CUBO Annual Benchmarking Survey 2025

Foreword from the Executive Director

The CUBO Benchmarking Report is the most comprehensive benchmarking resource available to HE campus and commercial services. As this is the first report published since I joined CUBO as Executive Director, and the sixth edition for the association, I am especially proud to see the level of engagement from our members.

This year's findings highlight both resilience and challenge. While commercial income has grown, rising operating costs and staff wages continue to put financial pressure on institutions. Accommodation remains the dominant revenue stream, but catering, conferencing, and sports services have shown strong growth, demonstrating our sector's ability to adapt and diversify.

At a time of financial constraint and changing student expectations, understanding the key trends spanning our sector is crucial. We are proud to work with Russell Partnership Collection to deliver such a vital tool for institutions to assess their position and identify opportunities to support the long-term sustainability and success of HE commercial and campus services.

I would like to thank all our member universities that participated in this year's Benchmarking Survey, and I hope to see many more join us in contributing to this vital data gathering exercise to aid decision-making within the sector's commercial and campus services.

Nysa Pradhan, Executive Director
CUBO

> **"This year's findings highlight both resilience and challenge"**

Introduction to CUBO

CUBO is the association for commercial and campus services professionals in higher and further education in the UK and Ireland, with a membership of 127 institutions and over 2039 individuals. Amongst other areas, commercial and campus services include the residential portfolio, catering, hospitality, conferencing and events, retail, sport, residence life and soft facilities management.

Executive Summary

The CUBO Benchmarking Report 2025 is the sixth edition of the annual report covering statistics and pricing across the higher education sector for accommodation, conferencing, catering, retail, sport, residence life and soft FM.

Representing approximately one in three UK and Ireland universities and accounting for £1.6 billion in commercial income, this year's report delivers a strong portrayal of the sector and the pattern in which higher education in the UK and the Republic of Ireland is evolving.

Although there has been evidence of stability in the last two years, with campus and working norms appearing to have steadied, commercial data from respondents suggests that the sector continues to face considerable financial pressure. That said, the report highlights the vital role campus and commercial services play in supporting institutions financially and in the delivery of the campus experience.

Key financial challenges continue to include the low level of student funding due to the diminishing value of UK undergraduate fees, the decline in international recruitment, the limited overall growth in student applications, and ever-increasing operating costs.

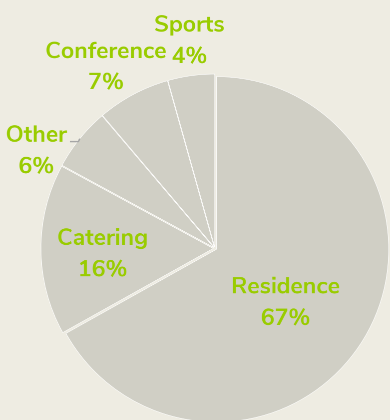
There was marginal growth in total commercial income in the academic year 2023/24, with average total commercial income £33.8m per institution, 2% up on the previous result of £33.0m for 2022/23. Please note that these are not like-for-like figures given the survey respondents this year are from a different set of participants compared to previous years. However, the proportion of income streams remains largely consistent across the last two years. Residential income constituted 67% of commercial income in 2023/24 (previously 68% in 2022/23), with 16% from catering activities. This is an increase of just 1 percentage point from 2022/23. 5% of income came from conferences, as with the prior year, and 4% from sport (previously 5% in 2022/23).

1 in 3
UK and Ireland Universities Represented

£1.6 Billion
Commercial Income Reported

£33.0m (2022/23) | **£33.8m** (2023/24)

Average Total Commercial Income Up 2%



Income Stream

Catering and Conferences

Average catering income per institution was £4.77m, up £80k from £4.69m in 2022/23. This is partly attributed to increasing menu tariffs, with a 7% increase across the products surveyed this year and 11% cumulatively across the two survey periods. However, the overall RPI food inflation between 2022 and 2024 was 28.1%, as reported by ONS, which highlights the price sensitivity of the higher education sector and commitment by institutions to absorb cost increases rather than directly pass them onto the campus community.

Choice, variety, quality, accessibility and affordability of food and drink remain integral in meeting the diverse needs and desires of the campus community, alongside careful consideration toward health, wellbeing and sustainability. The sector remains finely balanced in optimising the food and drink available within universities whilst contributing toward operating and institutional costs. As with last year, 31% of respondents declared that their catering provision is subsidised.

The average total conference income is up 9% to £3.8m this year, with like-for-like institutions reporting an extra £12.7m across the two years, driven by a 14% growth in non-dedicated facilities and a 9% growth from dedicated facilities. With UK Events forecasting the UK conferences and meetings market reaching £25 billion by 2026, up from £16.3 billion in 2022, the HE sector is well placed to further capitalise on the commercial opportunities in this area.

+28%
UK RPI Food Inflation

+7%
University Menu Inflation

Food Inflation 2022-24

£3.8m
Average Conference Income

Conference Income Up 9%

Sector Opportunity

Explore opportunities within conferences and events to drive commercial revenue and contribute toward keeping student and staff offers affordable.

Sport

Sport continues to play an integral role in campus and commercial services. Across our sample of respondents, an average £4.64 million per reporting institution has been invested in sports facilities over the last five years. The argument for investment in sport grows stronger, with a growing body of research highlighting the positive impact sport and activity has on student recruitment, retention, attainment, health and wellbeing, and employability. The 2023/24 BUCS Participant Research Report identified how 89% of respondents agreed sport positively contributed to their higher education experience and their mental wellbeing.

Total sports income across the respondents was £70.5m, compared to £63.9m for the same respondents in 2022/23. This was an increase of £6.6m (+10%), equating to an average of £1.81m per institution compared to £1.64m in 2022/23. Revenue has, in part, been driven through a greater proportion of non-student memberships (+5%) and higher average membership prices (+22%), though these variances will be due in part to the variance in participants reporting year-to-year, which was not like-for-like for this data, and the variety of sports services offered within accommodation or membership packages.

Sports Impact on Students

Recruitment

Retention

Attainment

Health and Wellbeing

Employability

£1.81m
Average Sport Income

Sport Income Up 10%

Residential Income

Total residential income, as reported by 50 institutions, was £1.079 billion, with an average of £21.6m per institution. This is 1% down from the £21.8m average income reported in 2022/23 and reflects the UCAS end-of-cycle data for 2023, confirming 1.6% less accepted applicants in 2023/24 than the previous year. This is driven by a 3% decline in international students and a 1% drop in UK students. Occupancy levels in this year's survey further corroborate this trend, with a reported 93.4% average compared to 95.4% in 2022/23.

With UK universities reliant upon an increasing proportion of UK students, the continual pressures on student finances, and rising operating costs, the sector is at a delicate point in delivering affordable accommodation whilst protecting financial sustainability. The rising cost of student accommodation continues to be reported widely in the sector, with rent accounting for approximately 49% of their monthly living costs, as reported by Save the Student. Within their report, sector-wide average rents in university accommodation for 2024 are up 4% compared to private PBSA up 9%. Our survey data further corroborates this, with rent for participating CUBO member's university accommodation increasing by 4% for undergraduates and 3% for postgraduates. This further demonstrates how institutions are responding to student price sensitivity, absorbing cost increases with minimal uplift in rental tariffs.

One area in which institutions continue to see growing opportunities is in commercial accommodation. 40% of respondents provide year-round accommodation, equating to an average of £2.2m per institution. This was an increase of £0.3m total revenue compared to 2022/23, equating to 16% growth in average income per institution. Average daily rates are well below that of sector norms, and the outlook for the UK hotel market looking strong, with PwC forecasting 2% growth forecast for both occupancy and revenue per available room (RevPAR) in 2025.

4%
Increase in Accommodation Costs for Undergraduates

£21.8m
Average Residential Income

Residential Income Down 1%

£2.2m
Average Commercial Accommodation Income

Commercial Accommodation Up 16%

Sector Opportunity

Seek opportunities to drive growth in commercial accommodation outside of term and year-round.

Residence Life

The benefits of residence life programs are widely attributed to attracting, engaging and retaining students, with research from ACUHO-I (2020) identifying retention rates 2 percentage points higher when students live on campus. Across the 51 responding institutions, 248,700 students were served by a residence life programme in 2023/24, at an average cost of £31 per head, up from £28 last year. 17,045 students received ongoing support from residence life programme teams, such as with mental health concerns. 16,745 events and activities were delivered in 2023/24, with an estimated 6% year-on-year increase planned for 2024/25.

248,700
Students Engaged Across the Sample

16,745
Events and Activities Delivered

17,045
Students Receiving Ongoing Support

Commercial Costs

Year-on-year increases in average staff costs have been seen in staffing across the board. Average entry-level pay rates for catering, cleaning, security and sports are up 6%, with portering up 8%. The overall average 7% increase across commercial services aligns with the 6.7% increase in weekly earnings across all UK jobs, as reported by ONS in April 2024.

Increases to staff costs play a large part in the increase in costs observed across Soft Facilities Management (FM), with average portering staff costs up 9% and cleaning staff costs up 13%. Spending across Soft FM in 2023/24 equated to an average of £4.06m per institution. This is up 17% from an average of £3.47m last year from the same respondents. Non-staff costs for cleaning have witnessed an 11% and portering costs are up 10%. Average security costs per institution are also up, with campus security costs up 7% and residential security up 12%.

+7%
Increase in Entry-Level Pay Rates

+10%
Increase in Cleaning and Portering Non-Staff Costs

Driving the Campus Experience

The 2025 CUBO Benchmarking Survey highlights how campus and commercial services play a growing role in driving revenues and in the delivery of the campus experience. However, sector-wide challenges regarding fee income, student numbers, and operating costs, continue to add pressure for institutions to do more with less. Evidentally, the sector is bearing the brunt of the challenges, absorbing costs where possible, and reducing the financial impact on students.

Opportunity remains to capitalise on growing markets such as conferences and events, commercial accommodation, and non-student sports income, to further contribute toward an excellent, value-driven experience.

Report Authors

CUBO has once again partnered with Russell Partnership Collection in producing the annual benchmarking survey report, alongside the interactive dashboard utilised by participants, which enables bespoke anonymised comparison with the wider sector and the ability to apply filters and delve deeper into the data.

Nysa Pradhan, Executive Director, CUBO

Nysa joined CUBO in October 2024 as Executive Director. CUBO is the association for commercial and campus services professionals working in higher and further education institutions in the UK and Ireland. Nysa brings extensive experience in leadership, innovation, strategic, financial and operational management and a passion for making a difference in the non-profit sector.

Sue Pimblett, CUBO Research Lead, Head of Marketing and Communications, University of Leeds

Sue is Head of Marketing and Communications at the University of Leeds. She joined the CUBO Executive in 2019, having chaired the CUBO Marketing Group for four years. Sue has a marketing career spanning nearly 24 years, the last 19 years of which have been focussed in higher education.

James Ellerby, Consulting Principal, Russell Partnership Collection

James leads the team within the higher education sector at Russell Partnership Collection, the UK's leading food, hospitality, nutrition and technology consultancy. James is an experienced hospitality practitioner and consultant, with 30 years' involvement in the industry. Russell Partnership Collection is proud to have worked in partnership with over 100 UK Universities.

CUBO
Benchmarking Survey 2025 Findings

Main Report

Introduction

Our Benchmarking Survey is a unique piece of annual research using data collected from CUBO member institutions. It is a means of sharing intelligence across multiple services with our members and highlighting areas for further discussion in our wider programme.

The analysis of this national data provides universities with a useful benchmark for the operation of their campus services, covering statistics and pricing for accommodation, conferencing, catering, retail, sport, residence life and soft FM. This is the sixth time a report has been compiled from data collected from CUBO member institutions and 61 participating institutions have shared their data this year.

Once again, we have partnered with Russell Partnership Collection who have further enhanced the analysis and updated the interactive dashboard, enabling bespoke anonymised comparison with the wider sector and the ability to apply filters and delve deeper into the data.

Evolving the Research

We are always keen to continually evolve this research and with more respondents, we can deliver even more robust, meaningful data analysis. As ever, we would be grateful for further feedback and enhancement ideas for future CUBO benchmarking research and there will be further opportunities to take part in round table discussions as we advance our research for 2025/26.

Sue Pimblett, CUBO Research Lead
Head of Marketing and Communications, University of Leeds

> **"Our Benchmarking Survey is a unique piece of annual research"**

Setting the Scene

The CUBO Benchmarking Report 2025 is the sixth edition of the annual report covering statistics and pricing across the higher education sector for accommodation, conferencing, catering, retail, sport, residence life and soft FM.

This year is the biggest survey to date. 61 institutions with university status participated, representing approximately one in three of all UK and Ireland universities. With multiple respondents from across England, Scotland, Wales, Northern Ireland, and the Republic of Ireland, the findings this year present a strong portrayal of the sector; and the findings continue to demonstrate the pattern in which higher education in the UK and the Republic of Ireland is evolving.

The data within this year's report reflects much of what has been written elsewhere within the sector and beyond. Although there has been recovery from the impact of the pandemic as campus and working norms appear to have stabilised, commercial data from institutions suggests that the UK's higher education sector continues to face considerable financial pressure. That said, the report highlights the vital role campus and commercial services play supporting institutions financially and in the delivery of the campus experience.

Key financial challenges continue to include the low level of funding per student due to the declining value of capped UK undergraduate fees, the decline in international recruitment, the limited overall growth in student applications, and ever-increasing operating costs.

The Office for Students (OfS) forecast total income for the sector to grow by 4% to £46.38 billion in 2023/24, however the surplus for the sector would drop from £1.28 billion to just £0.36 billion (-72%). Furthermore, cashflow from operating activities would also reduce by 18%. Although final data for 2023/24 is yet to be released, the November 2024 update from OfS suggests the financial outlook for 2023/24 has weakened, with 40% of HE providers forecasting a deficit.

UCAS end-of-cycle data for 2023 and 2024 confirms there were 554k accepted applicants in 2023/24, down 1.6% from 563k reported in 2022/23. Reassuringly for the sector, UCAS end-of-cycle reporting for 2024/25 reported an increase in acceptances of 11k to 565k (+2%). However, this is driven by a 2.9% increase in UK applicants against a 2.3% decline in international applicants. Although student numbers are on the up, the reduced fee income from home over international students will continue to add financial pressure on institutions. Furthermore, data from the OfS suggests it is the larger, higher-tariff providers which have benefited from the increase in UK undergraduate students. That numbers appear to have decreased across smaller and medium-sized institutions.

Setting the Scene | Continued

Whilst the above sources take a holistic and relatively macro view of the sector, this year's CUBO Benchmarking report continues to delve more deeply into specific aspects of campus and commercial offers and comparisons across the sector. The holistic trends noted are supported by the CUBO research, with average total commercial income up 2% YOY at £33.8m for 2023/24, compared to £33.0m in the prior year. Although a minimal shift overall, the mix of income streams has fluctuated year to year. This growth is then compounded by proportionately higher increases to operating costs and overheads.

Average residential income is down 1% across respondents at £21.6m per institution. Occupancy is also down 2 percentage points to 93.4%. However, catering income is up 2% year-on-year at an average of £4.77m. Average conference income is up 12% at £119.5m, and average income from sport is up 10% at £70.5m. The reported occupancy figures for 2023/24 resulted in an average rate of 93.4%, representing a decrease from 95.4% in 2022/23. This was as expected and reflects the reported changes in student numbers across the sector.

The rising cost of student accommodation continues to be reported elsewhere in the sector, with an average student's largest monthly expense being rent, accounting for approximately 49% of their monthly living costs (£540/month) in 2024 as reported by Save the Student, up £101 from 2023 (£439/month). Average rent in university accommodation for 2024 was reported at £615, compared to private PBSA at £650. This is up from £592 (+4%) and £596 (+9%) respectively.

