Affordability and Availability in Melbourne’s Self-Organizing Student Housing Markets

Matthew Palm
University of Toronto Scarborough, Department of Human Geography
matthew.palm@utoronto.ca

Sandra Carrasco
University of Melbourne, Faculty of Architecture, Building and Planning
sandra.carrasco@unimelb.edu.au

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Matthew Palm
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Abstract: The State of Victoria houses over 200,000 international students. Inadequate or unaffordable housing can adversely impact the academic success and personal well-being of these students, making their housing an important issue for both education and urban policy. A robust literature documents the challenges these students face in securing affordable, adequate housing, but only a few studies examine students’ accommodation experiences in nonconventional living arrangements like room sharing and converted rooms. We conducted in-depth, semi-structured interviews with 19 recently arrived international students in Melbourne. Our interviews covered the housing search process and affordability. We find that students are attracted to unconventional rental arrangements' lower rents. Students are also pushed into these arrangements by barriers to and dissatisfaction with formal rental market options like purpose-built student accommodations (PBSAs). Many of these arrangements are then passed on to other students through nationality-specific social networking groups with only minimal involvement of formal rental market actors. Students choosing to live in modified accommodation generally expressed satisfaction with their living environments, comparing the amenities and prices of their housing favourably against PBSAs. Our findings suggest that market-led PBSA developments will not help resolve international student housing issues unless the market can deliver more affordable PBSAs.

Key words: International students’ housing; affordable housing; students’ perceptions; Melbourne; Australia.

Introduction

Higher education is widely recognized as one of the State of Victoria’s most important exports (Global Victoria, 2019). The state “exports” degrees by hosting one of the largest international student populations in Australia (Student Cities Australia, 2019). International students comprise roughly 21% of all residents in the City of Melbourne (City of Melbourne, 2013), which encompasses the central business district and several of the region’s largest universities. Recognizing the importance of international students to the region’s economy, the City of Melbourne developed an International Student Strategy to enhance student well-being, integrate students into the community, and maintain Melbourne’s reputation as an attractive destination for students (City of Melbourne, 2013). The strategy called for additional research and partnerships aimed at improving the quality and diversity of accommodation serving the international students.

International students in Melbourne face a severely impacted housing market. Most of Melbourne's international students secure housing through the private rental system (PRS). They compete in this market against residents and other students for a small and shrinking share of rental housing that is affordable to tenants on low incomes (Hulse, Reynolds, & Yates, 2014). International students make up just under a third of tenants in the city's rooming houses (City of Melbourne, 2011). Unaffordable and inadequate housing for students has negative consequences for other aspects of social welfare; for example, housing instability and housing dissatisfaction are both associated with lower academic performance (Alfano & Eduljee, 2013; Obeng-Odoom, 2012; Silva et al., 2017). Just over half (51%) of international students in Melbourne report dissatisfaction with their housing (Lawson, 2014), making international student housing a pressing concern for both housing and tertiary education policy.

Universities and the private development sector have responded to this problem by supporting a new property class designed to meet student needs: Purpose-Built Student Accommodations (PBSAs). The University of Melbourne, for example, committed to developing 2,000 PBSA beds by 2020 (IEAA, 2015). The private sector delivered over 1,700 new beds for students in 2018, with an additional 16,137 in the development pipeline (Savills, 2018). PBSAs are a more developed asset class in the United Kingdom, where accommodation options include dorm rooms, ensuites with shared kitchens, and private studios (Knight Frank, 2018). These buildings often also contain amenities designed to attract students, such as
social spaces and gyms, while offering enhanced security for parents concerned about their children’s safety (ICEF Monitor, 2018).

Despite increased investment in PBSAs, many of Melbourne’s international students continue to live in room shares and informally converted rooms, including within PBSAs themselves. The extent of these unconventional rental practices and their impact on well-being is still not well understood. Media reports decrying “student slums” emphasise the downsides of these nonconventional living arrangements, blaming greedy slumlords (Dow, 2015) and lax student immigration laws (Norington, 2019) for overcrowding and poor housing conditions among international students. These media narratives may obfuscate the real causes of these outcomes, however. Recent empirical research identifies the primary drivers of room sharing as landlord profit maximization, tenant preference, and the inability of some populations to access government housing support, all within the broader context of an ongoing housing affordability crisis (Nasreen & Ruming, 2019).

This paper seeks to understand the motivations of international students who create or occupy nonconventional living arrangements such as room sharing and room conversions. We are interested in understanding this phenomenon in relation to the rise of PBSAs as a promised solution to international student housing woes. We do this by comparing the perspectives of students living in PBSAs with the experiences of students in nonconventional and conventional private rental arrangements. In doing so, this paper expands on Nasreen and Ruming’s (2019) exploration of the causes and consequences of room sharing and room conversions in Australia’s rental markets by centring the perspectives of international students. We draw on 19 in-depth interviews that included students drawing out their floor plans and discussing photos of their accommodations. To contextualize students’ choices, we also drew upon empirical data of PBSA-advertised rents within the City of Melbourne. We focus explicitly on the search process, students’ motivations for choosing their accommodation, and housing affordability.

Our results suggest that while affordability is a primary motivator for students to rent in nonconventional living arrangements, other factors increase the attractiveness of these options. They include the need to live close to campus, the need to urgently transition out of expensive or uncomfortable first arrival living arrangements, and a desire to live closer to other international students with similar cultural backgrounds. We begin with a review of the literature on international students’ search process and housing affordability challenges, followed by a discussion of our methods. A synthesis of our results and conclusions follow from that.

Literature
The existing literature suggests that international students choose nonconventional living arrangements in response to housing affordability pressures. In a detailed assessment of 200 international student interviews, Smith et al. (2007) find that international students opt to live in converted living rooms or in overcrowded room shares primarily to save money. Nasreen and Ruming provide greater detail on how affordability makes nonconventional living arrangements attractive through an examination of over 1,000 rental listings in Sydney (2019). They find that room-sharing listings in expensive suburbs offered prospective tenants rents at between 26% and 35% of the cost of private bedrooms in the same suburbs (Nasreen & Ruming, 2019, pp. 164), highlighting significant financial savings for tenants who choose to share bedrooms. Over 90% of the listings in their sample included utilities and provided furnishings for prospective tenants (Nasreen & Ruming, 2019, pp. 163). Their work thus illustrates how these arrangements provide an easy pathway for international students into the private rental system. They note that, despite these concessions, landlords appear to benefit from these agreements in the long term, as overall unit rents in the identified shared homes are higher than median rents in similarly sized conventional apartments (Nasreen & Ruming, 2019, pp. 165). Total unit rents for shared-room accommodation range between 20% and 36% higher than median listing rents across Sydney’s most expensive suburbs (Nasreen & Ruming, 2019, pp. 165). Nasreen and Ruming argue that while tenants may perceive room-sharing as an affordable alternative to conventional arrangements, it is also generating windfalls for landlords in the process.

The relative unaffordability of the nascent PBSA sector may also be encouraging international students to seek out nonconventional living arrangements. Fincher et al. conclude in their Transnational and Temporary study that purpose-built student housing in inner Melbourne is more expensive than traditional private rental accommodation and significantly more expensive than shared private accommodation
Smith et al. replicate these findings in their interviews, noting that “the student accommodation option is still regarded as much more expensive and the students in our data commented that university accommodation is unaffordable” (Smith et al., 2007, pp. 8). These early findings replicate the much more extensive experience of the United Kingdom, where the National Union of Students argues that expensive PBSAs have not solved students’ housing woes (Hubbard, 2009). The track record of the affordability of PBSAs continues to worsen, as the sector’s rents continue to outpace inflation (NUS, 2012). No recent empirical work tracks the relative affordability of Australian PBSAs in this way.

