

PRESS RELEASE

9 January 2025

THE UNITE GROUP PLC

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

TRADING UPDATE AND Q4 FUND VALUATIONS

STRONG DEMAND WITH 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 31 December 2024.

Highlights

- Positive start to the 2025/26 sales cycle with 66% of beds sold (2024/25: 70%)
- Expect 97-98% occupancy and 4-5% rental growth for the 2025/26 academic year
- Guidance reiterated for adjusted EPS at upper end of 45.5-46.5p for FY2024
- Rental growth driving valuation increases in Q4 (USAF: 0.3%, LSAV 0.7%) and FY2024 (USAF: 4.5%, LSAV 6.0%)

Joe Lister, Unite Students Chief Executive Officer, commented:

"We have seen a strong start to the 2025/26 sales cycle, highlighting the continued demand for our high-quality accommodation from both students and universities. The outlook for student numbers remains positive with a growing UK 18-year-old population and improving trends in international student recruitment given a more settled policy backdrop in recent months. This supports our confidence in delivering full occupancy and rental growth of 4-5% for the 2025/26 academic year.

We have also continued to make good progress with the delivery of our development pipeline and have acquired eight investment properties, with value-add potential, in recent weeks. These transactions grow our presence in some of the UK's leading university cities where demand for accommodation is strongest."

Current trading

2025/26 lettings performance

Demand for the Group's accommodation has again been strong, reflecting the continuing shortage of high-quality student accommodation. The outlook for student numbers in 2025/26 is encouraging with domestic demand underpinned by a 2% larger population of UK 18-year-olds. We also see improving trends in international student demand thanks to a more settled policy backdrop after the uncertainty created by changes to student visa rules and the review of the Graduate Route in the first half of 2024. Positively, the latest recruitment data indicates a 14% increase in international student acceptances for courses starting in January 2025.

Across the Group's portfolio, 66% of rooms are now reserved for the 2025/26 academic year, in-line with long-term leasing rates and slightly below the exceptional levels seen in the last two years (2024/25: 70%). We observed a normalisation in leasing trends over the course of 2024, which we expect to continue for the 2025/26 sales cycle with more bookings made later in the cycle. We have been encouraged by the strength of demand from our university partners, with 700 extra beds reserved through nomination agreements compared to the same stage of the 2024/25 sales cycle.

The positive start to the sales cycle supports 97-98% occupancy and 4-5% rental growth in the 2025/26 academic year. We remain focussed on offering value-for-money accommodation, while also delivering sustainable rental growth to mitigate future cost increases linked to the Real Living Wage and higher National Insurance contributions and support the significant ongoing investment into our properties.

Investment and development activity

We have continued to make good progress in deploying the proceeds of our £450 million equity raise, in line with our investment targets. During the quarter we completed the acquisition of seven assets from USAF, part funded by the sale of two assets, and acquired the land at our Central Quay development project in Glasgow. Following these transactions, we have now deployed around 50% of the proceeds from our July 2024 equity raise.

In November, we acquired the freehold interest of a 260-bed property in London for £37 million which the Group had previously sold and leased back from the freeholder. The property was acquired at below replacement cost and has value-add investment

potential upon expiry of a nomination agreement in 2026.

Our committed development pipeline of eight projects totals 6,600 beds. We are focussed on delivering these projects with our construction partners and, for the schemes subject to the Building Safety Act (BSA), the Building Safety Regulator (BSR). Our development programmes reflect the expected impact of the BSA, which will add around six months to delivery timelines for new student accommodation due to new approval gateways. As with any new regulation, this presents risks of delay due to capacity constraints at the Building Safety Regulator. We will continue to work closely with the BSR to deliver safe and secure homes for students in line with our target delivery timetable.

A planning application for our Newcastle University joint venture was submitted in the summer and we expect the application to go to committee early this year. We are making good progress with a second University joint venture, which we expect to announce within the next 3-6 months.

2024 guidance

Trading in the fourth quarter has been in-line with expectations and we maintain our previous guidance for adjusted EPS at the upper end of our 45.5-46.5p range.

Quarterly fund valuations

At 31 December 2024, USAF's property portfolio was independently valued at £2,881 million, a 0.3% increase on a like-for-like basis during the quarter and 4.5% for the year. The valuation increase reflects quarterly rental growth of 1.0%. Property yields were broadly stable over the quarter at 5.2%. The portfolio comprises 24,326 beds in 61 properties across 19 university towns and cities in the UK.

LSAV's property portfolio was independently valued at £2,058 million, a 0.7% increase on a like-for-like basis during the quarter and 6.0% for the year. The valuation increase in LSAV is driven by quarterly rental growth of 1.0%. Property yields were unchanged over the quarter at 4.5%. LSAV's portfolio comprises 9,710 beds across 14 properties in London and Aston Student Village in Birmingham.

Drivers of LfL capital growth (Q4)				
	Valuation December 2024	Rental growth	Yield movement (bps)	Capital growth*
USAF	£2,881m	1.0%	+1	0.3%
LSAV	£2,058m	1.0%	-	0.7%

Drivers of LfL capital growth (FY2024)					
	Valuation December 2024	Rental growth	Loss of Multiple Dwelling Relief	Yield movement (bps)	Capital growth*
USAF	£2,881m	7.7%	(1.9%)	+1	4.5%
LSAV	£2,058m	7.8%	(0.3%)	+2	6.0%

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

ENDS

For further information, please contact:

Unite Students

Joe Lister / Mike Burt / Saxon Ridley
Press office

Tel: +44 117 302 7005
Tel: +44 117 450 6300

Sodali & Co

Justin Griffiths / Victoria Heslop

Tel: +44 20 7250 1446

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 68,000 students across 151 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 are committed to raising standards in the student accommodation sector for our customers, investors, and employees. Our

Sustainability Strategy includes a commitment to become net zero carbon across our operations and developments by 2030. It includes our Sustainable Construction Framework, which outlines our approach for reducing embodied carbon.

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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTSSFFAAEISEDf