces understood to be operational in Dublin City Centre, yields the following results for direct expenditure.

The academic year is assumed to last approximately 36 weeks. Given that resident expenditure figures are not broken down by postcode and only averages are captured by Coyne Research, the total spend by residents is driven by the total number of PBSA bed spaces within that postcode and provides a high level indication of spend in the local community.

Thus the total local spend by students residing in PBSA within Dublin is estimated to be €14.7 million for an academic year (AY). Within this, Dublin 1 and Dublin 8 see the largest injection into the local economy from PBSA students, at €5 million and €4.7 million respectively. This is to be expected as both postcodes have the largest number of PBSA residents.

Total rental expenditure

This does not include rental expenditure which significantly adds to the total expenditure of PBSA residents. Average weekly cost of rental is €250 as per Coyne Research.

Average rental expenditure by students in PBSA

Area	AY rental expenditure (€ m)	AY non-rental expenditure (€ m)	Total AY expenditure (€ m)
Dublin 1:	19.7	8.3	28.0
Dublin 2:	9.4	4.0	13.4
Dublin 7:	10.1	4.3	14.4
Dublin 8:	18.2	7.7	25.9
Total	**57.3**	**24.3**	**81.7**

Source: Coyne Research, EY-DKM calculations
* AY = Academic year

PBSA resident expenditure per academic year excl. rent and bills

Source: Coyne Research, EY-DKM calculations

2 Student Demographics
Tourist expenditure

Data from Fáilte Ireland shows that 5.9 million tourists visited Dublin in 2017 generating almost €2 billion in revenue for the capital city. This equates to an average spend per tourist of approximately €334.

Assuming different occupancy rates ranging from 10% to 50% for PBSA located in Dublin 1, 2, 7 and 8 allows us to garner the potential direct expenditure of tourists who chose to rent PBSA during their visit to Dublin. Using these occupancy rates and the number of PBSA units in an area multiplied by the average spend per tourist in 2017 generates the direct expenditure estimates below.

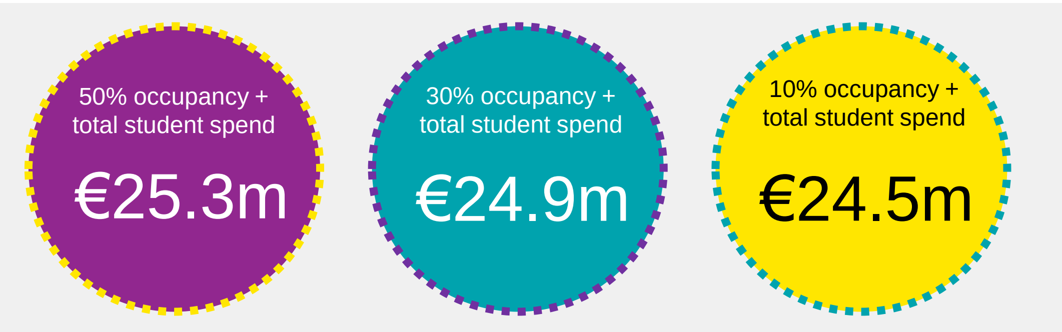
Potential direct tourist expenditure by occupancy rate

Dublin 1, 2, 7 and 8	50% occupancy	30% occupancy	10% occupancy
Total	€1,061,917	€637,150	€212,383

Source: Fáilte Ireland, Coyne Research. EY-DKM calculations
Note: Hotel occupancy rates (approx. 80%) were not used in this calculation as PBSA operators noted in consultations that they aim to cater for students for 12 months of the year – HEI students during the academic year and language school students during the summer months.

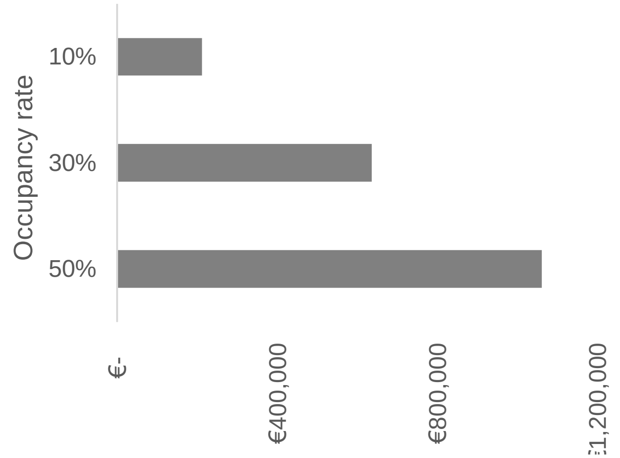
It should be noted that these estimates relate only to the direct expenditure by tourists. Estimates do not capture the indirect and induced expenditure resulting from tourists using PBSA as this would require more detailed modelling to ascertain these impacts relating specifically to the operations of the various PBSA developments.

Expenditure by tourists and students per annum



Source: EY-DKM calculations

Potential direct expenditure by tourists using PBSA accommodation



Case study: Tourist Multiplier

- According to Fáilte Ireland every euro spent on domestic and overseas tourism generates 0.23 cent in tax revenue for the Government. Therefore high level analysis indicates that the €2 billion tourist spend in 2017 should result in €460 million for the Exchequer
- Fáilte Ireland state that €1 million of tourist expenditure supports 27 tourism jobs. This equates to over 50,000 jobs in Dublin in 2017 alone.
- Using the 30% occupancy rate example equates to approximately:
  - €146,545 in Exchequer revenue
  - 17 tourism jobs supported

Source: Fáilte Ireland Tourism Stats 2017

3

Stakeholder Consultations

Issues raised in stakeholder consultations – supply and demand

Over the course of this study a number of stakeholder consultations were undertaken to provide context to the study's analysis and survey results. These consultations ranged from developers, facility managers, HEIs in Dublin, and housing agencies. The broad themes covered included

1. Supply and demand
2. Private rental sector (standard housing)
3. Student type
4. Local community

This section of the report provides the key findings from these consultations

1. The current scale of investment in, and demand for, PBSA in Dublin

Many of the stakeholders noted that the supply of PBSA has increased substantially in recent years. Over the past number of years a total of 22 PBSA developments have become operational in Dublin City Centre alone. There is some clustering of PBSA in the Dublin 8 area of the city with c. 700 units scheduled to be added to the market at the end of 2018 and a further c. 700 units by the end of 2019. A full review of PBSA due to come on-stream in the coming years is provided in greater detail in Section 4.

Stakeholders are unanimous in the view that there is an urgent need for PBSA in Dublin, with any failure to build likely to negatively impact Dublin's attractiveness as an education destination. The Higher Education Authority reports that approximately €1 billion of total gross investment is likely to be made by HEIs and private developers between 2017 and 2024.[24] However a 2018 Linesight report, concluded that there will be a substantial shortfall in PBSA by 2024, even accounting for developments currently in planning stages.

A number of issues were identified that may impact further private investment in the PBSA market – price, location, cost of building, internal rate of return and rent control. Indeed the cost of building was raised frequently as an issue for private developers. For private developers the average cost per bed space is reported to be €150,000 to €180,000 while for HEIs, who do not have associated land costs, average cost are estimated to range from €85,000 to €120,000 per unit.

[24] https://irishconstruction.com/2018/02/pbsa-the-facts-figures/

Stakeholders noted that there is little scope for PBSA developers to compete with each other as they all face the same planning guidelines and cost of building. This means there is little scope for developers to differentiate in terms of rents for example.

The issue of vacancies is a concern in the market at the moment with stakeholders providing insight into possible reasons.

- The issues recorded in 2018 are likely due to the glut of new developments onto the market after a period of under supply.
- Similarly, a small number of new developments came on the market after the beginning of the 2018/19 academic year, after the vast majority of students had successfully sourced their accommodation.

Notwithstanding these teething issues it is widely accepted that in general there is a serious undersupply of PBSA in the market.

In terms of demand, PBSA rent levels have been identified as a potential reason for vacancies in the market. Across those developments currently operational in the market, average weekly rents range from €220 (classic basic room) to €380 (self-contained studio). While these rents are all-inclusive many stakeholders consider them to be unsustainable, with some suggesting that a rent level closer to €180 per week may be more appropriate. Determining the affordability of these units can be challenging with student finances driven by numerous factors however, given that PBSA target market is particularly defined, in the event that students move towards the PRS (standard housing) as a more affordable option, the market may see a fall in the rent of PBSA in order to remain competitive.

A recent report from Lisney on PBSA shows that rents in Dublin-based PBSA have increase by approximately 29% since 2014 (both on- and off-campus). It is envisaged that rents will likely continue on an upward trend due to significant demand and the maturation of the market. In the medium-term however, as supply of new units increases, there will likely be a divergence between top quality stock and older stock, both of which are currently priced the same.[25]

[25] http://www.lisneymedia.com/ourview2018/downloads/Lisney-OurView2018-08-Student-Accommodation.pdf

Issues raised in stakeholder consultations – impact on PRS (standard housing)

2. The impact of PBSA on the Private Rental Sector

Without doubt the rental sector in Dublin is under considerable pressure and this is reflected in low supply and high rents. The most recent rental report from Daft.ie highlights concerns within the market with rents rising nationally for the 25th consecutive quarter in Q3 2018. Double-digit rent inflation was recorded in Dublin for the 10th quarter, with growth of 10.8% recorded in the city centre specifically. Across Dublin, rents are now an average of 36% above their previous peak in 2008 with pressures inextricably linked to under-supply.[26]

Concerns regarding the PRS (standard housing) were raised by all stakeholders with the overriding view that if PBSA were not developed, students would be forced into an already pressurised PRS (standard housing). Indeed, according to the National Student Accommodation Strategy, for every four students housed in PBSA one additional unit in the PRS (standard housing) will be freed up.

