

STUDENT ACCOMMODATION

OVERVIEW

With higher education having become one of the world's most successful and dynamic industries, the student accommodation sector has grown to become a mature and stable asset class, attractive to both international and domestic real estate investors.

Our multi-disciplinary student accommodation team advises specialist operators, universities, fund managers, equity investors and lenders in the sector. We focus on the entire life-cycle of student accommodation assets and businesses. We regularly advise:

- owners on direct and indirect acquisitions and disposals of portfolios of student accommodation properties;
- on planning, forward-funding, development, management, nominations and letting agreements for universities and owner-operators;
- investment managers on structuring and equity capital raising for joint ventures and open-ended and closed-end funds investing in the sector; and
- lenders to student accommodation platforms and businesses.

We have advised on some of the largest and most high-profile transactions in multiple jurisdictions for market-leading operators, investors and lenders. Our exposure to this sector places us in a unique position in which to add value to our clients.

MEET THE TEAM



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RELATED PRACTICE AREAS

- Higher Education Team

EXPERIENCE

OPERATORS AND INVESTORS

ADVISER TO THE LEADING STUDENT ACCOMMODATION PROVIDER IN THE UK

Location: UK, Nationwide

- Advised Unite Students on a £300 million fundraising for the Unite UK Student Accommodation Fund (USAF);
- Advised on the £270 million acquisition of the AUB UK Student Accommodation Fund, a portfolio of 2,099 beds across eight properties in London, Durham, Birmingham, York, Oxford, Leeds and Glasgow; and
- Advising on all real estate matters for the USAF and LSAV (a 50/50 joint venture between the Government of Singapore Investment Corporation and Unite) which has included:
 - acquisitions including Stratford One and Aston Student Village;
 - disposals including the Project Spring Portfolio, Project Mayflower Portfolio and Woburn Place in London;

- forward funding developments including Beech House in Oxford, Rushford Court in Durham and 1st Way Wembley;
- refinancing portfolios of properties; and
- strategic environmental and planning advice.

£300 MILLION ACQUISITION OF STUDENT ACCOMMODATION PORTFOLIO

Location: UK

Advised Europa Generation on acquisitions including the £300 million acquisition and forward funding of the Watkin Jones Project Montreal portfolio.

£439 MILLION ACQUISITION OF UK STUDENT HOUSING PORTFOLIO

Location: UK

£439 million acquisition of a 90% interest in a Downing developed and managed 3,636 bed UK student housing portfolio comprising four operational assets and four assets in the course of construction.

M3 CAPITAL PARTNERS

Location: UK

Advised M3 Capital Partners in relation to the restructuring of the ownership of Urbanest UK, including the buy-out by Evergreen of the minority interest held by the previous management team; and in relation to Evergreen's investments in the Urbanest UK and Urbanest Australia platforms.

ACQUISITION OF STUDENT ACCOMMODATION IN LONDON AND LEEDS

Location: UK, London and Leeds

Advised Rockspring on the separate acquisition of the Dashwood studios in London and Leodis student accommodation in Leeds, the subsequent development agreement and lease re-gearing for Leodis and joint disposal.

£532 MILLION SALE OF A STUDENT LIVING PLATFORM

Location: UK, London

Advised The Carlyle Group on the creation of the Pure Student Living platform joint venture with Generation Estates and subsequent sale to LetterOne Treasury Services for £532 million. The Pure portfolio then comprised of 2,170 rooms across five prime central London sites; Highbury, Hammersmith, Bankside, City and Whitechapel one of which was still under construction.

£415 MILLION ACQUISITION OF A STUDENT ACCOMMODATION BUSINESS

Location: UK, London

Advised Round Hill Capital £415 million acquisition of the Nido student accommodation business, with sites in King's Cross, Spitalfields and Notting Hill which provide accommodation for over 2,500

students, from private equity firm Blackstone. Advised on the subsequent refinancing and then subsequent sale to Greystar Real Estate Partners for £600 million.

UNIVERSITIES

LONDON'S LEADING MULTIDISCIPLINARY UNIVERSITY

Location: UK, London

Advising on UCL East, a 1.5 million sq ft development project. The development involves a brownfield site and the designing of a new university complex with a mix of student and staff accommodation.

NEW YORK UNIVERSITY "PLAN 2031" PROJECT

Location: U.S., New York

Represented New York University in the development of a master plan and obtained land use approvals for the "Plan 2031" project, a long-term city-wide strategy for growth involving the expansion of the University's core campus in Greenwich Village.

