

The University of Sydney Case for Affordable Student Accommodation Bedroom Sizes

This submission responds to a request by the City of Sydney planning officers to address the case and merits for The University of Sydney's (The University) Affordable Student Accommodation Strategy, which includes within its portfolio the provision of 10m² sized bedrooms supported by expanded communal and support facilities.

1. Executive Summary

There is a significant shortage of affordable accommodation within the City of Sydney Local Government Area, including the University of Sydney Camperdown-Darlington campus. This shortage is unlikely to change due to current market conditions that limit the supply of affordable housing, as well as planning guidelines that impose significantly higher room sizing compared to other states or internationally. Both these factors significantly affect the development viability of the proposed Regiment Development and future accommodation facilities.

Despite falling under Boarding House guidelines, University of Sydney student accommodation typically comprises mixed-use accommodation buildings set within a large 55 hectare campus and supported by a wide variety of teaching, learning, recreational, sporting, retail, professional services, and open space facilities. Our student accommodation supply is distinct with student expectations and requirements differing greatly from typical boarding house occupants. University accommodation also offers an environment where residential life and pastoral care programmes are focused on getting students to leave their rooms and interact with the wider accommodation and campus community.

This approach is reflected in research that indicates that students within on campus accommodation do not spend a significant amount of their free time in their rooms but prefer to study and play in communal settings.

There are also key differences between Sydney University's Accommodation and the Private Purpose Built Student Accommodation (PBSA) Market. This includes the price point charged, on campus location, not for profit, availability of scholarships, educational focus and pastoral care programming that make the University's offering unique while supporting a student through their critical first year of study.

Reflecting these differences, the University believes that a bedroom delivered at a price point 25% below the private student housing market offers a unique and affordable product. This includes a compact bedroom design focused on ergonomic quality, comfortable appropriate seating, a quality mattress and storage supported by extensive common facilities with a high overall Gross Floor Area per student.

The alternative of a blanket application of a 12m² minimum room size which will generate no significant in room benefit for the student and will force developments to raise rents and cut back on those amenities, including extensive mixed use education, recreational and study areas, that are known to make a measurable difference to the experience and ultimate outcome of the student does not seem sensible.

Precedence is established for smaller room sizes within a number of student accommodation facilities at both The University of Sydney and its affiliated Colleges. The recent approval and subsequent success of the University's Queen Mary Building with room sizes smaller than the current DCP and ASHEPP controls highlights that smaller rooms combined with extensive amenity and support facilities can deliver a quality product and at a price point substantially below the private market.

The provision of quality, affordable, compact student accommodation also has the scope to reduce student demand for surrounding rental housing by increasing the numbers of students in University managed accommodation. This will directly reduce the pressure on the private sector local market. The University's Strategy for Affordable Student Accommodation directly supports the aims of State Environmental Planning Policy (Affordable Rental Housing) 2009, the affordable housing targets outlined in City of Sydney's strategic plan.

Even with radical design amendments, the application of the numerical 12m² bedroom guideline will ultimately reduce the University's target for the supply of affordable student bedrooms on or near campus. This will consequently reduce the significant impact University student accommodation supply can impose on reducing demand pressures on the local private rental market. It will also restrict the University's ability to compete and grow in an ever competitive global market that can more easily offer affordable accommodation options.

2. Shortage of Student Accommodation at Sydney University

It is widely recognized by both the University of Sydney and City of Sydney that there has long been a significant shortage of affordable housing in and around the City of Sydney, including the University's Camperdown/Darlington campus. The shortfall is ostensibly driven by a limited supply of affordable rental housing, combined with a high demand from students, health workers, other low income earners, and young professionals competing in a buoyant Sydney housing market that has outpaced the rest of Australia in terms of rental and house price increases.

This shortfall has resulted in students typically undertaking long commutes and traffic/transport generation to the more affordable suburbs in Western Sydney. Students located off-campus are therefore deprived of the campus experience and University support services, including immediate access to educational, library, sporting and social facilities.

