

Unite Students' property portfolio value rises to £2.8bn

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The UK's largest provider of student accommodation has reported a quarterly increase in the value of its property portfolio ahead of the return of students to universities in September.

Unite Students, which was founded and is headquartered in Bristol, manages 29,627 beds in 76 properties across 20 University towns and cities in the UK.

The firm said that on June 30 its portfolio was independently valued at £2.8bn – a 1.4% increase on a like-for-like basis during the quarter.

Similarly, the group's London Student Accommodation Joint Venture was up 1.9% at a value of £1.7bn

The 50-50 venture with Singaporean state-owned investment fund GIC comprises 9,716 beds across 14 properties in London and Aston Student Village in Birmingham, following the recent acquisition of a further two properties in the capital from Unite.

In a statement released on Thursday, July 8, Unite said the

rise was driven by strong sales performance during Q2 and the easing of Covid-19 restrictions for universities from mid-May.

In March, the company said it was [expecting a return to full occupancy](#) in the next academic year, despite widened pre-tax losses of £120.1m for the year to December 2020.

Unite confirmed that more than 80% of its rooms are reserved ahead of the next academic year, overtaking the previous year, but behind pre-pandemic levels.

The organisation attributed this to the continuing impact of the pandemic and as a lower level of nomination agreements following its acquisition of competitor Liberty Living in November 2019.

Unite said it was “confident” a record level of student applications would translate into strong demand for its accommodation, particularly after July 19 when Covid restrictions are scheduled to be lifted.

The FTSE 250 constituent added that it had collected 95% of rent due for the 2020/21 academic year, excluding the impact of the 10-week [discount it offered to students](#) who were unable to reside in their accommodation during the third national lockdown.

Joe Lister, chief financial officer at Unite Students, said: “The sustained momentum in our sales reflects the strength of student demand for the 2021/22 academic year and greater visibility over an enhanced campus experience this autumn.

“There remains some uncertainty over travel restrictions for international students and, assuming these are eased in time for the start of the academic year, we anticipate a return to full occupancy and 2-3% rental growth in 2021/22.”

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