Acquisition of Scape Shoreditch and New Banking Facility

25 September 2015

GCP Student Living plc (the "Company" or "Group")

Acquisition of the Target Asset and new banking facility

Acquisition of Scape Shoreditch

The Group exchanged contracts today to acquire Scape Shoreditch, a purpose-built, private student accommodation residence completed for the 2015/16 academic year located at a prime London location in Shoreditch.

Scape Shoreditch is within a 15 minute walk to The City University (c.18,000 students) and CASS Business School. The building comprises 541 studio bedrooms and c.10,000 square feet of communal areas including a gym, dance studio, study lounge, games room, cinema, communal kitchen, sun terrace and BBQ terrace. The building also includes c.49,000 square feet of commercial facilities. An agreement for lease has been entered into for a 15-year fully repairing and insuring lease which it is expected will generate approximately 25 per cent. of total revenues for Scape Shoreditch after expiry of the tenant's incentives.

The purchase price for Scape Shoreditch is approximately £166 million which may be subject to adjustment depending on contracted rent levels over the course of the 2015/16 academic year. At the date of this announcement Scape Shoreditch was 90% occupied on 51-week lettings.

The acquisition of Scape Shoreditch is expected to complete over the course of the next week and will be funded from the proceeds of the recent C Share Issue (pursuant to the prospectus published by the Company on 29 May 2015) and the new banking facility, and will be allocated to the asset portfolio financed by the C Share equity capital.

Following previously announced acquisitions of Scape Surrey and The Pad 2 together with this acquisition the property portfolio of the Company will increase from c.1,000 beds before the C-Share Issue to c.1,800 beds with a gross asset value of c.£390 million.

New banking facility

Following on from the Company's substantially oversubscribed equity raise to acquire Scape Shoreditch, Scape Surrey and The Pad 2, the Board is pleased to announce that the Group has entered into significantly improved new financing arrangements with a new lender, Pricoa Mortgage Capital, which on completion of the acquisition of Scape Shoreditch will replace the Company's existing facility with Barclays Bank PLC.

At 31 August 2015, total bank borrowings were £40 million (set to mature in April 2019), producing a debt to property value of 23%.

The Company has secured a facility for up to £130 million of borrowings with Pricoa Mortgage Capital which is set to mature in September 2024. The Group currently expects to draw down £130 million under the new facility to part-finance the acquisition of Scape Shoreditch and refinance the existing assets and Barclays facility.

Following completion of the acquisition of Scape Shoreditch it is expected that the total bank borrowings of the Group will be £130 million producing a debt to gross asset value of approximately 33%.

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