Despite what are considered unsustainable rents in the PBSA market, there are several advantages to renting PBSA over the PRS (standard housing) –

i. Length of lease – the average lease in PBSA is approximately 37 to 41 weeks meaning the student only pays for accommodation during the academic year

ii. All-inclusive – the average rent per week covers all bills and facilities provided, including, for example, gyms; communal space; shared study space; cinema facilities etc.

iii. Quality – new PBSA developments must be completed to a standard set out by the local authority as compared to the variable quality, and age, of accommodation in the PRS (standard housing), such as pre 1963 properties

iv. Accessibility – As observed in Section 3 of this report, PBSA is located in close proximity to HEIs and/or public transport options.

According to forecasts presented in this report the level of demand for student accommodation is set to increase to between approximately 50,000 and 57,000 by 2025, a number, given the issues in the sector, unlikely to be met completely by the PRS (standard housing). It is therefore imperative that demand is met with alternative options, including that provided by PBSA.

[26] https://www.daft.ie/report/2018-Q3-rentalprice-daftreport.pdf

3. The type of student likely to use PBSA

Similar to the results garnered from the student survey, the make-up of students using PBSA is not clear cut. Survey and consultations shed some light on the likely demographic of those using PBSA.

As per survey results from Coyne Research, approximately 80% of PBSA residents are international students. Stakeholder's view of PBSA resident is similar with many considering international students to be one of the largest cohorts. A number of HEIs have been identified as having nomination agreements with a range of the 22 developments currently operating in the city centre. Nomination agreements mean that HEI have the exclusive right to nominate students but also has the responsibility to cover the rent on any vacancies.

It is difficult to ascertain the impact of PBSA on the private rental sector if the majority of residents are international students – the inference being that if PBSA were not available these students may not have chosen to study in Dublin. However, there is a considerable drive by HEIs to attract international students with the Government aiming for the enrolment of 44,000 international full and part-time HEI students nationally by the 2019/20 academic year.[27] As such, it is likely that these students would come to Ireland regardless of the availability of PBSA – impacting further the pressures already felt in the PRS (standard housing).

A number of stakeholders also commented on the fact that while there is a mix of students in PBSA there is a high percentage of postgraduate students, given the high standard of facilities. This is further reflected in the results from Coyne Research with 25% of PBSA residents identifying as postgraduates.

[27] http://www.futureanalytics.ie/wp-content/uploads/2017/06/CBRE-Ireland-Alternative-Investment-Report-2017.pdf

Issues raised in stakeholder consultations – local community impacts

4. The impact of PBSA on the local community

The consensus amongst stakeholders was clear during consultations – PBSA has a positive impact on local communities.

Expenditure in the local community

DIT publish an annual cost of living guide for students living away from home. The latest guide, for the academic year 2018/19, indicates that students are likely to spend up to €12,000 per annum if they live away from home.

Expenditure of students living away from home

	Monthly (€)	Annual (€)
Rent	430*	3,870
Utilities	35	315
Food	169	1,521
Travel	135	1,215
Book & class materials	71	639
Clothes/medical	40	360
Mobile	25	225
Social life/Misc.	76	684
Student Charge	333	3,000
Total	**1,314**	**11,829**

Source: DIT http://www.dit.ie/campuslife/campuslifeoffice/costoflivingguide201718/
* This figure is a national guide, and the average rental figure for students in Dublin is higher at around €541.

Accounting for those students living away from home in Dublin this figure increases to approximately €12,500 per annum. Taking the average expenditure per student from the Coyne Research survey of €106 per week plus average rent of €250, generates a total expenditure per student over approximately 40 weeks of €14,240, which is higher than this DIT figure.

While it is difficult to determine the level of spend that occurs in the local community versus the city centre, results from Coyne Research indicate that the average weekly spend in the local areas is close to €60 with much of this spend occurring in local supermarkets, shops and cafes. Over a year (or approximate 40 week academic year) this equates to over €2,400.

Engagement in local community

Engagement in the local community, by way of work and volunteering, appears to be limited with only 15% of students surveyed by Coyne Research taking park in work/volunteering in the local community. Reasons given by stakeholders for this low level of engagement include

i. the fact that international students focus on studies and do not have time to take on part-time work in the community. Since international students are the largest cohort of the surveyed PBSA, this may be a reason for low engagement.

ii. PBSA developments are careful not to interfere with the services provided by HEIs. In many cases, HEIs organise charitable events and assist students in charitable work while PBSA provides communal space and focus on building a sense of community for residents

Regeneration of areas

There is clear evidence that the development of PBSA in Dublin City Centre has impacted positively in terms of regeneration. Evidence of this is provided in Section 4, and similar evidence was provided through consultations. In many cases PBSA is being built on the fringes of the city in areas that would otherwise have not been developed. Increased footfall in these areas and increased expenditure have led to the opening of new businesses in the locality of PBSA. In general it is considered that any negative impact associated with the rise of the number of students to a particular area is outweighed by the positive impact regarding expenditure, engagement and regeneration.

3 Stakeholder Consultations

Issues raised in stakeholder consultations – summer use

Summer Use

Legislation provides for the use of PBSA for alternative uses during summer months. This means that outside of the academic term it is possible to let units for various purposes including language schools and tourism.

This has been viewed as a positive development with the potential for tourists, in particular, to stay and spend money in areas of Dublin they may otherwise have not visited. Data from Fáilte Ireland indicates that the tourism market is a growing one in Dublin, in 2017 a total of 5.9 million overseas visitors spent €1.9 billion in the Capital. Domestic trips to Dublin totalled 1.5 million in the same year with spend of €307 million.[28]

In terms of the market for language schools, a recent report from Marketing English in Ireland, the association that represents 66 regulated English language schools and colleges nationwide, shows that student numbers in 2017 increased to just under 130,000 form 120,000 in 2016.

The same report indicated that on average students spent six weeks in Ireland studying English (students from EU/EEA staying under three weeks on average and students from outside the EU/EEA staying on average 18 weeks). With a significant contribution to the national economy of €762 million per annum, English language schools have proven valuable for both the national and local economy.[29]

Concluding Remarks

Stakeholder consultations proved insightful in providing an overview of all aspects of the market for PBSA. In general, the following points can be taken from the exercise

- There is a chronic under supply of student accommodation in the city centre
- Given the substantial demand, rents are considered unsustainable but there is currently little scope for developers to reduce rents by any considerable amount
- PBSA is viewed as having a wholly positive impact on the local community/economy – from expenditure to engagement and regeneration
- The provision of summer use is also viewed as a positive creating a vibrant environment for 12 months of the year.

[28] http://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/3_Research_Insights/2_Regional_SurveysReports/2017-topline-regional-performance-(003).pdf?ext=.pdf

[29] https://mei.ie/8-rise-in-international-english-language-students-studying-in-ireland-with-numbers-now-over-129000/

4

Demand for PBSA

4 Demand for PBSA

Projections for full-time students

The Department of Education and Skills (DES)[15] produce forecasts outlining their projections for full time demand for third-level education in DES aided HEIs. The most recent forecasts, published in November 2018, take account of the steadily increasing enrolments in higher education in recent years. This persistent increase is attributed primarily to demographic factors, however other pressures are also identified arising from policy initiatives aimed at increasing the participation rate of under-represented socio-economic groups, mature students, international students, and further education graduates.

According to DES 37,541 of the total 44,124 entrants in third-level education in 2017 were direct transfers from post-primary, a further 3,547 were mature students, with international entrants accounting for the remaining 3,036. In forecasting demand for full-time third-level education, the future transfer rate from second to third-level, the projected population at each single year of age (mature students), and the evolution of total enrolments of EU and non-EU students are the main factors which are taken into account.

Four scenarios, S0 (negative growth), S1 (low growth, Baseline), S2 (moderate growth) and S3 (strong growth) reflect DES projections of how the national student population is expected to grow between 2018 and 2040.

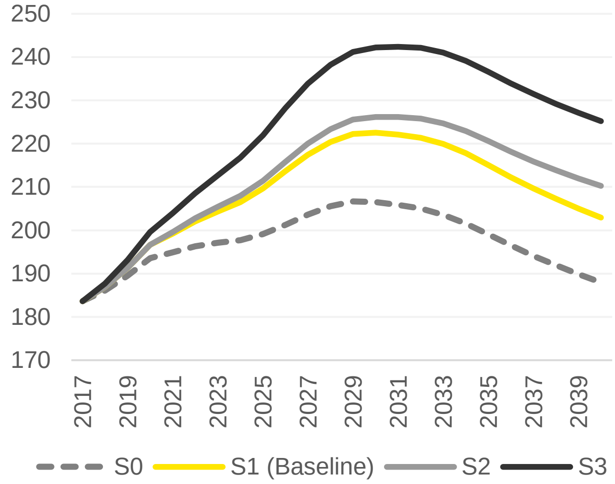
Scenario Matrix – Key assumptions

	Non-EU international +9.9% p.a. and EU international +100 p.a. to 2020 and steady thereafter	Non-EU international +9.9% p.a. and EU international +100 p.a. to 2020 followed by +25% out to 2040 for both EU and non-EU
Transfer Rate steady at 64.7%	S1 (low)	S2 (moderate)
Transfer Rate rises by 10% by 2027	Not compiled	S3 (strong)
Transfer Rate falls by 10% by 2027	S0 (negative)	Not compiled

Forecasts of mature students are estimated as a percentage of the projected population and are treated consistently across all scenarios. Department of Education and Skills forecasts the number of full time third-level students to increase to 203,000 by 2040 (S1 Baseline).