Our own data reveals YOY modal rents for university accommodation increasing by 4% for undergraduates and 3% for postgraduates. This is on the back of similar increases last year, of 4% and 2% respectively.

Overall, this year's CUBO report highlights many similar patterns in terms of income and costs, as have been provided both by other industry associations, as well as by institutions themselves.

What Do We Mean by Commercial Income?

Commercial income in the context of higher education relates to services where there is a transaction taking place. It excludes income from undergraduate student tuition fees, post-graduate fees, executive education or training, as well as research grants and direct commercial partnerships (e.g. income generated from spinning up companies or consultancy).

It is important to note that not all institutions aim to make a profit. In many instances, institutions operate with the intention of breaking even – particularly on specific offerings like sporting facilities and catering offers.

Of the 61 institutions reporting on catering performance, 31% declared that their catering provision is subsidised, which is consistent with the 31% reported in 2023. The question of profitability continues to be a hot topic within the sector as commercial services operate under a fine balancing act of pressures to deliver a financial contribution and the need to ensure a campus experience that delivers great quality, variety, accessibility and affordability of offer.

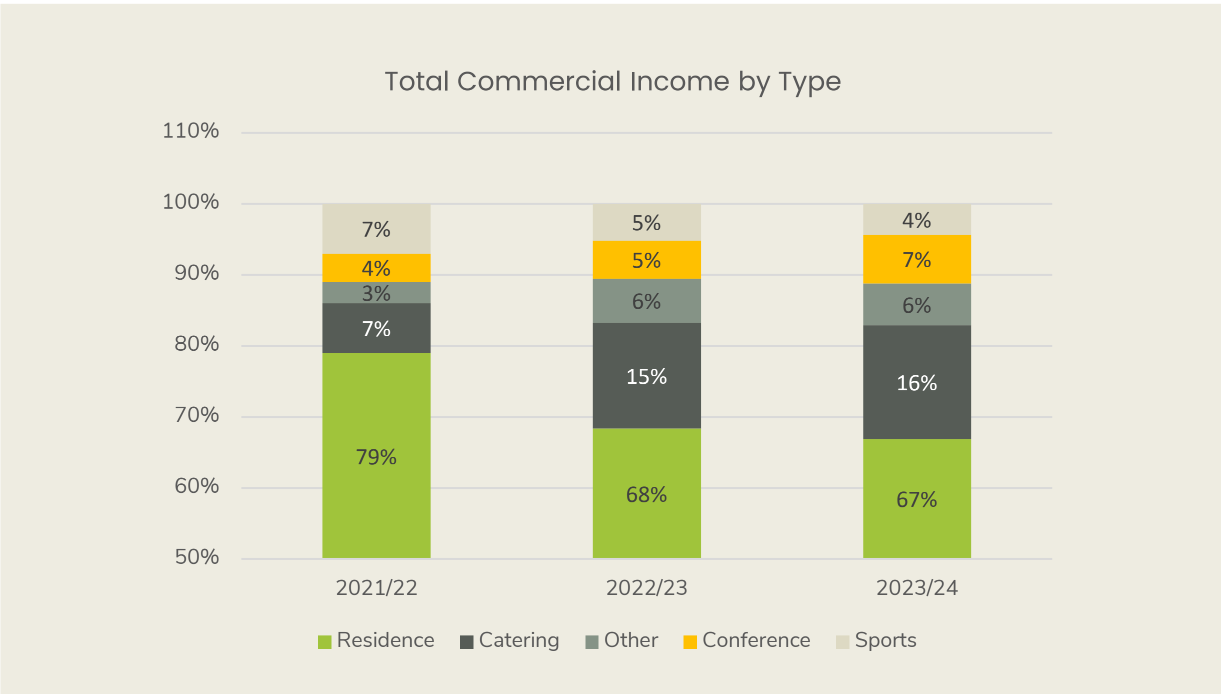
Total Commercial Income

The average total commercial income in 2023/24 equated to £33.8m per institution, which is 2% up on the previous result of £33.0m for 2022/23. Please note that these are not like-for-like figures given the survey respondents this year are from a different set of participants compared to previous years. Total commercial income accounted for £1.61 billion in 2023/24 from the 50 respondents who declared it this year, compared to £1.01 billion from 31 respondents in 2022/23.

The results this year indicate a flat line year-on-year in terms of commercial revenue; however, they remain notably up from 2021/22 when the average was £23.6m. When exploring this against institution size, based on student numbers, an average of £1,471 per student was achieved in 2023/24, against £1,430 for 2022/23.

The mix of income streams remains consistent across the last two years. Residential income constituted 67% of commercial income in 2023/24 (previously 68% in 2022/23 and 79% in 2021/22), with 16% from catering activities (including catering within residences). This is an increase of just 1 percentage point from 2022/23. 5% of income came from conferences, as with the prior year, and 4% from sport (previously 5% in 2022/23).

The results demonstrate that commercial income has matured since the pandemic, with residential income returning to levels similar to 2018/19 (64%). This suggests that the sector is witnessing a degree of steadiness after the turbulent years following the pandemic. Campus footfall has stabilised across the last two years, with the impact of hybrid working remaining. As such, the proportionate performance is still not back to pre-pandemic levels when residential income and catering income accounted for 64% and 22% respectively.

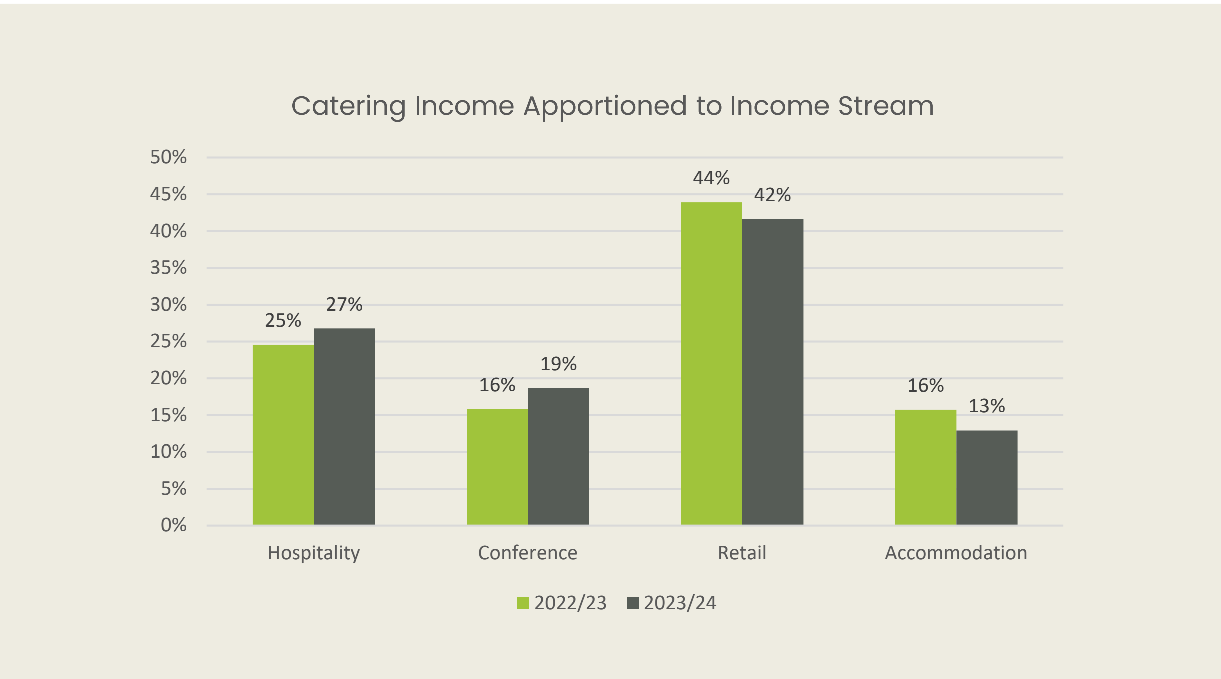


Catering Income

The total catering income from the 55 institutions who reported their activities was £197m, although not all respondents disclosed all aspects. Average catering income per institution was £4.77m, up from £4.69m in 2022/23 and £3.47m in 2021/22.

This year's catering income average remains notably down from the pre-Covid average of £6.32m recorded in 2018/19. Although not based on the same pool of like-for-like institutions, the recent data suggests catering income has plateaued somewhat post-pandemic, and the effects of the way people are engaging with campus has stabilised. Student workload has remained consistent across the last two years with HEPI data identifying a total of 33.5 hours attended in 2024 against 33.4 in 2023. Hybrid working also remains consistent across the sector, with the average time on campus for university staff appearing to still be three days per week, as it was last year. This is supported by recent data from CIPD indicating that the largest proportion of public sector organisations mandated a minimum of three days in the office (39%) in 2024, closely followed by 34% mandating a minimum of two days.

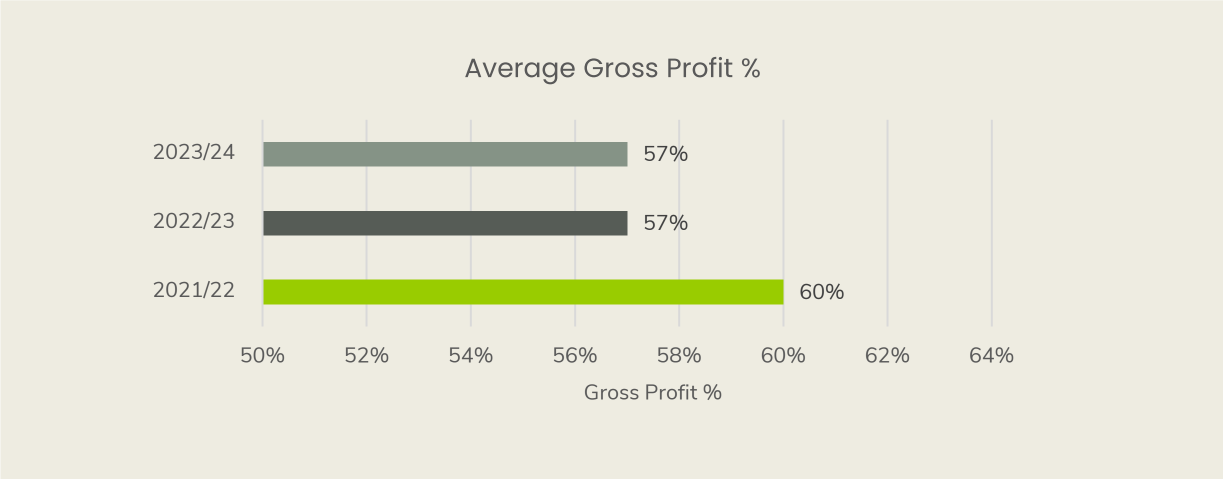
When reviewing the split of catering income streams, there has been little change since last year. Hospitality and conference revenue continues to indicate a positive growth trajectory. Average revenue from conference activity was reported at £1.36m in 2023/24 compared to £0.91m in 2022/23. The decline in residential catering is likely a reflection on the proportion of respondents reporting this income stream dropping from 39% to 34%, given the sample set is different across the two years.



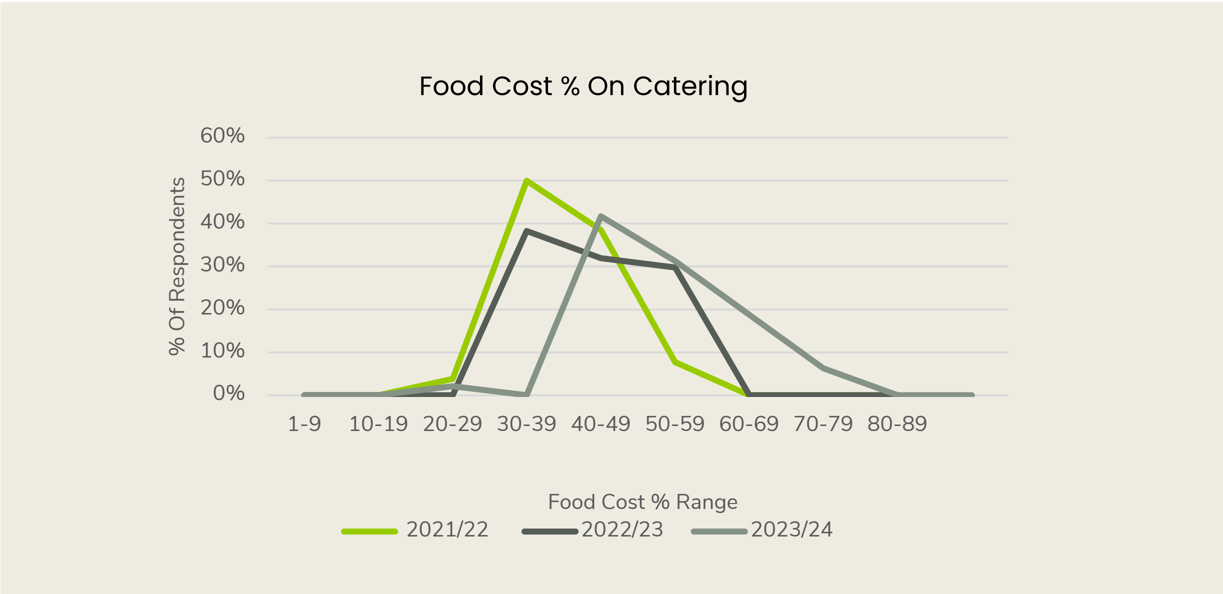
Within the area of retail catering outlets on campus, respondents advised that there are, as with last year, on average 11 retail outlets on campus (with a minimum of 5 and a maximum of 49). Overall, 64% of respondents advised that their catering outlets are operated purely in-house, with 21% being outsourced, and a further 14% being a blend of in-house, outsourced and / or franchised. This is comparable to 2022/23 when the results were 62%, 21% and 18% respectively.

Food Costs

The average gross profit achieved on catering activities in 2023/24 was 57%. Like-for-like performance across reporting institutions has remained consistent across the last two years. This is 3 percentile points difference from the 60% margin reported in 2021/22 and reflects the rising costs.



As reported last year, the impact of food inflation has to be considered in driving food costs. Over the three years between May 2021 and May 2024, food prices rose by 30.6% (ONS, 2024). This will have likely driven most institutions to raise tariffs, however, it is evident that institutions are absorbing some of the burden within their reduced margins.



Performance across the sector varies significantly and is dependent upon a multitude of factors, from sales mix, campus structure, tariffs, procurement decisions and operating model. Food costs this year range from 31% - 62%. Managing prime costs such as food continues to be a challenge for the sector when trying to ensure great value and affordability to campus populations.