This situation also comes at a time when Sydney based Universities are experiencing significant competition from interstate and overseas University's for research talent and to attract students (particularly international). The educational market is also transitioning towards combining accommodation and tuition offers, something the University is unable to do due to the accommodation shortage.

In a under supplied market with high demand, the private sector would be expected to step in but in Sydney this has been heavily restricted by;

- Limited supply of land
- Extremely high land values driven by the residential boom
- High construction costs driven by an ongoing state wide construction boom
- Return on Investment
- Students ability to pay

Due to the above mentioned restrictions, private providers of student accommodation are producing limited numbers of studio or apartment style accommodation at expensive rates and which caters for only a small portion of University students seeking accommodation.

The limited numbers of both University and privately owned student accommodation rooms surrounding the University has had an adverse effect on the community. Students who miss out on campus accommodation are competing with local families and workers for rental properties. This has resulted in increased local rental rates and cases of over-crowding of rooms for students seeking private accommodation in the private sector close to the University campus. This has led to some students sharing rooms in often unsafe accommodation to the detriment of student safety and academic results.

In recognizing and responding to the challenge of affordable housing, the University's Strategic Planning has specifically targeted the provision of more affordable and appropriate student accommodation on

and near the University's campuses as a primary objective. The University has therefore committed to the delivery of 4000+ new beds within and around the Camperdown-Darlington campus with the aim of:

- Bridging the current undersupply in housing stock.
- Significantly increasing the number of affordable student beds.
- Meeting expected future growth in demand around the Camperdown and Darlington campuses.
- Enriching the Student Experience

The University is also committed to ongoing research, benchmarking and prototyping to establish its student accommodation facilities as exemplary on a global level, delivering the best outcomes for the students in residence. Underpinning the University's strategy is evidence that well positioned community and education focused developments best serve the students' needs and open up learning opportunities that have a measurable impact on student success. This strategy also reinforces the university's commitment to providing a sustainable campus population through mixed 24-hour access and use, one that subsequently assists in supporting surrounding retail and business precincts, and a reduced student reliance on travel and traffic generation to and from campus.

To enable the University to deliver quality and affordable 'on campus' accommodation supply as part of its portfolio and which directly supplements the University's teaching, learning and research pedagogy, the University has focused on developing an efficient bedroom design comprising modern residential hall style dormitory accommodation. This will ensure that amenity and spatial comfort is optimized and supported by communal on floor washroom facilities, a single large communal ground floor kitchen and extensive mixed use educational and study amenity open to the wider campus and in some cases the general public - the attached report by CRED consulting outlines the economic and social advantages of this model.

The University's first 1,000 beds (Phase 1a) were delivered in 2015 with the successful completion of the dormitory style, 800 bed Queen Mary Building (QMB) in Camperdown and the 200 Studio Bed, Abercrombie Student Accommodation (ASA) facility in Darlington. Both of these completed developments have rents set 25% below the PBSA Market and have been very successful with 100% occupation since opening.