For the purposes of this study, it should be noted that the number of students studying in Dublin is based on students attending all DES-aided institutions in Dublin, and is not limited to those studying only in institutions in the city centre(between the canals). This will allow for a more accurate reflection of demand for PBSA as demand is not limited to those students only studying in city centre institutions.

Projections of demand for full-time third-level education, 2018-2040 (000s)



Source: Department of Education and Skills

[15] https://www.education.ie/en/Publications/Statistics/Statistical-Reports/projections-of-demand-for-full-time-third-level-education-2018-2040.pdf

4 Demand for PBSA

Students' demand for accommodation in Dublin - Scenarios

It is assumed student bed demand is driven by Irish students from outside of Dublin and international students. In 2017, 77,989 students studied in a DES-aided institution in Dublin, 44,231 (56.7%) are found to require accommodation.

For the purposes of our forecasts, DES S1 (low, Baseline) and S3 (strong) have been used to estimate student accommodation demand in Dublin out to 2040. DES S1 (low, Baseline) is used as it is considered by DES to be the baseline scenario, while S3 (strong) is chosen to represent the upper-end of student growth in the event of very strong growth in student population. In conjunction with Dublin City Council the following assumptions were deemed reasonable in assessing future demand for PBSA.

Case 1:

- DES S1 (low, Baseline) is used to calculate the number of students studying in Dublin 2018-2040
- The percentage of students studying in Dublin, that require accommodation, is held constant between 2018-2040 at the 2017 level of 56.7%. No additional growth factor is applied in the EY-DKM model

Case 2:

- DES S3 (strong) is used to calculate the number of students studying in Dublin 2018-2040
- The percentage of students studying in Dublin, and that require accommodation, is held constant between 2018-2040 at the 2017 level of 56.7%. No additional growth factor is applied in the EY-DKM model

Case 3:

- The percentage of students studying in Dublin, that require accommodation, grows at 3.1% per annum between 2017 and 2025 – this mirrors the average annual growth rate in students requiring accommodation in Dublin between 2014 and 2017
- This growth rate is held constant to 2025 with 1.5% growth applied from 2026 through to 2040
- The proportion of students studying in Dublin, and requiring accommodation, is then calculated based on DES S1 (low, Baseline) and DES S3 (strong)

EY-DKM forecast assumptions 2018-2040

EY-DKM Scenario	Uses DES projections	Share of students in Dublin that require accommodation
Case 1	S1 (low, Baseline)	Held constant at 56.7% (2017 share)
Case 2	S3 (strong)	Held constant at 56.7% (2017 share)
Case 3		3.1% growth p.a. 2017-2025 and by 1.5% p.a. 2026-2040

EY-DKM forecasted student demand for beds 2018 to 2029 (000s)

Source: CSO, HEA, EY-DKM calculations

4 Demand for PBSA

Students’ Demand for accommodation in Dublin by 2040

Using 2017 as the base year and the current demand for bed spaces in Dublin of 44,200, the demand is forecast to grow to between 48,900 and 70,900 students by 2040.

Case 1:

- The student population studying in DES-aided institutions in Dublin, and requiring accommodation, will increase by 21.2% (53,600) between 2017 and 2030 (peak)
- By 2040 student demand for bed spaces will have increased to 48,000 or by 10.5%

Case 2:

- Student demand for bed spaces in Dublin will peak in 2031 with total growth of 32% (58,400)
- Allowing for the peak in students attending DES-aided institutions, demand for bed spaces in the city centre will increase to 54,200 by 2040, growth of 22.6% compared to 2017

Case 3:

- This scenario is predicated on the assumption that the number of students (both domestic and international) attending third-level institutions in Dublin grows by 3.1% per annum for the period 2017-2025 and by 1.5% per annum 2026-2040
- Under this growth scenario, demand for student accommodation increases to 70,900 by 2040. This represents a 60.2% increase is demand for student bed space in Dublin between 2017 and 2040
- Using DES S1 (low, Baseline) projections of the student population studying in Dublin, this means that 82.2% of all students studying in Dublin in 2040 will require accommodation
- Using DES S3 (strong) projections of the student population studying in Dublin, this means that 74.1% of all students studying in Dublin in 2040 will require accommodation

EY-DKM accommodation bed space demand forecast 2017-2040

	Case 1	Case 2	Case 3
2017	44,200	44,200	44,200
2025	50,500	53,500	56,700
2030	53,600	58,300	61,000
2040	48,900	54,200	70,900

Source: CSO, HEA, EY-DKM calculations

EY-DKM forecasted student demand for bed spaces in Dublin in 2040

48,900
Case 1

54,200
Case 2

70,900
Case 3

Source: CSO, HEA, EY-DKM calculations

Note: Forecasts differ from the National Student Accommodation Strategy as they forecasts presented in this report are based on DES forecasts and scenarios published in November 2018

Background to ROI students in the UK

The number of ROI students applying to study in the UK declined by 18% from 2016 to 2017 to approximately 10,000, a trend which may be attributable to Brexit. In the event that Irish students are required to pay 'non-EU' or 'international student fees in order to study in the UK, the cost of obtaining a third-level degree could be dramatically increased. However, in May 2018, the UK Government proposed that Irish students would not have to pay 'international' student fees, and would still have access to flexible government loans after Brexit.[16]

Additional cost to the exchequer

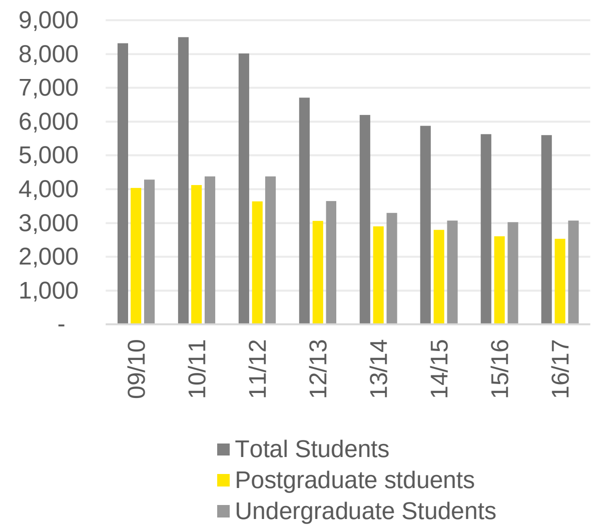
Using 2016 figures, if all ROI undergraduate students studying in England were to have studied at home (in ROI), the additional exchequer cost would be approximately €26.7 million annually.[17] This represents a 1.7% increase in the allocated funding for the Higher Education sector in Budget 2018. In the short term it is only a very marginal increase in funding required.

The Higher Education Authority calculate the average cost to the Irish state for a third-level student at €10,379.[18] Factor in the yearly student contribution of €3,000[19] with only 52%[20] of students actually paying this amount and the Department of Education having to fund the remaining €7,379. The final additional funding would be approximately €26.7 million annually, provided the numbers remained constant. This is before maintenance grants for living expenses are taken into consideration which would increase the funding required. The total education sector budget in 2018 surpassed €10 billion for the first time in 2018. In isolation, increased numbers of students choosing to remain in Ireland, due to being priced out of the English system, is unlikely to have a substantial effect on funding required for the sector.

PBSA Implication of Brexit

Going forward, if these students chose to remain and study in Ireland it could put significant pressure on the student accommodation sector. Of course this would depend on where the students choose to study and choose to live while undertaking their degree. However, the potential for an additional c.10,000[21] students studying in Ireland, particularly where there are rent pressures (i.e. Dublin) could further exacerbate demand in the PBSA sector.

Number of ROI students studying in England



Source: HESA

[16] https://www.independent.ie/irish-news/education/irish-students-in-uk-will-escape-higher-fees-in-wake-of-brexit-36897587.html
[17] https://www.ey.com/Publication/vwLUAssets/ey-dkm-brexit-watch-issue-29/$FILE/ey-dkm-brexit-watch-issue-29.pdf
[18] http://hea.ie/assets/uploads/2017/06/HEA-RFAM-Final-Report-for-Publication.pdf
[19] http://www.citizensinformation.ie/en/education/third_level_education/fees_and_supports_for_third_level_education/fees.html
[20] https://www.education.ie/en/Publications/Policy-Reports/Investing-in-National-Ambition-A-Strategy-for-Funding-Higher-Education.pdf
[21] https://www.hesa.ac.uk/data-and-analysis/students/where-from

5

Supply of PBSA

5 Supply of PBSA

Overview of current and supply pipeline of PBSA in Dublin

Current supply of PBSA in Dublin City Centre

There are currently 22 PBSA blocks operating in Dublin City Centre (between the two canals), primarily located in Dublin 1, Dublin 2, Dublin 7 and Dublin 8. There are approximately **6,364 bed units available** across these 22 developments. The greatest number of operational PBSA in the city centre is in Dublin 1 and Dublin 8 (chart opposite). Current employment in the sector is estimated at 145 employees*.

The largest development is located at Griffith College in Dublin 8, containing 603 beds on a site area of just under 10,000 sq m. The PBSA developments that are currently operational in Dublin contain, on average, 300 beds on a site of c. 3,300 sq m.

PBSA under construction in Dublin City Centre

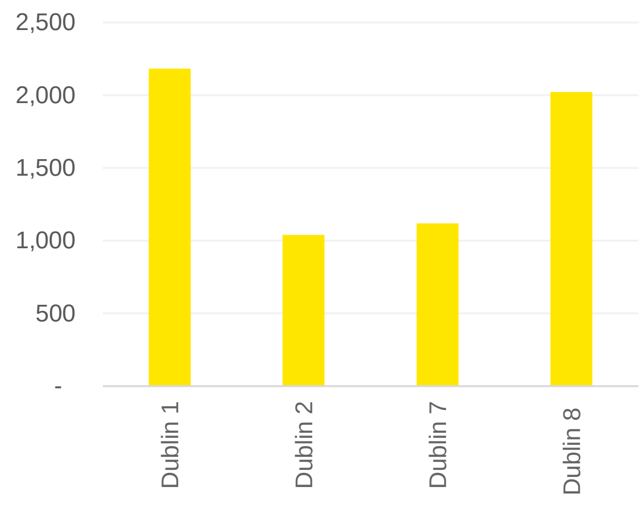
A further nine PBSA developments are currently under construction in the city centre, accounting for an additional 2,676 student beds. Two of these developments are due to open in late 2018, with the remainder scheduled to open in 2019 and 2020. **By 2020, when the 298 unit development at Aungier Street opens, there will be approximately 9,040 PBSA beds available for students studying in Dublin City Centre.** By 2020 there will be an estimated 207 employees employed directly in the sector*. The Government's *National Student Accommodation Strategy* outlines that there is a current unmet demand of c.18,000 bed spaces in Dublin in 2019.

PBSA developments currently under construction in Dublin City Centre

Address	Location	Beds	Opening Date
The Woodworks Student Accommodation, Point Village	Dublin 1	568	end 2018
274 North Circular Road, Dublin 7 (near Grangegorman)	Dublin 7	429	Sept 2019
Montpelier Hill	Dublin 7	319	end 2018
Aungier Street, Longford Street Great, Stephen Street Upper and Whitefriar Place	Dublin 2	298	2020
Brickfield Lane and Brown Street South	Dublin 8	281	July 2019
Oisin House, TCD, Pearse Street	Dublin 2	250	2019
Ziggurat 58-64 Dominick Street Upper	Dublin 7	247	July 2019
Spitalfields, off Francis St	Dublin 8	207	July 2019
25-29 Dominick Street Upper	Dublin 7	77	July 2019
Total		**2,676**	

Source: Dublin City Council. Accurate as of November 2018

Current supply of PBSA in Dublin City Centre



Source: Dublin City Council. Accurate as of November 2018

*** Direct employment impact**

- According to input from a small number of PBSA developers, one employee is directly employed for every 44 units (1:44)
- This means that approximately 145 people are directly employed for the 6,346 units currently operational between the canals
- Based on the same ratio, 207 people will be directly employed in PBSA developments by 2020 when 9,040 beds will be operational
- Estimates do not capture indirect and induced employment

5 Supply of PBSA

Overview of current and supply pipeline of PBSA in Dublin

PBSA granted planning permission

A further c. 2,046 PBSA bed spaces across seven developments have been granted planning permission for Dublin City Centre but have yet to commence construction, as of November 2018. The scale of development varies considerably with the largest of these developments at Brewery Block in Dublin 8 set to add just under 700 bed spaces to the market, while a much smaller development is set for Dublin 7 with just four bed spaces.

PBSA developments granted planning permission but not currently under construction in Dublin City Centre.

Address	Location	Bed spaces
Brewery Block, bounded by, Ardee Street, Newmarket, St Luke's Avenue, Brabazon Place/Brabazon Row and Ardee Street	Dublin 8	698
Park Shopping Centre, Prussia Street	Dublin 7	494
The Donnelly Centre, Cork Street	Dublin 8	399
84-87, Prussia Street, Stoneybatter	Dublin 7	203
The Big Tree, 39-41A Dorset Street Lower	Dublin 1	133
Adjoining Kavanagh Court	Dublin 1	115
Dunard Road & Blackhorse Avenue	Dublin 7	4
Total		**2,046**

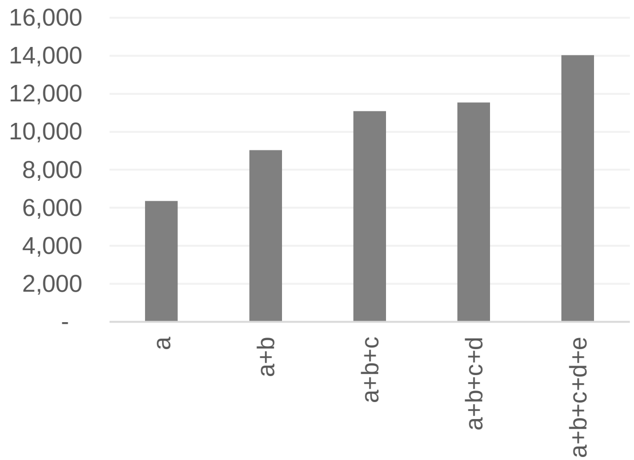
Source: Dublin City Council. Accurate as of November 2018

PBSA seeking planning permission

There are a number of developments that are the subject of a current planning application (455 bed spaces across two developments) and others that are the subject of An Bord Pleanála Housing Act 2017 Consultations and Area Plans (c. 2,489 bed spaces across four developments), as of November 2018. If all six applications are successful, there will be an additional c. 2,944 PBSA bed spaces available within Dublin City Centre.

If all units that have been granted planning permission, for those currently in the system, **there is potential for the total supply of PBSA bed spaces in Dublin City Centre to increase from approximately 6,364 currently to just over 14,000**. This additional supply will go some way to meeting the projected demand for student accommodation, though without a substantial change in the current supply deficit in the PRS (standard housing) in the City Centre, it is likely that the current and projected pipeline of PBSA will not fully meet demand into the future.

Current and pipeline of supply of PBSA in Dublin City Centre



Source: Dublin City Council. Accurate as of November 2018
Note:
a = currently available;
b = under construction;
c = granted planning but not under construction;
d = subject to planning application;
e = subject of An Bord Pleanála Housing Act 2017 Consultations and Area Plans

5 Supply of PBSA

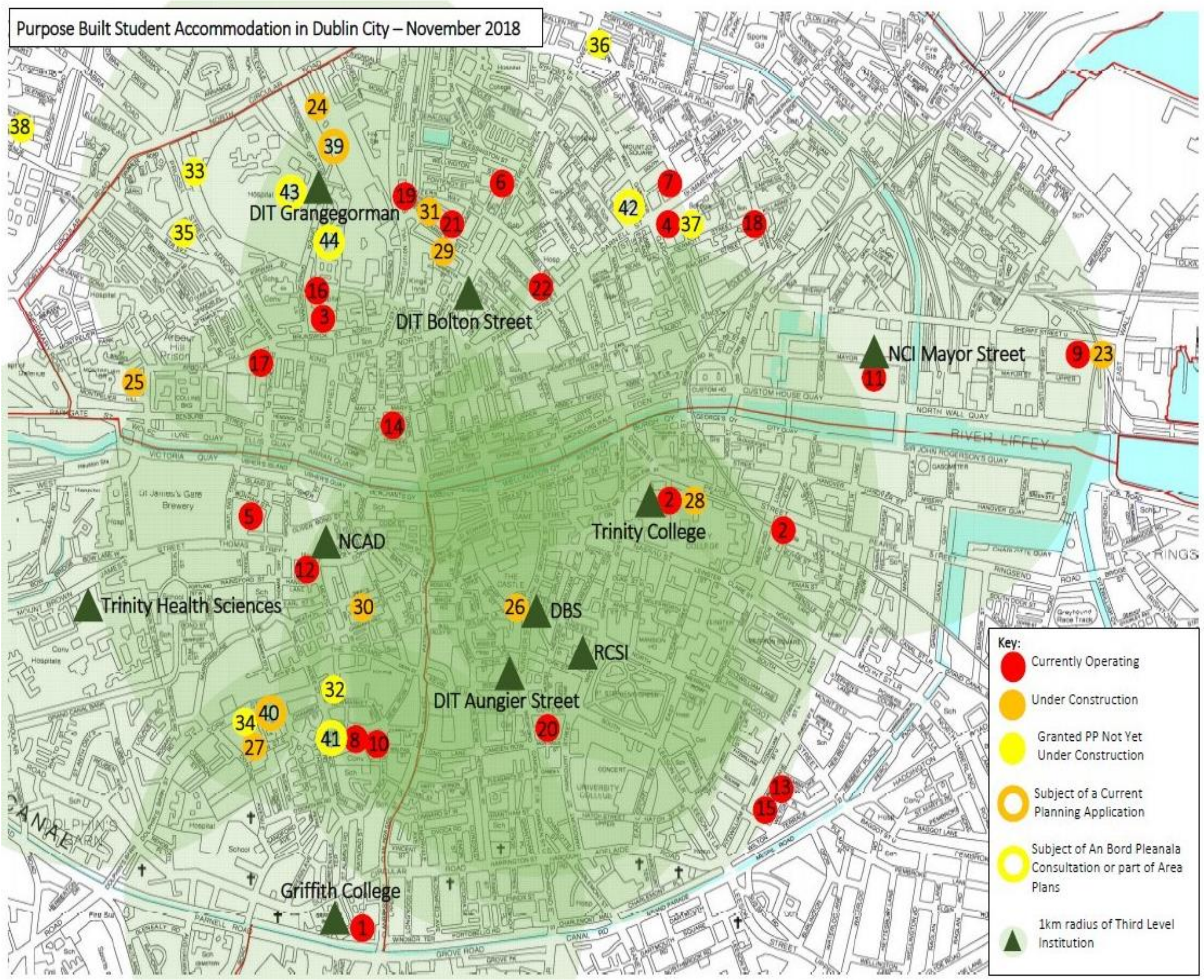
Map of PBSA: operational units and supply pipeline

The map displays all PBSA units currently operating, under construction, or at various stages of the planning process. In all, there are approximately **44 developments in the city centre (between the canals)** under the various headings.

