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# STUDENTS AND THE CITY: STUDENT RENTAL BEHAVIOUR DURING COVID-19 IN THE EXAMPLE UNIVERSITY TOWN

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**Abstract**

The COVID-19 pandemic has created a lot of unexpected changes, but also provided a unique opportunity to study the rental behavior of students under specific conditions, as lockdowns and implemented restrictions have also reached the sphere of higher education. This article attempts to shed light on the impact of the COVID-19 pandemic on students' rental behavior on the example of a university town. The main source of data were questionnaires, data from the Statistics Poland, public and private institutions involved in real estate market research, and professional media. As the survey was carried out directly among a group of student-tenants and was supplemented by a survey among landlords, it provided information on students' behavior on the rental market. Students have proved to be extremely elastic tenants, though a clear difference in the behavior of first degree, second degree and unified masters students was observed.

**Key words**: *students' accommodation, rental market, COVID-19.*

**JEL Classification**: *D12, R21, R30.*

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## 1. Introduction

As the number of higher education students residing in cities for the duration of their studies has been increasing, they have been considered an important factor of urban change (Chatterton, 1999, 2010). In many countries students' expectations regarding the standard of accommodation have been increasing. More and more young people are choosing to live away from the university campus and off-campus accommodation has become more common, i.e. in the UK (Hubbard, 2009), Spain (Garmendia et al., 2011), Germany (Miessner, 2021), Canada (Allison, 2006), USA (Dobbs, 2013), and Poland (Źróbek-Różańska, 2019). Emerging adults usually decide on tenancy (Źróbek et al., 2020), thus students may rent a single room or a whole flat, either alone or shared with peers or a life partner.

The COVID-19 pandemic has created a lot of confusion and unexpected changes, but also provided a unique opportunity to study the rental behavior of students under specific conditions and notice certain patterns of behavior that were not observable in so called "normal times". The emergence and the extremely fast spread of the Corona Virus (COVID-19) has led the whole world to undergo unexpected lockdowns. In the initial phase of the epidemic, rural areas, due to their more dispersed populations, were initially "green" places on the infection map, while cities (especially large ones) were marked with an alarming red color. Governments all over the world implemented various emergency protocols, i.e. in India (Saha et al., 2020), Spain (Odriozola-González et al., 2020), USA (Cohen et al., 2020) or Canada (Hawryluck et al., 2020). The majority of these protocols restricted non-essential public movements. Countries declared lockdowns or less rigorous limitations concerning social mobility. Television broadcasted daily images of deserted streets in the world's largest cities. An

unprecedented Easter 2020 in the Vatican was astonishing, i.e. without the participation of the faithful from all over the world, St. Peter's Square remained empty and closed for the first time in history. The restrictions introduced minimized trade and services requiring direct contact. Frightened urban and rural residents began to buy excessive amounts of food and basic necessities. The closure of cinemas and restaurants diverted entertainment and recreation from enclosed places to safer public spaces, including parks and forests. Restrictions on rules of using public transport and fear of contamination brought this economic sector to the brink of bankruptcy as well - people either stayed home or opted for individual transport by private means.

Lockdown and implemented restrictions have also reached the sphere of education. At the beginning of COVID-19 pandemic (March 2020) many national governments closed educational institutions and the need for a rapid transition from physical learning to the digital sphere of learning emerged (Chaturvedi et al., 2021). In response to a dangerous pandemic situation, there was a progressive closure of schools and universities in many countries all over the world, subsequently replaced by a nationwide state of alert and lockdown of the general population. The overall impact of restrictions on the quality of education and conditions of students' mental health is expected to be very considerable (Araújo et al., 2020; Aucejo et al., 2020). It is worth noting that the closure or significant reduction in the activities of universities has had, in addition to the direct effects felt by students and teachers, a number of external effects. University students, in fact, constitute the vast majority of the emerging adults and "mobile" part of the city - they are long-term temporary residents who, during their stay in the city, enter into a number of market transactions and many concluded contracts, e.g. because of their high flexibility they are employed in seasonal, temporary or evening jobs (pubs, restaurants). As the number of academic center is limited and they are mostly located in big cities, most students come to study from other places and live in the city temporarily - during the academic year. Therefore, most students report a demand for rented accommodation. The closure of universities, the suspension of classes, and the subsequent shift of academic education to a remote mode have resulted in a student exodus from university towns and the mass termination of leases. In this way, COVID-19 and the restrictions have hit rental property owners and caused a number of effects on local property markets.

This paper attempts to shed light on the impact of the COVID-19 pandemic on students' rental behavior on the example of a university town. The conclusions, as a result of globalization and the commodification of young people's behavior, can be applied to similar university towns in other countries. First, the students are highlighted and described as specific purchasers of rights to use residential property. In particular, the specific characteristics of people in the 18-25 age group, which is referred to as emerging adults, was described. The activities of these individuals in local property markets are then presented, which are revealed through their participation in residential leases on the tenant side. The research required the variety of sources of information. Data was therefore collected from public statistics collections, reports, as well as through a self-administered survey. For this purpose, over 300 students were surveyed at the University of Warmia and Mazury in Olsztyn, Poland (UWM). The survey was explicitly designed to collect data on the decisions made by emerging adult students where to live during distance learning, and the motivation behind these decisions. Specifically, the survey asked students about their experiences before and after restrictions connected with the pandemic. Finally, the national scale background was presented as well as legal basis for the changes in the study area. Indeed, the functioning of universities during a pandemic depends on the decision of rectors regarding whether teaching is carried out remotely (e.g. via the MS Teams platform), on-site or as a form of hybrid learning. In turn, government guidelines and resolutions, ministerial decrees and university chancellors create externalities that are reflected in local housing markets. Results and conclusions presented can be helpful for researchers and people active in the real estate market, as well as city authorities and urban planners. In addition, the information may be useful to others interested in the impact of COVID-19 on the behavior of 18-25 year old - so-called emerging adults.

