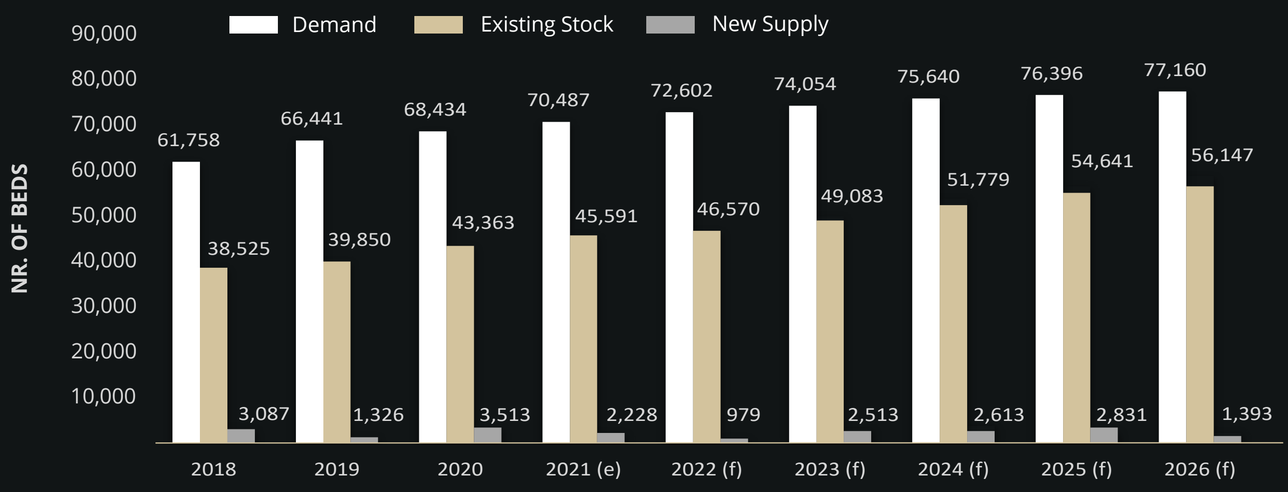
# STUDENT ACCOMMODATION INFOCARD
JANUARY 2022

MITCHELL MCDERMOTT

## SUPPLY & DEMAND




(e) estimate (f) Forecast numbers are schemes that are in the planning system or have been granted planning and have not commenced construction.

The Higher Education Authority (HEA) estimates that 75,640 student beds will be required by 2024. There will be c.55,000 units (+/- 5%) completed by 2026.

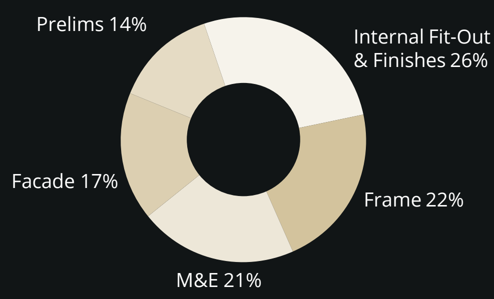
The market is currently delivering 1,500-3,500 units p.a.

Competition on site purchase costs fuelled by the lack of supply and competition from build to rent bidders continues to put pressure on scheme viability which is having an upward effect on rents.