The map indicates the current and upcoming locations of PBSA in the city centre. This shows that whilst the current supply of bed spaces is higher in Dublin 1 and 8, the PBSA developments currently under construction are more spread across the inner city and will result in Dublin 8 and Dublin 7 with similar numbers by 2024 if all are built. Dublin 1 and Dublin 2 are slightly lower, reflective of the lower number of underutilised sites in these areas. The geographical spread shows the clustering of the facilities within 1km of the larger third level institutions within the City, allowing most residents to easily walk to their place of education.

This assessment shows that over the coming years (out to 2024 potentially) the total supply of student bed spaces will be 14,000, up from the current level of c. 6,346. This compares to between 50,000 (Case 1) and 55,000 (Case 3) students studying in Dublin and requiring bed spaces in 2024.

This means that by 2024 the market for student accommodation is likely to be undersupplied by some 40,000 units if no more developments, beyond those identified in this report, come on stream in the mean time. Any undersupply in PBSA in the future will need to be met by the PRS (standard housing) which will add further to pressures in the market.



Source: Dublin City Council. [Map numbers explained]

5 Supply of PBSA

Impact on the Private Rental Sector (standard housing)

The most recent Daft.ie report for Q3 2018 indicates that while the rate of inflation is subsiding in the Dublin rental market – a consequence of rent pressure zones – rents were still 10.9% higher in the third quarter of 2018 compared to one year ago. In some areas of Dublin, rents have risen by more than 100% since 2012.

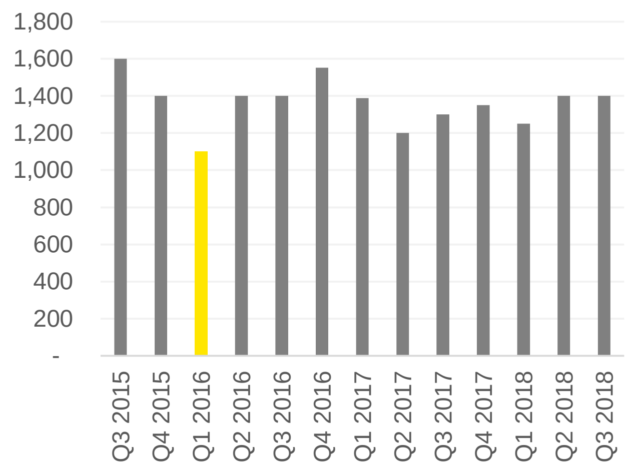
The real issue behind these rental price increases is a disequilibrium between supply and demand. The number of units for rent in the Dublin market has fluctuated between 1,100 and 1,600 in recent years. Indeed, 1,100 available units for rent in Q1 2016 was the lowest level of supply recorded in the Capital since the Daft.ie survey began in 2006. These low levels of rentals are in spite of the record high rents now recorded in the Capital.

There are a number of reasons why the supply of rental units in Dublin is currently at a low level:

1. The cost associated with being a landlord has risen steadily in recent years. A worrying statistic from a 2015 report on the *Future of the Private Rental Sector*[22] showed that close to 30% of landlords intended to sell their properties as soon as they could owing to the issues of mortgage arrears on buy-to-let properties and negligible financial returns when compared to the value of the properties and the risk involved.[23]
2. Rent controls, by way of rent pressure zones, appear to have had a negative impact on supply in the market. Under the controls introduced in late 2016, annual rental increases in designated zones are limited to a maximum of 4% increase in a 12 month period. Issues with the introduction of the rent pressure zones arise when landlords were charging rents well below the market value prior to the controls introduction 2016 – they are now in a position where they are restricted to annual increases in rent levels that are considerably lower than the average market rent. Penalties are to be introduced in the future if landlords fail to comply with rent controls.

With low levels of rental opportunities in the Dublin market, and any improvement in supply in the coming years coming off a considerably low base, there is a requirement for alternative accommodation to be provided to cater for a growing student population. With projections of 42,375 students potentially requiring accommodation in Dublin in the next five years and a projected PBSA supply of 28,806 bed spaces by around 2023/24, including 14,000 bed spaces in the city centre based on the current pipeline, the evidence we have to date is it will be difficult for the PRS (standard housing) alone to meet this unmet demand of 13,569 bed spaces

Homes available to rent in Dublin Q3 2016 – Q3 2018



Source: Daft.ie

[22] https://onestopshop.rtb.ie/images/uploads/general/DKM_Future-of-the-private-rented-sector.pdf
[23] https://www.finance.gov.ie/wp-content/uploads/2017/08/30-KPMG.pdf

6

Regeneration

6 Regeneration

Regeneration impacts of PBSA in the city centre

The Regeneration Impacts of PBSA in the City

As identified by the National Student Accommodation Strategy 2017 and the Dublin City Development Plan 2016-2022, appropriately located high-quality, purpose-built and professionally managed student accommodation can become a revitalising force for regeneration areas. This can result in substantial benefits to the local environment including the renewal of derelict and vacant sites, the restoration and reuse of historic buildings, the provision of new streets and highlighting local history. These factors, together with high quality finishes, active frontages at street level and the increase in footfall along the street, have resulted in PBSA facilities in the city improving the general amenity of their immediate areas.

Renewal of vacant and underutilised sites

Recent PBSA developments in Dublin have resulted in the renewal of long vacant and underutilised sites in close proximity to the city centre which remained undeveloped during the Celtic Tiger years. These include:

- The site of The Tannery Student Accommodation at Blackpitts,
- Kavanagh Court and Beckett House at Summerhill,
- Dorset Point on Dorset Street, and
- The Binary Hub at the Digital Hub complex on Thomas Street.

Case Study

The Tannery Student Accommodation at Blackpitts (granted under planning permission reg. ref. 2182/16) provides a 299 bed space purpose-built and professionally managed student accommodation facility in four to seven storeys. The 0.5ha site was formerly vacant and underutilised for a minimum of 20 years, and was last used for the purposes of storing scrap metal.

Two previous planning permissions on the site remained undeveloped in the period 2005-2016, and the applicant stated in the planning report submitted that no end user could be found for the primary office element and an alternative use needed to be found. Recognising the growing need for PBSA in close proximity to the city centre, the applicant proposed a four to seven storey courtyard type student accommodation building enclosing a central landscaped courtyard and adjoining a new street and hotel to the north.

Active uses at ground floor level, wide double height street entrances and high quality finishes are provided and the development has resulted in the regeneration of a long vacant, inner city brownfield site with a sustainable use and has a significant positive architectural and urban design impact on the area.

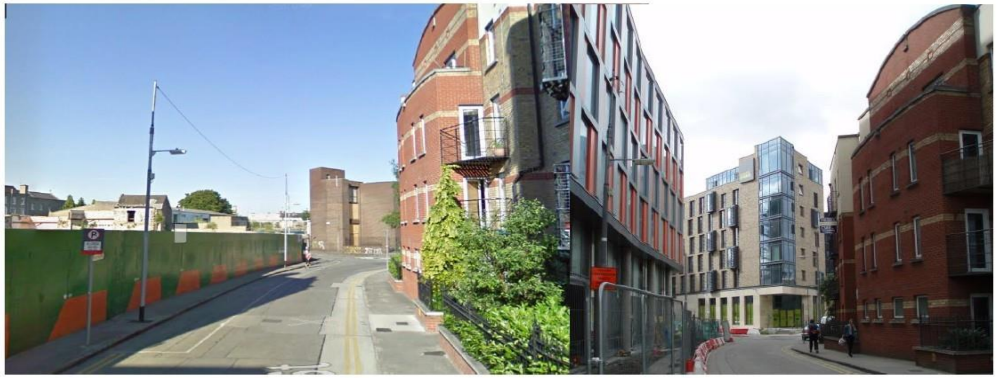
6 Regeneration

Regeneration impacts of PBSA in the city centre

Views of the site of The Tannery PBSA at Blackpitts in 2016 (LHS) and 2018 (RHS)

Views of the site of Kavanagh Court PBSA at Summerhill, in 2010 (LHS) and 2018 (RHS) (2010 image courtesy of Google Maps)

Views of Mill Street with the site of New Mill PBSA, in 2009 (LH) and 2018 (RHS) (2009 image courtesy of Google Maps)



Views of the site of Beckett House PBSA at Summerhill, in 2014 (LHS) and 2018 (RHS) (2014 image courtesy of Google Maps)

6 Regeneration

Regeneration impacts of PBSA in the city centre

Restoration and reuse of historic buildings

Two recent PBSA schemes in the Liberties have incorporated the restoration and reuse of historic buildings

- The New Mill Student Accommodation on Mill Street included the renovation and reuse of the three storey protected structure and adjoining former mission hall at No. 10 Mill Street.
- The Highlight Student Accommodation scheme on Thomas Street provided the refurbishment and reuse of six historic buildings fronting onto Thomas Street, including the former Frawleys department store.