## 2. Material and methods

The main source of primary data were questionnaires. In addition to the survey, the research required the collection of data from Statistics Polan, as well as other institutions involved in real estate market research, both public (in Poland this is, e.g., the National Bank of Poland, NBP) and private (e.g.

Centrum AMRON). As the issue is new, knowledge has been supplemented with information provided by the professional and general media.

A 10-set questionnaire was developed, which included a variety of one-choice as well as multiple-choice questions. For a few questions, the respondents were able to enter their own answers. The survey was administered using the Teams application on Microsoft 365 platform and web-based application Google Forms. Using the MS Teams application requires respondents to have personal access and to be logged in. This form ensured that respondents were only students and reduced multiple entries from an individual account. Data on the exact number of students of all types (bachelor, master degree, medicine and veterinary, full-time and part-time studies) and faculties was received from the Academic Affairs Office at University of Warmia and Mazury in Olsztyn. The legal acts were taken from the Public Information Bulletin.

The study was carried out in an exemplary city where the university is located - Olsztyn (a relatively big city in the north-eastern part of Poland, Warmia and Mazury region). It can serve as a good example of a moderately economically developed city where an academic centre plays an important role. The University in Olsztyn serves as the largest scientific centre in north-eastern Poland, as well the second -largest regional employer.

Olsztyn has a population of 171,979, which guarantees it the status of a large city in Poland (according to methodology used by Statistics Poland). The number of students studying in the city is 25,817. Consequently, during the academic year, the number of residents of Olsztyn increases, on average, by 15% (more than 80% of students are not permanent residents of the city, based on the author's own study). The dominant role in higher education in Olsztyn is played by the public University of Warmia and Mazury (UWM), which educates 82% of students.

By its absolute size and significant share in the city's population, students have an impact on the rental housing market in Olsztyn. Student dormitories on the university campus offer accommodation for only 2,569 people, which is 12% of the students studying at UWM. These buildings are managed by a special unit – non-profit foundation "Żak". The aim of the non-profit foundation is to improve the UWM students' living conditions. As there are not enough places in the dormitories at the university campus, the majority of students seek housing on the private market, which offers various forms of rental for students. They can rent a single or double room in a private student dormitory. They can also rent an entire flat with peers in a building managed by one owner (buildings with flats exclusively for rent), or they can rent a flat or single room directly from a private individual owner. In this case, the cost of rent paid seems to be of greatest importance (Głuszak & Małkowska, 2017). Another form is renting a room in a house where the owner lives with his/her family at the same time. The largest group (nearly 40%) lived in a rented apartment, most of them with peers. The second largest group were students who occupied a room in a family home occupied by the owners (27.5%). The remaining students lived at their parents' or relatives,' or owned their own apartment (Źróbek-Różańska & Szulc, 2018).

A questionnaire survey was distributed among students in 2021, from January (the end of the winter semester) to March (the beginning of the summer semester). Participation in the study was voluntary. Students were asked during remote lectures to complete a survey posted on their individual accounts after lessons or to use a link to the Google Forms application. The relatively short survey and convenient form of survey delivery was successful, with a 99% return rate. The questionnaire was distributed among 315 students of the University of Warmia and Mazury in Olsztyn. The selected sample is representative under standard assumptions (non-conformity level 0.5, level of confidence 95% and maximum error 5%). The selection of the composition of the first group of respondents was random - it was simply ensured that only students answered, while their degree and field of study were already random (the answers were given by students participating in a university-wide lecture, which could be attended by students from all different faculties of the university). In the results, the study degree structure of the sample reflects the structure of the whole population.

## 3. Results

### 3.1. Background

People of all age groups have been suffering from the COVID-19 pandemic. The negative effects therefore also concern the members of the group called "emerging adults", whose start into adulthood has been distorted by the imposed restrictions and limitations. The term emerging adulthood is

proposed to refer to the period from the late teens through the twenties, with a focus on ages 18–25 (Arnett, 2000). The same age range describes students - young people who have decided to pursue higher education. In regular times, without lockdowns and restrictions, it is described as "the age of possibilities" due to the uniqueness of this period: relative independence, self-exploration and experimentation (Chevrier et al., 2020). Emerging adults usually have at their disposal a small income received from parents/guardians, obtained in the form of a study or social grant, or earned from a job (often seasonal or casual, which does not interfere with the studies). Being adults with full legal capacity, emerging adults become parties to many contracts. Among the contracts concluded by university students are also those for the lease of a residential property. The willingness to rent depends on age, mobility and wealth: the relationship with age is inversely proportional and directly proportional to mobility and a stable income (Andrews & Caldera Sanchez, 2011; Cuerpo et al., 2014; de Boer & Bitetti, 2014; Chen & Jin 2014). Being an emerging adult student often requires new living arrangements (Pittman & Richmond, 2008), realized by renting a new living space - a room or a whole flat, alone or together with friends or a life partner. Therefore, students pursuing a higher education constitute a large, multi-million group of tenants. In Poland, the majority of flats for rent can be classified into one of two categories: the communal stock and retail market, which consists of private flats with individual owners. To a lesser extent, institutional rentals complete the market. The majority of the rented apartments are owned by natural persons (so-called "mom and pop owners"), who treat rent as an additional source of income, which makes research of the rental market more difficult, as a large number of the transactions are never registered (Kucharska-Stasiak, 2016).

The outbreak of the COVID-19 virus pandemic, the suspension of lectures and classes, and the subsequent introduction of e-learning triggered a mass exodus of representatives of this age group from the world's academic cities. Along with the abandonment of rented accommodation, the exodus of students has had a number of negative effects on housing markets. In Poland, average offer rates in 2021 were at their lowest level in years. In most of the ten largest Polish cities in 2021, compared to January 2020, average rates dictated by rental offers were lower by up to more than 20 percent (Raport Bankier.pl, 2021). The watershed moment for the rental market came in September 2020, when it became clear that students would not return to study at university premises and that staff would remain to work remotely. This brought increased volatility in almost all markets (Guzowski, 2021a). There has been a supply overhang in the market caused by the increased difficulty to find a tenant due to remote learning at universities, the disappearance of short-term rentals associated with tourism, the popularization of remote work and the increasing number of flats on the market (Guzowski, 2021b). The majority of students and those who lost their jobs returned to their family homes. Demand in the rental market has fallen due to, among other things, a shortage of students who have switched to distance learning and travel difficulties for economic migrants (Rynek najmu…, 2021). The material situation of emerging adults in the cities has worsened. Industries such as catering, hospitality, tourism and entertainment have been hit hardest by the lockdown, so they have been cutting jobs, including contracts with 18-25 old youth (Zbierska, 2020). Moreover, as Marona and Tomal (2020) underlined, the COVID-19 pandemic has undoubtedly caused difficulties in paying rent for some due to the turmoil in the labor market. Financial problems can be applied to both the students themselves and their parents/guardians who bear the cost of rent.

The loss of jobs and the reduction in cash flow from parents/guardians has led to many young people returning to their family homes. It is significant that emerging adults do not consider staying in the family home to be a disadvantage. According to Eurostat data, the average age of a young Pole leaving the family home is 27.4 years. An average young Polish woman leaves her parents' home faster than a Polish man (26.3 years vs. 28.5 years). It is worth knowing that such a difference to the disadvantage of men occurs across the European Union. The 2019 EU figure for men was 27.1 years, while the corresponding moving out age for women was only 25.2 years (Prajsnar, 2020). However, the mass return to family homes has caused a great deal of turbulence in local residential rental property markets, which has provided the foundation for research presented in this article.

### 3.2. National scale pattern

The outbreak of the pandemic and the restrictions introduced in many countries, including those regarding the functioning of universities and other tertiary institutions, have triggered a number of changes in the student housing rental markets all over the world. A clear effect was observed, for

example, in the United Kingdom. Government measures, such as lockdowns, campus closures and rules limiting the mobility of students have resulted in leaving rented accommodation and returning home, often before letting contracts had expired (Cromarty et al., 2021). Canadian students have also reacted to the new situation. According to the Toronto Real Estate Regional Board (Rental Market Report, Third Quarter 2020), the rental housing market replied to COVID-19 with lower rents for students, as the epidemic situation increased rental housing supply and decreased demand. A smaller change in the student rental market was noticed in the U.S. American Community Campus, the only student housing REIT and an industry barometer, which reported that 91.0% of its units were leased in September, down from 97.4% a year ago. Some smaller and second-tier colleges that were struggling to maintain enrolments and finances prior to COVID-19 remain at risk, though they hold only a small portion of the country's total student housing inventory. Longer-term trends point to a modest decline in the number of 18-year-olds in the U.S. (2021 U.S. Real Estate Market Outlook). In Australia, the COVID-19 pandemic shock reduced demand for rental properties at the same time that supply increased. Consequently, rents declined, partly because of discounts on existing rental agreements (Evans et al., 2020).

In Poland, the restrictions related to the management of the epidemic have been reflected differently in the regional rental housing market. In Poland's largest cities (Cracow, Łódź, Poznań, Warsaw, Wrocław, Tricity), surprisingly, student accommodation facilities did not initially experience a significant drop in demand. However, even a small decrease in demand resulted in decreased rent (Rynek mieszkaniowy w Polsce Q2020). In the Tricity and Wrocław, a drop in prices for long-term rentals by 10-20 per cent on average was observed. In Łódź and Lublin, on the other hand, a marked decline in interest in student housing, including room-sharing as well as low-budget housing for foreigners, was noted. In Warsaw, Krakow and Poznan, owners of one- and two-room flats in a good location found tenants quite quickly, providing good conditions and good prices (from 5 to 10 percent lower than the previous year, Propertynews.pl). The average transaction rate on the rental market in Olsztyn fell (Borzym, 2021).

### 3.3. Regional pattern – legal basis

As of 12 March 2020, the operation of educational system units in Poland (all levels) was temporarily restricted. This meant that educational institutions, both public and non-public, did not carry out teaching and educational activities. From 20 March 2020 until further notice, a state of epidemics was in force in Poland, which gave new powers to state bodies and also completely changed the way of teaching - for the first time in the history of Poland, a process of remote teaching was commenced on a national scale.

