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What's a student loan?

Lucy Bannerman meets the international rich kids who are keeping Britain's universities afloat
Lucy Bannerman



It is the day after her last exam, but the hard work hasn't stopped for Julia Stakhiva: she has a graduation outfit to plan and £10,000 to spend on it. While other students might celebrate the end of their finals, bingeing on cheap pints before embarking on the dreaded job search, she must fly to Moscow to meet the stylist who has been planning her summer wardrobe. Those couture dresses won't choose themselves.

Then there's Daria. She travels to tutorials in a Mercedes CLS that glitters from bumper to bumper in Swarovski crystals. The bane of this student's life is trying to find a parking space outside Harrods. Temi loves the freedom of the student union bar, where no one need know she's the daughter of a Nigerian billionaire. Hassan misses his Porsche Cayenne back in Lahore, but the polo-playing son of a Pakistani businessman knows that sitting round the blackjack table at Mayfair casinos will be every bit as useful as his management degree from University College London.

International students contribute £7 billion to the UK economy, with London being the most popular city in the world for those studying overseas. One in every six students in the UK is from abroad, compared with about one in every twenty-five in the USA. Global competition to attract these young people and their fees has become increasingly fierce. Tuition fees for British students are a maximum of £9,000. International students doing undergraduate degrees in England are charged £10,000-£17,000 for humanities/social sciences, up to £20,000 for sciences and engineering, and up to £30,000 for clinical subjects.

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Julia Stakhiva,

The sums involved mean that many of these undergraduates are part of a new, and increasingly powerful, generation of students from very wealthy backgrounds. This lot don't need to steal a traffic cone; their families could probably buy the factories that make them.

If 'rich student' was once a contradiction in terms, it isn't now. The number of domestic students in London is down 40,000 compared with five years ago but international students, or more accurately, their parents, have become a force to be reckoned with, bringing in £2.3 billion each year to the capital in fees and spending, creating 70,000 jobs, and even overtaking jet-setting professionals as the biggest force driving the rental property market.

They gain a first-class education in the city where their families invest their wealth, and the universities reap the revenues from undergraduates whose parents are the gazillionaires of China, Russia, Saudi Arabia and Nigeria. *The Young Ones*, they are not.

Julia Stakhiva, for example, would never share a house with anyone who wasn't a family member or staff. University, for the 24-year-old Ukrainian, who describes the source of the family fortune as 'food production', has been a whirl of yoga, Selfridges and cocktails at the Chiltern Firehouse. She eats out almost every evening – I would never spend more than £5,000 a month on restaurant and drinks; that would be silly – and spends almost as much on keeping her teeth white, hair glossy, pores lasered and her face chemically peeled (£10,000) as she does on tuition fees (£16,000).

There have been new experiences. 'Like grocery shopping! My boyfriend took me to Fortnum & Mason. Then we cooked the food at home. It was amazing.' And disappointments, such as having to fire the assistant whom she paid £1,500 a month to ensure her drink wasn't spiked at nightclubs, make hairdresser appointments and take photographs of her social life for Instagram. 'She failed my expectations,' says Stakhiva. 'I grew really tired of giving her directions.'

Her priority is deciding what to wear when she graduates with a degree in global business management from Regent's University, one of the few private universities in the country, and the only one whose campus offers easy access to Selfridges between lectures.

It will be her second BA (the first was in fashion business from the Istituto Marangoni in Paris). 'My teachers told me, "You're Russian. You're spoilt. You're pretty, but you'll never be able to break through into fashion." People were jealous and trying to make me feel bad. No one believed in me, but I believed in myself.' She spent £200,000 on cosmetic procedures. 'Now, I have 36,000 followers on Instagram.'

I came here completely on my own. No one here knows who my dad is. It was a blank page. I have to be independent and make my own decisions. My father is very proud of me.'

Stakhiva, as is typical of international students, plans to return home after her studies. Fewer than 3 per cent of international students applied for work visas last year after graduating from London universities. An only child, she hopes one day to help run her father's businesses. She knows about these things because she did a module on wealth management. Her dissertation was about generating income from Instagram.