The renovated Protected Structure and adjoining former mission hall at no. 10 Mill Street, part of the New Mill Student Accommodation

The refurbished former Frawleys Department Store on Thomas Street and five adjoining historic buildings, reused as Highlight Student Accommodation

6 Regeneration

PBSA has created new linkages and highlights areas of historical interest

New Streets and linkages

Several recent PBSA schemes in the city have provided new streets and linkages which encourage evening and weekend residential animation throughout the local area. These include the new street linking Mill Street and Blackpitts at the Tannery Student Accommodation, and a new street linking Bonham Street and the Digital Hub complex at The Binary Hub Student Accommodation in the Liberties.

Recently granted PBSA schemes also provide new streets and linkages including a new street linking Prussia Street and the DIT Grangegorman campus at the Park Shopping Centre site on Prussia Street and the planned student accommodation on the Grangegorman Campus which will create a spine along the central Serpentine Walk within the campus.

Highlight historical interest of the local area

Initiatives at development and operational stage of the PBSA are also highlighting the historical importance of their localities. At The New Mill Student Accommodation on Mill Street, historic map signage and a rescued stone mill wheel are erected in public areas, and in the Liberties local historians have given tours of the local streets in a “Meet the Shopkeepers” Tour.

The new street linking Mill Street and Blackpitts at the Tannery and New Mill PBSA

Historic map signage and erected stone mill wheel erected in public areas to highlight interest in local history at The New Mill PBSA on Mill Street

6 Regeneration

Vacant Sites and PBSA in the study area

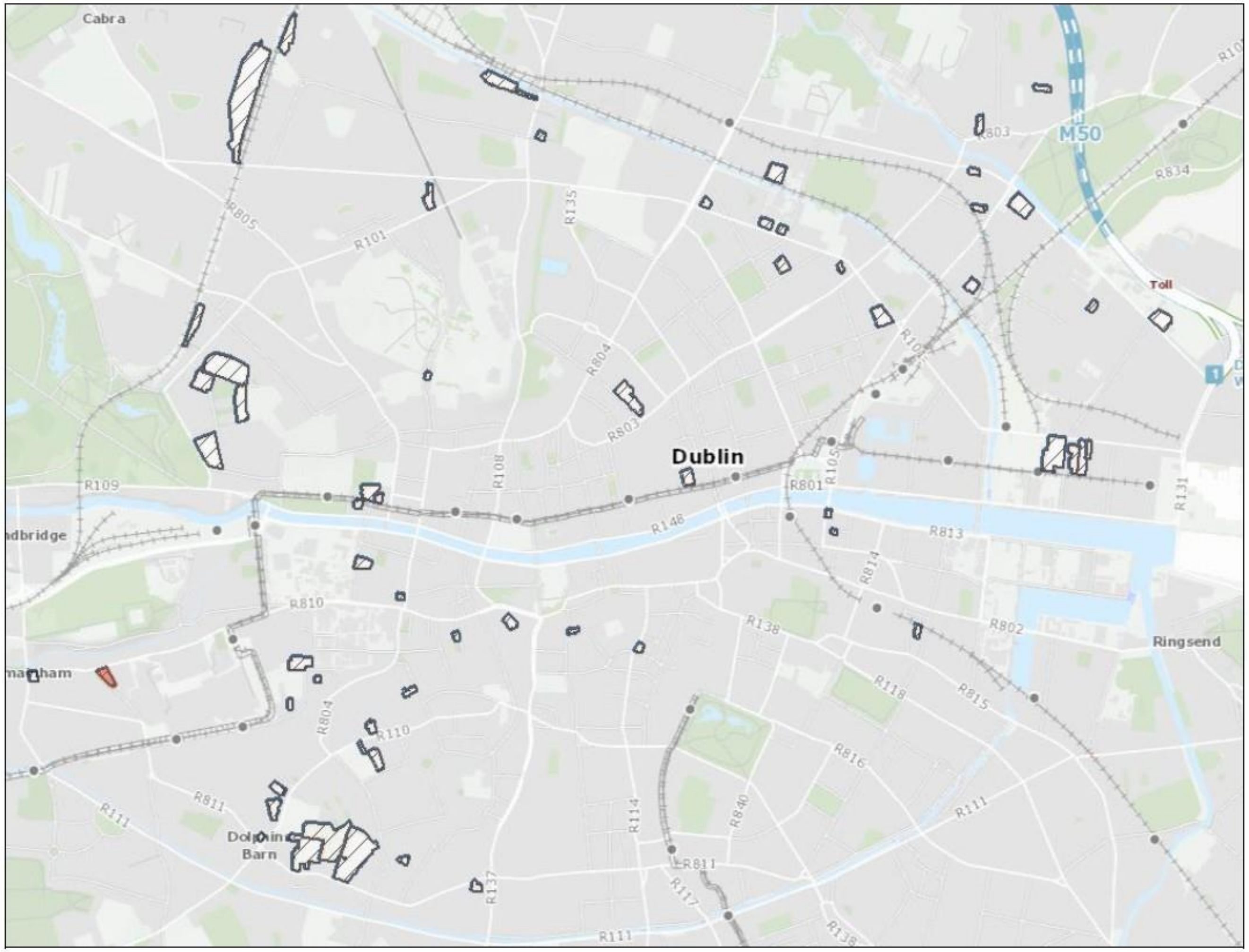
There are currently 53 sites within the canals of Dublin City on the Vacant Sites Register totalling approximately 20.93ha of vacant land. The area of land within the canals with PBSA in operation and under construction is approximately 11ha. This indicates that there is nearly double the amount of vacant land within the city than PBSA sites.

The majority of the sites within the canals on the Vacant Sites Register are zoned:

- Z5 for city centre uses, or
- Z14 for strategic development and regeneration which allow for a range of uses including residential, office, hotel, shops and educational uses, or
- Z1 which allows for predominantly residential uses.

There are additional vacant sites below 0.05ha in the area within the city which are excluded from the Vacant Sites Register and, due to their size, may be more suitable for small scale residential development than professionally managed PBSA.

Map of Vacant Sites within the study area from the Vacant Sites Register



Source: Dublin City Council. Accurate as of November 2018

7

Standard Housing

7 Standard Housing

PBSA impact on the development of standard housing

There is some concern that the development of PBSA has displaced or hindered the development of standard housing on sites in Dublin City Centre. With this in mind we have reviewed the planning histories of six of the most recently developed PBSA facilities to ascertain if their development has hindered the development of standard housing on these sites.

Mixed Use Zoning and Planning History

This review of the planning histories of six of the most recently developed PBSA facilities in Dublin City Centre found that of all of the sites were zoned for mixed use development and were formerly vacant and underutilised with uses such as storing scrap metal, single storey warehousing and car sales.

Most had previous planning applications for mixed use developments including apartment units granted planning permission, however these were granted in the period 2006-2008, prior to and during the economic recession. In the subsequent years to 2014-2016, the sites remained undeveloped and applicants found it difficult to attract office and commercial users of the magnitude required to take up the extant mixed use permissions. Some of these sites also have a history of planning refusals for residential accommodation on these sites, due to their height, scale and impact on the amenities of adjoining residential properties.

Planning histories of recently developed PBSA facilities in Dublin City Centre

PBSA Facility	Date Granted	Zoned	Previous Use	Last Use	Planning History
Dorset Point	2015	Z5	Vacant	Petrol station & service yards	Granted 2006: Mixed-use 137 apartments
Kavanagh Court	2015	Z5	Vacant	Light industrial units as small business centre	None
Beckett House	2016	Z5	Vacant	Car valet in industrial building	Granted 2010: Hotel
Ardcairn House	2016	Z5	Vacant	Flooring supply business, vehicle repair and 3 semi-habitable dwellings	Granted 2008: Mixed-use, 220 apartments
New Mill	2015	Z10	Vacant	Telephone exchange and depot warehouse around open yard	Granted 2006: Mixed-use, 227 residential units
The Tannery	2016	Z6	Vacant	Storage scrap metal	Granted 2009: Office/science and technology, retail, art gallery

Source: Dublin City Council. Accurate as of November 2018

7 Standard Housing

PBSA impact on the development of standard housing

From 2009 onwards, documents such as the Dublin Region Economic Action Plan 2009, the Peer Review on Developing and Promoting Dublin as an International Student City 2011 and the Dublin City Development Plan 2011-2017, highlighted the significant economic and social benefits of increasing the number of third-level students in Dublin and the need to create a suitable environment including appropriate accommodation for students. By 2011, Policy QH30 of the Dublin City Development Plan sought to support the provision of high quality, professionally managed and purpose built third-level accommodation on campuses or in appropriate locations close to the main campus adjacent to high quality public transport corridors and cycle routes in a manner which respects the amenity of the surrounding area.

