GCP Student Living Plc - Acquisition of Scape Brighton and New Debt Facility

GCP STUDENT LIVING PLC

("GCP Student" or the "Company", together with its subsidiaries, the "Group")

LEI: 2138004J4ID66FK38H25

Acquisition of Scape Brighton and New Debt Facility

New debt facility

GCP Student Living, the UK's first REIT focused on student residential assets, is pleased to announce that on 25 July 2018, the Company entered into a three year re-drawable credit facility (the "RCF") with Wells Fargo & Company for an aggregate amount of up to £45 million. The new facility has a prevailing margin of 1.85% above three-month LIBOR.

It is currently intended that the RCF will be used to partly fund the acquisition and initial construction costs of Scape Brighton, complete the construction of the Group's Circus Street asset, as well as for general corporate purposes from time to time.

The RCF will provide the Company with access to debt finance which is more flexible relative to traditional long-term fixed debt alternatives and which may enable the Company to take advantage of investment opportunities as they arise in an expedient manner. Further, sourcing debt finance from a new lender provides diversification to the Company's banking relationships.

Acquisition of Brighton asset

Further to the announcement by the Company on 4 June 2018, the Directors of GCP Student are pleased to announce that on 25 July 2018, the Company entered into a conditional contract to acquire and forward fund the construction of Scape Brighton.

Scape Brighton is a large-scale development with planning consent for the construction of purpose-built private student accommodation located on the primary campus of the University of Brighton and less than 10 minutes from the University of Sussex. Scape Brighton will provide c.550 beds and extensive communal areas with c.1,500 square feet of retail space. It is currently expected that Scape Brighton will be operational for the 2020/21 academic year. The Company will benefit from licensing fees which will provide a c.5.5% per annum coupon through the construction phase.

The costs of acquiring and funding the construction of Scape Brighton will be initially partly funded by the RCF and later by the Company's available cash resources as required at the relevant time (and as supplemented by additional debt or equity issues).

25 July 2018

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About GCP Student Living

The Company was the first student accommodation REIT in the UK, investing in modern, purpose-built, private student residential accommodation and teaching facilities. Its investments are located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation.

GCP Student's property portfolio comprises ten assets with c.3,600 beds which are either currently fully operational or expected to complete construction/ refurbishment over the next two academic years. At 31 March 2018, its property portfolio was valued at £759.1 million.

The Company's standing properties are mainly occupied by international students and offer high specification facilities and hotel-level concierge type services which the Investment Manager believes are attractive to overseas students.