Constraints on international students’ search processes may also contribute to the choice of living in nonconventional rental arrangements. Nearly half of international students do not secure permanent accommodation before the start of their classes (Obeng-Odoom, 2012, pp. 208), highlighting the severe time constraints that students face if they do not secure housing prior to arrival in the country. Respondents in Smith et al.’s survey (2007) felt that they received inaccurate information on housing in Australia prior to entering. These inaccuracies included not knowing that they needed to provide their own furnishings in the private rental market, as well as inaccurate information on unit availability in student accommodation (Smith et al., 2007, pp. 6–7). The combined stressors of time constraints and unanticipated challenges like furnishing costs may increase the appeal of furnished, nonconventional housing arrangements. Smith et al. also note that university-provided information on housing focuses only on PBSAs and university-managed accommodation (Smith et al., 2007, pp. 7), the same segments of the market that their respondents reported as being the most expensive. International students often secure accommodation through online websites such as the one studied by Nasreen and Ruming (2019), as well as through friends and university resources (Obeng-Odoom, 2012). The ubiquity of affordable, nonconventional arrangements on such websites (Nasreen & Ruming, 2019), in contrast to the more expensive PBSAs highlighted in university resources for students (Smith et al., 2007, pp. 7), may function to steer students into seemingly commonplace rental alternatives.

This study expands on these issues by identifying the role of affordability constraints and search process stressors in influencing the accommodation choices of 19 international students in Melbourne. The following section details our methodology before we introduce our results.

Methods

Our methods are designed to explore the motivations of international students for living in conventional versus nonconventional accommodation. First, we conducted semi-structured interviews with international students. Second, we gathered empirical data on the housing market dynamics our subjects faced to contextualize their experiences within a broader market.

We focused our subject outreach efforts on international students living within the City of Melbourne or a nearby suburb who had moved to Australia within the last two years. We solicited international students with flyers posted across the University of Melbourne and Royal Melbourne Institute of Technology (RMIT) campuses, as these are the two largest university campuses within the city of Melbourne. We screened over 30 prospective subjects for their duration of residency in Australia, filtering out students who had lived in Australia for over two years. We completed interviews with 19 students that covered the students’ housing history and search process, affordability, habitability, rights, and housing satisfaction. Students provided photos of current and previous accommodation in Melbourne before the interviews to help contextualise their housing experiences. We provide the demographic details of our research subjects in Table 1. According to the City of Melbourne, 31% of the city’s international students are Chinese, 12% are Malaysian, and 8% are from India (City of Melbourne, 2013). Our sample approximates this distribution but with a slight overrepresentation of Chinese students. Our sample is also disproportionately female (74%–26%), although we did not find information on the gender breakdown of international students in the city. All our respondents attended the University of Melbourne, despite our efforts outreaching at the RMIT campus. This may be due to our decision to host interviews on the Melbourne campus. Finally, a third of respondents lived in rooms converted into bedrooms by either the tenant, past tenant, or the landlord. All but one of these rooms had been living rooms, with the one exception being a converted den. Four students lived in PBSAs, including the student occupying the converted den. Three others had previously lived in PBSAs.
Table 1: Selected Demographics of Study Participants

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>14</td>
<td>74%</td>
</tr>
<tr>
<td>Male</td>
<td>5</td>
<td>26%</td>
</tr>
<tr>
<td>Origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>China</td>
<td>8</td>
<td>42%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>India</td>
<td>2</td>
<td>11%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2</td>
<td>11%</td>
</tr>
<tr>
<td>Nepal</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Philippines</td>
<td>2</td>
<td>11%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Accommodation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>converted, single</td>
<td>5</td>
<td>26%</td>
</tr>
<tr>
<td>converted, shared</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>single</td>
<td>6</td>
<td>32%</td>
</tr>
<tr>
<td>shared</td>
<td>5</td>
<td>26%</td>
</tr>
</tbody>
</table>

Our empirical assessment of the local housing market focused on the city’s growing PBSA sector. We searched for PBSA rental information online, starting with resources most likely to be used by our subjects: university information portals developed to help students find housing. We limited our search radius to PBSAs located within 3 kilometres of the University of Melbourne campus, as most of our respondents lived this close to campus or expressed a preference for living close to campus. We identified and collected data on 26 separate PBSAs in the city despite these limited search parameters.

Results
We begin our results by discussing the search process and then move on to affordability, highlighting how each issue contributed to or shaped students’ accommodation decision-making.