“My life looks like it’s easy, but it’s difficult to make money,” she says. “It’s even more difficult to maintain, once you have it. The key to being rich is making the right financial decisions, so I feel that’s quite a big responsibility.”

She’s carrying two books in her handbag: *Frugal Innovation: How to Do More with Less* and *Smarter, Faster, Better: the Secrets of Being Productive in Life and Business*. Both, for the time being, remain unread.

“International students are the gift that keeps on giving,” says Tim O’Brien, vice-president, global business intelligence and development at INTO University Partnerships, which helps foreign students who would never have got into university 15 years ago on to world-class campuses by offering one-year foundation courses in partnership with universities that improve their English, while preparing them for a British degree.

His organisation was one of the first to spot this market. Its courses have proved popular for both the partner universities that are happy to accept international student fees, and young people who can afford to convert their qualifications from a college in Azerbaijan or a Saudi high school into something that will be recognised on a Ucas form. INTO started with 27 students in 2006. It now brings 8,200 students from 116 countries to British campuses every year.

“Universities want a slice of the action,” says O’Brien. Looking at the numbers, it’s not hard to see why. In the 2013/14 academic year, international students contributed £1 billion in fees to London universities that’s almost 40 per cent of the universities’ entire income from fees. It’s estimated they spent a further £1.36 billion in the city while they were here. Tourist visits from family members and friends raked in another £121 million.

There are “soft power” benefits too, says O’Brien. “If you’ve got a couple of hundred thousand students who have been educated in Britain, it’s not hard to imagine how that could help sell Range Rovers in China or Burberry coats to Japan. It becomes a virtuous circle.”

Every graduate must be international in outlook, if not expenditure, he argues.

“I honestly don’t care whether the student comes from Middlesbrough or Manchuria,” he says. “Problems don’t have passports, and neither should an education. The big problems facing the world today are global terrorism, migration, the Zika virus – so attracting [international students] should be central to any university’s mission in the 21st century. There’s much more to it than the idle elite coming to buy Louis Vuitton handbags on Regent Street, or sons and daughters of Russian oligarchs and Chinese billionaires spending the inheritance in a casino on a Tuesday night in Mayfair.”

I’ve been on the Tube. I won’t lie; I don’t like it. I always carry antibacterial cream.
Daria Radionova,

To be fair, Hassan Ahmed, the polo-playing, art-collecting, Porsche-driving son of a Pakistani businessman, is not averse to a little gambling on a school night. He’s not here to shop, although shop he does (“You can never have too many shoes”). He is here to network.

“Unless you’re rubbing shoulders with the right people, you’re only going to go so far, no matter how smart you are, or how much you deliver on the numbers,” he says. “People want someone to be on top, who’s social, who’s a charmer, and I think that’s something this city teaches you more than the classrooms.”

“I’ve made so many social connections. You see what sort of people are making money. I’d never have been able to know what business is like in Argentina, or about the cement industry in India, or construction in Europe, but now I have friends who are able to tell me what business is like back home. You get a very good platform to see where you would like to expand once you start your professional life as an entrepreneur. It’s one of the reasons my father wanted me to come here. London has taught me the way of the world.”

Ahmed, 23, who’s studying management at University College London, has already dabbled in the world of work, spending a year engaged in wealth management for an Abu Dhabi bank, but he missed being a student. (He did his first degree in Coventry.)

“You know when you’re a student and you can have days when you absolutely do nothing? I really missed that.”

He’s no stranger to staying in the library until 3am, but likes to reward his good grades. “I love to party.” His monthly spending varies from £5,000 to £7,000, excluding rent, but he expects this summer to be more expensive than usual. He went to a friend’s house in Monaco to watch the Grand Prix, and he’s going to Rio for the Olympics.

He’s out almost every night, with one or two big nights every week where he’ll spend £800 or £900 on dinner, clubs and the casino. Hassan decided early on he didn’t want to slum it as a student, and told his father as much.

“I understand he wants me to live within certain means, but I told him that me living in cramped accommodation or not eating in nice places is not going to teach me anything. In fact, the exact opposite. If I’m eating in crappy places, I’m not going to be networking with the right people. He understood my point.”