March 11, 2020, The Rector of UWM issued an order (Ordinance No. 32/2020 of the Rector of the University of Warmia and Mazury in Olsztyn of 11 March 2020 on counteracting the spread of the SARS-CoV-2 coronavirus) according to which all teaching activities conducted at the University of Warmia and Mazury in Olsztyn were suspended. All scientific, sporting and artistic events organized by UWM and other such events organized by external entities on the university's premises were also cancelled. Arrivals of guests from abroad to the University were suspended. In addition, the accommodation of new people in student residences was banned as well as visits of guests from the outside. The order was initially intended to be in force until 29 March 2020, so it was expected that the restrictions might be temporary. According to direct interviews, students assumed that the suspension of classes at the university premises would be only temporary. They temporarily returned to their family homes for the time without classes but did not terminate their tenancy agreements, nor did they remove their belongings from the rented premises.

March 26, 2020, the Rector issued a new ordinance (Ordinance No. 37/2020 of the Rector of the University of Warmia and Mazury in Olsztyn of 26 March 2020 on changes in the functioning of the University under the conditions of the epidemic caused by the SARS-CoV-2 coronavirus). All teaching activities conducted at UWM headquarters and branches were suspended. Teachers of classes in all fields of study of the first degree, second degree and long-cycle master's studies, attending doctoral studies and doctoral school, at postgraduate studies and in other forms of education were obliged to use remote forms of teaching. The remote form was to be in force from the date this Ordinance entered into force until it was repealed. The only condition was that the type of course allowed for the course to be delivered remotely, and the recipients to achieve the learning outcomes set for the course. Consultation of lecturers with students, doctoral students or listeners was also to only take place

remotely, excluding the possibility of direct contact. In this situation, students who had looser lease terms began to return home for longer periods. Some people negotiated to reserve a place for part of the rent. Those who had signed contracts with longer notice periods began procedures to terminate their existing contracts.

May 22, 2020, the following rules concerning education were introduced: all classes conducted at the University's main and branch campus remained suspended, but a possibility was introduced that, based on the information provided by the deans, the director of the branch campus and the director of the School of Public Health, the Rector could, by way of a decision, give consent to organize laboratory classes and classes of a practical nature which, for substantive reasons, could not be conducted online, specifying the deadline for their realization. The accommodation of students in student dormitories was resumed, but with the proviso that it could take place only on the basis of a named list of students drawn up by deans or the director of the School of Public Health, while ensuring safe living conditions, taking into account the current state of health risk to students. At the same time, the ban on visits by external guests was maintained in the dormitories (Ordinance No. 45/2020 of the Rector of the University of Warmia and Mazury in Olsztyn of 22 May 2020 on the rules of operation of the University of Warmia and Mazury in Olsztyn during an epidemic emergency). The Ordinance took effect on 25 May 2020 and remained in force until further notice. In May, students, in addition to flats rented on the private market, also started to leave the dormitories.

With the commencement of the new academic year 2020/2021, October 1, 2020, the Rector issued the next ordinance on teaching organization. According to the regulation (Ordinance No. 82/2020 of the Rector of the University of Warmia and Mazury in Olsztyn of 1 October 2020 on the rules of operation of the University of Warmia and Mazury in Olsztyn in a state of epidemic threat or epidemic), classes at UWM were delivered in remote and mixed modes. The Dean, the Director of the Branch/School of Public Health, the Director of the Doctoral School and the Head of the doctoral studies were to determine the type of learning for classes and the dates of their implementation at the seat of the University/School or in the remote mode. As a result, the possibility of conducting classes on a stationary basis was introduced, though it was limited to a minimum and only in justified cases (e.g. in medical, veterinary and arts-related faculties). It was also recommended that classes be blocked and scheduled in such a way that as few students as possible should be at the university at the same time. In addition, the accommodation of students in halls of residence was resumed, ensuring safe living conditions and taking into account the current state of health risks for students. The ban on visits by outside guests was maintained. The Order entered into force on 1 October 2020 and remains in force until further notice (at the time of the research it had the status of existing law). In accordance with current legislation, university dormitories have resumed operation, though they did not operate under the rules known before the pandemic. In a letter dated 17 September 2021, the Vice-Chancellor set out the new rules. Students who have scheduled blocks of classes on site can use short-term accommodation during class periods. Only students from the Faculty of Medicine, the Faculty of Veterinary Medicine and the Faculty of Arts can book a place at university dormitories for the entire semester (long-term accommodation).

On March 28, 2021, due to the very difficult epidemic situation in the city of Olsztyn and the region, the Rector suspended classes scheduled to be held at the university until April 14, 2021. The suspension did not apply only to the medical faculty and the nursing faculty.

### 3.4. Empirical results

Analyzing the results obtained by the AMRON Centre (Studenci na rynku nieruchomości, 2021), there is a clear trend towards returning to the family home, as well as a decrease in the number of people living in dormitories or rented accommodation (Figure 1).