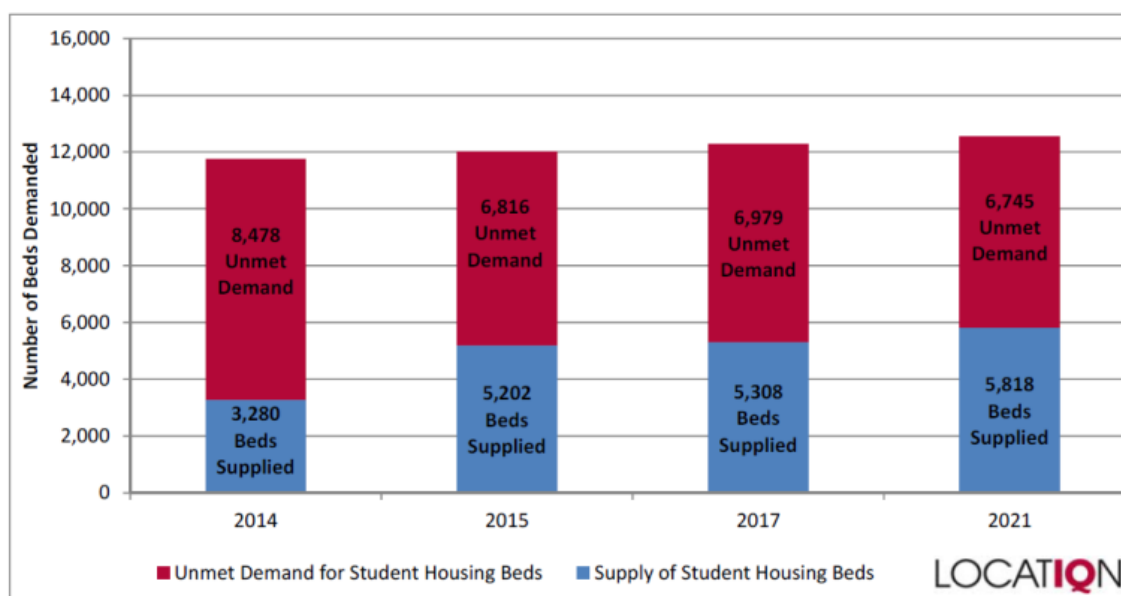
If approved, the University's Regiment Student Accommodation and Mixed Use development will constitute the majority of the next 1,000 beds (Phase 1b) in a QMB Style dormitory style configuration and with an even greater focus on educational amenity.

The University has continued to update a number of market research pieces including Location IQ and Urbis reports to validate ongoing demand and affordability assumptions and Colmar Brunton to benchmark the international market.

This research confirms the University's concerns that, despite the recent completion of QMB and ASA plus other dedicated completed/planned facilities by established and incoming private providers such as

Urbanest, Unilodge, Iglu and Scape there will still remain a significant shortfall of at least 6,500 beds surrounding the University by 2021 at a \$300 per week price point (2015 prices).

Chart 1 – Unmet demand for Purpose Built Student Housing Beds 2014 – 2021



The economic contribution of students, particularly those from overseas who more heavily need accommodation, should not be underestimated. International education is Australia's third largest export, generating \$19.4 billion in exports (\$6,959 million from NSW alone). The industry supports 130,000 full time equivalent jobs, 1.3% of Australia's employment (46,903 jobs in NSW; 1.5% of employment). International students studying and living in Australia contributed \$18.8 billion to the economy in 2015 (for example through student fees, travel, accommodation, living expenses)

Ultimately, should the availability of affordable accommodation not be resolved, the University believes the educational market will be curtailed and is at risk of contraction as competition elsewhere increases in markets where supply conditions allow for more affordable, appropriate and numerous accommodation.

In support of this paper the University would acknowledge and supports the clearly articulated State and Local Government objectives in promoting the education sector as an instrumental export market and as a major contributor to National and State economies.

3. University Accommodation v Private Student Housing Market

There are a number of key differences between Sydney University's Accommodation and the Private Purpose Built Student Accommodation (PBSA) Market.