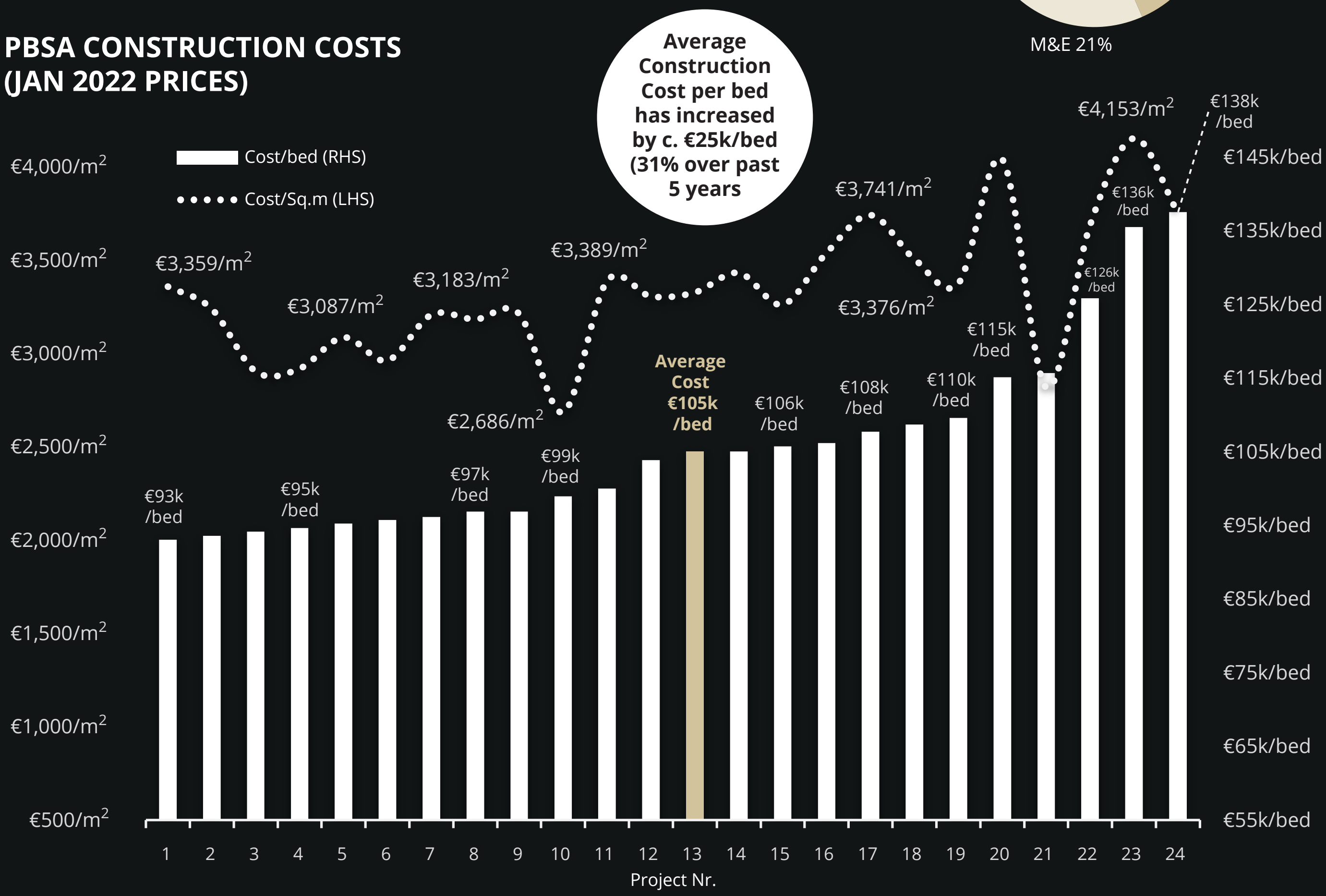
## KEY POINTS

- Over 11,500 Nr. beds in Database
- Average cost per bed of €105k
- Construction costs increasing
- Scheme efficiency critical to achieve viability

## BUILDING COST BREAKDOWN




## PBSA CONSTRUCTION COSTS (JAN 2022 PRICES)




Professional advice should be sought for specific projects. These indicative building costs should NOT be used for fire insurance valuations or for residual valuations for funding purposes. Mitchell McDermott provide specific detailed valuations for fire insurance or more specific reinstatement valuations as required. Costs are for construction only and exclude VAT | Tender Inflation from January 2022 | Site Acquisition | Planning and Statutory Fees | Development Contributions | Capital Contributions for Services connections | Bonds | Professional Fees | Sales and Letting Costs | Marketing | Legals | Valuers | Accountancy Costs | Finance Costs | District Heating | Show Units | Site Works | Sprinklers | Owner Insurances | Adjoining Neighbour Costs | Abnormal Ground Conditions | Basements | Covid-19 | Brexit