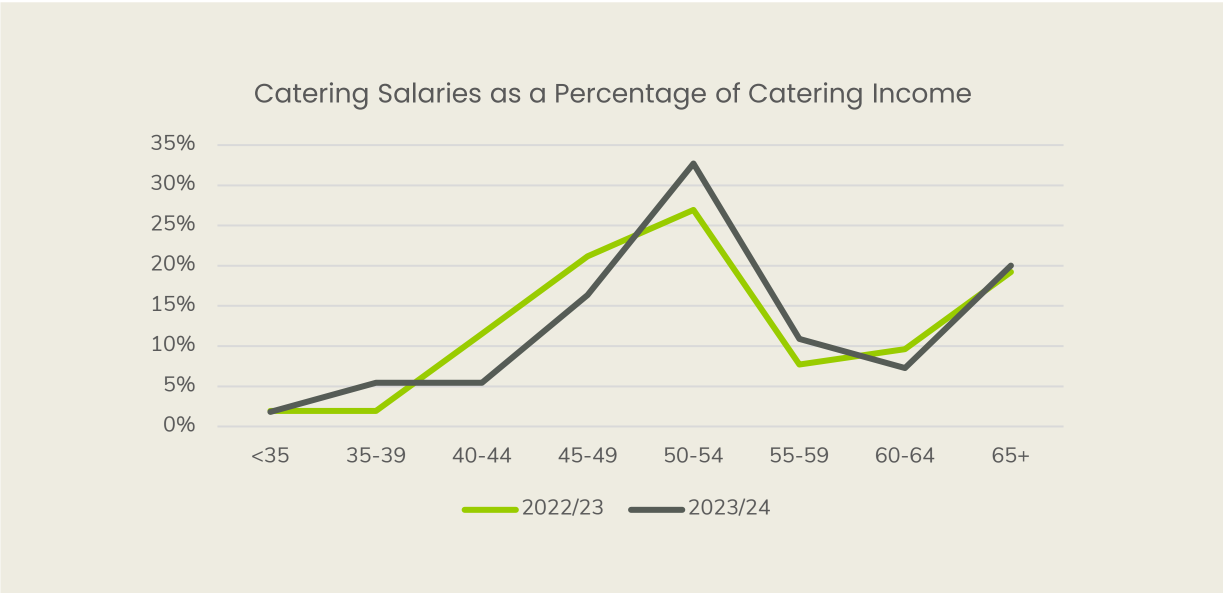
Catering Salaries

The average catering salaries as a percentage of sales was 56% in 2023/24. This compares with an average of 55% in 2022/23 for the same sample of respondents. Although average catering income has grown year-on-year, this increase in labour margin highlights the rising costs incurred across the sector.

For the 53 member institutions who disclosed catering salary figures in 2023/24, values ranged between 37% and 96% as a percentage of catering income.

Due to the varying levels of responses, it is more prudent to compare the percentage level of changes over the years as opposed to other measures. In 2022/23, for example, catering salaries made up <50% of catering income for 37% of respondents, in 2023/24, this percentage decreased to 29%.

When assessing the other end of the spectrum, this further highlights the increase in labour costs over recent years. Feedback from the pre-pandemic survey detailed that just 17% of respondents advised that catering salaries were >55% of catering income in 2018/19. There was a spike of 69% in our reporting of 2021/22 due to reduced income levels as the sector emerged from the pandemic. Labour costs as a proportion of income over the last two years have reduced to 37% in 2022/23 and 38% in 2023/24.



Although costs appear to be under a greater degree of control, they remain high, increasing labour costs. This includes the impact of the national minimum wage increasing by 33% between 2019 and 2023 and the need for organisations to remain competitive to attract talent. As of October 2024, there were still 95,000 vacancies across the accommodation and food service sector (ONS, 2024).

Catering Profit

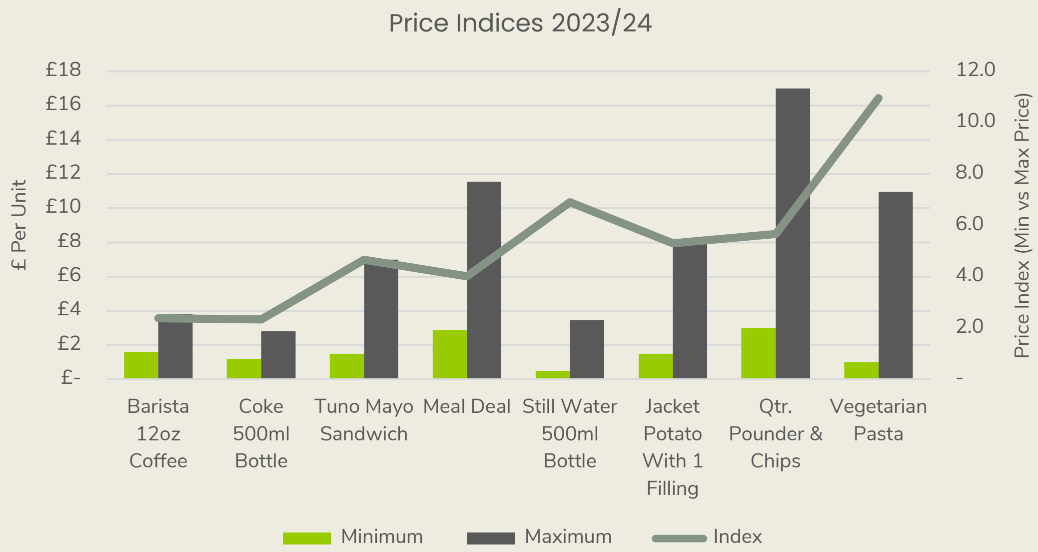
As the preceding data demonstrates, although catering income levels have returned to a degree of stability, the changing nature of the campus is impacting the revenue potential for many institutions. Compounded by increasing costs in food, labour and utilities, this places an increasing pressure on institutions to deliver a commercial return from their catering activities.

Of the 61 institutions reporting on catering performance, 31% declared that their catering provision is subsidised, which is consistent with the 31% reported in 2023. This proportion is aligned with pre-pandemic reporting across the sector, with 30% of respondents in 2019 reporting a deficit (TUCO, 2019). Profitability has long been a challenge within the sector as institutions operate under a fine balancing act of commercial pressures and the need to ensure a campus experience that delivers great quality, variety, accessibility and affordability of offer.

Index of Prices

As with the last two surveys, the 2023/24 survey asked institutions for the lowest and highest-priced items, to enable like-for-like comparisons on price fluctuations.

There remains a notable variation of price points across the sector, reflective of the requirement for institutions to cater for varying needs and present a diversity of offer across choice, quality and affordability. In addition to the high and low prices points, an index of prices is delivered below on selected items from the various food and drink outlets operated by institutions. The price index compares the cheapest and most expensive prices.



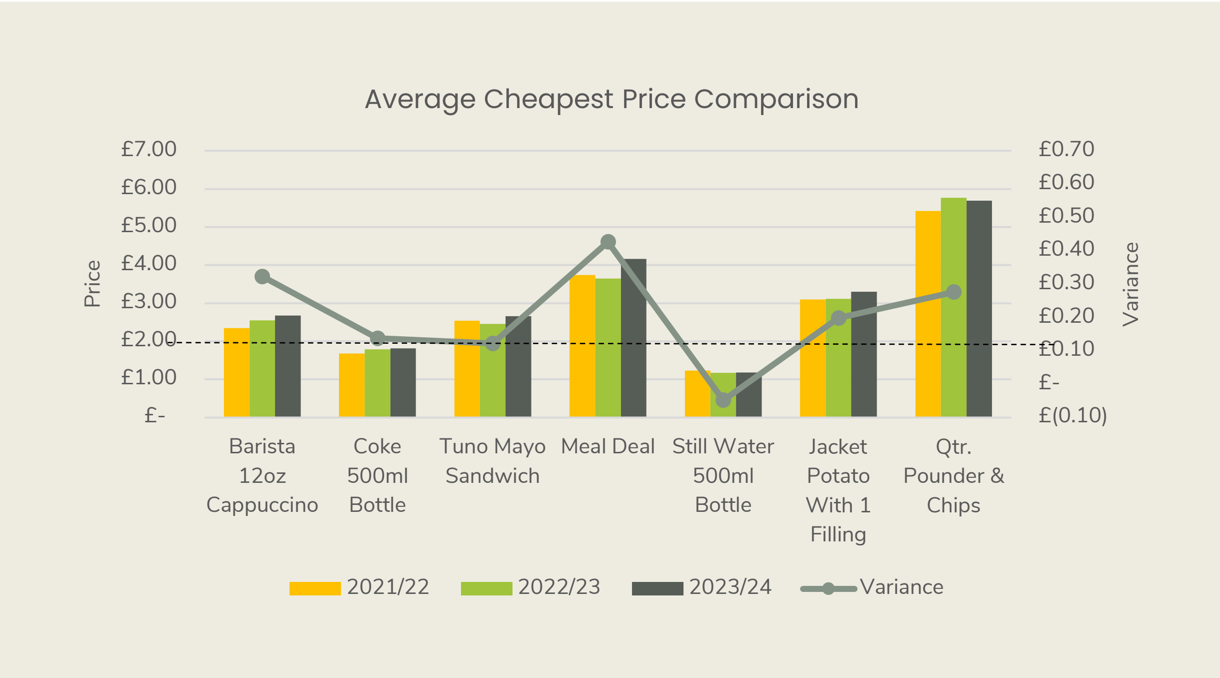
When completing the survey, respondents were also asked to detail if they offered a subsidised meal offer. Of the 51 respondents who answered this question, 27 institutions (53%) offer a subsidised meal option, down from 66% last year. Consideration has to be given to the absence of like-for-like sample; however, it reflects the decision of some institutions to remove subsidised meals which were introduced in the post-pandemic years. That said, there remains a steadfast approach from many in the sector to ensure affordable, value orientated food remains a staple on campus.

The level of subsidised meals delivered across institutions varies from breakfast to lunchtime items across each day and meal deals on specific days. The most popular subsidy relates to hot lunchtime meals with discounted offers ranging between £1.00 - £5.00 for a meal, with an average of £3.06, up from £2.23 in 2022/23.

Index of Prices | Continued

Considering the items surveyed across the last three years, overall, there is a 7% increase across the sample basket, with prices up 5% between 2022/23 and 2023/24. This is mainly driven by rising prices for food items, in particular meal deals with an increase of 11%.

The overall trend in increasing prices is indicative of the wider catering and hospitality sector and reactions to the notable food inflation, rises in utility costs and increases in labour rates witnessed in recent years. These results align with the 45-year peak for food inflation in March 2023 as reported by ONS, which was 19.2%.



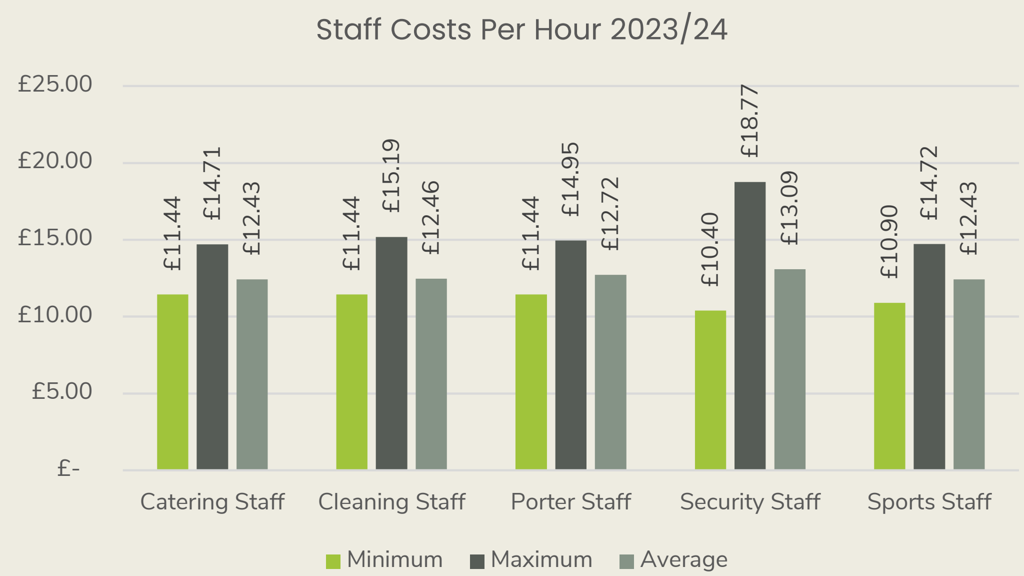
That said, the results from 2023/34 continue to demonstrate how the sector has held firm on offering affordable menu options. The overall RPI food inflation between 2022 and 2024 was 28.1%, as reported by ONS. With just a 7% increase across the indicative sample, this highlights the price sensitivity of the higher education sector and the commitment to absorb cost increases rather than directly pass them onto the campus community.

Commercial Services Staff Costs

The dataset received for the 2023/24 survey continues to capture information on pay rates across the wider commercial setting.

As with last year, a major outlier to highlight is the maximum hourly rate paid for security staff at £18.77/hour, which is indexing at +43% above the average rate in this staffing area, compared with an average of +19% in all other staffing areas.

This maximum rate for security staff is an increase from last year when the maximum rate was £17.69/hour, indexing at +44% above the average rate.



Commercial Services Staff Costs | Continued

Year-on-year increases in average staff costs have been seen across the board again for the staffing areas recorded. The average entry-level pay rates for catering, cleaning, security and sports all increased 6%, with portering witnessing an 8% increase. The overall average 7% increase across the commercial services roles aligns with the 6.7% increase in weekly earnings across all jobs in the UK, as reported by ONS in April 2024. This was largely influenced by the 9.8% increase to the National Living Wage in April 2024, from £10.42 to £11.44, as well as the age at which it became applicable moving from 23 to 21 years.

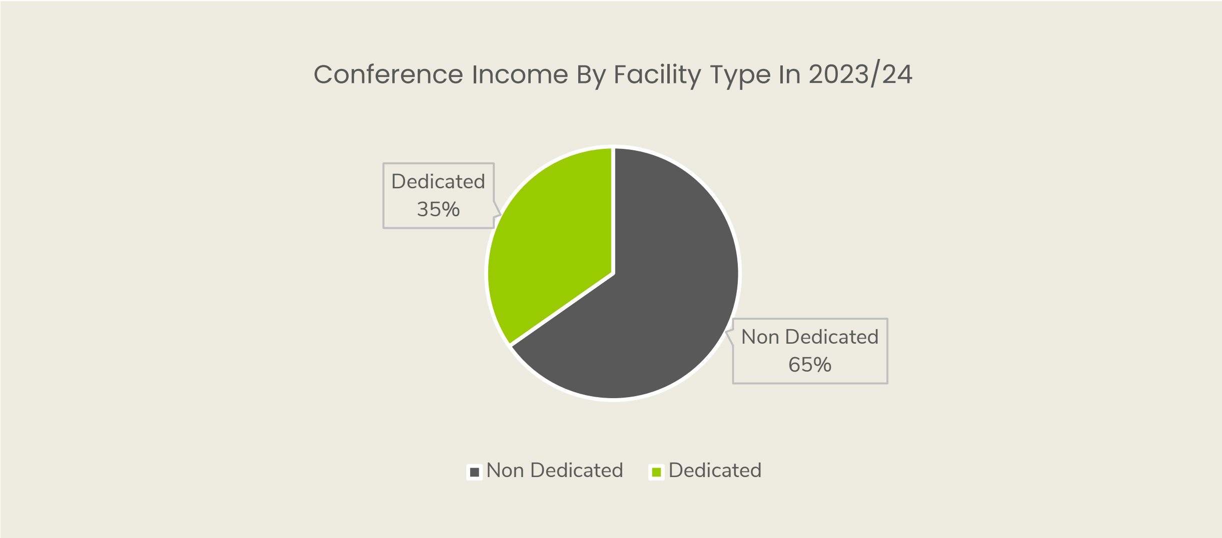
The annual increases build upon the prior year's growth of between 4-9%, delivering a 13% growth in hourly rates across the last two years.

There are further changes this year which will impact labour costs. The National Living Wage is set to increase 6.7% in April 2025 from £11.44 to £12.21. Additionally, National Insurance Contributions (NIC) will also rise from 13.8% to 15.0%, along with the threshold at which employers will begin paying NICs reducing from £9,100 to £5,000 per year.