- The University is a Crown applicant and registered charity.
- The University's accommodation is 'on campus', typically residential hall style, open to all students, and benefits from directly accessible communal facilities both within the new developments and from a very broad range of surrounding campus facilities (education, research, wellbeing, open space, sports, cultural, retail) set within 55 hectares of land (the Camperdown-Darlington campus). The campus in itself supports the wide range of commercial, business, recreational and open space facilities established within the surrounding precincts of Glebe, Newtown, Redfern and Eveleigh.
- University student accommodation is not simply a bed for the night but is designed to be an instrumental contributor to the learning experience of the student. The accommodation includes teaching suites, quiet study / learning hubs and unique areas designed to encourage involvement in innovative domains including hacker and maker spaces complete with 3D printing suites and access to VR and high performance computers, pitching Ted X style theatres through to Barista bars to teach valuable monetizable skills.
- The University's redevelopment of the Regiment site is focused on delivering affordable dormitory accommodation with efficient well designed bedrooms supported by large communal kitchens, bathrooms and mixed use common lifestyle and educational amenity – this approach has been proven to have two distinct advantages – maintaining a low price point and encouraging student participation, retention and engagement within the residences.
- The University provides an expansive residential life and pastoral care programme designed around a focus on student wellbeing and education provided by dedicated on site residential life managers, multiple coordinator's and supported by a full time award winning Student Accommodation Services Team – refer section 10.
- Each of the University accommodation facilities includes one or two apartments for visiting and full time resident academics to develop and guide the education of the residents. The apartment at QMB which was initially to be used for the on site manager, has been converted to academic use and has been used to house visiting Rhodes Scholars in return for resident engagement and teaching.
- The University's accommodation portfolio is run on a 'not for profit' basis with any net income subsequently directed towards accommodation scholarships (QMB & ASA scholarships of **\$500k**

per annum are available to assist disadvantaged students and are forecast to increase to circa **\$1m** per annum post completion of Phase 1b of the Programme), further rent reductions, or related campus programmes.

- The University's student accommodation is set at an 'affordable' rental price point that is 25% below the PBSA market calculated using a methodology approved by the Australian Tax Office under a Private Binding Ruling. While the University has committed to limiting price increases to 3% per annum - in practice, the dormitory rental rates at QMB have only been raised 3% in 2 years despite opportunities for further increases:

Current dormitory rental rates at QMB are:

Facility	2015 Pricing (1 st year of Operation)	2017 Pricing
Queen Mary Building	\$298 / week	\$307 / week

*Inclusive of all costs, utilities including internet, consumables and residential life programming.

- Unlike the PBSA market which has rents typically above \$400-\$450 per week for a studio. The University's dormitory design with a price point of approximately \$300 per week is designed to directly attract those students who would typically be competing in the affordable private rental market with other low income earners.

4. What is important to Students

Extensive peer and international research indicates that the following primary criteria are the key factors for students when selecting a student accommodation destination/building of choice:

- Availability
- Affordability
- Security
- 'On Campus' location to alleviate time and costs associated with travel and to enable enjoyment of the facilities offered by the wider Campus.
- University Managed
- University Professional Support Network – counselling etc.
- Residential Life and Pastoral Care Programming

The University's affordable student accommodation supply excels in designing accommodation buildings to meet these criteria.

5. Bedroom Sizing and Current Planning Regulations

The University's ability to offer affordable rents and extensive mixed use facilities is predicated on delivering a minimum number of rooms, which in turn is dependent on provision of room sizes of 10m² excluding other accessible and shared (communal) facilities.

Under the Sydney DCP 2012 and State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP), University student accommodation falls under the definition of a 'Boarding House' and who's guidelines require a minimum room size of 12m². This current numerical guideline represents an increase of 1.5m² from the previous (repealed) Boarding House minimum room size of 10.5m².

Despite some similar characteristics between boarding houses and student accommodation premises, there are nonetheless significant and important differences between the two:

- Students typically spend their first year in University accommodation and then move out into the Private Rental Market – this is not a room for life.
- The focus of a student is not on the room but on the supporting infrastructure and wellbeing services provided both within the building premises as well as the surrounding campus.
- Pastoral care and residential life programmes are designed to encourage students to get out of their rooms, integrate and study together as research indicates this improves overall student experience, performance and retention – University accommodation is focused on community integration, and not individual room living.
- Students typically study outside of their rooms with the University's own space utilization studies indicating on floor break out spaces and learning hubs are the most utilized rooms.
- Student accommodation premises are typically located / juxtaposed to other bespoke University facilities and services including libraries, meeting/tutorial rooms, computer rooms, retail facilities etc. The proximity of the Abercrombie Business precinct to the proposed Regiment development site is such an example.
- University accommodation is additive to the wider learning experience and has extensive common, teaching and educational facilities not typically provided in a boarding house.
- University accommodation comprises one component of the wider campus, where additional teaching, research, sporting, cultural and educational facilities are also provided. Such complementary facilities are not typically provided in a boarding house.