The Demand Identified and Justifications for PBSA Developments by Developers

In 2015 the HEA Report on Student Accommodation Demand and Supply (previously mentioned) identified an unmet demand of over 25,000 student bed spaces nationally and forecast that this figure would remain to 2024, due to student numbers rising faster than the provision of student accommodation. In 2014 third-level institutions in the city centre also identified a significant unmet demand for additional student accommodation with ease of access to the universities, to support both existing and international students and future planned growth.

Further justifications for PBSA developments provided by applicants at planning application stage included the provision of a denser and more sustainable form of development having regard to their city centre location, their highly accessible locations and ease of access for use by students attending a range of third-level institutions, helping to meet the shortfall in the demand for PBSA bed spaces in the local area and the provision of letters support from both PBSA providers and third-level institutions indicating the significant unsatisfied demand for well located student accommodation in Dublin.

Conclusion

A review of recently developed PBSA facilities in Dublin City indicates that the majority of these sites do have previous permissions for mixed use developments, which included apartment units. However it should be noted that these applications were granted prior to the economic recession and remained undeveloped as applicants found it difficult to attract office and commercial users of the magnitude required to take up the extant mixed use permissions. In the same period, the economic benefits of attracting talent through developing Dublin further as an attractive place to live and visit for students were identified and policies were adopted for the promotion of Dublin as an international student city, including the provision of access to good quality purpose built student housing. In this regard the 2011 Dublin City Development Plan, adopted by the elected members, included specific policies to support the provision of high quality, professionally managed and purpose built third-level accommodation on campuses or in appropriate locations close to those campuses and adjacent to high quality public transport corridors and cycle routes and to do so in a manner which respects the amenities of the surrounding area.

7 Standard Housing

PBSA impact on the development of standard housing

At a national and city level a significant unmet requirement for PBSA, particularly in the city centre close to third-level institutions, was identified. These previously vacant sites in highly accessible locations were well suited for use by students attending a range of third-level institutions in the vicinity, and the combination of the significant demand for PBSA and availability of appropriate undeveloped sites have resulted in developers now providing such PBSA. It is clear from available evidence, including the National Student Accommodation Strategy 2017, that such student demand will remain in the medium term until such time as supply of PBSA can meet demand. It would then be expected that the focus of developers generally will shift to alternative sectors, including private owner-occupier and build-to-rent residential development. The PBSA sector is a necessary component of the residential stock of the city and it is apparent from the study undertaken that such PBSA has not forced out private residential development in instances where the sites were already vacant and underutilised for a considerable number of years.

8

International Comparisons

8 International Comparisons

A comparison of PBSA in Dublin with other international examples

Dublin city centre contains ten third level institutions with approximately 53,000 student enrolments in HEA-funded and non-HEA funded third level institutions, which increases to approximately 97,600 student enrolments in the Greater Dublin Area. This chapter will examine whether lessons can be learned from the experience of planning policies in other countries in terms of accommodating this quantum of students in the city centre in a sustainable manner while maintaining balanced city centre communities.

As can be seen from the table below, Dublin has a relatively low percentage of students accommodated in PBSA. Dublin also has a growing domestic and international student population in contrast to other cities such as Edinburgh and Barcelona where overall enrolments are stabilising and may depend on increasing international student numbers in order to sustain existing student numbers.

Comparing PBSA in Dublin with international examples

	Dublin	Edinburgh	Barcelona	Belfast
Approximate no. students	97,599*	49,900	160,408	43,638
Approximate no. PBSA bed spaces provides	15,646	18,988	9,517	4,000
% students accommodated in PBSA	16%	38%	6%	9%

Note: *Approximate total number of students in HEA-funded and non-HEA funded third level institutions in the Greater Dublin Area

Edinburgh

Edinburgh contains four universities with a full-time student population of 49,900 in 2016 and the provision of approximately 19,000 PBSA bed spaces in 2017 or approximately 38% of the student population are accommodated in PBSA.

The Edinburgh Local Development Plan 2016 provides policies concerning the development of student accommodation in the city, a detailed student housing guidance document provides locational and design guidance and a PBSA development schedule is produced each year.

More recent planning policy for student accommodation in Edinburgh prefers that student needs are met as far as possible in purpose built and managed schemes rather than the widespread conversion of family housing, into shared student properties, often in the form of licensed Houses in Multiple Occupation (HMOs). Planning policy Hou 8 states that planning permission will be granted for purpose built student accommodation where the location is appropriate in terms of access to university facilities by walking, cycling or public transport and the proposal will not result in an excessive concentration of student accommodation to an extent that would be detrimental to the maintenance of balanced communities or to the established character and residential amenity of the locality. In assessing the degree of concentration of student accommodation, the Council will take into account the nature of the locality in terms of mix of land use and housing types, the existing and proposed number of students in the locality.

Further detailed advice is provided in the Council's Student Housing Guidance which stresses that there is a need for more purpose-built student housing to increase competition and ease pressure on the general housing stock. It also comments that purpose-built and well managed schemes reduce potential issues such as antisocial behaviour. Locational and design guidance states that student housing will generally be supported adjoining a main university campus and on sites less than 0.25ha where consideration should be given to the cumulative impact of student housing, and other land uses which contribute to a transient population, where these uses will have a detrimental impact on character. Sites greater than 0.25ha developable area and identified as a high probability of delivering housing, must comprise a proportion of housing as part of the proposed development, to balance the mix of land uses and to contribute to housing land need.

On these sites the new build residential gross floor area shall represent a minimum of 50% of the total new build housing and student accommodation gross floor area. There has been one application meeting this criteria to date, at Dundee Street, however, this was granted without a requirement for housing on appeal to the Planning and Environmental Appeals Division, who considered that the the guidance is not part of the development plan and its provisions cannot override those of the statutory development plan which supports the provision of purpose-built student accommodation in locations where there is accessibility to university and college facilities by sustainable transport means.

It is interesting to note that the current Edinburgh Local Development Plan 2016 omits the policy of the previous Development Plan which required that developments could not result in an excessive concentration of student accommodation in one location with a cut off of 30% of students in the greater population. Appeals of Council decisions to refuse permission for PBSA schemes based on increases above this threshold highlighted that this policy was somewhat contradictory as it sought to encourage PBSA schemes on sites close to universities in areas which were often already well in excess of the 30% threshold and the result of the 30% restriction would be to direct such developments to less sustainable locations.

Therefore it is clear from the planning policies for student accommodation in Edinburgh, that threshold limits can have a contradictory and unsustainable effect on the development of PBSA in a City and their policies have been refined and planning appeals have highlighted that the prime planning issue is the location of PBSA on sites where there is accessibility to third level institutions by sustainable transport needs. The history of planning policy for PBSA in Edinburgh also emphasises the benefits of purpose-built and well managed student accommodation schemes as follows:

- Increases competition and eases pressure on the general housing stock.
- Reduces potential issues such as antisocial behaviour.
- Assists the growth of third level institutions and the attractiveness of the city as a centre for Higher Education.
- PBSA development can take place at relatively high densities, allowing for the efficient use of urban land.
- Open space and car parking provision can be tailored to reflect the nature of the proposed use.

Barcelona

Barcelona contains seven universities with a student population of 160,408 and the provision of approximately 9,517 bed spaces or approximately 6% of the student population are accommodated in PBSA.

Barcelona’s Special Tourist Accommodation Plan (PEUAT) regulates the introduction of tourist accommodation establishments, as well as youth hostels, collective residences with temporary accommodation including student residences and tourist apartments. The plan promotes a sustainable urban model to make tourism compatible with residents’ basic rights and improving the quality of life for city residents.

The first set of conditions to be met by buildings that are to be used for any type of student residence, tourist accommodation or youth hostel are the following:

i. The building or a part thereof has not been used as housing from 1 July 2015

ii. The whole building must be used for one of the indicated activities, with the sole exception of the ground floor, where any of the permitted uses for the plot of land where the building is located will be allowed, except for housing.

iii. The main façade must look onto a street that is at least eight metres wide, with the exception of some streets that are between six and eight metres wide.

iv. The building conforms to urban planning laws. If the planned residence has more than 350 beds, approval of a special project from the options established under Barcelona’s Municipal Charter must be obtained.

The regulations on Specific Zones and Specific Treatment Areas are applicable to all types of student residences, tourist accommodation and youth hostels and student residences and the PEUAT contains a schedule of all such existing establishments in each Specific Zone and the number of beds they have.

8 International Comparisons

A comparison of PBSA in Dublin with other international examples

Zone 1: Area of Negative Growth: In this area, closest to the city centre, no new tourist accommodation or temporary accommodation including student residences of any kind will be allowed, nor any increase in the number of places at existing establishments.

Zone 2 and Zone 3: In these areas, stepping out in distance from the city centre, new units are permitted in Zone 2 if existing ones are taken out of operation, although extensions to existing premises are not permitted. Development and extension is permitted in Zone 3 subject to a limited increase in each area as set out in the PEUAT. In both cases, a radial density between establishments is provided, among other criteria.

Zone 4: Other Areas with Specific Regulations: this zone is divided into three big redevelopment areas in the city with very diverse characteristics, in terms of urban location and building density, their uses and the conditions in which they are being developed.

Where sites for student accommodation are to be built on land intended for the provision of non-residential facilities, the PEUAT outlines three further requirements:

(i) the submission of a study justifying demand and desirability in view of the existing supply;

(ii) proof of the link between the ownership of the residence and an educational institution or, if one exists, an agreement between the property owners and the educational institution. The agreement must have an initial term of at least five years and be in force for the duration of the activity.