Search Process
Every respondent started searching for housing online prior to arriving in Australia, with some students experiencing more success than others. We begin our discussion with those who used homestays and real estate agents to move into the rental market, and then discuss those using alternative means. Two students from China worked with intermediary international education agents based in China to find roommates and accommodation prior to arrival. These expensive services employed international students who had recently returned to China from Melbourne. This enabled Chinese students to meet prospective roommates in China, typically on Skype, before agreeing to live together in Australia. Students using relocation agents rented in both traditional private rentals and PBSAs. Three students chose homestay options as a “soft landing” to give them time to find permanent housing after they arrived while providing them a safe living experience in which to practise speaking English. These students expressed dissatisfaction with their homestay arrangements owing to a mismatch in expectations and complications interacting with their hosts. In one particularly negative example, a student reported difficulty with a homestay host’s expectations:

“You should take shower in five minutes, and you can't speak phone too loudly, you can't laugh loudly. And what else? Yeah, if you're struggling with your homework, you shouldn't walk around the house for water or for the restroom if it's too late, and it will have some noise because the homestay host is a very quiet person.” (Interviewee K)

This respondent left her homestay prematurely to move into a converted living room she found on the Chinese networking site Yeeyi.com. She rented this converted living room from another tenant, also a Chinese international student, with whom she signed a handwritten lease. Interviewee K agreed to a “shorter” six-month lease in the converted living room as she considered this accommodation a stepping stone to securing a formal lease.
Other respondents relied heavily on relatives and co-national friends already living in Melbourne to secure housing. Relying on these support networks relieved some of the stress of searching for accommodation. Several PBSA tenants chose their accommodation while still in their home country after speaking to friends and other co-nationals living in those PBSA developments.

Most of our respondents identified accommodation through online websites, although the websites students used varied by country of origin. Non-Chinese respondents mentioned GumTree, Realestate.com.au, or Facebook as venues through which they sought and secured accommodation. Many students found Facebook groups for students in Melbourne from their home country particularly helpful in securing a room or gathering information on the quality of PBSA options. Chinese students, in contrast, searched for housing on all of these sites but typically secured their eventual accommodation on Yeeyi.com (a Chinese ad site) and through group chats on WeChat, a Chinese social networking platform. WeChat contains several large group chats in the city, in which students post listings for room shares and sublets. Units cycle between outgoing and incoming Chinese tenants through this network. One student took over a lease she found on Yeeyi that had passed through tenants on the site for so long that she was unsure of who the original lease holders were and who they rented from. She knew only that she continued to pay rent to the original head tenant, who had returned to China several years prior.

Documentation barriers also pushed students towards nonconventional living arrangements during their housing search efforts. One student, from India, planned to secure an apartment with friends after they had all moved to Australia. She had to scramble to secure housing on her own after visa approval delays prevented her friends from arriving before the start of classes. She described struggling to secure an apartment that she could afford while simultaneously setting up a bank account and proving her ability to pay rent without rental history in Australia. This respondent described the documentation efforts that realestate.com.au property agents expected of her as “quite next to impossible” to meet (Interview L). She eventually secured one of four beds in the larger bedroom of an apartment. A co-national student's tips on finding nonconventional living arrangements online helped her find this affordable but crowded accommodation:

“So she told me that you are searching at the wrong places. And then she told me to search for keywords, like lease transfer. Put keywords like flat share or female share, stuff like that on GumTree and you will be able to find something. And I luckily found this place through Gumtree.” (Interview L)

Affordability

In line with prior surveys (Department of Education, 2011), our respondents expressed strong dissatisfaction with housing affordability in Melbourne. Prices exceeded the students’ expectations despite their prior knowledge of the city’s affordability woes. This section begins with a discussion comparing respondents’ rents with PBSA listings, as well as the trade-offs respondents faced when searching for affordable accommodation. We then explore students’ perceptions of their affordability outcomes by living situation, starting with students in single or shared bedrooms and then moving on to those in modified or converted spaces.