The greatest exodus to the family home occurred among first degree students (Figure 2). This should also take into account the fact that some (first-year students) never left their family homes in the first place. University towns experienced a sudden reduction in the number of residents aged 18-26, and rental housing owners lost a source of income. It should also be noted that for students who started their first degree in the 2020/2021 academic year, there was no demand for housing whatsoever. From the data obtained from the Office for Students, it was reported that, in 2020/2021, a total of 5196 students were enrolled in the first degree (this figure does not include those who enrolled in medical or veterinary studies, which have a single mode). According to the survey, 82% of the

students come from towns far enough away from Olsztyn to exclude daily shuttle traffic. Thus, it can be estimated that in the absence of the COVID-19 pandemic, 4,261 first-year undergraduate students would report a demand for housing in Olsztyn in September 2020, and 3,794 of them would search for rental opportunities (the remainder would have a proprietary flat at their disposal or would live with relatives). In the current pandemic situation, this is demand that is lost in 2020/2021.

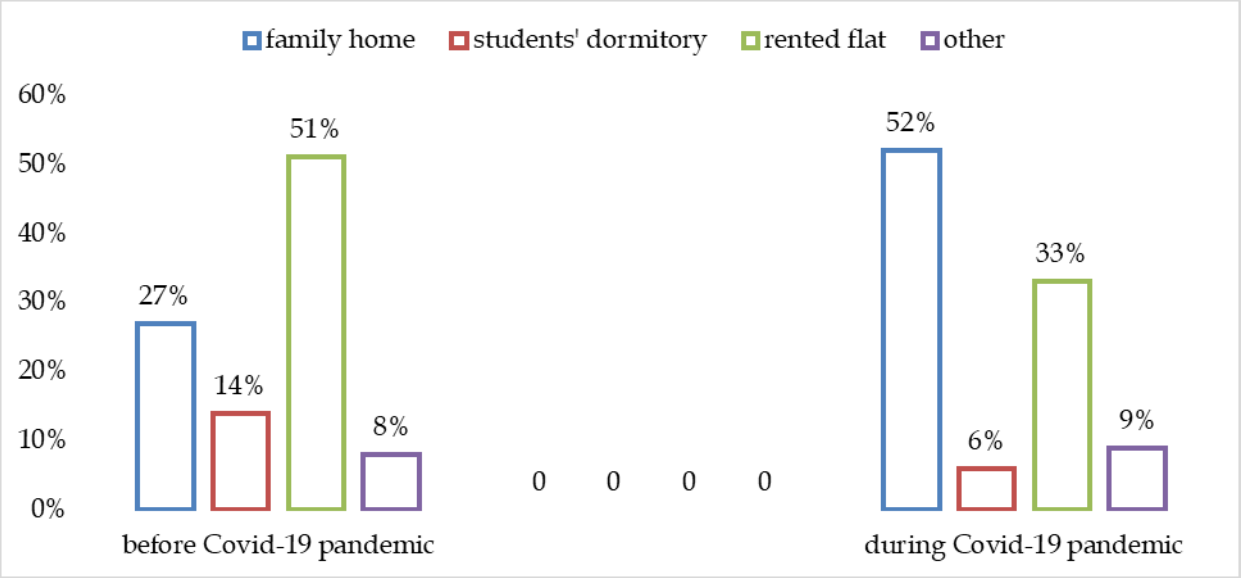



**Fig.1.** Student accommodation before and during the COVID-19 pandemic. *Source*: Own elaboration base on data form Centrum AMRON report (2021).

Research conducted among students of the University of Warmia and Mazury in Olsztyn showed a similar tendency. However, they also allowed for more precise observations.

