

Are there innovative models for accommodation delivery that could benefit regional, rural and remote tertiary students studying away from home?

The review recognises the fact that a significant amount of investment is beginning to flow into the development of purpose built student accommodation across Australia.

Traditionally this investment comes from institutional investors (e.g. superannuation funds) focused on the long term return of the property transaction.

This tends to influence the design principles of the student accommodation facility and drives up the entry level rent position.

These facilities are designed to meet the specific needs of international students as this cohort have demonstrated a willingness to pay mid to high end rents for a convenient location, fully furnished housing, access to a student community and the safety and security represented by an onsite management team.

Whilst also attractive to local students, including regional, rural and remote tertiary students, the mid to high range price point of the traditional purpose built student accommodation model is a barrier to entry.

A shared commitment from education providers, government, property developers and investors to provide an accommodation solution for arriving international students was the catalyst for the evolution of purpose built student accommodation in the late 90's.

A similar shared commitment from the same stakeholder group could lead to the design and development of a more affordable purpose built student accommodation model, specifically designed to meet the needs of regional, rural and remote tertiary students studying away from home.

Governments and education providers would need to be prepared to work with developers/investors to mitigate vacancy risk and may also need to work collaboratively to design a scope of service which delivers on the specific needs of this student cohort.

To achieve an affordable price position there may need to be access to government or land owned by an education provider (University) or alternatively the accommodation facility might be some distance from the University campus, requiring students to travel by public transport or car.

This may not be a concern given that many regional, rural and remote tertiary students, have cars to make it easier to travel home on weekends and semester breaks.

To further enhance the viability of a project of this nature, there would be some merit in education providers working collaboratively to mitigate the vacancy risk factor, to deliver a quality purpose built student accommodation solution to regional, rural and remote tertiary students, to support growth in student numbers from this demographic and actively deliver a platform transition and retention.