The relative affordability of nonconventional living arrangements is contingent on the type of PBSA accommodation they are compared with. Nearly all respondents sought housing costing no more than $800 per month, but the students’ actual rents ranged from $450 to $900 a month. We compare this rent distribution against rents provided by PBSAs in the study area, summarized in Table 2 and mapped in Figure 1. Students’ rents in non-PBSA room share and private bedroom are significantly lower than rents in PBSA studios or one-bedrooms. However, non-PBSA rents are sometimes equal to, lower, or higher than PBSA shared dormitory accommodations, depending on the PBSA site (Table 2). Put another way, the relative cost of PBSAs against unconventional living arrangements varies significantly by the type of accommodation provided within PBSAs, which often contain a wide mix of living options within one building.
Table 2: PBSA within 3 km of University of Melbourne Parkville campus

<table>
<thead>
<tr>
<th>No. in map</th>
<th>Property</th>
<th>Type</th>
<th>Maximum occupancy per room</th>
<th>Monthly rent (AUD) per person</th>
<th>Amenities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>College Square on Swanston</td>
<td>Shared rooms, room in apartments, studio rooms, single apartments</td>
<td>1–2</td>
<td>1,009–1,804</td>
<td>P P P P P</td>
</tr>
<tr>
<td>2</td>
<td>Unilodge @ Melbourne</td>
<td>Single and twin studios</td>
<td>1–2</td>
<td>807–1,196</td>
<td>S S S S P</td>
</tr>
<tr>
<td>3</td>
<td>Unilodge @ 740</td>
<td>Single/double/twin apartments, single/double studios</td>
<td>1–2</td>
<td>850–1,826</td>
<td>P P P P P</td>
</tr>
<tr>
<td>4</td>
<td>University Square Melbourne</td>
<td>Room in apartments, double apartment, single/double studio, DDA studios*</td>
<td>1–2</td>
<td>747–2,408</td>
<td>P P P P P</td>
</tr>
<tr>
<td>5</td>
<td>RMIT Village</td>
<td>3, 5 bedroom apartments, single/double studios, single/double apartments</td>
<td>1–2</td>
<td>1,093–1,971</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>6</td>
<td>Atira Peel Street</td>
<td>3, 4, 5 bedroom apartments, single/double studios</td>
<td>1–2</td>
<td>1,026–1,581</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>7</td>
<td>Infinity Place</td>
<td>6 bedroom in townhouse, 3 bedroom apartment, DDA studios*, single/double studio, 1 bedroom apartments</td>
<td>1–2</td>
<td>938–2,267</td>
<td>P P P P P</td>
</tr>
<tr>
<td>8</td>
<td>Unilodge on Villiers</td>
<td>Single/double studios</td>
<td>1–2</td>
<td>1,560–1,689</td>
<td>P P P P P</td>
</tr>
<tr>
<td>9</td>
<td>Student Village UOM Campus</td>
<td>4 bedroom apartment, single/double studios, 1 bedroom apartments</td>
<td>1–2</td>
<td>1,307–1,959</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>10</td>
<td>Journal Uni Place</td>
<td>Single studios</td>
<td>1</td>
<td>1,924–2,096</td>
<td>P P P P P</td>
</tr>
<tr>
<td>11</td>
<td>Urbanest Carlton</td>
<td>Single/twin rooms in 7 bedroom apartments, single rooms in 2 bedroom apartments, single/double studios</td>
<td>1–2</td>
<td>718–2,096</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>12</td>
<td>Unilodge D1</td>
<td>Single studios</td>
<td>1</td>
<td>1,620–1,707</td>
<td>P P P P P</td>
</tr>
<tr>
<td>13</td>
<td>Unilodge 570 Swanston</td>
<td>2–3 bedroom apartment, 1 bedroom apartment</td>
<td>1–2</td>
<td>906–1,740</td>
<td>P P P P P</td>
</tr>
<tr>
<td>14</td>
<td>College Square on Lygon</td>
<td>Twin share apartments, 1–2 bedroom apartments</td>
<td>1–2</td>
<td>864–1,526</td>
<td>P P P P P</td>
</tr>
<tr>
<td>15</td>
<td>Urbanest Swanston Street</td>
<td>Single ensuite rooms in 5 bedroom apartments, 2 bedroom apartments, 1 bedroom apartment, single/double studios</td>
<td>1–2</td>
<td>1,070–2,379</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>16</td>
<td>593 Elizabeth Street Melbourne</td>
<td>Single studios, 1 bedroom apartments</td>
<td>1</td>
<td>1,243–1,371</td>
<td>P P P P P</td>
</tr>
<tr>
<td>17</td>
<td>The University of Melbourne at 303 Royal Parade</td>
<td>2, 3, 4 bedroom apartments, single studios</td>
<td>1</td>
<td>1,757–2,057</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>18</td>
<td>Unilodge on Campus</td>
<td>Single studios</td>
<td>1</td>
<td>1,556–1,684</td>
<td>P P P P P</td>
</tr>
<tr>
<td>19</td>
<td>Unilodge D2</td>
<td>2 bedrooms apartments, double apartments, single/double studios</td>
<td>1–2</td>
<td>864–1,727</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>20</td>
<td>Atira La Trobe Street</td>
<td>2, 4, 6, 7 bedroom apartments, twin share apartments, single studios</td>
<td>1–2</td>
<td>1,324–2,053</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>21</td>
<td>Unilodge on A’Beckett</td>
<td>1, 2 bedroom apartments, single studios</td>
<td>1</td>
<td>1,144–2,108</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>22</td>
<td>Scape Swanston</td>
<td>Studio apartments</td>
<td>2</td>
<td>1,005–1,410</td>
<td>P P P P P</td>
</tr>
<tr>
<td>23</td>
<td>Unilodge on Swanston</td>
<td>1 bedroom apartment (2–3 share)</td>
<td>1–3</td>
<td>823–1,950</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>24</td>
<td>Urbanest Melbourne Central</td>
<td>2,3,4 bedroom apartments, single/double studios</td>
<td>1–2</td>
<td>718–1,950</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>25</td>
<td>Unilodge on Lonsdale</td>
<td>1, 2 bedroom apartments, single studios</td>
<td>1</td>
<td>1,585–2,400</td>
<td>P/S P/S P/S P/S P</td>
</tr>
<tr>
<td>26</td>
<td>Unilodge on Flinders</td>
<td>1 bedroom apartments, single/double/twin studios</td>
<td>1–2</td>
<td>864–1,620</td>
<td>P P P P P</td>
</tr>
</tbody>
</table>