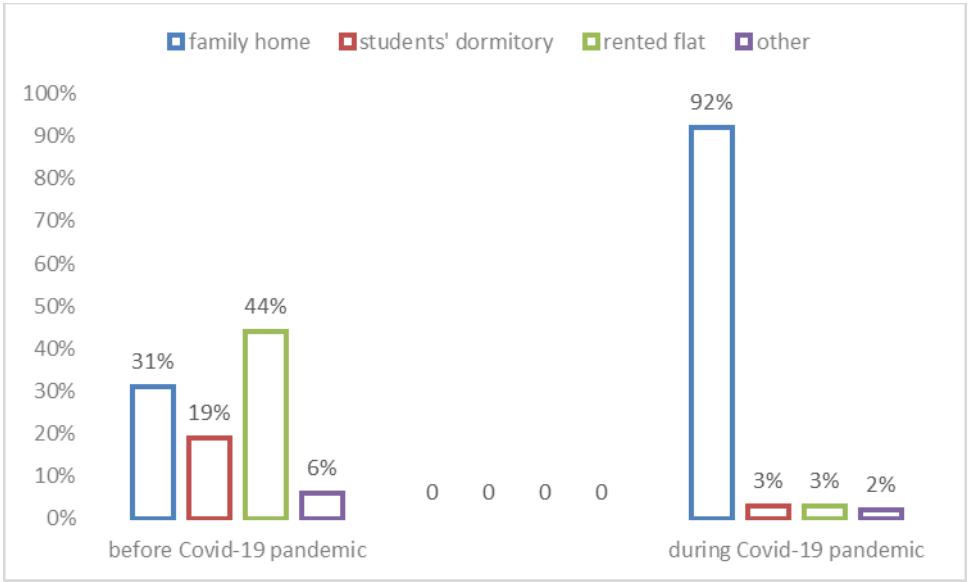



**Fig.2.** First-degree student accommodation before and during the COVID-19 pandemic. *Source*: own survey (2021).

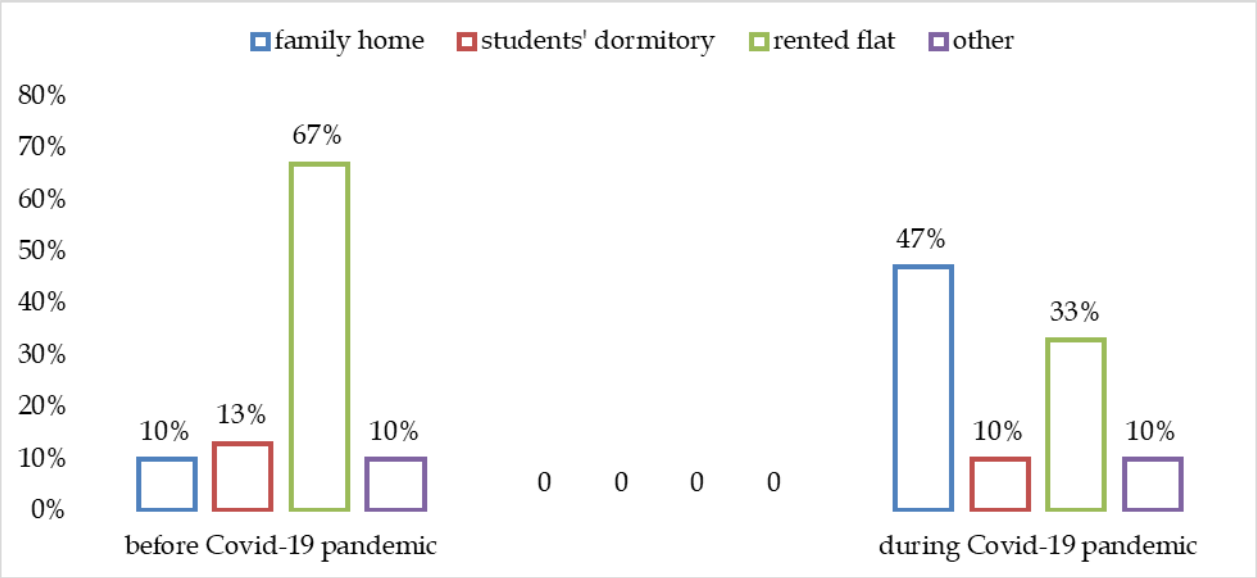



**Fig.3.** Second-degree student accommodation before and during the COVID-19 pandemic. *Source*: own survey (2021).

Slightly different behaviors were revealed by second degree students (Figure 3). Almost a half (47%) remained in their family homes during education period, the proportion living in a student dormitories decreased slightly (from 13% to 10%) and the proportion of tenants remained at 33%. Through face-to-face interviews, the question of the reason for this phenomenon was answered. Students at this stage of their studies (compared to their first degree) are more likely to be in relationships, working, doing internships/apprenticeships or preparing their master's thesis. Consequently, more than half decided to stay in the university town.

An even different pattern of behavior was observed among the students of long-cycle studies – master's degree program (4.5 to 6 years which consists of 9 to 12 semesters) Figure 4). It is noteworthy that long-cycle studies are conducted mainly at medical, veterinary, arts or law faculties. In the surveyed sample, answers were given by persons studying at the faculty of veterinary medicine and at the faculty of arts. These persons, due to the specificity of the sciences they were studying and the requirement for practical classes, had hybrid classes. Classes held at the university premises were concentrated to minimize contact between the different groups. Consequently, these people were given temporary accommodation in the dormitories (the dormitories were not available to people not on the list and outside the time limit of the classes). As a result, most students were living both, at their parents' homes and in the dormitories during the pandemic (therefore, the sum of the answers in this case does not equal 100, because the students temporarily lived in different places). Students in their final years of studies also maintained a tenancy.

Through face-to-face interviews, a full picture of the prevailing situation was put together and the following pattern of young people's behavior on the student rental market was identified (Figure 5).

There have been significant changes in the demand for student accommodation as a result of the introduction of remote modes of teaching at the university for most classes delivered across all modes of study, leading to demand decreasing gradually. The students acknowledged that they initially viewed the suspension of classes taking place on campus as temporary. Consequently, most tenants did not immediately terminate their leases. After the transition from total suspension of classes to distance learning, students gradually began to move out of their rented accommodation. The pace of termination depended not only on the notice period, but also on the field of studies - in some cases, classes were maintained at the university (e.g. medical faculties), in other cases, students expected single practical classes to be concentrated, and, in others, students were informed that classes would only be held online. Moreover, some students were preparing their graduation thesis and, for this reason, stayed in Olsztyn until the end of the 2020 summer semester. A full change in the demand for student housing will be observed in the academic year 2020/2021, as most students leave their occupied flats during the summer break and start looking for suitable accommodation before the start of the new academic year (late August/early September). In September 2020, students were expecting

a mode of instructions that in fact took effect from 1 October 2020 until further notice. Therefore, in the academic year 2020/2021, the impact on the property market was already permanent, and the decline in the demand for student housing became a year-round fact.