Wealthy students from Russia, China, India, Nigeria, Malaysia, the Middle East and beyond “are a force to be reckoned with”, says Naomi Heaton, chief executive of London Central Portfolio, specialising in property investment in Kensington, Chelsea and Westminster.

“The reality is that students now have more purchasing power than many of our corporate tenants, working for the big banks,” she says.

It turns out students and the City boys tend to want the same thing. “I call it the boutique hotel look,” says Heaton. “They want that sort of ubiquitous designer hotel room look, with decor in taupes, blacks and greys. Very swish.”

I would never miss lectures. After uni, I’ll have all the time in the world to go to fashion shows. **Temi Otedola,**

They are living alone – they don’t want to share – so one or two-bedroom apartments are “the sweet spot of the market”. It’s no coincidence that rents in Marylebone, Fitzrovia and Mayfair have increased by an average 10.6 per cent over the past six months. They expect a concierge service, porters on the door, staff on a front desk. Art installed. Needless to say, there’s not a Che Guevara poster in sight.

“All those rites of passage that we used to associate with student life are not there any more,” says Heaton. “They want to walk in and be installed. They’re used to staying in the best hotels, and flying business class or first class. They want the whole package.”

The whole package they will get, when Heaton's company offers a new service later this year that will combine lettings with a bespoke concierge service, aimed at children of the super-rich living away from home for the first time. They won't just get a swanky pad; they'll get someone to deal with their insurance and utility bills, register them with a doctor and a dentist, and even arrange English tuition.

It's hand-holding through that process, doing all the dull things, such as cleaning, doing the shopping and delivering the food," says Heaton. "I think that will become part and parcel of what we will have to do."

The market demands it. "American and Australian universities are working very hard to win these students, so we have to be competitive to keep them. They are a huge economic force that should be nurtured."

Anastasia White, 22, is Russian, but was raised in Cyprus. She has no such thing as a budget. She knows exactly where to get the best tuna and truffle sushi in Mayfair, and the best cocktails in the bars and private members' clubs that are so familiar to the capital's young elite: LouLou's, Tramp, Novikov, DSTRKT.

But it's the arts that are really her thing. She regularly jets off during term time to enjoy the ballet in Vienna, opera in Naples, a Michelin-starred lunch and the Louvre in Paris.

Her look is "understated fabulous": top and trousers from Intimissimi and Zara, but worn with designer heels, a Céline handbag and Chanel pearl earrings. She maintains a more "casual, sporty" look for campus: "Maybe some Chanel ballerina pumps, a nice, warm Stella McCartney sweater," and a laptop and lip balm in a (different) python-skin Céline handbag.

She is now deciding where to go for her £20,000 master's in September. A human resources course at the London School of Economics is an option, but first, there are parties in Mykonos, Monaco, St Tropez, Capri and Sardinia. "Then the hard work will begin."



A degree is not ammunition for entering the job market, she says. "It is for my own personal development. I come from a modest family. For me, it's important to be happy and fulfilled as an individual, and to achieve things by myself, not just to be known as the child of someone. There's no need to show off what I have."

Right now, she says, she's more interested in continuing her own food blog and using £20,000 from her family to develop an app for her yet-to-be-revealed fashion line.

"There are certain students who come here, who haven't done anything in life and don't achieve anything," she says. "It's infantile and immature. They just want to shop or spend all their money on clubs. It's not really nice to see them behaving so carelessly. I don't take anything for granted. I try to celebrate life every day. I don't need to prove anything."

Overseas students are effectively keeping our universities solvent, argues Professor Alan Smithers, education expert at the University of Buckingham, which is privately funded. "Whereas fees payable by home students have been capped by the government, universities are free to charge overseas students what the market can bear," he says. "Universities are, at heart, businesses. They have to pay their way in the world. Though we've heard a lot about tuition fees for home students, in fact they don't cover the full costs of the education, so the teaching they receive has to be cross-subsidised. International students are helping them balance the books. It's hard to see how some of the Russell Group universities would survive without a healthy stream of overseas students."

It has not always been the case. He says that, up until the Thatcher era, international students used to enjoy the same free higher education as their British course mates.

"There was an absolute outcry. They said that nobody would come, it would undermine the ethos of British education for the best and the brightest. In fact, it was quite the reverse. The students continued to come, and seem happy to pay, and universities are now quite dependent on them."

If anything, competition for foreign students is getting more fierce, with Australia and New Zealand an increasing threat to Britain's appeal. Some universities are even going to the lengths of opening campuses abroad.



Radionova, who went to boarding school in Somerset and college in Brighton, admits she wasn't exactly a model student. "I didn't study 24 hours a day," she shrugs, with a flick of her hair. "Or sit in the library until it closed. Half of what they teach us, I knew already."

What was the best part of university? "Finishing!" she laughs, adding that "it was quite good to see other people and, how to say, appreciate what you have."

She lived alone in a flat opposite Harrods, where she would buy everything from books to water. "I never check the price tag," she says. "I just buy what I want. Yes, I can spend a few thousand on a bag, but I want to invest my money. I'm not going to waste it all on handbags. I'm really a down-to-earth person."

She cannot bear any bleating about rich students getting an unfair advantage. "It is up to people if they will achieve something in their lives, or if they will not. There are many people who are unemployed. Why they unemployed? Maybe they don't try hard enough to find a job. Do something yourself. Like me."

Her phone beeps. It's an urgent message from someone who's waiting for her in Harrods. She has to dash. I walk her to her car, which is parked five minutes' walk from the store. She estimates it will take 20 minutes to find a space slightly closer, but decides to drive anyway.

"Don't you want to ask more questions?" she asks. "We've not talked much about the car."



In contrast, for Temi Otedola, the 20-year-old daughter of Femi Otedola, the Nigerian oil and gas billionaire and one of Africa's richest men, university has been an opportunity to lead a more normal life. The aspiring fashion blogger, who has a British passport, was raised between London and Lagos, via boarding school in Canterbury and a family home in Knightsbridge. No one could accuse her of slumming it – this weekend, she's attending a Bulgari event in the south of France before going to a friend's 21st birthday party in Rio – but she does appear to have embraced relative anonymity as a first-year history of art student at University College London, living in student accommodation, drinking in the student union bar and even, on occasion, taking the night bus.

“It's all part of the student experience,” she says. She has observed, if not personally participated in, Wednesday-night drinking games and sports club initiations.



“It has been fun, living independently, meeting new people, studying something I love,” she says. “In some ways, as much as I miss Nigeria, it’s really lucky that I’ve been able to start my career here. I have a well-known name in Nigeria. No one knows what it means here, so I think I’ve been given a much fairer chance of starting on my own. At end of the day, you’ll never know if things have been handed to you for the wrong reasons, but you can almost start afresh. No one really cares who you are. Yeah, it’s great.”

She loves her accommodation. “It’s a nice melting pot in my building.” Isolating herself in a luxurious flat held no appeal.

“Living by yourself in a nice apartment is usually something you’ve done after a few years’ work,” she says. “If I don’t even have my degree and I’m already living comfortably, I wouldn’t really feel the pressure to succeed. What would I have to look forward to? There would be no ambition to do well in my degree.”

Ditto the distractions of London. “People might be pulled in by all the glitz and glamour, but at the end of the day, it’s really important to focus on studying. You can do London later.”



She'll still attend fashion weeks in Paris and Milan, ðbut never the full week. I'd never miss lectures to go to a fashion show. They're definitely more important. After uni, I'd have all the time in the world to go to fashion shows. I don't even think my parents would let me.ö

Otedola, who hopes to do a master's degree in contemporary African art and dreams of opening a gallery in Lagos, gets a monthly allowance for food and bills, ðbut if I decide to spend it all at once, then that's my own stupid fault. I won't eat for the week.ö

As for tuition fees, she says she has ðfriends tied down with loans. They are under so much pressure, having to work nine to five while studying. I've been so blessed that that doesn't keep me up at night, but you have to question why the fees keep going up. You could have a whole generation of people being left out.ö

In the meantime, the south of France beckons. She's got to pack or, as she says, ðput all my looks togetherö. Before she steps on that plane, there's a *Tatler* party to attend.