*DDA Studio = unit designed for students with disabilities in compliance with the Disability Discrimination Act

Amenities: B=bathroom  Sh=shower  K=kitchen  D=dining  SA=studying area  Type: S=shared  P=private

Source: Authors, based on the data from UNILODGERS.com

We found no clear pattern for rents between respondents sharing bedrooms versus those living in private rooms, although we note two outliers among those in room sharing: one respondent paid $900 a month to share a dormitory room in a PBSA, while another student paid $454 a month to share one bedroom with three other people in a two-bedroom apartment.
We did not find evidence that students living in formal accommodations pay significantly more than those in modified living, however. Also, students sharing rooms did not appear to save money compared to students in private rooms if the shared room was well located or in a PBSA. While we cannot generalise from such a small sample, our results suggest that the more nuanced relationship that exists between unit habitability, location, quality, and rents complicates any straightforward narrative that students double up in or convert rooms exclusively to save money.

Several students characterised their resulting rental choices in similarly complex ways. Many described facing a choice between having a private bedroom in a distant suburb versus sharing accommodation or living in modified accommodation within walking distance to campus. One student initially lived far from campus to afford a private bedroom in a detached house. After a few months, this respondent chose to move into the city and share a room to reduce his feelings of isolation, saying, “I guess growing up in Manila, I’m just kind of more conditioned to apartments than houses. I like I said, it [private room in
Students in traditional private rental housing expressed more satisfaction with their rents than students in PBSAs, highlighting perceived better amenities and affordability in private rental accommodation. Respondents in traditional rentals often benchmarked their rents against PBSA rates to justify their choices. For example, one respondent stated:

“So it’s 300 for each of us [in private rental]. And I think that's still pretty good considering how much I've heard that other people pay. For instance, in [popular PBSA name], I think they pay around like 400 per week and the room I saw was like, they don't even get their own kitchen or a bathroom, they have to share with other people. So, it was like, this is pretty good.” (Student M)

One student living in a PBSA chose to share a bedroom with a friend because of the building’s adjacency to campus. But she felt this proximity to campus did not justify the high rent she paid, saying, “The room is small, small. It's like only two beds here and one wardrobe only and there's a door. No more. It's quite small. Then the price is also $225 [each, weekly], so it's really not worth it” (Student G). She plans to move out of the PBSA when her lease expires. Another student in a PBSA noted that it seemed reasonable for her and one flatmate to share a single bedroom for $430 a week in the CBD because “my friends has rented a house near my apartment, and they have a separate room for each person, and they've pay almost $450 for a week, but they need to buy the furniture for themselves. So, I think the room is at the middle level, not that cheap, not that expensive, yes” (Student O).

