

NUS Wales' response to the Senedd's Equality, Local Government and Communities Committee call for evidence on the impact of the Covid-19 on matters relating to the committee's remit.

About NUS Wales

National Union of Students Wales (NUS Wales) is the representative body of more than 250,000 students in Wales. We work on behalf of 20 member students' unions on the issues that affect students in higher education and further education.

Public Health Provisions in Shared Student Accommodation

1. Students living in houses in multiple occupation (HMOs) will be sharing kitchens, bathrooms and living areas with multiple 'households' which creates certain public health risks regarding Coronavirus. Tenants often are renting via separate contracts, are commonly not close acquaintances and may struggle to 'enforce' hygiene and lockdown measures on each other. For example, if one resident has an underlying health condition that puts them at greater risk to Coronavirus it may be difficult to ensure the entire household self-isolates. Some student HMOs can be substantial in size and hit double figures.
2. For students living in purpose-built student accommodation (PBSA) the numbers of 'households' they share amenities with can be even more substantial. Students may be sharing kitchens, bathrooms and living areas with a dozen or more others and may be sharing other in-built amenities such as gyms or cinema rooms with hundreds. Some students will be living in fully catered PBSA with cafeterias and dining halls and no access to other food preparation or dining facilities. Students who self-isolate will also need significant support from their accommodation provider and educational institution in a number of areas including with their mental health and access to food, medicine and other essentials.
3. The Welsh Government issued guidance on 26th March for landlords and tenants which provided clarification for repairs, viewings, moving home and more¹. We have received reports from our membership of landlords not following this guidance such as by continuing to try and operate viewings and inspections or by refusing to complete essential repair work.
4. There have been calls from other groups for a suspension of annual gas safety inspections as a result of the current crisis which area legal requirement for landlords and are carried out by registered engineers². NUS Wales believes that such inspections should continue, as should all essential home repair work to ensure the safety of tenants in a time when they will be residing in their property more than usual. Furthermore, we know students experience issues with gas safety. Our Homes Fit for Study 2019 study found that 9 per

¹ <https://gov.wales/coronavirus-covid-19-guidance-for-landlords-and-managing-agents-in-the-private-rented-sector-html>

² <https://www.bbc.co.uk/news/uk-england-52298598>

cent of students in the PRS reported gas safety hazards in their homes and less than half of student renters (48 per cent) reported having received copies of their Energy Performance Certificate or a Gas Safety Certificate when they rented the property. The provision of such documentation is a statutory obligation.

Students Needing Early Release from their Tenancy / Rent Obligations

5. Most students live in PBSA and in the PRS during term-time but return to an alternative residence (usually a family home) when university is no longer occurring such as during holidays and over the summer vacation.
6. All universities have either moved teaching online or closed entirely. Campus facilities such as libraries and study spaces have also been closed. Prior to the 'stay put' lockdown put in place on 23rd March, many universities instructed or advised their students to return to their non-term time residence if possible.
7. For many, term-time accommodation has thus become redundant. In addition, many international students have been repatriated or have had to navigate travel restrictions and returned home voluntarily. Students with underlying health conditions that put them at risk of Coronavirus also wished to return to their family home where it was safer than shared student accommodation.
8. Students who have left their accommodation early have been left legally liable for rent, despite not currently using, or seeking to return to, the accommodation. This is the case for students in PBSA, who often rent via License Agreements, and for students in the wider PRS who tend to rent via Assured Shorthold Tenancies. This is true for all of the UK apart from Scotland (which we explore in paragraph 22).
9. PRS landlords, universities and PBSA providers are only able to obtain an income from student rents because university occurs. Providing accommodation is not a risk-free investment and there is always a risk that university may not occur as normal (for example, if a university went bust in a local area). As such, students should not be penalized by having to pay rent for a service they no longer can or should be using and universities, landlords and PBSA providers should absorb the losses. In addition, if a student wishes to be released from their contract and rent has already been taken for forthcoming months, it should be refunded along with their deposit.
10. As a result of campaigning activity by NUS, students' unions and students themselves most universities and some non-university PBSA providers have taken the decision to offer students a no-penalty early release from their rent obligations. However, this has been far from uniform.
11. NUS firmly believes that government needs to act to ensure all students who vacate their term-time properties early are able to end their tenancies. It is unclear how many PRS landlords have offered students an early release from their tenancies if they vacate the property. However, our membership tells us that it is small and PRS landlords have been regularly quoting government guidance back to tenants that states everything should stay as it is. Our Coronavirus student survey found that around one in three students would like to be released early from their rental obligations. However, fewer than one in ten have been given the opportunity by their landlord to be released early from their tenancy/rental obligations.
12. In Scotland, as a result of pre-Coronavirus tenancy reform, all students renting in the PRS (although not in PBSA where they are often renting via License Agreements and/or are

exempt) will be able to end their tenancies penalty-free by giving just 28 days' notice. We also note the provisions of the Coronavirus (Scotland) (No2) Act³ allowing students to exit tenancies if their university is not open, or they are not able to attend in person, and would hope to see similar legislation in Wales.