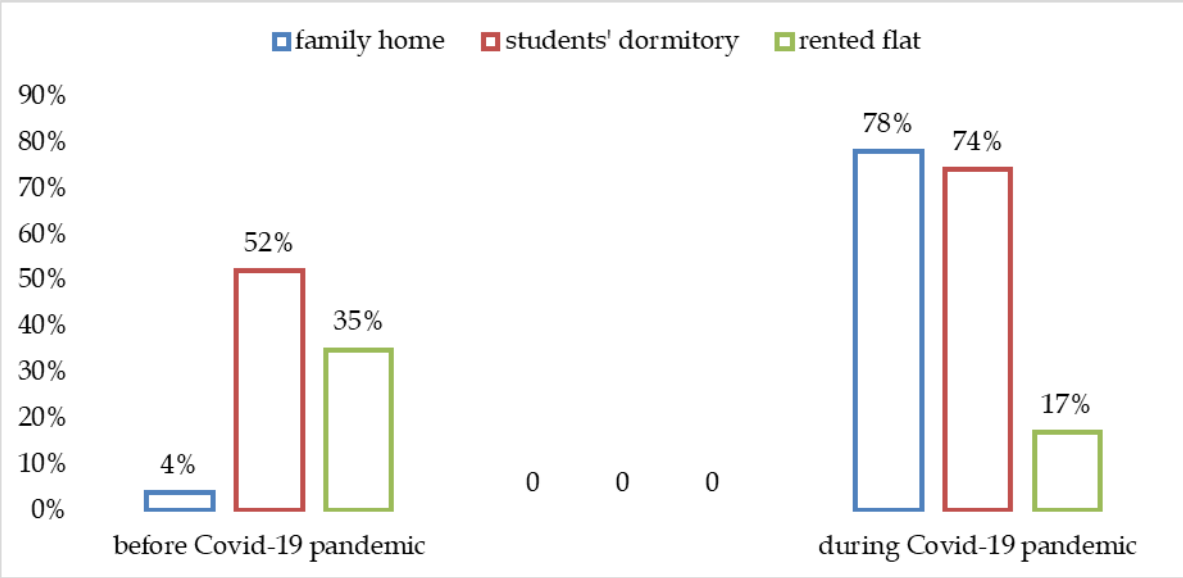



**Fig.4.** Long-cycle studies student accommodation before and during the COVID-19 pandemic. *Source*: own survey (2021).

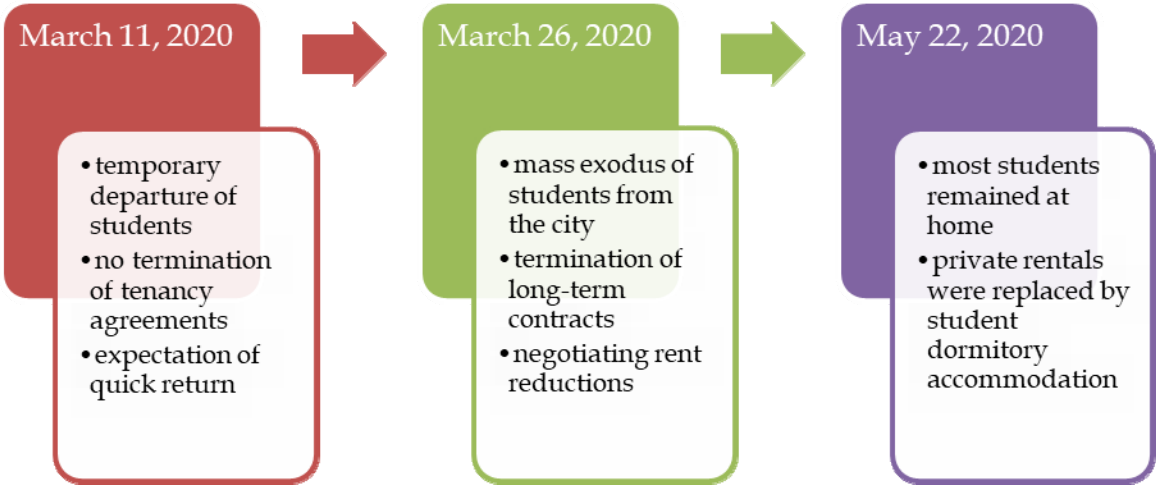



**Fig. 5.** Gradual withdrawal from the student rental market. *Source*: Direct interviews (2021).

On the demand side, other developments, such as the substitution effect and changing consumer preferences, were also noted. 19% of respondents noted that there are many more student rental properties on the market in 2020/2021; 12% have benefited from reduced rent and 6% felt that the terms of the lease have changed in favor of the tenant. As a result, greater choice and lower rented accommodation prices have prompted some students to move from university halls of residence or hostels to a flat rented on the private market. In addition, the new market situation has given students the opportunity to move to flats in better locations with better standards, or to live with fewer roommates. At parallel, students who remained in previously rented accommodations began to negotiate lower rental prices. It can, therefore, be concluded that the demand curve in the student rental market shifted to the left. It is also worth mentioning that 82% of tenants and former tenants did not pay a reservation to secure their place in a flat, assuming that they would find another flat upon their return.

As a result of the pandemic, an excess of supply over demand was noticed. Accurate data

illustrating this phenomenon was obtained from the manager of university dormitories. The university dormitory offers accommodation for up to 2,569 students. Before the start of the pandemic and the restrictions associated with it, the occupancy rate in the dormitory was 92% (data as of 11.03.2020), this being exclusively long-term residence. As a result of the start of remote teaching and its continuation in the academic year 2020/2021, the occupancy rate in the dormitory decreased significantly, and was 27% (data as of 22.02.2021). Since the pandemic, students can benefit from two types of residence: long-term and short-term. In practice, 96% of students living in a dormitory use the long-term option. Rents have not changed, but the terms of tenancy have - short-term tenancy has appeared (previously unavailable).