Most respondents in modified accommodation, such as converted living rooms, felt that these living arrangements saved them money on rent, pointing to the higher price their flatmates often paid for a private bedroom or bedroom with a window in the same unit. Subjects in modified accommodation reported paying rents from 50–70% of the price of private, formal bedrooms in the same units. One student expressed satisfaction with this option, stating, “I think [the respondents’ living space] is bigger than theirs [flatmate’s private bedroom], and I just pay less money. But I enjoy the same facilities and other things. I think it's fine” (Student B). But a few other students in this situation described their budget-constrained rental options as a choice between sharing a formal bedroom and sacrificing privacy versus occupying a semi-private, converted room. These respondents expressed discomfort with sharing a room with another person, taking comfort instead in the limited privacy provided by modified living rooms and their associated lower costs. As one of these privacy-concerned students noted, “So I live in the living room because it's really affordable... If I want my own room there [a nearby PBSA], I would pay almost double” (Student D).

No students in our study needed or were able to negotiate rents, including those in modified accommodation. This contrast sharply with results in Sydney (Nasreen & Ruming, 2019). Many interviewees did not know the origins or rationale of the price they paid for their modified or shared rooms. Some respondents assumed that previous tenants negotiated the division of rent among formal and informal bedrooms. Several students with internationally-based landlords noted that their landlords established the rents for each bedroom, including converted living rooms that the landlords managed directly.

In sum, students chose non-traditional arrangements due to a combination of factors that include both price constraints and strong preferences to live close to the city. PBSAs have a reputation among many students for being overpriced, although students in private rentals in our small sample pay rents similar to those listed for some PBSA accommodation.

Conclusions and Limitations
We conclude with several elaborations on Nasreen and Ruming’s understanding of the growth of room sharing and other unconventional rental arrangements (2019). Not only are students drawn into these
arrangements by the promise of well-located, affordable accommodation, but they are also pushed into
these situations by the inadequacies and failures of institutional responses to the student housing crisis.
Our subjects occupying room shares and converted living rooms view alternative lettings as pathways into
the private rental market and out of disappointing living arrangements that they secured while still abroad.
The latter cases included students seeking to escape uncomfortable, first-arrival homestay environments
or seeking to get out from under a costly PBSA tenancy agreement that turned out not to provide value for
money. Our results also emphasise the importance of the spatial dimension touched on by Nasreen and
Ruming’s exploration of Sydney, with a few of our respondents giving up tenancies with private and
affordable bedrooms in exchange for closer proximity to the University of Melbourne campus and access
to familiar cultural amenities located in Melbourne’s CBD.

Our results also introduce more nuance to the affordability component of the rise of nonconventional living
arrangements. Many of our respondents in room shares or converted rooms paid as much or more than
the listed rents for shared dorms in a few nearby PBSAs. Yet they also paid less than rents for private
studios in those same nearby PBSAs. These students reasoned that sharing a room in private
accommodation with access to in-unit amenities like a kitchen offered more value for money than any of
the range of products offered in nearby PBSAs, from shared dorms to furnished apartments.

We confirm the early critiques of Melbourne’s nascent PBSA sector first articulated by Fincher et al.
(2007) that these developments are unlikely to solve student housing problems due to their high price tag.
Our results also reflect the UK’s experience with PBSAs as projects that serve the higher end of the
student market (NUS, 2007). We add to this critique by highlighting the existence of unconventional living
arrangements within PBSAs, including the conversion of a den into a bedroom and the doubling up of two
students in an apartment built for one. Our respondents believe that PBSA staff are aware of these
practices but appear unconcerned by them, despite industry positioning of PBSAs as a solution to the lack
of affordable student housing (Knight Frank, 2018).

A small sample size limits the generalisability of our findings. However, our results warrant further
explorations of student housing practices in response to housing unaffordability and the limitations of
institutional responses to student housing problems.

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