This University's design approach to student accommodation provision is not driven by maximizing bed numbers but by achieving a balance of development viability while maintain low rents, delivering a quality educational experience, maximizing communal facilities, and encouraging student interaction within the residence and wider campus.

By providing rooms at a minimum 10m² area that are supported by extended common and mixed use facilities, the overall Gross Floor Area (GFA) per resident is significantly larger than a standard boarding house.

The GFA per student for the recently completed Queen Mary Building in Camperdown, and the proposed Regiment redevelopment site in Darlington, are as follows:

Facility	Bed Numbers	Gross Floor Area (m2)	GFA/Bed
Queen Mary Building (completed & occupied)	801	24,000	29.96
Regiment (proposed)	656	15,146	23.09

5.1 Interstate and Overseas Comparables

When benchmarking the DCP and AHSEPP controls it can be seen that the 12m² requirement is significantly higher than equivalent controls in other states and internationally.

The Sydney DCP control is approximately 40% higher than minimum bedroom size controls in Queensland, Victoria and the Northern Territories, where the minimum requirement for single rooms is 7.5m². The below tables summarises the minimum requirement of bedroom sizes for Australian states and international countries.

State by State Comparison of 1 occupant rooms

Location (within Australia)	Minimum requirement for 1 occupant
Sydney, NSW	12m ²
Brisbane, Queensland	7.5m ²
Darwin, Northern Territory	7.5m ²
Perth, Western Australia	No specific room control only an apartment definition – all rooms have to be ‘useable and functional’
Adelaide, South Australia	Suitably Sized
Melbourne, Victoria	7.5m ²
ACT	9-10m ²

International Comparisons on Room Sizes

Country	Minimum Room Size (1 occupant)	Room Type
United Kingdom	6.5m ² (2 occupants: 10m ²)	Bedroom – In house of multiple occupation (HMO)
New Zealand	6m ² (2 occupants: 10m ²)	Bedroom – education hostel
Italy	9m ²	TBC
France	7m ²	TBC
Netherlands	5m ²	TBC

Consequently, the implementation of a minimum 12m² bedroom size presents significant restrictions on the ability of NSW Universities to not only compete interstate/internationally, but also limits development feasibility and the delivery of affordable student accommodation which could assist with wider supply and demand conditions.

Neither the Sydney DCP, nor the AHSEPP, specifically contains any objectives relating to the bedroom size control. The objectives for boarding houses and student accommodation development in general include:

- (a) Ensure an acceptable level of amenity and accommodation in boarding houses to meet the needs of residents and owners.
- (b) Minimise the adverse impacts associated with Boarding Houses on adjoining properties and the vicinity.

The University believes the proposed Regiment redevelopment comfortably supports both of these objectives and goes significantly further in developing a product that actual assists with a student's education while reducing housing demand in the local vicinity.

6. Precedents for a smaller Room Size

A number of development applications have been approved under the current DCP Controls but with smaller than 12m² rooms – these include the following at Sydney University and its affiliated Colleges:

DA D/2011/1107 Queen Mary Building – Room sizes 9 - 10m²

DA D/2014/1632 Wesley College – Room Sizes 10.9-11.8m²

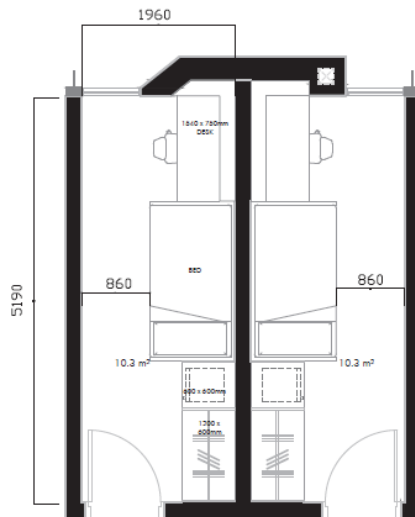
The University also highlights the feedback from our G08 University members in the ACT where recent development approvals and completions since 2014 for student accommodation are yielding the following bedroom sizes:

ANU – Room Sizes 9-10m² for the SA5 and the Lena Karmel Lodge buildings

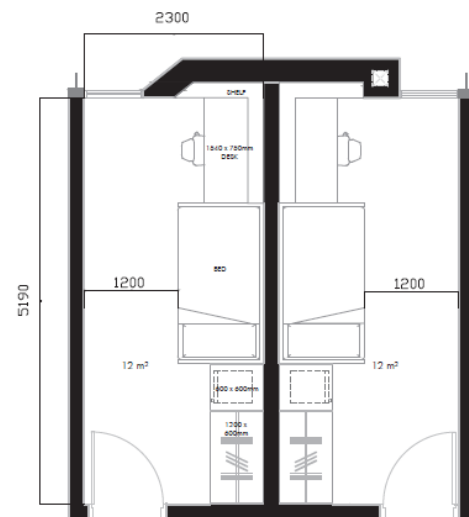
University off Canberra - Room Sizes 9m² for the Cooperlodge 2 building.

7. The Case for a 10m² bedroom supported by increased common facilities.

The differences between a 10 and 12m² room layout are indicated below.



Proposed 10.3m² Layout



12m² Modified Layout

There is no difference in the provision of physical fixtures or furniture in either of the above plans, only a reduced circulation space which is compensated by other common and educational facilities within the building, as well as complementary facilities within the surrounding campus.

The University can comfortably demonstrate clear evidence of the success of a room size smaller than that proposed for the Regiment Development with the completed and fully occupied Queen Mary Building in Camperdown.

Multiple bedroom design variations for the Queen Mary building were tested during the projects design development phase, full scale prototypes of the options were established on Eastern Avenue and students invited to visit or stay overnight to provide feedback.



The design and general feel of the rooms was well received. Areas of improvement were identified and incorporated into the design.

The continuous analysis of current accommodation combined with regular consultation with students is ongoing and seen as a key component in successfully delivering developments that maximise the effective of University accommodation and the associated experience.

Following an occupant survey by the university, resident students occupying the QMB have not reported any negative reaction regarding the room sizing.

To maintain consistency across the accommodation portfolio the University's preference is to maintain this room size to ensure that the room sizes and prices match as close as possible.

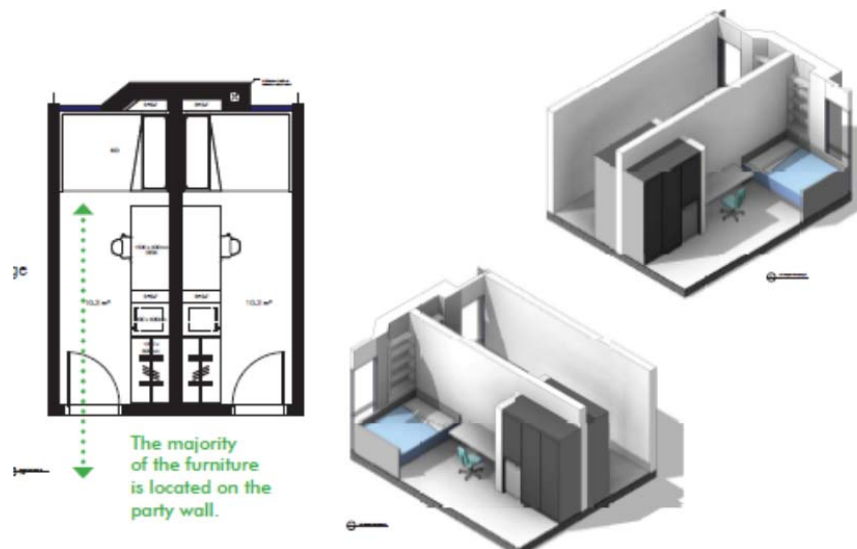
The Queen Mary accommodation was ultimately approved by the City of Sydney with bedroom sizes of between 9m² and 10m². This completed and occupied building has subsequently been awarded the ACCUHO (Asia Pacific Association for Student Housing) Student Housing Operations of the Year in 2016 for its extensive communal facilities and expansive residential life program focused on education and retention.