On the supply side, the phenomenon of crowding out has been noted. On the one hand, the availability of dormitory places for selected groups of students and the new short-term rental offer has displaced demand for housing on the private market. On the other hand, the increased offer on the private market and the lack of supply of places in dormitory for ineligible students has redirected demand to the private market. Private dormitory owners, on the other hand, have seen the demand for their offers almost disappear.

## 5. Conclusions

The COVID-19 pandemic caused a series of turbulences in basically every sphere of life for people all over the world. It also changed the functioning of cities and their inhabitants. Closed hotels and restaurants, restricted shopping malls, the obligation to wear masks in public spaces, the order to maintain social distance, restrictions on the use of public transport and, finally, the closure of schools and universities and the transition to remote learning, have broken a cycle of agreements which had been in force for many years in markets all over the world.

This article attempts to examine and describe the impact of the pandemic and its consequences in terms of university closure on the students' rental behavior in a city where the academic center plays an important role and students constitute a significant part of the city's population. Students belong to an age group referred to as emerging adults. By arriving in a city to take up studies, they significantly expand this age group (e.g. in Olsztyn, Poland there are almost 10,000 registered long-term residents at this age and about more 15,000 people in this age group are staying in the city temporarily due to studying at a university). Emerging adults, especially those who have had to leave the family home, enter into real estate deals. Due to the temporary nature of their stay and the small disposable income, these contracts are usually for rental housing. Students settle in student dormitories, both public and private, and, to the greatest extent, in off-campus private flats and rooms for rent. The closure of university premises, the suspension of classes and the subsequent introduction of distance learning caused an exodus of this large group. According to our own research, the percentage of renting students fell from 73% prior to March 2020 to 30% in March 2021. Many students returned to their parents' homes (except for those who had their own flats in the city), which was 41% in the countryside, 13% in a small town and 19% in a medium-sized city. It can therefore be seen that this age group, hitherto concerted in large cities due to the location of universities, has become geographically dispersed. The return of students to family homes has hit the residential rental market. Belonging to the most mobile age group, students reacted very quickly - they terminated their leases and have also been unwilling to pay to secure a place (most believe they will find new accommodation when they return to regular teaching). It has to be taken into account that student housing tenancy agreements are characterized by different types, contain diverse conditions and, as a result, have different legal force. Contracts that were structured in such a way that the terms of the lease were valid regardless of epidemic circumstances resulted in rents having to be paid until the end of the contract period. However, student accommodation is also rented in the grey market (landlords thereby avoid paying rent tax), without written contracts. In such circumstances, breaking the contract could take place with immediate effect. The expectations of landlords have fallen - a decline in prices has been noticed and, in the adverts, it is increasingly rare to see notes "only for working students" or "no pet owners".

However, a clear difference in the behavior of first degree, second degree and long-cycle masters students was observed. The most flexible tenants who terminated their leases at the fastest rate and returned to their family homes turned out to be first degree students. This is largely due to the fact that, having studied for a relatively short time, they are the least bound to the city: fewer work or form

serious romantic relationships at this stage. In contrast, second-level students who had been in the city for at least 3 years showed a greater tendency to stay in the city during the pandemic. These were often people who had worked in the city, were already used to living there or were concerned that separation from their life partner might contribute to a breakdown of their relationship. In contrast, long-cycle master's program students significantly exchanged housing rented on the private market for short-term residence in a student dormitory.

As the survey was carried out directly among a group of student-tenants and supplemented by a survey among landlords, it provided information on students' behavior on the rental market. Students have demonstrated no reluctance to quickly return to their family homes (e.g. in Poland, strong family ties are considered valuable and most Poles maintain intense contacts with their closest family members); no attachment to the rented flat (students treat occupied housing as temporary); full reluctance to pay for reserving a place in the flat due to the lack of attachment to the location and awareness of the market situation leading to negotiations of lower prices and more favorable rental conditions (see also: Źróbek-Różańska 2022).

It is worth noting the difficulty and limitations of research on student tenancies. Institutions involved in real estate market research (in Poland, this is, among others, the National Bank of Poland, but also commercial enterprises) obtain rental data from real estate agencies. As a result, in reports published by the NBP or other institutions or companies, no significant drop in the rental market was initially recorded. The reason can be found in several important aspects:

1. the surveys usually concern the largest cities, which bind students not only because of their studies, but also because of their work, lifestyle and desire to connect their future to this city,
2. the data comes from agency offices, the services of which are used by owners of more profitable housing, and student rentals are usually based on low-cost and multi-occupied properties,
3. many tenancies are informal and contracts are not recorded.

Student behavior was reflected on the supply side. The direct research provided insight into the mechanism operating among landlords - they became much more flexible. Some decided to renovate their flats as they had not planned before and to offer them to a different target group, while others agreed to lower rent and on less favorable rental conditions for the owner. The above conclusions justify the statement that the aim of the research has been achieved. The presented results shed some light on the impact of the COVID-19 pandemic on the real estate market in the terms of student rentals. This particular study was conducted in the city of Olsztyn, Poland. In the case of reproducing the research in other countries and cities, it is worth trying to reach all parties to student rental agreements that are practiced in a given location.

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