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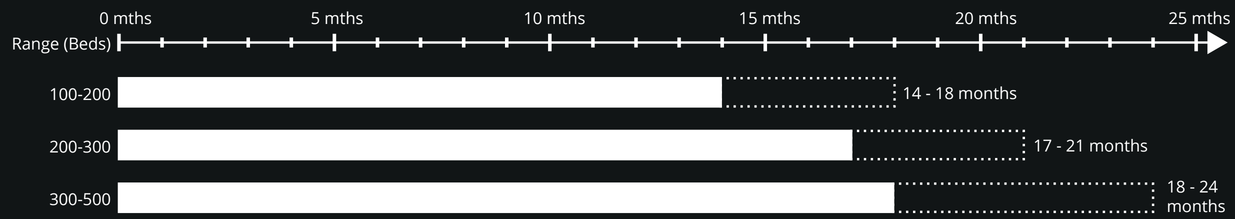
| DESIGN GUIDELINES | |
|---|---|
| Single Study Bedroom | ≥ 8 sq.m |
| Single Study Bedroom with En-suite | ≥ 12 sq.m |
| Twin Study Bedroom | ≥ 15 sq.m |
| Twin Study Bedroom with En-suite | ≥ 18 sq.m |
| Single DAC Bedroom with En-suite | ≥ 15 sq.m |
| Single/Twin Studio with Kitchenette/En-suite | ≥ 25 sq.m - ≤ 35sq.m |
| Shared kitchen/ living/ dining rooms | ≥ 4 sq.m/bed space |
| Cluster Minimum (3 Bed) | ≥ 55 sq.m |
| Cluster Maximum (8 Bed) | ≤ 160 sq.m |
| Communal Private Open Space | 5 - 7 sq.m/bed space |

** The above are as per the DCC Development Plan 2016 -2022 and are used as a guide by many local authorities.

**Typical Layout for 3 bed cluster (Min. 55 sq.m GFA)**


## PROGRAMME




## WHAT'S NEW / TRENDING

CAO applications **increased** by almost **9% in 2021**

A severe shortage of bedspaces was experienced in the market in September 2021, the national housing shortage, private landlords leaving the student rental market and a reduction in 'digs/homestay' type accommodation due to Covid-19 has exacerbated the supply issue.

The government approved funding for an additional 4,600 college places for the '21/'22 academic year at a cost of €24m.

RTB

**Residential Tenancies (Amendment) Act 2021** which also applies to PBSA was signed into law on the 11th December 2021. The Act requires that future rent increases in RPZ's cannot increase by more than 2% per annum pro rata where HICP inflation is higher.

The Act included a clarification specific to students of purpose built "student specific" accommodation regarding required notice periods for the termination of a tenancy by a student.

One Dublin University stated (Sept 2021) that escalating construction costs made it uneconomical to build student accommodation.

There is appetite in the market for a 'budget' or 'value' product: i.e. shared bathroom and/or sharing double/triple.

There are c. 2,500 beds currently under construction.

c. 7,000 beds have received planning permission but have not commenced construction at this time.

1,489 beds are subject to a Judicial Review

Planning applications totalling 761 nr. beds were submitted in January '22

BREXIT

2021/2022 CAO applications from British applicants increased by 27%.

There was a 43% drop in EU student applications to UK Universities

There was a 56% drop in the number of EU applicants accepted at UK Universities compared to the '20/'21 academic year.

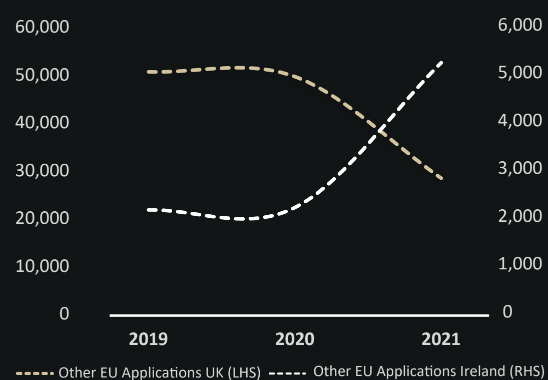
There was a **17% increase** in **non-EU** student CAO applications

## CHALLENGES

- Continued lack of supply of suitable sites in Dublin and Galway.
- Increasing construction costs and labour shortage.
- Judicial Reviews
- Significant number of projects in Cork pipeline.
- Combination of site costs, increased construction costs are affecting scheme viability.

## OTHER EU STUDENT APPLICATIONS (IRE & UK)

**5,000** of the additional 7,000 CAO applications were from **other EU countries**, a **136% increase**






Anthony McDermott
Director
086 303 2603
amcdermott@mitchellmcdermott.com


Ronan Tynan
Director
086 772 1256
rtynan@mitchellmcdermott.com


Paul Mitchell
Director
086 834 5444
pmitchell@mitchellmcdermott.com

Mitchell|McDermott | 72 Leeson Street Upper, Dublin 4 | +353 1 531 0370 | www.mitchellmcdermott.com