

PRESS RELEASE

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EQT Exeter to acquire portfolio of six purpose-built student accommodation assets in the UK

- EQT Exeter to acquire six flagship student accommodation assets in two separate transactions from subsidiaries of Watkin Jones PLC and Tide Construction
- The transactions total 2,313 beds in high-quality developments and will improve the availability of student housing in central locations in top-tier university cities in the UK
- Bringing its European student housing portfolio to a total of 5,222 beds, EQT Exeter continues to execute on its strategy of providing a high-quality, high value-for-money housing offering with strong sustainability features in university cities that are underserved by the wider residential market

EQT is pleased to announce that the EQT Real Estate II fund (“EQT Exeter”) has agreed to acquire six flagship student accommodation assets in two separate transactions from subsidiaries of Watkin Jones PLC (“Watkin Jones”) and Tide Construction. The transactions amount to 2,313 beds, 1,254 of which are currently operating with a further 1,059 beds that will be developed by Watkin Jones and delivered during 2023 and 2024.

From Watkin Jones, EQT Exeter has agreed to acquire five assets with a total of 2,063 beds in Bath, Nottingham, Swansea, Bristol and Glasgow, top-tier university cities with severe supply shortages of student accommodation. Watkin Jones is the UK's leading developer of student housing, having delivered 123 developments with 46,000 beds since 1999. In line with EQT Exeter and Watkin Jones' high ESG standards, the three development assets are set to achieve BREEAM Excellent with the operating assets having already achieved BREEAM Very Good. Upon completion, Watkin Jones' in-house operator, Fresh, will manage the five schemes on behalf of EQT Exeter. Covering 32 cities in the UK and Ireland with over 22,000 beds under management, Fresh has a proven ability to provide the full suite of services ranging from pre-opening advisory through to day-to-day management of the delivered projects.

From developer Tide Construction, EQT Exeter has agreed to acquire 250 beds in an operating asset known as Great Court, located in South Bermondsey, London. Tide Construction, with their offsite volumetric company, Vision Modular Systems have led the way in modernising construction in the UK. In recent years, the two companies have delivered over 6.5 million sq. ft. of precision-manufactured developments and have invested considerably in research, development and testing to continually advance their system.

Recognising the built environment's huge carbon footprint, their accredited methods have also been instrumental in decarbonising construction by providing a greener alternative to regenerating communities and delivering high-quality modular assets for institutional investors such as EQT Exeter.

The scheme which is within close commute to all of the top-tier London universities and easy access to South Bermondsey rail station and Bermondsey tube station, provides a high-specification offering to students including 24/7 reception, gym, study space, courtyard, cinema and lounge. The development was built with excellent sustainability credentials given the modular technology deployed, achieving BREEAM Excellent and an EPC rating of A. The asset will be operated by CRM, an award-

winning operator in the UK and EU with approximately 25,000 beds under management and a history dating back to 2003. Under CRM's management, the asset achieved full occupancy when it opened in 2021.

UK student housing benefits from demographic-driven tailwinds with the 2020/21 academic year seeing its highest ever intake of first-year students on record. Coupled with a dwindling supply pipeline and an increasing obsolescence of older stock, UK students are expected to face increasing housing pressure. Despite global uncertainty, Brexit and the Covid pandemic, the number of international students in the UK continues to rise, largely driven by increasing demand from students who continue to seek entry to best-in-class universities that the UK has to offer. Yet, the new construction pipeline has declined significantly in recent years due predominantly to rising construction costs, restrictive planning policies, affordable housing requirements and competing land use.

These six purpose-built assets are important cornerstone investments as EQT Exeter seeks to aggregate a large portfolio of student housing assets across Europe with high-quality, high value-for-money offerings for students who are underserved by the wider residential market. EQT Exeter sees significant growth potential across the European student housing sector and has a significant pipeline of additional acquisition opportunities in markets with acute demand / supply imbalances and compelling demographic profiles.

Russell Petrie, Head of Student Housing – Europe, at EQT Exeter said, “These transactions mark a significant milestone for EQT Exeter’s expansion in the European student housing sector, bringing the total number student beds in operation or in development to 5,222 and adding a new country to our European footprint. By selecting the best locations in undersupplied markets coupled with an unwavering focus on tenant experience, we expect these assets to be highly attractive to students by providing an environment where they can thrive both educationally and socially.”

Henrik Orrbeck, Head of Transactions – Europe, at EQT Exeter said, “As a global leader in the Sheds, Beds and Meds sectors, student housing is a key pillar to growing EQT Exeter’s thematic investment strategy focused on providing direct-to-consumer real estate solutions in the thriving “living” sector. We are excited to work with Fresh and CRM to deliver a best-in-class product for the students. We continue to investigate a number of exciting acquisition opportunities as we build upon this success and continue our European expansion efforts with a goal of being one of the leading European student housing investors.”

John Fleming, Chairman at Tide Construction said, “This scheme adds to our ever-growing portfolio of high caliber student schemes in London, acting as a proof point to Tide Construction and Vision Modular’s role in revolutionising the way in which housing is delivered in the UK. Having successfully delivered several institutionally backed student assets in the last 12 months, we are delighted to have partnered with EQT Exeter on their strategic, European expansion plan.”

EQT Exeter was advised by DLA Piper and Capita on the transaction with Watkin Jones.

EQT Exeter was advised by Harris Associates, Taylor Wessing and Arcadis on the transaction with Tide Construction.

Contact

EQT Press Office, press@eqtpartners.com, +46 8 506 55 334

About EQT Exeter

EQT Exeter is a global real estate solutions provider serving corporate and consumer tenants with scope and scale. EQT Exeter is among the largest real estate investment managers in the world, focused on acquiring, developing and managing logistics/industrial, office, life science and residential



properties in Europe, the Americas and Asia. EQT Exeter was created through the combination of EQT Real Estate and Exeter Property Group.

A global leader in sheds, beds, and meds, EQT Exeter currently oversees a portfolio totaling over 350 million square feet across 1,800 buildings, while executing a tenant-centric strategy. The EQT Exeter Team comprises more than 300 experienced professionals operating in 44 offices around the globe. Together, they have consummated over 850 real estate investments. As part of EQT, the team leverages the firm's industry-leading sustainability credentials and framework and in-house digitalization skills to generate increased value for its investor clients.

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