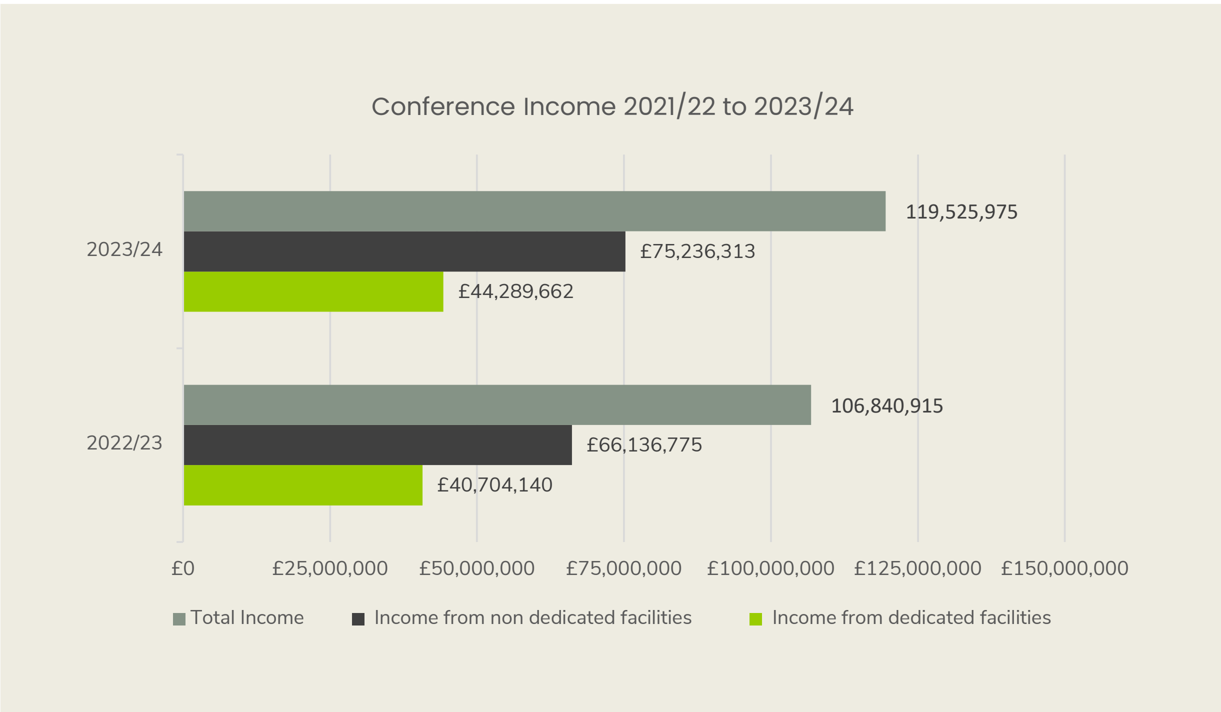
Subsequently, these consecutive wage increases will add further pressure on labour costs for the sector.

Conference Income

There were 42 respondents who reported against conference income for 2023/24, up from 30 last year. Income from non-dedicated conference facilities accounted for 65% of all conference income, against 57% in 2022/23, based on a lower proportion of participating institutions having dedicated facilities.

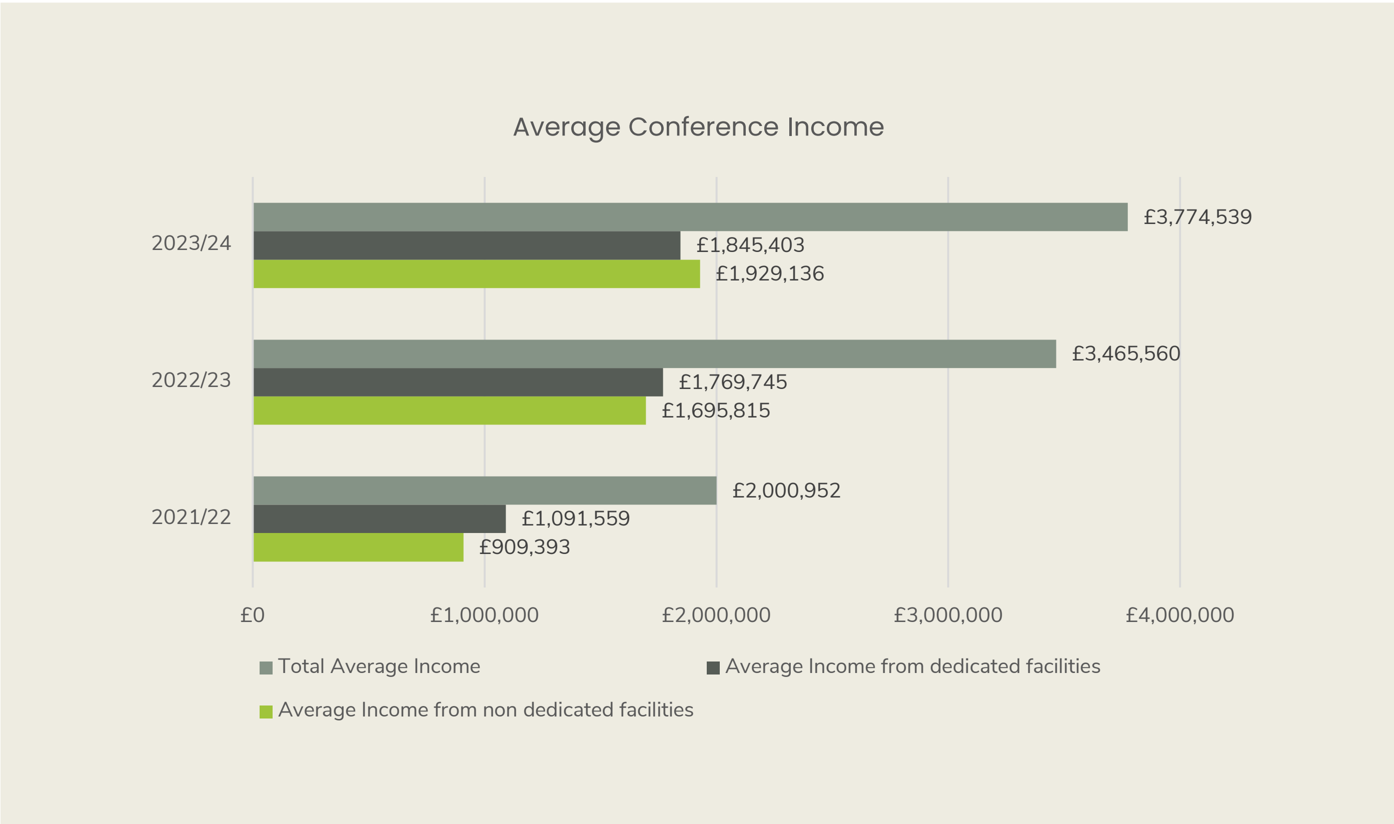


Total conference income from those reporting across the last two years was £119.5m in 2023/24, up from £106.8m for the same institutions in 2022/23. This was driven by a 14% growth in income from non-dedicated facilities, up from £66.1m in 2022/23 to £75.2m. Dedicated facilities grew by 9% in comparison, up from £40.7m to £44.3m.



Conference Income | Continued

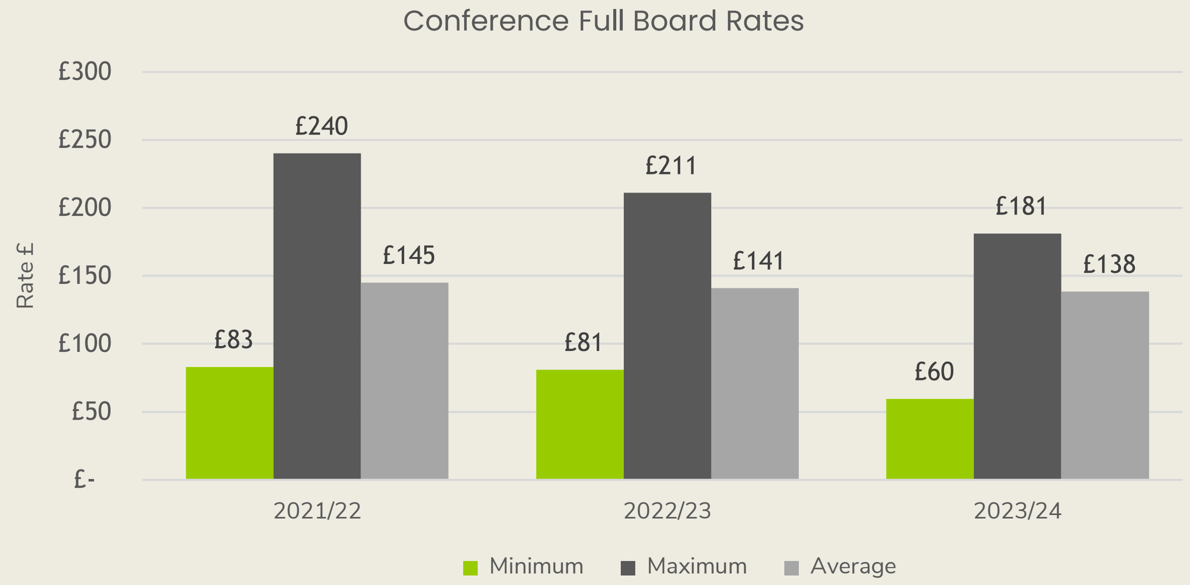
When considering average income from conference activity across the sector, like-for-like performance from the same institutions reporting results for 2023/24 and 2022/23 identifies a 9% growth in total income this year, at £3.8m per institution. With year-on-year growth across both dedicated and non-dedicated facilities, this portrays a positive picture for the conference and events business, despite a somewhat modest development compared to 2021/22 when the sector was still feeling the aftermath of the pandemic. With average income now 89% up on 2021/22, the performance correlates with that of the wider conference and events sector. The UK conferences and meetings market reached £16.3 billion in 2022 and is forecast by UK Events to reach £25 billion by 2026. Although the value of the market continues to grow, businesses have to adapt to changing demand trends, with the average meeting size dropping from 51 to 19 between 2022 and 2023, albeit with higher revenue per delegate.



Conference Day and Full-Board Rates

When exploring the performance of dedicated conference facilities, the number of institutions reporting this year grew to 29 respondents versus 14 in 2022/23. As such, year-on-year data is not like-for-like, however the results are largely similar.

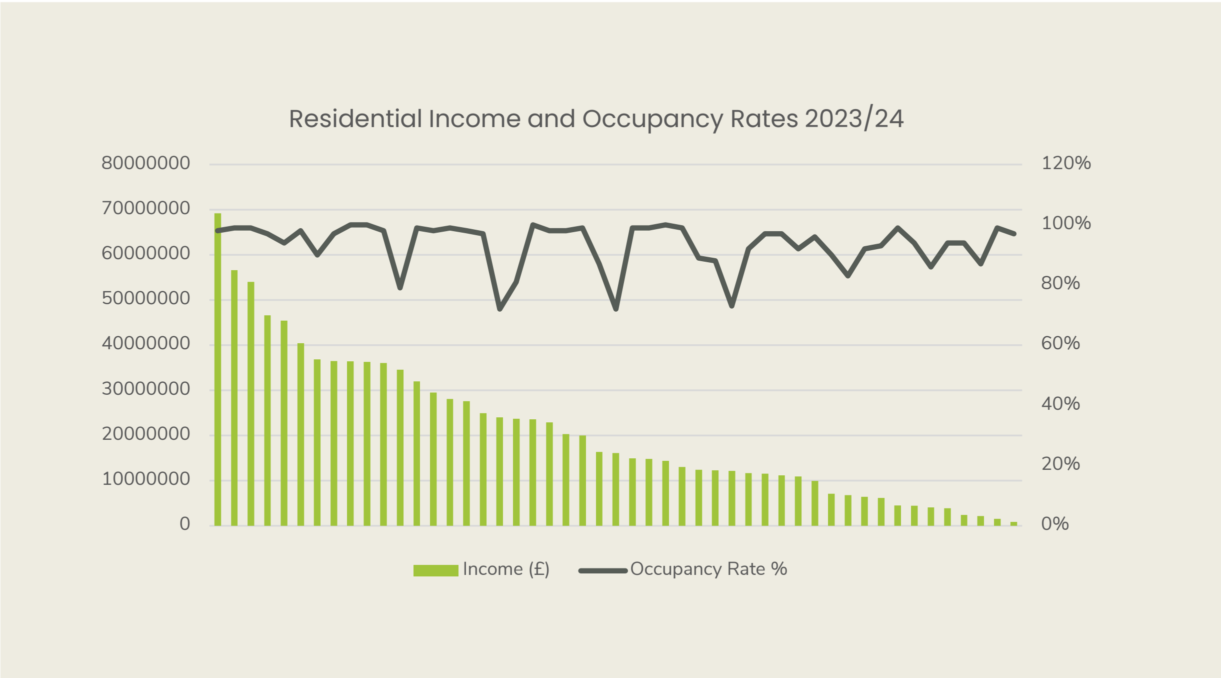
The average day delegate rate decreased slightly in 2023/24 to £44 against £46 in 2022/23 (£45 in 2021/22), with 38% of respondents reporting rates of £50 or higher this year, compared to 43% prior. Full board rates have followed a similar trajectory, with an average rate of £138 reported in 2023/24 against £141 in 2022/23 (£145 in 2021/22). Outlier results vary across the two years, with the highest reported rate of £181 in 2023/24 notably down on £211 reported in 2022/23, most likely due to the sample of institutions responding changing across the years. The results do, however, continue to highlight how the sector has held firm on rates at a time when costs are increasing.



Residences Income

Total residential income reported by 50 institutions was £1.079 billion, with an average of £21.6m per institution. This is 1% down on the £21.8m reported in 2022/23, however remains 22% up on the reported average of £17.7m from the 2018/19 survey, pre-pandemic.

The range of incomes reported across institutions follows a similar theme to previous years, with the highest reported income for 2023/24 reported as £69.2m, versus £70.1m in 2022/23 (-1%). However, at the other end of the scale, the lowest reported revenue in 2023/24 was £861k against just £107k in 2022/23.



Occupancy figures reported for 2023/24 provided an average rate of 93.4%, representing a decrease of two percentage points from 95.4% in 2022/23. Data on the final number of students in higher education for 2023/24 is not yet available at the time of this report. However, UCAS end-of-cycle data for 2023 and 2024 confirms there were 554k accepted applicants in 2023/24, down 1.6% from 2022/23's figure of 563k. This is driven by a 3% decline in international students and a 1% drop in UK students.

Answers to occupancy levels as of October 2024 delivered an average occupancy rate of 94.1%. This correlates with UCAS end-of-cycle reporting for 2024/25 which reported an increase in acceptances of 11k to 565k. This is driven by a 2.9% increase in UK applicants against a 2.3% decline in international applicants. Although the result is an overall growth in numbers, the proportionate decline in overseas students will add further pressure on university revenue streams. Regardless, CBRE estimates there will be a shortfall of 620,000 beds by 2029, so occupancy levels will remain high. The challenge will be ensuring accommodation remains affordable to the students who need it.