(iii) a statement of compliance indicating whether or not non-students can stay in the residence and/or if stays of less than 31 days are permitted.

Residences housing people from outside of the student community will be considered mixed-activity units (residence-lodging) and therefore subject to the general limitations established for hotels, based on their location.

The planning policies for PBSA in Barcelona come under the Special Tourist Accommodation Plan for the city which seeks to regulate the introduction of additional tourist, temporary and student accommodation in the city. This sets out four radial zones from the city centre where these types of accommodation are banned in the city centre and in outer areas permitted if existing ones are taken out of operation and permitted subject to a bed space threshold per area and distance between facilities.

Belfast

Belfast contains five higher educational campuses with a student population of 43,638 and approximately 4,000 bed spaces or approximately 9% of the student population are accommodated in PBSA in the city.

Planning policy for PBSA in Belfast is provided in ‘Houses in Multiple Occupation (HMOs) Subject Plan for Belfast City Council Area 2015’ and Belfast City Council published a Planning and Place Best Practice Guide for Purpose Built Managed Student Accommodation in Belfast in 2016.

Planning policies for student accommodation in Belfast seek to ensure that future development delivers high quality, well designed, and well managed Purpose Built Managed Student Accommodation (PBMSA) in suitable locations as a preferable alternative to ad-hoc private rented housing within established neighbourhoods. Their policy highlights the benefits of this type of accommodation in city centre locations which are more appropriate for taller and higher density PBMSA schemes as they benefit from high accessibility, there is less potential for conflict with existing low-rise residential accommodation, cumulative impact is less likely to be an issue in areas where there are no well-established residential neighbourhoods and city centre living delivers a range of environmental benefits including reducing the need to travel, revitalising the physical fabric through re-use of vacant buildings and redevelopment of derelict and unattractive land. Other criteria used include that PBMSA developments be a minimum complex size of 200 occupants and located within walking distance or 1,200m of a university/college.

8 International Comparisons

A comparison of PBSA in Dublin with other international examples

In regard to the impact of PBMSA, Belfast City Council's Guide recognises that the concentration of relatively short term residents associated with PBSMA schemes can have an unwelcome impact on an established community, by reason of their particular social needs, the unique nature of activity associated with student life and demand for facilities and services and key issues to be considered and addressed by applicants to support their planning applications include:

- The need to protect residential amenity where student accommodation is, or is likely to become, concentrated, particularly in the vicinity of existing residential communities;
- The scale, form and nature of large scale PBMSA is likely to render them incompatible with Protected City Centre Housing Areas;
- Conflicts with adjacent land uses need to be minimised; and
- The adequate provision of necessary local facilities, such as doctors, dentists, leisure provision and local convenience shops.

Addressing the Transient Nature of the residents of Student Accommodation

One of the main planning concerns of many international examples of student accommodation is the transient nature of the residents of student accommodation and how to better integrate them into the local community. As recognised in the Edinburgh example, a major advantage of purpose built student accommodation is that that purpose-built and well managed schemes reduce potential issues such as antisocial behaviour rather than the widespread conversion of family housing, into shared student properties which are more difficult to manage and to introduce measures to integrate the students into the local community. It could also be suggested that as PBSA eases pressure on the general housing stock, including the subdivision of family sized homes, that it allows for a greater mix of housing types, including more family sized homes in the city.

The international examples provided above indicate a variety of planning measures to address the transient nature of the residents of student accommodation. In Edinburgh student housing is considered generally acceptable on sites adjoining universities or less than 0.25ha in area and on sites greater than 0.25ha, a proportion of housing is required as part of the proposed development, to balance the mix of land uses and to contribute to housing land need. In Barcelona, the introduction of additional tourist, temporary and student accommodation in the city is controlled in four radial zones from the city centre. In Belfast, applicants for PBSA schemes are required to submit information relating to the consideration of the impact of proposals, including the cumulative impact of any existing or approved student housing provision, the likely impact of the proposal upon demographics and local facilities/ service provision in an area, information on the specific social, economic and environmental benefits of a proposal and details of any measures included to help protect residential amenity and mitigate any potential adverse impacts on the surrounding area.

As identified by the National Student Accommodation Strategy (NSAS), by developing and utilising an appropriate Management Plan for PBSA, the managers of PBSA can minimise any potential negative impacts from the development and its occupants on surrounding properties and neighbourhoods and can create a positive and safe living environment for students and develop and enhance the neighbourhoods in which they are situated for the betterment of the whole community. It states that an appropriate site management plan should be submitted as part of any planning application for PBSA and include details in relation to how anti-social behaviour will be dealt with and integration with the community including community liaison. In addition, it is stated that participation by students in community and voluntary activities can also encourage students to engage with their local communities and can also encourage local residents to recognise that such developments are positive for the regeneration of the community and the locality. Action Points of the NSAS for developers and managers of PBSA include the following:

- Developers and managers of PBSA will be encouraged to develop and work on community engagement projects with a view to strengthening their role and acceptance in the community.

8 International Comparisons

A comparison of PBSA in Dublin with other international examples

- All developers and managers of PBSA should put in place an appropriate Management Plan for PBSA in order to minimise potential negative impacts of the development and its occupants on surrounding properties and neighbourhoods and to create a positive and safe living environment for students and develop and enhance the neighbourhoods in which they are situated for the betterment of the whole community.

Conclusion

Examples of planning policies for PBSA in other cities indicate that each city has a different background to the development of student accommodation. Some UK cities are seeking to steer student accommodation development away from ad-hoc private rented housing and towards well managed PBSA with easy accessibility to universities and Barcelona is trying to balance the development of all transient nature accommodation in the city with the maintenance of city centre communities. Some other points to note from international examples are as follows:

- Many cities maintain an annual schedule of PBSA development within the city to monitor its development and assess against any required policy changes.
- One of the main concerns of UK and Barcelona examples is the transient nature of the residents of student accommodation and how to better integrate them into the local community.
- Thresholds limits or requirements to ensure PBSA is located away from existing concentrations in city centres are contradictory. Providing PBSA within the finite number of city centre locations which have excellent connections will ultimately lead to a degree of concentration and potential PBSA sites close to universities are often already well in excess of thresholds and the result of these restrictions would be to direct such developments to less sustainable locations.
- Areas of the city can be identified as more appropriate for PBSA development based on existing land uses where cumulative impacts of PBSA may be reduced and revitalising the physical fabric through re-use of vacant buildings and redevelopment of derelict and unattractive land, however the prime planning issue is the location of PBSA on sites where there is accessibility to third-level institutions by sustainable transport needs.
- Use of a criteria policy, including topic areas such as amenity, character, appearance and management, allows for consideration of impacts on a site by site basis and allows each case to be considered on its own merit.

Appendix

Appendix

List of PBSA currently operating; under construction; granted planning and seeking planning permission

1	Griffith College, Dublin 8	**24**	The Woodworks Student Accommodation, Point Village
2	Trinity College Dublin On-Campus, Dublin 2	**25**	274 North Circular Road, Dublin 7 (near Grangegorman)
3	Ardcairn House	**26**	Montpelier Hill
4	Kavanagh Court	**27**	Aungier Street, Longford Street Great, Stephen Street Upper and Whitefriar Place, D2
5	The Binary Hub, Liberties	**28**	Brickfield Lane and Brown Street South, Dublin 8
6	Dorset Point	**29**	Oisin House, TCD, Pearse Street, D2
7	Beckett House	**30**	Ziggurat 58-64 Dominick Street Upper
8	New Mill	**31**	Spitalfields, off Francis St, Dublin 8
9	The Tramshed Student Accommodation, Point Village,	**32**	Brewery Block, bounded by, Ardee Street, Newmarket, St Luke's Avenue, Brabazon Place/Brabazon Row and Ardee Street, Dublin 8
10	The Tannery	**33**	Park Shopping Centre Prussia Street
11	NCI Mayor Street, D1	**34**	The Donnelly Centre, Cork Street, Dublin 8
12	Highlight Student Accommodation, Thomas St	**35**	84-87, Prussia Street, Stoneybatter, Dublin 7
13	JBs Student Residence, Lad Lane, D2	**36**	The Big Tree, 39-41A Dorset Street Lower
14	LIVStudent Church Street	**37**	Adjoining Kavanagh Court
15	JBs Student Residence, Cumberland Road, D2	**38**	Dunard Road & Blackhorse Avenue, Dublin 7
16	Swuite Grangegorman	**39**	Nolan Seafoods Ltd., Rathdown Road, Dublin 7
17	Fresh Student Living, Blackhall Place	**40**	The Donnelly Centre Phase 2 Building, Cork Street/Brickfield Lane, Dublin 8
18	Buckley Hall, Railway Street/Buckingham Street Lower, D1	**41**	Lands bounded by Mill Street, Sweeney's Terrace and Clarence Mangan Road, Dublin 8
19	Broadstone Hall 244 Phibsboro Road, Constitution Hill, D7	**42**	124-126 Parnell Street, Dublin 1
20	Aungier & Wexford Street Student Accommodation	**43**	Grangegorman Strategic Plan
21	Archway Court Student Residences, 39A Mountjoy Street, Dublin 1	**44**	Grangegorman Strategic Plan
22	55 Parnell Square, Dublin 1		

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