8. Prototyping

Further to the success of the Queen Mary Building, the University has redesigned the basic Queen Mary room prototype to provide an increase in storage, visual aesthetic and the provision of a double rather than King Single bed.

A new 10m² prototype has been constructed in the outdoor grounds of the Queen Mary building fronting Grose Lane. Students have been invited to inspect and provide comment on these prototypes. The overwhelming response provided related to the functional requirements of ensuring chairs are ergonomic, desk heights adjustable and sufficient storage is provided. There has been limited reaction regarding the room sizing which while not expansive is more than adequate for their needs.

The visual modelling below, shows the current design development of the 10m² room for the Regiment development.



The University extends an invitation to the City of Sydney officers to inspect the Queen Mary building and new bedroom prototypes to assist in the successful endorsement of the proposed Regiment mixed-use student accommodation development as well as other future University student accommodation developments applications.



Photos of the Prototype at the Queen Mary Building

9. Impact of enforcing the 12m² room size

The University has modelled the project feasibility of a 12m² room size and dependent on the design response taken would have the following impacts:

Design Response to change to 12m ² rooms	Bedroom Reduction	Rental Rates	Other Affects
No change to current building mass, layouts, amenity	-110	No change	The project is not feasible and would not proceed.
No change to current building mass. Change current layouts and expand bedrooms into common spaces/facilities.	-68	Increase by 15%	No Scholarships to be offered. Loss of all on floor flexi-spaces which are the most heavily used rooms according to space utilization study. Loss of some ground floor amenity. \$2.5m in additional construction costs
Change current building mass with increase GFA. To retain preferred setbacks this will mean an increase in building height by one floor.	No reduction	Increase by 20%	No Scholarships to be offered, Additional floor up to CIP height limit – the current design sits one floor below the allowed limit. \$6.8m in additional construction costs.

10. Student Accommodation Services

For students living in on campus accommodation, the residential experience is a significant part of the University's undergraduate education. It extends beyond the lecture theatre, and encompasses more than a safe, affordable bed.

Research has shown that the first year of University is critical in relation to whether a student will pursue completion of a course, or drop out prior to course completion. Quality services and programs addressing a sense of belonging, safety, social integration, engagement with study and broader life on campus, and exposure to new people and ideas, are all factors that the University of Sydney's *Student Well Being* program encapsulates to ensure that students thrive and can have an exceptional university experience.

The University's affordable student accommodation program is therefore an instrumental component in ensuring the retention of students on campus as well as supporting the University's success in education outcomes.

Unlike the PBSA market, the University has a dedicated department *Student Accommodation Services* (SAS) that has developed and delivers this program, as well as providing other initiatives including financial assistance, a direct student feedback line, and support service for Aboriginal and Torres Strait Island students.

For clarity, the University:

- funds, owns and manages its accommodation facilities;
- directly controls student applications for accommodation via its in house applications portal;
- provides the operating framework, delivers the *Student Well Being* programme and oversees the specific residential life programme within each accommodation facility;
- funds and manages a grant scheme for resident suggested activities within its accommodation portfolio for courses, activities and events that align with the University's wider programmes; and
- is the escalation point for all serious incidents, and provides the physical and manned security, at each facility.

In support of the above, the University currently engages a specialist student accommodation operator in the day-to-day running of each facility, reporting back to the University's Student Housing Operations Committee and SAS team. The operator has no ownership of the facility and is simply assisting with the daily tasks of operating facilities of this nature.