13. Furthermore, we believe similar protections should also be introduced for all those renting via License Agreements in PBSA.
14. There is also a significant issue coming down the line in the near future that is a result of a systemic issue for student renters. The vast majority of new and returning students sign tenancy contracts for both PBSA and PRS properties extremely far in advance of them actually taking residence in said property.
15. Our Homes Fit for Study Report 2019 found that, for students living in the PRS, 57 per cent of them had already started looking in December for their new home to move into (and signed contracts) despite not moving into the property until the following summer/autumn of the next academic year. The main reasons for students starting to look for accommodation when they did were a concern that they would be 'nowhere left to live'. This is a marketing image given off by student accommodation providers, not a reflection of the reality of finding a rental property.
16. NUS has raised this issue with government and with the Competition and Market Authority (CMA) repeatedly as a form of 'pressure selling' over the years. We have recently contacted the CMA again due to the potential for this issue to be massively exacerbated by any lockdown restrictions or any potential delay to the physical restarting of university in September. We are yet to receive a response.
17. To prevent thousands of student renters who have already signed tenancies for the next academic year having to pay rent for a property which they cannot or should not occupy government needs to act to ensure tenants can be released, without penalty, from these contracts.

Students Struggling to Pay their Rent

18. NUS has consistently raised, for years, that there is a systemic affordability crisis for student renters. The average rent in PBSA takes up the vast majority of a student's income – even under the most generous terms of the Diamond package, it is effectively unaffordable without paid work. As a result, students rely on wages, savings, family income and commercial debt to pay their rent. A reliance on these income streams, many of which are now under severe pressure or inappropriate to rely on, has left many students unable to afford their rents.
19. Our Homes Fit for Study 2019 report found that, in normal times, the average monthly rent paid by student renters in the PRS is £502 and housing costs account for the majority of students' monthly expenditure. A third of renters spent half of their income on their housing, a further third spent three quarters of their income on their housing, and a quarter spent nearly all of their income on housing. One in six reported that affording rent was a constant struggle, and this was significantly more likely for students who were parents and students that identified as having a disability.
20. Our recent Coronavirus student survey found that nearly two in five students are in either full or part time employment. One in five work on a casual basis or have a zero hours contract. 37% of these students have been sacked, made to take unpaid leave or had hours

³ <https://beta.parliament.scot/bills/coronavirus-scotland-no2-bill>

reduced with a further 18% furloughed with a likely reduction in wages. It also found that half of students say that the income of someone who supports them financially has been impacted by Covid-19, with one in five saying it has had a major impact. Four in five students are concerned about their ability to manage financially during the Covid-19 outbreak. One in five are 'very' or 'extremely' concerned.

21. One in four students who are living in privately rented accommodation/owned halls of residence say there is some likelihood that they will need to stay in their current property beyond the original planned contract date. This will result in additional rent payments that they did not budget for. Nearly three in four student renters are concerned to some extent about their ability to pay rent as a result of the Covid-19 outbreak. One in three are 'very' or 'extremely' concerned⁴.
22. The vast majority of students are excluded from being able to access Universal Credit which could help with housing costs. Those who work are often in the casual economy and are often unable to access government support for lost wages as a result. The UK government has not currently introduced any additional financial support to help with rent payments, such as hardship funds or additional maintenance payments to students. However, some additional student hardship funding has been put in place in Scotland and Northern Ireland – we are still waiting if anything similar will be announced in Wales.
23. Thousands of students are building up unaffordable and unacceptable levels of rent arrears and action is needed by both the Welsh and UK Governments. Firstly, the Welsh Government must announce funding to ensure student hardship funds remain as accessible to as many students as need them in this time. Secondly, the UK Government must support these actions at a UK level and to allow students access to Universal Credit.

Post-crisis Impact Landscape

24. The impact of Coronavirus on the financial viability of universities and private sector PBSA providers has been substantial. This will be further exacerbated if university education is unable to recommence in physical settings from September 2020.
25. We support calls for the government to act to ensure the financial sustainability of universities. However, many have wrongly been making substantial surpluses from their student accommodation and/or have signed up to complex deals with private companies or borrowed through complex private finance to provide accommodation. Government support cannot be a blank cheque to institutions and cannot act as a one-step removed subsidy for private companies. It should be used as an opportunity to reshape the student housing sector in the interests of tenants.
26. Whilst a 'market' in PBSA still exists, it may be that the economic fallout of the pandemic results in many mergers and acquisitions by big players in the private sector PBSA market. We would want strong government scrutiny of any such actions to protect students from monopolistic practices.
27. NUS Wales has been calling for a holistic, independent review of the student housing sector, which is currently barely understood and barely regulated. Such a review seems even more urgent in the context of the current crisis and should be the starting point for addressing the impact of the Coronavirus pandemic in the coming months and years.

⁴ <https://www.nusconnect.org.uk/nus-uk/student-safety-net/our-evidence>