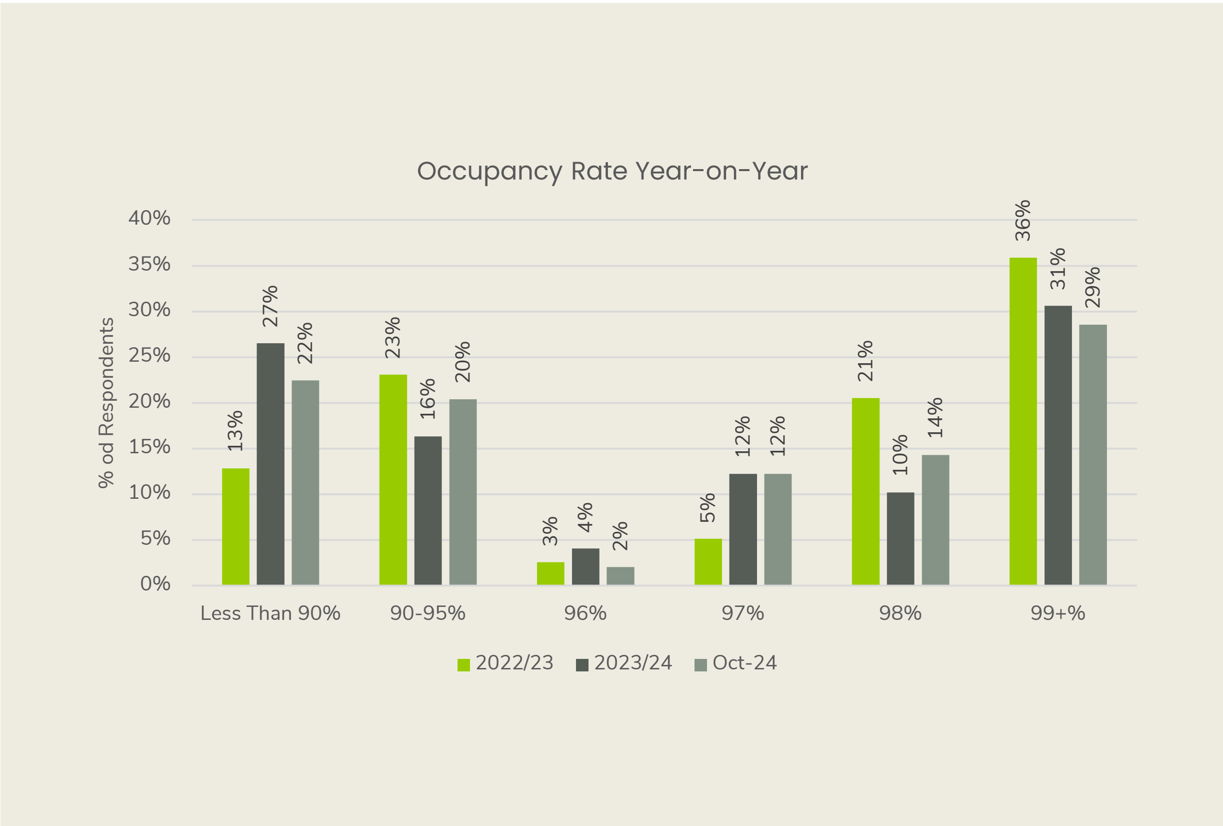
Occupancy Rates Analysis

Due to the varying levels of occupancy seen in recent surveys, combined with the different numbers of respondents, it is perhaps more appropriate to assess occupancy levels as a cumulative percentage of respondents as opposed to comparing isolated year-on-year values.

The graph below details the percentage of respondents in each year reporting occupancy levels within each occupancy percentage range. For example, in 2022/23, 36% of respondents advised they had occupancy rates of less than 95%; this increased to 43% in 2023/24; and has levelled at 42% as of October 2024.

When we look at the other end of the scale, for those with near maximum occupancy, there appears to be a similar story over the last two years. Whereas 57% of respondents reported occupancy at 98% or higher in 2022/23, the data collated for 2023/24, and October 2024 paints a notably different picture with only 41% and 43% reporting occupancy of 98% or higher, respectively. It highlights the importance of collecting this data for comparison and forward planning.

Collectively, for respondent rates at occupancy of 96% or higher, the 2023/24 and October 2024 figures are still lagging behind pre-Covid levels of 2018/19 values, with 57% of respondents advising 96% occupancy or higher in each year, versus 68% in 2018/19.



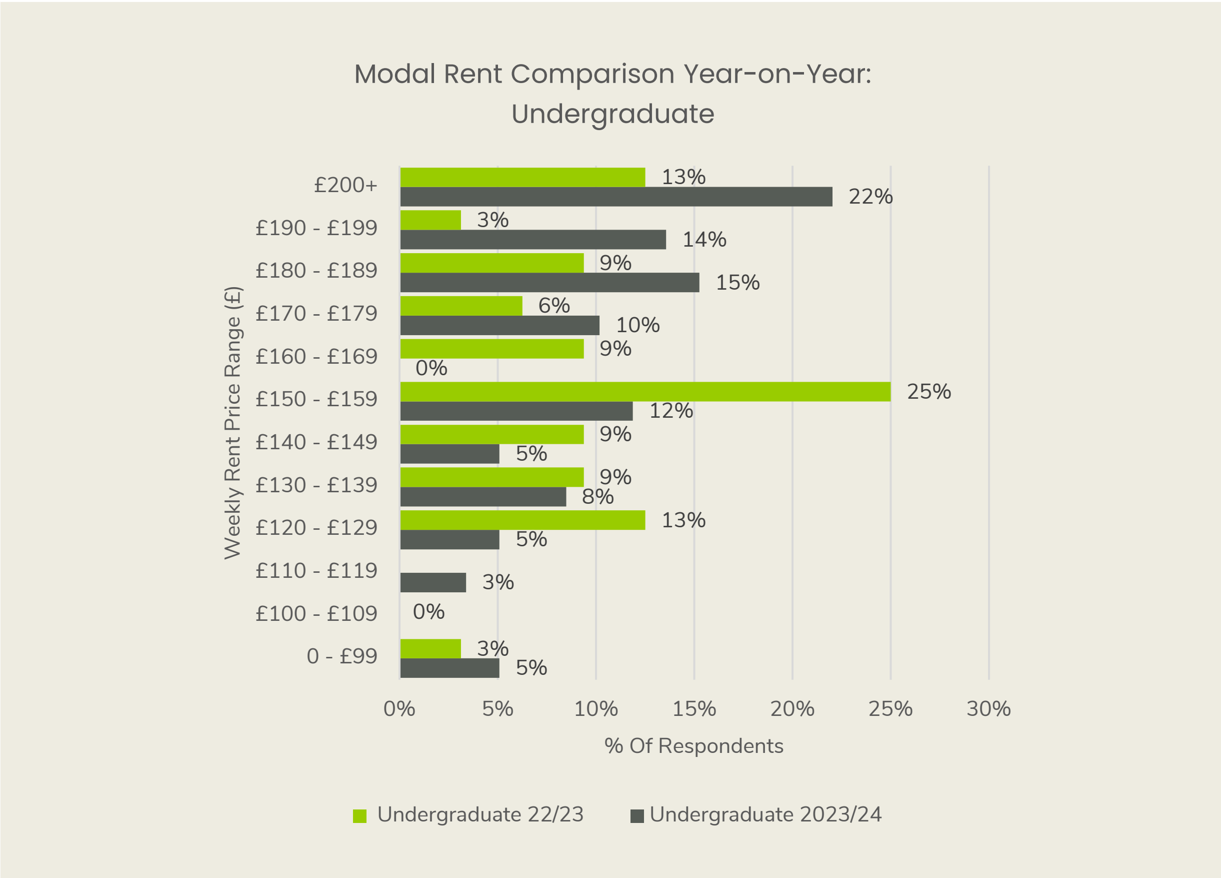
Rent by Room Type

61 institutions provided data on their overall undergraduate and postgraduate rental portfolios.
The average rental cost per room in 2023/24 was £176 for undergraduate rooms, an increase of 4% on the £170 reported the prior year. Postgraduate rents witnessed a 3% increase from £173 to £178. This aligns with the same percentage growth witnessed between 2021/22 and 2022/23, up from £164 and £170 for undergraduate and postgraduate respectively.

Average contract lengths remain consistent YOY for undergraduate students at 40 weeks, and postgraduate accommodation contracts at 47 weeks.

Modal Rents for Postgraduate and Undergraduate Rooms 2023/24

Modal Rents	Per Week (£)	Per Annum (£)	Contract Length (Wks)
Undergraduate	£176	£7,040	40
Postgraduate	£178	£8,366	47

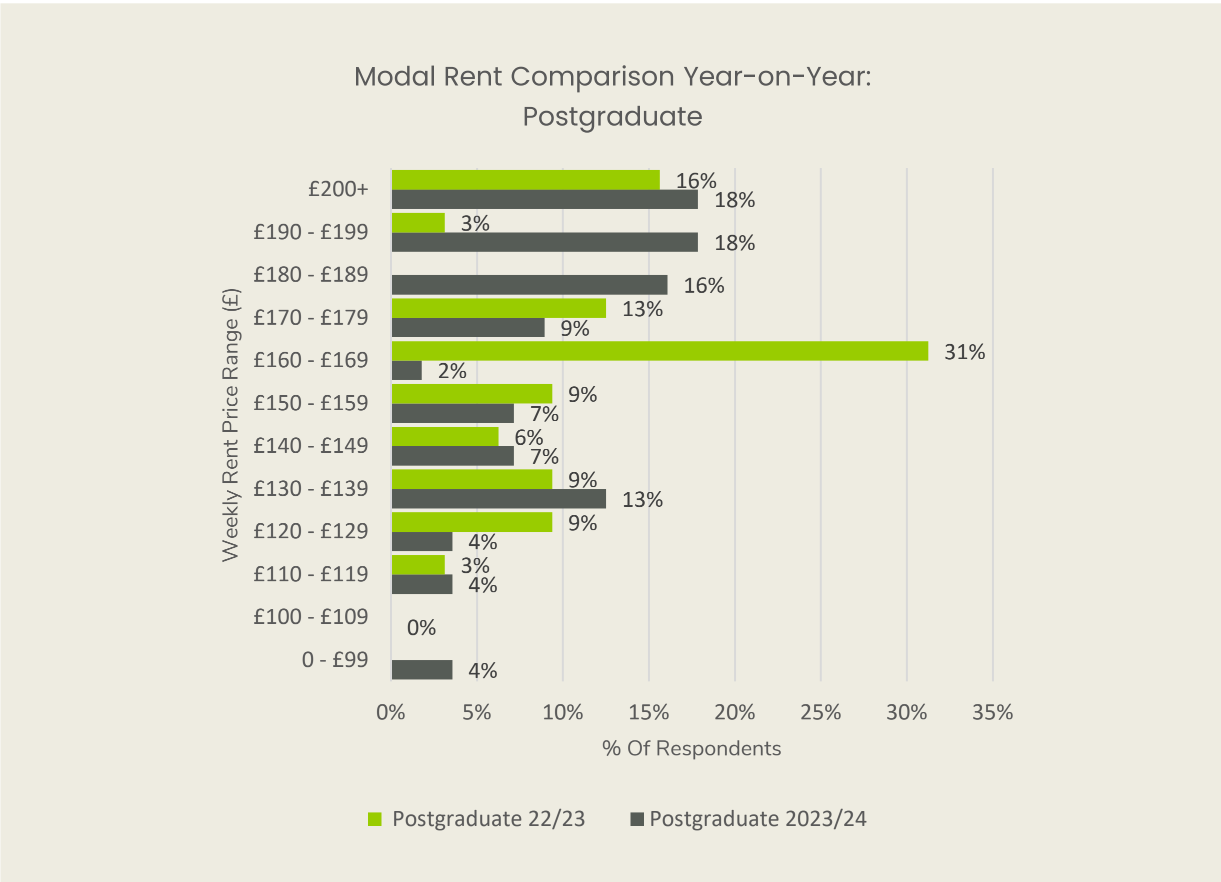


Rent by Room Type | Continued

With average year-on-year rents increasing by 4% for undergraduates and 2% for postgraduates, we can drill down into this further to understand the key price ranges which are driving this increase. As per other sections in the report, we have a year-on-year variance in terms of the individual respondents, therefore we have converted the responses to a percentage of total respondents for each year.

From this analysis, we can see how year-on-year modal rental price increases are driven by the "upper" price tiers as opposed to the middle and bottom tiers. As an illustration of this, for undergraduate rent values of £170 - £200+ / week, the number of respondents in this bracket was 61% for 2023/24, versus 31% for 2022/23, with the most prominent fluctuations within the £190 - £199 and £200+ ranges, jumping 11 percentile points respectively in 2023/24. Notably the £150 - £159 bracket declined from 25% to just 12%.

Analysis of postgraduate modal rates presents a similar theme to undergraduate, with "upper" tiers also driving revenue growth. As an example, for postgraduate rent values of £180 - £200+ per week, the number of respondents in this bracket was 52% for 2023/24, versus just 19% for 2022/23. Similar to undergraduate rents, the middle tier noticed the greatest decrease, with the £160 - £169 bracket dropping from 31% in 2022/23 to just 2% in 2023/24.

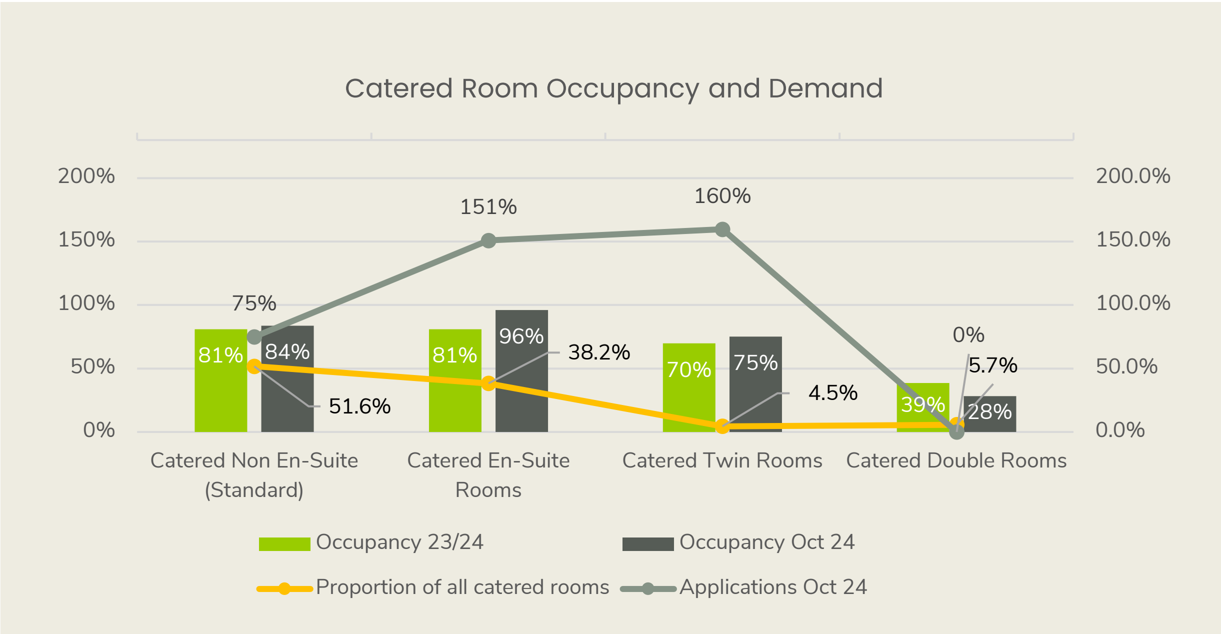


Catered Room Type

This year, as with last year, the overall lowest, highest and average rents have been captured holistically for all catered room types.

Modal Rents	Modal Lowest	Modal Highest	Average
Catered (all room types)	£180	£235	£203
Catering Allocation	£25	£98	£59

The following chart summarises the occupancy and demand levels for the different room types by breaking down the various catered rooms into occupancy for 2023/24 and October 2023, in comparison to demand levels for October 2024 and the overall distribution of room types.



Demand across room types for the most recent two-year period has seen several changes, most notably within catered en-suite rooms which witnessed an occupancy increase from 81% to 96% for October 2024. Applications for this room type exceeded 100% in October 2024, with the average application rate across respondents at 151%. A similar excess in applications for catered twin rooms of 160% contributed to an increase in occupancy from 70% in 2022/23 to 75% in October 2024. Catered double rooms present the lowest occupancy rates and the biggest variance in demand year-on-year, as last year's survey respondents reported a 221% demand from applications, in comparison to 0% this year. That said, this category only accounts for 5.7% of room types. The greatest opportunity to meet demand exists within catered en-suites, where the additional 51% demand over availability equates to 4,637 rooms across the combined respondents' room stock, approximately 231 rooms per reporting institution.

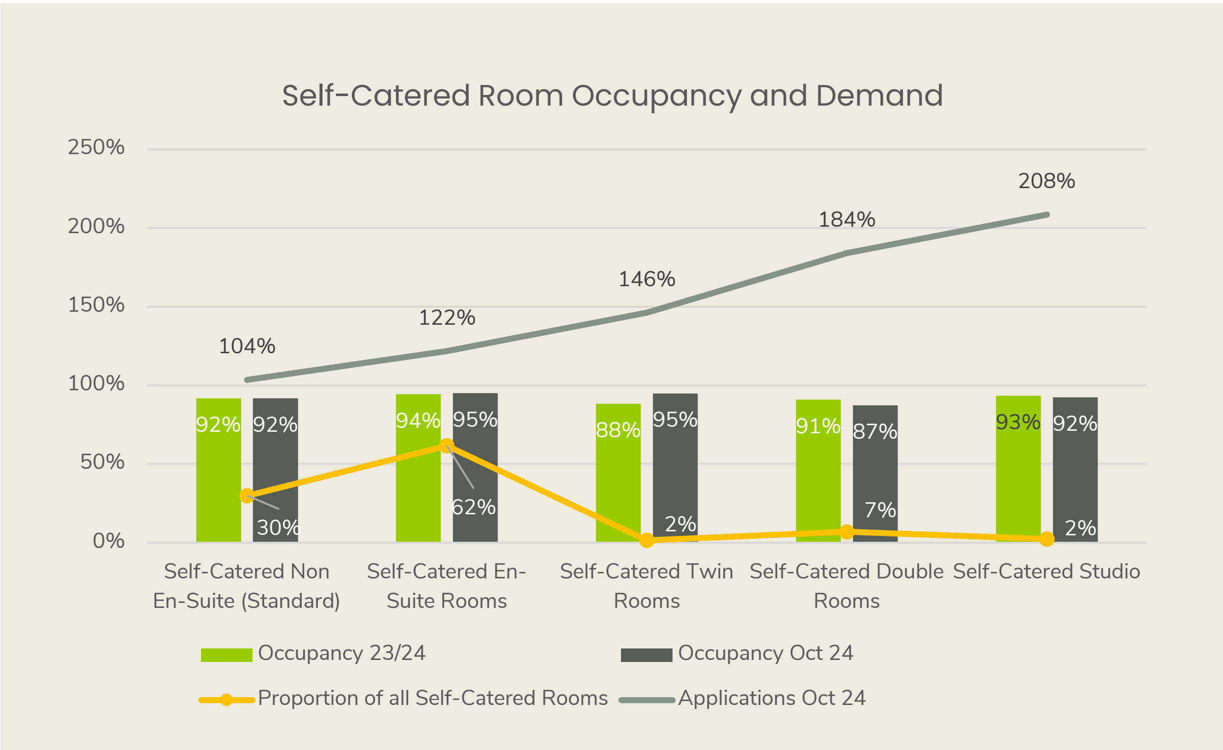
Self-Catered Room Type

As with catered rooms, the survey no longer captures modal rents for various room types. Instead, the overall lowest, highest and average rents have been captured holistically for all self-catered room types.

Modal Rents	Modal Lowest	Modal Highest	Average
Self-Catered (All Room Types)	£123	£242	£179

The following chart summarises the occupancy and demand levels for the different room types by breaking down the various catered rooms into occupancy for 2023/24 and October 2024, in comparison to demand levels for October 2023 and the overall distribution of room types.

Across the years, there is little in the way of variance in demand. The largest percentage shortfall in room type sits within self-catered suites with an application rate of 208%, closely followed by self-catered doubles at 184%. However, these rooms only account for minority proportions of room stock, at 2% and 7% of total respondents' rooms, respectively. Again, the largest imbalance by room deficit sits within self-catered en-suite rooms, which although accounting for 62% of all room types, had an application demand of 122%. This equates to a demand excess of 32,034 rooms of this type for the responding institutions, an average of 582 rooms per institution reporting. Closely following this is self-catered twin rooms, with a 146% application demand equating to 28,627 combined rooms, 596 rooms per institution reporting.

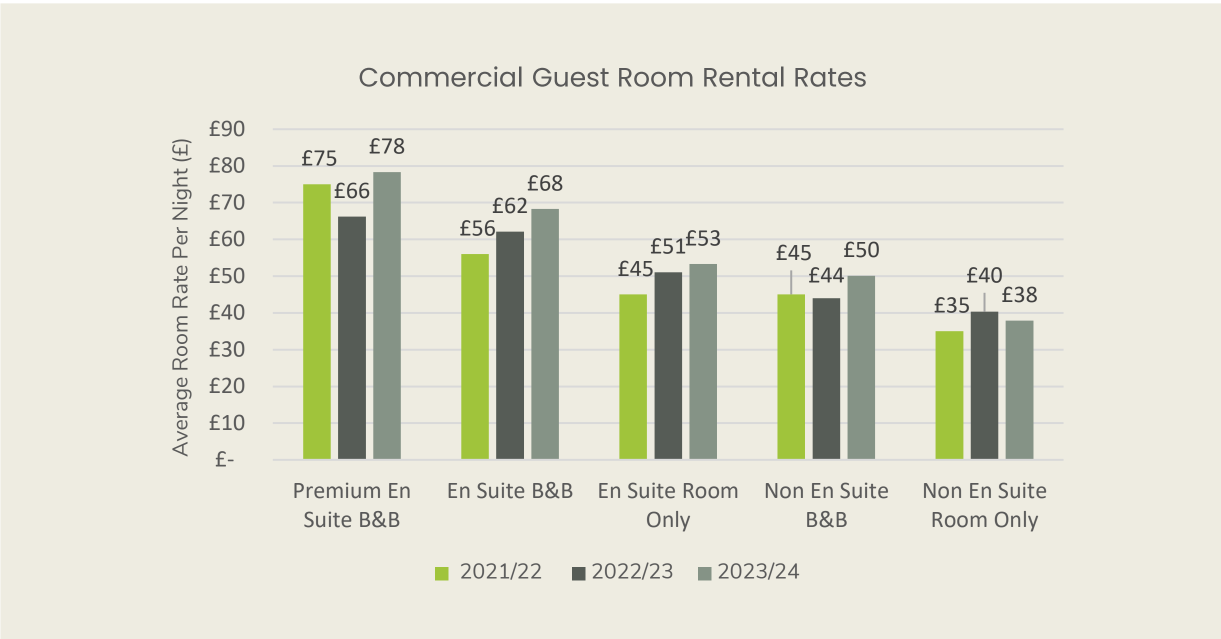


Commercial Activity in Residences

Data from 44 members reveals the below trends in average guest room prices sold commercially in 2023/24, compared over the two previous survey results, by room type and basis of offering.

The highest year-on-year increase came in the premium en-suite B&B rooms, which have seen a £12 per night increase (18%) when compared to 2022/23. However, this is most likely due to limited reporting on premium rooms previously which resulted in a low result for 2022/23.

Interestingly, the next largest increases in 2023/24 were in en-suite B&B and non en-suite B&B, both of which witnessed £6 increases year-on-year, a growth of 10% and 14% respectively. Room only rates have seen the least changes, with en-suite room only average rates increasing by £2 (4%) and average non ensuite rates decreasing by £2 (5%). Although respondents are not like-for-like across the two years, it suggests the sector may be reacting to the food inflation costs leading to increased rates when breakfast is included.



Year-Round Guest Accommodation

22 out of 54 respondents confirmed they deliver year-round guest accommodation. Of the 19 institutions who declared their results across the last two years, the total income in 2023/24 was £41.4m, equating to an average £2.2m per institution. This was an increase of £0.3m total revenue compared to 2022/23, equating to 16% growth in average income per institution.

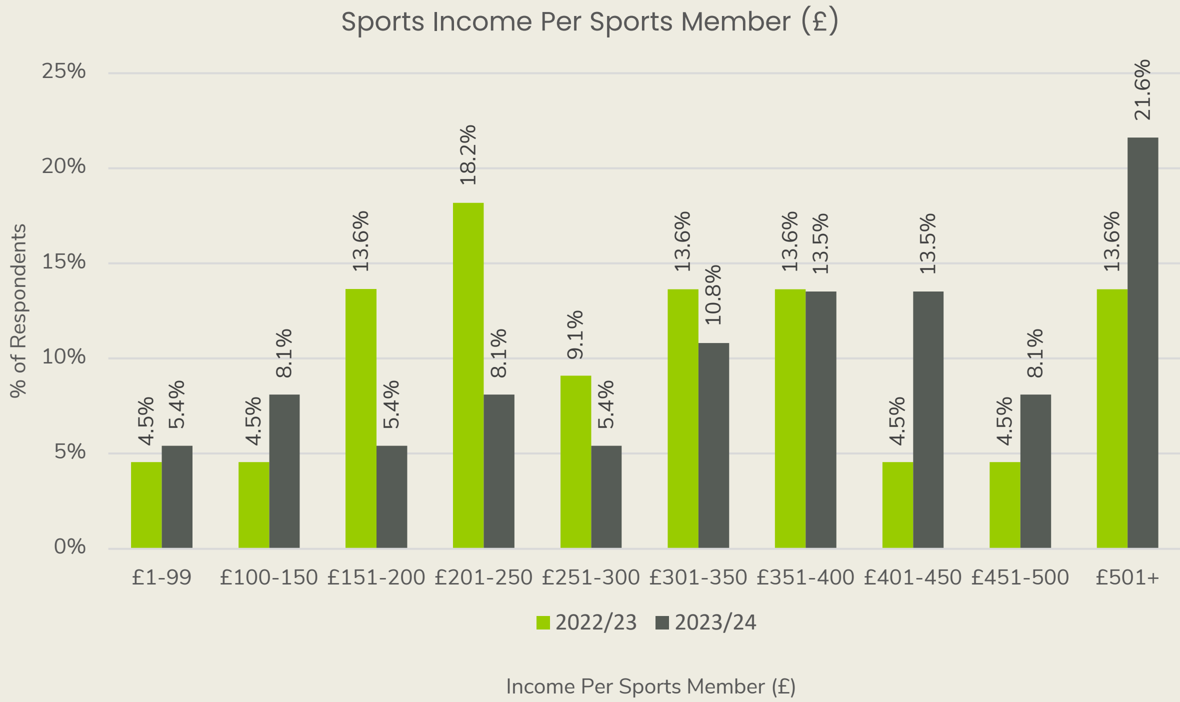
In terms of nightly rates, the average daily rate (ADR) for 2023/24 was £67, which was a marginal increase of £1 (2%) compared to the previous year. This had minimal impact on demand, with 57% occupancy reported in both years. With a national ADR of £94 (£206 London) for Q2 2023, alongside stable occupancy levels, as reported by PwC in their UK Hotels Forecast 2023 – 2024, the opportunity for commercial accommodation in HE remains strong.

Sports Overview

53 respondents to the survey provided details regarding sports facilities on campus. 39 respondents delivered information on income and membership numbers for 2023/24. Total income across the respondents was £70.5m, compared to £63.9m for the same respondents in 2022/23, an increase of £6.6m (+10%). This equates to an average of £1.81m per institution compared to £1.64m in 2022/23.

The average income per sports member demonstrates a varying level of results. There is a pattern of higher income boundaries to last year's survey findings. The largest range of responses for 2023/24 is £501+ per member, with 22% of institutions reporting this compared to 2022/23 when the highest range was £201 - £250 (18%). 57% of income per sports member was £351 or higher in 2023/24, compared to just 36% previously.

This may be partly due to the proportion of member types within the data set this year compared to last year's participants, such as student or public, and the variety of sports services offered within accommodation or membership packages.

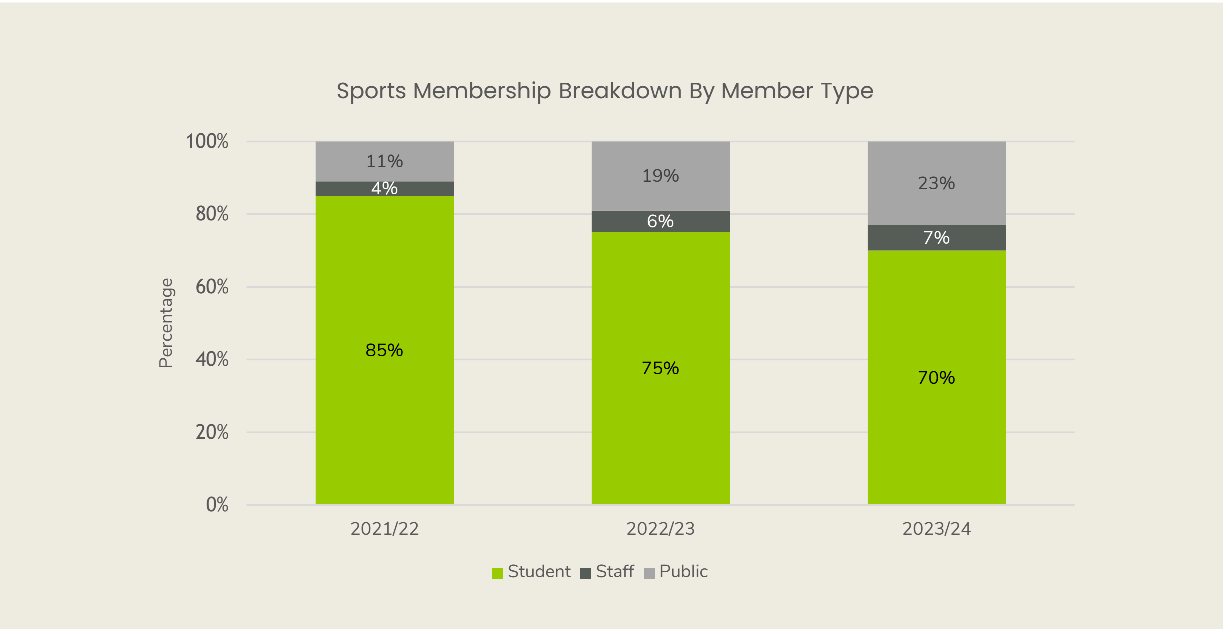


Sports Membership

Contrary to the growth in average sports income, average membership numbers have seen a decrease year-on-year. For the 2023/24 survey, from 45 respondents reporting on this topic, the total membership was 193,850 members, an average of 4,308 members per institution. In comparison, an average of 6,871 members per institution was reported in 2022/23 from 25 participants, up from 6,100 per institution in 2021/22. This represents a year-on-year drop of 18% in average members, albeit from institutions that are not like-for-like. The latest survey revealed a greater proportion of institutions with smaller memberships, with 44% of respondents in 2023/24 having total sports membership numbers of less than 1,000, compared to just 4% in 2022/23, and 13% in 2021/22.

