

PRESS RELEASE

8 July 2024

THE UNITE GROUP PLC

('Unite Students', 'Unite', the 'Group', or the 'Company')

TRADING UPDATE AND Q2 FUND VALUATIONS

STRONG RENTAL GROWTH DRIVING PROPERTY VALUES

Unite Students, the UK's leading owner, manager and developer of student accommodation, today announces an update on current trading and quarterly property valuations for the Unite UK Student Accommodation Fund ('USAF') and the London Student Accommodation Joint Venture ('LSAV') as at 30 June 2024.

Highlights

- Confident in delivering 98-99% occupancy for the 2024/25 academic year
- Now expect to deliver rental growth of at least 7% for the 2024/25 academic year
- Planning approval for 934-bed development in Glasgow
- Property value increases in Q2 driven by rental growth (USAF: 3.2%, LSAV 2.8%)

Joe Lister, Unite Students Chief Executive Officer, commented:

"Student demand remains strong from both domestic and international students, reflecting the continued appeal of UK Higher Education, our fixed-priced, all-inclusive offer and the growing shortage of high-quality student homes. Together with our alignment to the UK's strongest universities, this supports stronger rental growth for the 2024/25 academic year and underpins growth in our property valuations.

"We have also made further progress with the delivery of our record development pipeline, with significant planning milestones in Glasgow and Newcastle. These projects will deliver much needed new student homes in some of the UK's strongest university cities."

Current trading

2024/25 lettings performance

Demand for the Group's accommodation remains strong, across the Group's portfolio, 94% of rooms are now reserved for the 2024/25 academic year, ahead of our typical leasing pace and slightly below the record reservation rates last year (2023/24: 98%). Demand from universities is strong with 1,000 additional beds secured via nomination agreements compared to the same stage of the sales cycle last year. Demand from international students also remains robust with 18% of the portfolio sold on direct let tenancies to international students for 2024/25 (2023/24: 19%). We have not seen a meaningful impact from the removal of visas for family members of international postgraduate taught students, which reflects the single-occupancy nature of our properties.

Our strong progress with sales gives us confidence in delivering rental growth of at least 7% (previously 6%) and occupancy of 98-99% for the 2024/25 academic year. Rental growth will be further enhanced by the £47 million of asset management initiatives completing this year (Unite share: £40 million) at a yield on cost of 8%. Our balanced approach to rent increases and ongoing investment to improve our properties supports sustainable growth over the long term, while also ensuring our offer remains good value for students.

HE policy update

The Labour Party manifesto recognised the soft power and economic value of UK Higher Education and stated an ambition to improve access to university for a growing 18-year-old population. Encouragingly, there is also recognition that university funding arrangements are not meeting the needs of students and universities and the new Government has committed to creating a secure future for UK Higher Education.

In May, the Migration Advisory Committee's review of the Graduate Route for international students recommended no change to visa policy, which was accepted by the previous Government prior to calling the election.

Development update

Our Central Quay development in Glasgow has received resolution to grant planning permission and we anticipate securing full planning consent in the coming months, supporting delivery for the 2027/28 academic year. Having secured additional beds

through planning, the scheme comprises 934 beds with a total development cost of £124 million and will deliver a 7.5% yield on cost. Around half of the beds are expected to be let on a multi-year nomination agreement to a leading university.

At Castle Leazes in Newcastle, our joint venture with Newcastle University, planning consent has been granted to demolish the existing buildings which will start in the coming weeks. We recently submitted a planning application for 2,000 new beds on the site, which supports entry into the joint venture in Q4 this year.

We are tracking further opportunities for development, university partnerships and acquisitions in London and strong regional markets at attractive returns and expect to add to our pipeline in the second half of the year.

Quarterly fund valuations

At 30 June 2024, USAF's property portfolio was independently valued at £2,931 million, a 3.2% increase on a like-for-like basis during the quarter. The valuation increase reflects quarterly rental growth of 3.3%. Property yields were unchanged over the quarter at 5.2%. The portfolio comprises 25,602 beds in 66 properties across 19 university towns and cities in the UK.

LSAV's property portfolio was independently valued at £1,995 million, a 2.8% increase on a like-for-like basis during the quarter. The valuation increase in LSAV is driven by quarterly rental growth of 2.9%. Property yields were unchanged over the quarter at 4.5%. LSAV's portfolio comprises 9,708 beds across 14 properties in London and Aston Student Village in Birmingham.

	Drivers of LfL capital growth (Q2)			
	Valuation	Rental growth	Yield movement	Capital growth*
	June 2024		(bps)	
USAF	£2,931m	3.3%	-	3.2%
LSAV	£1,995m	2.9%	-	2.8%

	Drivers of LfL capital growth (H1)				
	Valuation	Rental growth	Loss of Multiple Dwelling Relief	Yield movement	Capital growth*
	June 2024			(bps)	
USAF	£2,931m	5.1%	(2.0%)	-	2.8%
LSAV	£1,995m	4.2%	(0.3%)	-	3.6%

** Capital growth presented net of capital expenditure for property maintenance and improvement, but excludes fire safety spend*

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About Unite Students

Unite Students is the UK's largest owner, manager and developer of purpose-built student accommodation (PBSA) serving the country's world-leading higher education sector. We provide homes to 70,000 students across 157 properties in 23 leading university towns and cities. We currently partner with over 60 universities across the UK.

Our people are driven by a common purpose: to provide a 'Home for Success' for the students who live with us. Unite Students' accommodation is safe and secure, high quality, and affordable. Students live predominantly in en-suite study bedrooms with rents covering all bills, insurance, 24-hour security and high-speed Wi-Fi. We also achieved a five-star British Safety Council rating in our last audit.

We are committed to raising standards in the student accommodation sector for our customers, investors and employees. This is why our Sustainability Strategy, launched in 2021, includes a commitment to become net zero carbon across our operations and developments by 2030.

Founded in 1991 in Bristol, the Unite Group is an award-winning Real Estate Investment Trust (REIT), listed on the London Stock Exchange. For more information, visit Unite Group's corporate website www.unitegroup.com or the Unite Students'

site www.unitestudents.com

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