Net Asset Value, Dividend and Portfolio Update

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

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NAV, dividend and portfolio update

Net Asset Value

GCP Student, the UK's first REIT focused on student residential assets, today announces that at close of business on 30 June 2019, the unaudited estimated EPRA net asset value per ordinary share of the Company was 165.52 pence. The EPRA net asset value includes income for the period (cum-income) and does not include a provision for an accrued dividend for the quarter to 30 June 2019.

The EPRA net asset value (ex-income) was 163.96 pence per ordinary share as at that date, representing a quarterly increase of 2.5% and an increase of 11.1% for the Company's financial year to 30 June 2019.

Dividend

The Board is pleased to announce a fourth interim dividend of 1.56 pence per ordinary share, in respect of the quarter ended 30 June 2019. The dividend will be paid on 9 September 2019 to ordinary shareholders on the register at 9 August 2019. The dividend will be paid as 1.08 pence per ordinary share as a REIT property income distribution ("PID") in respect of the Group's tax-exempt property rental business and 0.48 pence per ordinary share as an ordinary UK dividend ("non-PID").

The Company has paid or declared dividends in respect of the year ended 30 June 2019 of 6.15 pence per ordinary share (YE 2018: 5.95 pence per ordinary share).

Portfolio and management update

At 30 June 2019, the valuation of the Company's portfolio was £921.6 million, 87% of which was located in and around London, representing a like-for-like increase over the quarter of 2.3%. At that date the portfolio comprised eleven assets with c.4,100 beds, of which nine are currently operational. The Net Initial Yield on the operational portfolio was 4.54% at that date.

The forward funded construction of Circus Street, Brighton continues in-line with the Investment Manager's expectations. The asset is expected to complete for the 2019/20 academic year and will provide 450 beds in addition to c.30,000 square feet of commercial office space. The student accommodation will be contracted on a 21-year lease, with annual uplifts of RPI plus 50 basis points, capped at 5% and floored at 2%, to a subsidiary of Kaplan Inc, a global education provider. The Company benefits from a licensing fee providing a 5.5% coupon on drawn funding through the construction stage.

On 23 May 2019, the Company announced that it had completed the acquisition of Scape Brighton, 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. Once constructed it will provide 555 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 5.5% per annum coupon through the construction phase.

The Company benefits from a conditional forward purchase agreement to acquire Scape Mile End Canalside ("Scape Canalside"), a high-specification, 412-bed, new-build asset located immediately adjacent to Queen Mary University of London and in the same locality as the Group's existing 588-bed Scape East asset. If Scape Canalside is acquired, the Company's portfolio will include 1,000 beds in the same locality as Queen Mary University of London, providing the opportunity to take advantage of operational economies of scale. The Directors believe the acquisition of Scape Canalside should enable the Company to secure a new asset in a highly attractive London location which is expected to provide rental and earnings growth for the Company over the long term.

The Board and the Investment Manager currently expect to complete the acquisition of this asset ahead of the 2019/20 academic year. At the date of this announcement bookings for this asset are materially ahead of the Investment Manager's forecasts.

It is the Directors current intention that the acquisition of Scape Canalside will be funded primarily with new borrowings. In such circumstance, the Group's LTV will increase to the mid-30s% level as the Company completes its forward funding development pipeline over the next 12 to 18 months.

Additional information on the Company's portfolio can be found in the factsheet for the period ended 30 June 2019, which will be published shortly and will be available at:

www.graviscapital.com/funds/gcp-student/literature

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About GCP Student

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 eleven assets with c.4,100 beds, including one asset which is expected to complete construction for the 2019/20 academic year and one which is expected to complete construction for the 2020/21 academic year. At 30 June 2019, its property portfolio was valued at £921.6 million.

The Company's standing properties are predominantly 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.

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