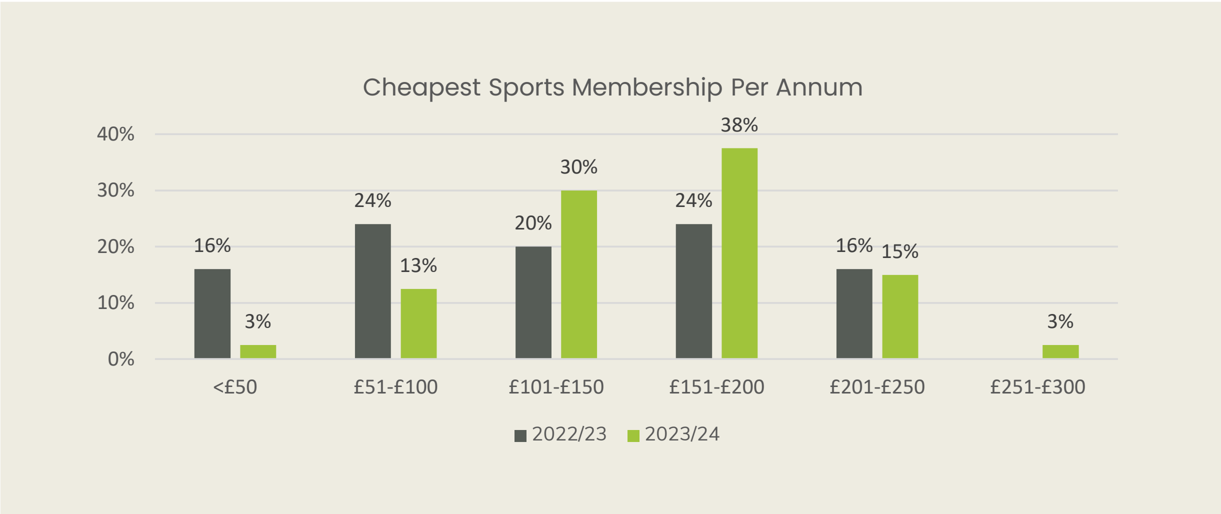
There has been a change in the percentage make-up of sports members year-on-year, with students accounting for 70% of all sports members, versus 75% last year, and 85% in 2021/22. this equates to an average of 3,305 student members per institution in 2023/24 compared to 5,112 in 2022/23. This year, just 16% of respondents reported that sports membership was included in either fees or accommodation, compared to 24% who stated as such in 2022/23. Although not like-for-like respondents, this may further account for the lower numbers in student membership.

Staff numbers remain consistent as a percentage at 7% this year against 6% previously, representing an average of 341 per institution compared to 455 in 2022/23. Public members have witnessed a notable increase again, climbing from 11% in 2021/22, to 19% in 2022/23, and 23% most recently in 2023/24. In terms of average members, this equates to 632, 1,323 and 1,129, respectively. Although year-on-year the average number has decreased, the numbers remain significantly up on 2022/21. The State of the UK Fitness Industry Report 2024 suggests UK gym memberships continue to rise year-on-year, with 10.7 memberships in the UK a 4.1% increase since 2023. This may be attributed to an increase in public membership tariffs within HE.

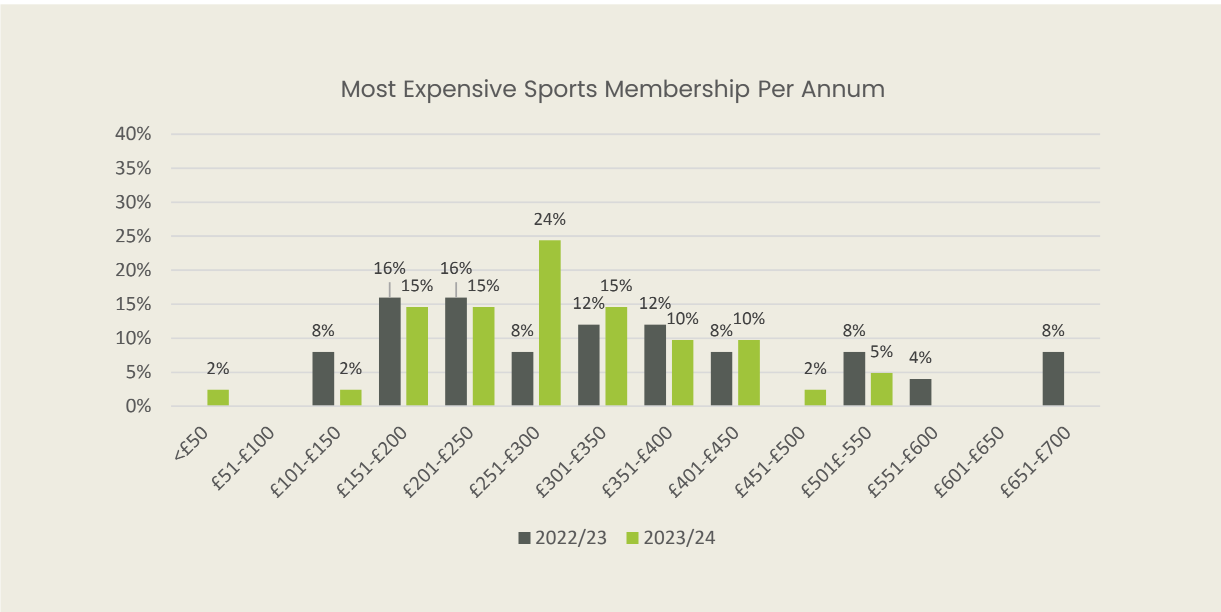


Membership Prices

Of the 41 respondents who delivered membership pricing information, there was a wide array of rates for the cheapest and most expensive annual charge, as well as the benefits aligned with each rate. The cheapest average yearly membership rate came in at just under £158 (£13.17/month), which is a 22% increase year-on-year to £129 (£10.72/month) recorded in 2022/23. Most notable growth is within the £151 - £200 price bracket, which accounted for 38% of average prices in 2023/24, up from 24% previously. The most prominent membership benefits are access to the gym, fitness suite, classes, and swimming.



The most expensive yearly membership rate averaged at £298 (£24.83/month), which is down on the £336 (£28/month), reported in 2022/23. Although the largest bracket of average prices has changed from £151 - £200 / £201 - £250 (16% respectively), up to £251 - £300 (24%), the outlier brackets in 2022/23 exceeding £550 appear to have impacted overall comparisons. The benefits in this category were wide-ranging, with the most prominent being unlimited access to facilities during peak / off-peak times, as well as additional add-ons like swimming lessons, sports and athletics, and access to partner facilities.



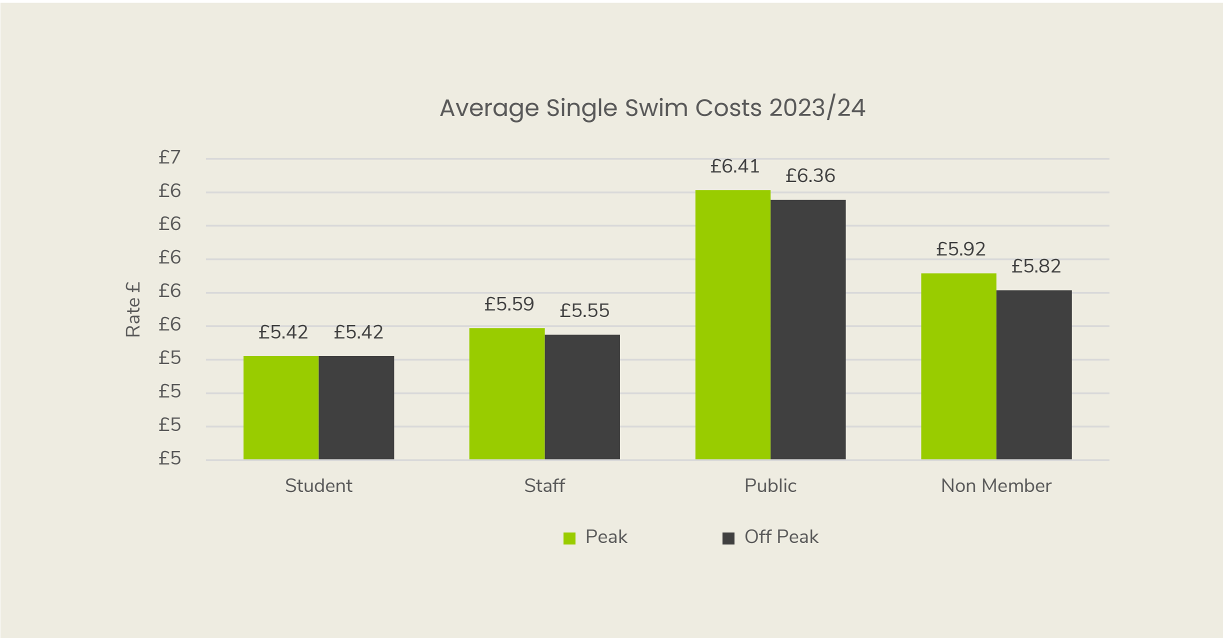
Swim Prices

Of those reporting on sports facilities for 2023/24, 23 have swimming pools, all of which are indoor pools apart from one response that did not deliver any detail on this question. 18 provided data in terms of swimming prices.

For 2023/24, there was a price increase across all swim rates when compared to 2022/23. and are more closely aligned to 2021/22. This suggests the respondent set last year consisted of institutions predominantly charging below-average prices, as well as potential price increases driving price growth in 2023/24.

Average student prices are up by approximately 33% with peak prices up from £4.08 last year to £5.42. This is however only 7% more than the number reported in 2021/22 (£5.08). There was no variance between peak and off-peak rates reported this year. Staff peak rates are up from £5.16 to £5.59 (8%), equating to 6% growth on 2022/23 prices (£5.25). Public rates are up from £5.93 to £6.41 (8%), interestingly equating to 2% decline on 2022/23 (£6.52), and non-member rates are up from £5.75 to £5.92 to £5.75 (3%), which is also down on 2022/23 (£6.25). Prices for off-peak sessions are marginally lower across the board with no notable variations.

The results are to be treated with caution due to not comparing like-for-like respondents. That said, the data suggests prices have risen over the years for staff and students. This correlates with the increase in swimming prices witnessed across the leisure sector. The average price for a public swim fee rose from £5.22 in 2023 to £5.59 in 2024, as reported by Leisure DB (2024).



Residence Life

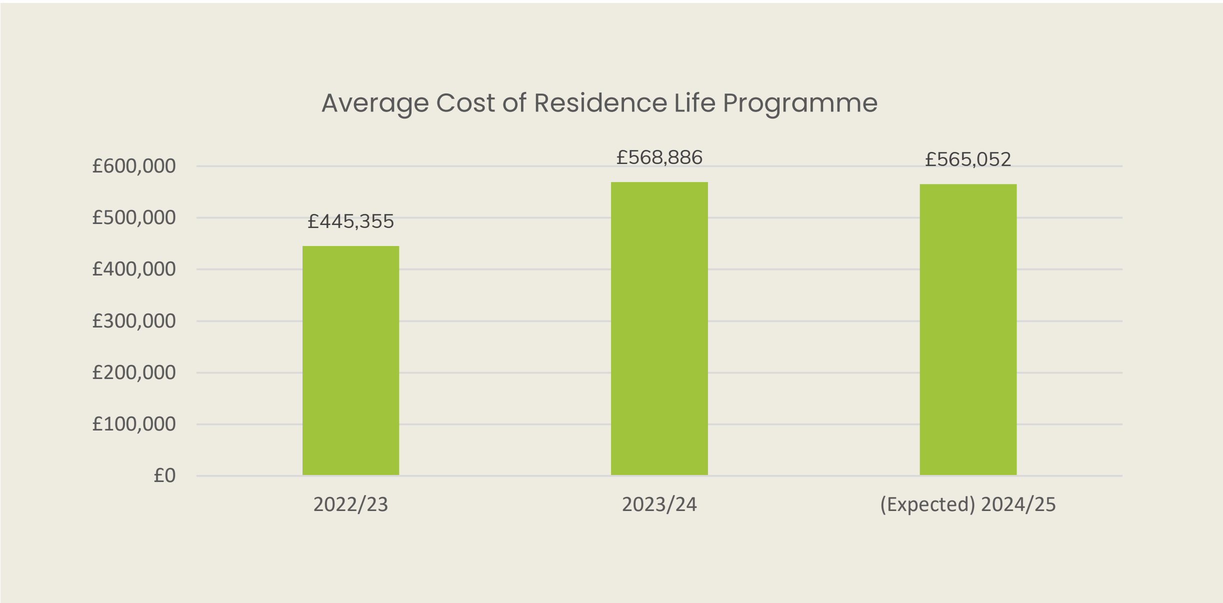
Following on from information on Residence Life first collated in the 2022/23 survey, there was a total of 52 respondents who delivered some level of data regarding finances and programs in 2023/24. This is up from 34 the previous year.

In terms of responsibility for residents' lives and where it sits within the structure of the institution, there is a general theme positioning it within either Student Services (23%, 22% last year) or Accommodation Services (50%, 48% last year). 6% of respondents reported it as a shared program between multiple departments. The remainder sits across various areas such as the Student Guild, Estates in general, and via third-party accommodation providers.

Across the 51 respondents who reported, there are a total of 248,700 students being served by a Residence Life program, at an average cost of £31 per head. This is an increase from £28 per head last year. It is estimated by respondents that the cost per head for 2023/24 will decrease to £26 per head, presumably in reflection of a greater number of students being engaged each year.

Of the 37 institutions that delivered financial data, the annual cost for operating Residence Life programs in 2023/24 was £21.0m, an average of £569k per institution. This was up 20% on 2022/23 when the average cost per institution was £473k, continuing the trajectory from 2021/22 when the reported average was £411k. It is worth noting, however, that the expenditure level across institutions differed greatly each year, with a range from low to high of sub-£10,000 to £8.3m in 2023/24. As such, results will be impacted by the variance in respondents year-on-year.

Of those institutions reporting data for both 2022/23 and expectations for 2023/24, they estimate the cost of programs to increase by 1.1% with a like-for-like increase in average institution costs from £559k to £565k.



Residence Life Outcomes

Whilst there is a certain difficulty in accurately measuring outcomes of residence life programs due to the level of detail included within responses, the key stats for student engagement are as follows:

135,860
Students in Accommodation on the Residence Life Programme

17,045
Students Receiving Ongoing Support from the Residence Life Programme Team

6,629
Significant Incidents Identified Through the Residence Life Programme

16,745
Events and Activities Organised and Operated by Participating Institutions

6%
Estimated Year-On-Year Increase in Events and Activities for 2024/25

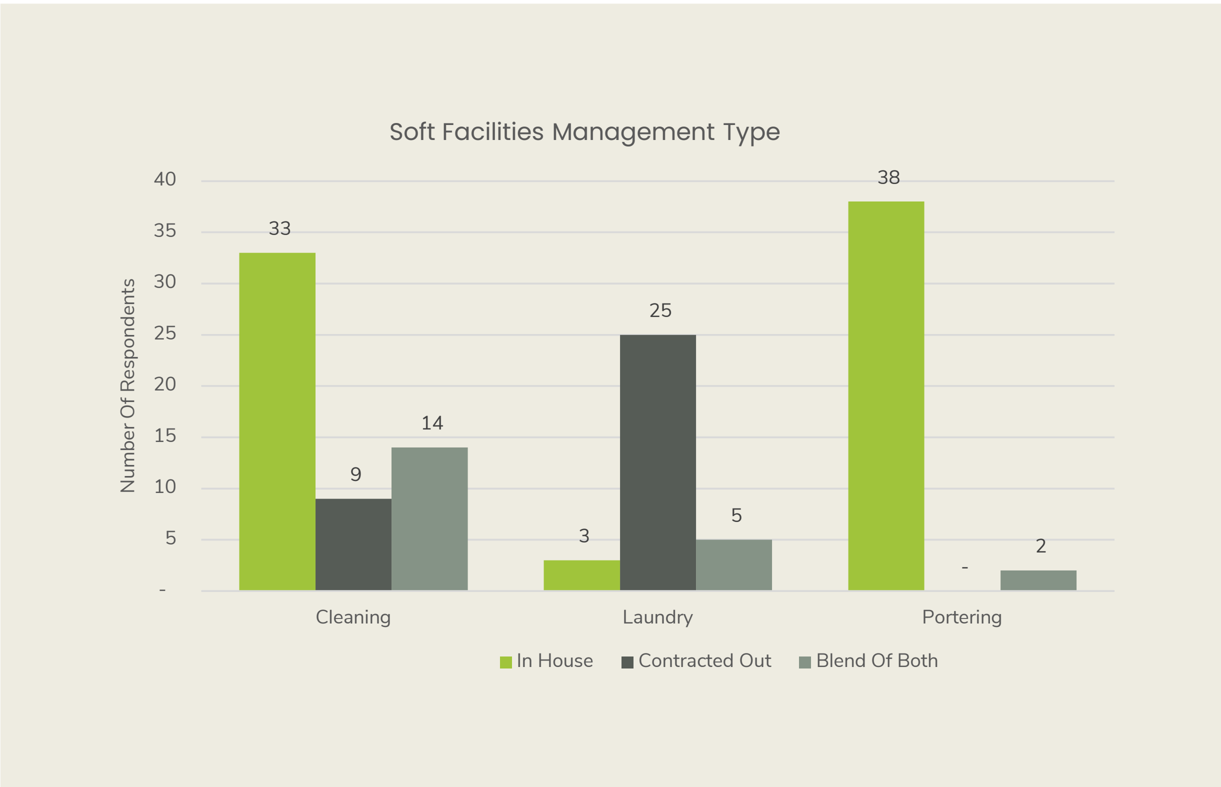
Soft Facilities Management Services

The information delivered by respondents in this year's survey continues to present a clearer picture in terms of costs, as well as details on the management style of these facilities. Of the survey respondents, 56 delivered data in soft facilities management, although not all sections were fully completed.

Survey results followed a similar trend compared to the 2021/22 survey, with the principal soft facility contracted out being laundry services at 76%, down from 84% last year. Three institutions reported operating in-house and five reported a blended operation.

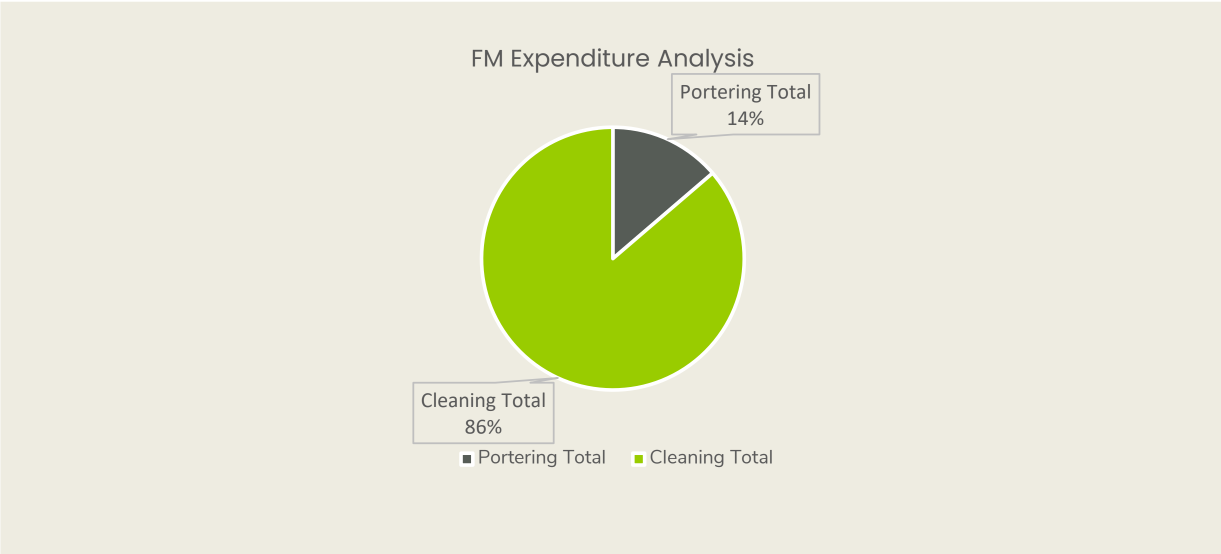
Portering services remain largely managed in-house, with 95% of respondents confirming in-house management compared to 92% in the previous year. No respondents operated a contracted-out approach to portering services this year compared to two last year.

Cleaning services are more mixed, with 59% of respondents confirming an in-house management approach, 25% with a blended approach, and 16% contracting out. This is a notable change from last year when the mix was 47%, 47% and 6% respectively.

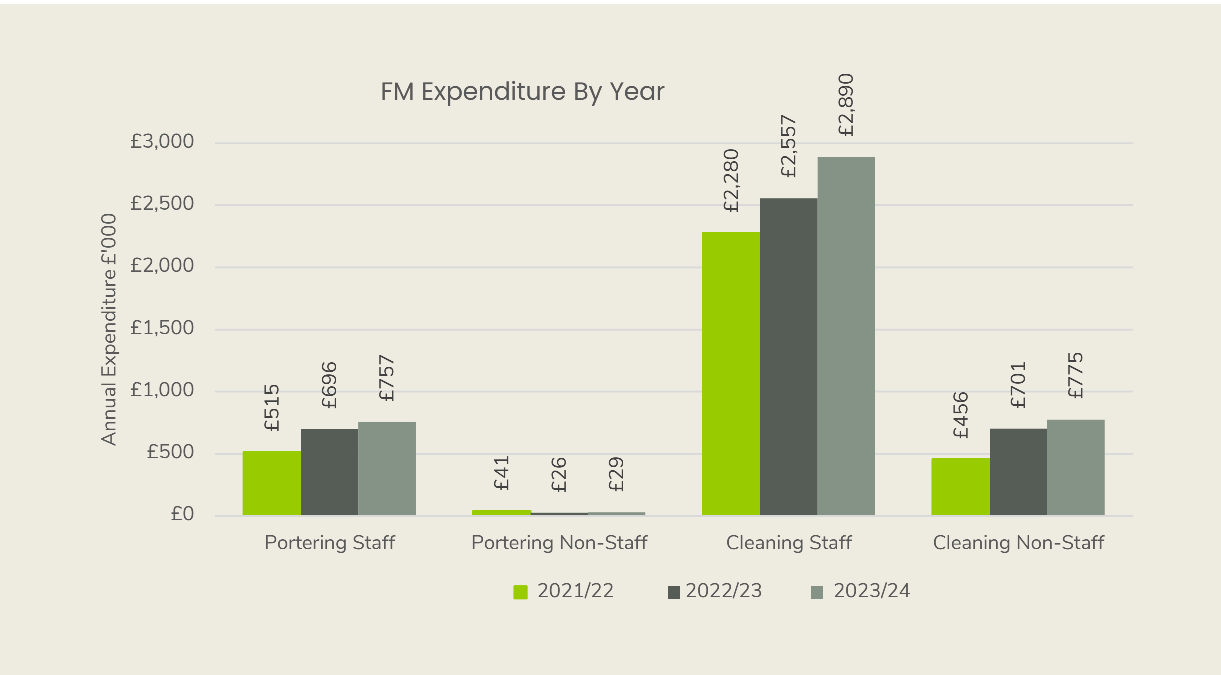


Planned Soft FM Expenditure

A total of 45 respondents delivered information of FM expenditure, with expenditure across all 45 members totalling £182.6m, an average of £4.06m per institution. Cleaning costs made up the majority of costs, at 86% of total costs for those who reported across both cleaning and portering expenses. This is in line with the previous year, where the split was 84%.



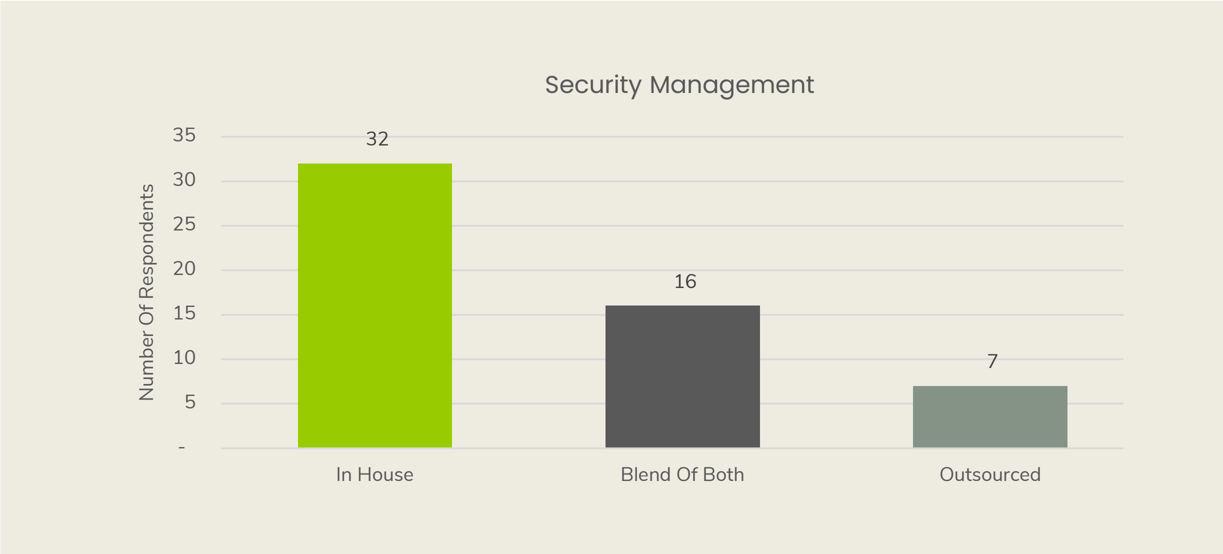
Aligned with the increase in staff wage costs, including an 6% increase for cleaning staff and 8% for portering staff, it is unsurprising that overall expenditure on cleaning and portering staffing has increased. However, although average portering staff costs are up 9% from £696k per institution to £757k in 2023/24, cleaning staff costs are up 13% from £2.56m to £2.89m - a notable increase beyond the general increase in staff rates. Non-staff costs for cleaning have also witnessed an 11% increase year-on-year and portering is up 10% for institutions reporting across both years. This will be in part associated with the impact of cost inflation for goods and utilities.



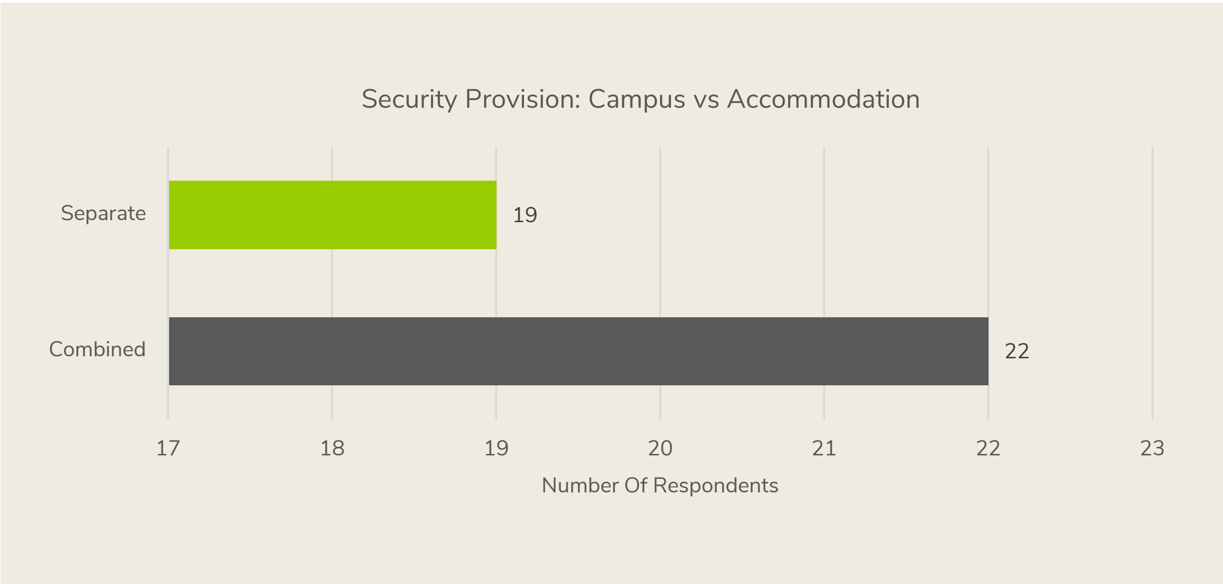
Security

57 respondents provided details on their security arrangements, with 58% advising of in-house security management versus 7% who contracted out, and 29% with a blend of both. These values demonstrate a similar story to 2022/23 figures which were 57% in-house, 4% who contracted out and 39% with a blend of both.

Of the 57 respondents, 82% provided 24/7 cover, the same as 2022/23. 7% provided out-of-hours cover only.



From the 30 respondents who delivered information on the split of security staff, 54% advised that security staff are combined to cover campus and accommodation areas, whilst 46% of respondents have stand-alone separate security arrangements for each area. This is a notable shift from 2022/23 when the split was 73% for combined provision and 27% for separate.

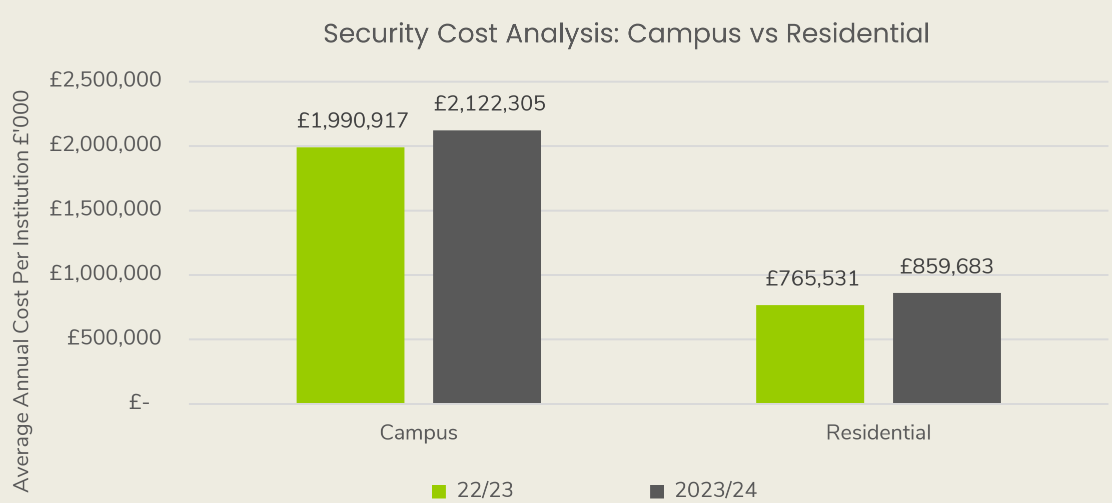


Security | Continued

In line with other expenditures, the average security cost per institution has increased year-on-year. Campus security costs have increased by £131k (7%), compared to a 2% growth in 2022/23. Of those who provided a budget for 2024/25, there is an average 2% increase in planned expenditure.

Residential security costs have seen a 12% increase versus 2022/23, However, the 2024/25 budget reflects a 1% reduction in expenditure for the coming year. The recent increases to costs further correlate with the increase in entry level staffing, which included 6% growth for security staff in 2023/24.

The minimal reduction for 2024/25 suggests a reflection on the forecast reduction to student numbers and decline in residential occupancy.



Acknowledgements

> “Survey participants have each been provided with a unique dashboard where they can benchmark their data against anonymised datasets”

The data collected in the CUBO benchmarking exercise is unique in the sector and reliant on data delivered by institutions directly. By delivering a level of analysis on this valuable dataset, we hope that members will gain some further insight into the results.

Survey participants who agreed to share their data have each been provided with a unique dashboard where they can benchmark their data against anonymised datasets. This includes overall average analysis against all respondents, as well as leveraging the data into more specific comparators such as institution group, campus type, and revenue size. It is our aim to continue to deliver in-depth analysis to such member institutions in future years, with the focus of increasing the number of analysis levers as the number of respondents increases.

Thank you to those institutions who took part in the benchmarking exercise.

We trust the dashboard data has been useful and that this further analysis has enhanced the visibility of trends and patterns overall.

Report produced in partnership with Russell Partnership Collection
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