KING'S COLLEGE LONDON'S PURPOSE-BUILT STUDENT DEVELOPMENT

Location: UK, London

Advising on the Vauxhall student accommodation development scheme for King's College London which involves a £120 million, 32 storey, purpose-built student development of 553 bedrooms in the heart of Vauxhall and Nine Elms.

PUBLIC UNIVERSITIES IN COLORADO

Location: U.S., Colorado

Represented several public universities in Colorado in connection with the financing, development and construction of student housing by private developers, both on campus with a ground lease and immediately adjacent to campus. In both cases, a foundation that supports the university is the owner of the housing project and contracts with a professional student housing management company for the management and operation of the project.

JEWISH THEOLOGICAL SEMINARY OF AMERICA

Location: U.S., New York

Represented The Jewish Theological Seminary of America in its \$96 million sale of two properties on the Upper West Side of Manhattan to Savanna, a New York real estate development firm. The transaction included the negotiation and execution of a complex zoning lot development and easement agreement that will govern the development of the zoning shared by The Jewish Theological Seminary and Savanna on which The Jewish Theological Seminary will construct a new library and dormitories, and Savanna will construct a 250,000-square-foot residential building.

REGENERATION OF UNIVERSITY CAMPUSES

Location: UK, Brighton

Advised University of Brighton on regeneration of its Falmer and Moulscombe Campuses, including

redevelopment and replacement of existing buildings to provide a new library, student accommodation and a wide range of state of the art teaching and sports facilities.

FINANCING OF TWO STUDENT ACCOMMODATION DEALS

Location: UK

Advised M&G Investments on the financing of two student accommodation deals. The first was in connection with a £115 million loan to IQ Two Property Limited Partnership, secured over a portfolio of student housing in London, Leeds, Sheffield, Preston, Birmingham, Salford and Edinburgh. The second was in connection with a loan to IQ Shoreditch Property Limited Partnership, secured over a property in Silicon Way, London. Both Borrowers were backed by The Wellcome Trust and Quintain Estates and Developments plc.

£219 MILLION FINANCING OF THE REGENERATION OF ASTON UNIVERSITY'S STUDENT ACCOMMODATION

Location: UK, Buckinghamshire

Advised Lloyds on its £219 million financing of the complete regeneration of Aston University's student accommodation and its funding of new student accommodation at Buckinghamshire New University, including detailed involvement in construction procurement strategy and documentation and advice on risk management issues.

437 BED LUXURY STUDENT ACCOMMODATION

Location: UK, Nottingham

Acted for LaSalle Investment Management on providing senior development finance for the Fusion design-led 437 bed luxury student accommodation in Nottingham.

£124 MILLION LOAN SECURED ON 13 STUDENT ACCOMMODATION PROPERTIES

Location: UK, London

Acted for the Korea Investment Trust on their £124 million loan with Deutsche Bank to MSAF Finance Company Limited secured on 13 student accommodation properties in London.

EURO DINERO SARL (AN AFFILIATE OF SOVEREIGN WEALTH FUND GIC)

Location: UK

Advised as lender on a £155 million senior mezzanine loan, as part of a wider c.£600 million refinancing of existing debt, to LRG Group.

REPRESENTATIVE CLIENTS

- The Carlyle Group
- Euro Dinero Sarl (an affiliate of sovereign wealth fund GIC)
- Europa Generation

- King's College London
- Korea Investment Trust Management
- M3 Capital Partners
- M&G Investments
- LaSalle Investment Management
- Lloyds
- Rockspring
- Round Hill Capital
- Tristan Capital Partners
- Unite Students
- University College London
- University of Brighton

RELATED INSIGHTS

Insights

Sep 29, 2022

Student Accommodation: What is happening in the market? Six key things you need to know

With a huge influx of students this year, both from the UK and abroad, there is high demand for purpose built student accommodation (PBSA). Yet, while there is a lot of willing capital looking to enter this market, as with everything at the moment, the sector faces challenges in the short to medium term, from rising debt and utility costs, build cost inflation and the ever developing building safety regulations. Providers are also under cost pressure looking to the future to ensure that their portfolios are geared up for net zero by 2030 and some of the decisions that they make now will play a big part in demonstrating their commitment to the green agenda.

Insights

Aug 13, 2020

Real Estate Finance - Student accommodation: Prospects and opportunities