Acquisition of asset and borrowing arrangements

GCP STUDENT LIVING PLC

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

Acquisition of asset and borrowing arrangements

Acquisition of Woburn Place, London WC1

The Directors of GCP Student Living, the UK's first REIT focused on student residential assets, are pleased to announce that, further to the announcement on 8 March 2017, the Company has now completed the acquisition of Woburn Place, London WC1.

The acquisition has been funded through a mixture of available cash resources and the new borrowing arrangements.

Borrowing arrangements

The Company has entered into an agreement with PGIM Real Estate Finance which is part of the US based financial services group Prudential Financial (NYSE: PRU). PGIM and the Company have agreed to increase the Company's existing £130 million secured debt facility entered into on 25 September 2015 by a further £40 million. The increased £170 million facility is repayable on 30 September 2024 and the cost of debt on this loan has been reduced from 3.07% to 3.01%. The security package remains unchanged.

The Company has further entered into a new £65 million facility with PGIM, of which £50 million has been drawn at a fixed cost of debt of 2.82%. The Company will draw the remaining £15 million in September 2017 at the same fixed cost of debt. The facility is repayable in 2029 and is secured against certain of the Company's assets.

Accordingly, the Company's banking facilities total £235 million, of which £220 million is drawn, at a blended cost of borrowing of 2.96% and with an average weighted maturity of 8.75 years. The loan-to-value of the Group is approximately 32%.

The new borrowings will primarily be used to fund further investments, including the acquisition and refurbishment of Woburn Place and, if acquired, the purchase of Podium, Royal Holloway London, which the Company has conditionally agreed to acquire and is currently expected to be completed for the 2017/18 academic year.

Commenting on the acquisition and new borrowings, Robert Peto, Chairman, said:

"We are delighted the Company has been able to secure the acquisition of Woburn Place which, following refurbishment, will offer c.420 modern beds to students in the heart of London close to several globally recognised universities including UCL, Kings College London, the LSE and SOAS.

The Company continues to see new and exciting opportunities in the student residential accommodation market, with the Investment Manager currently conducting due diligence on a high quality asset which may meet the Company's highly selective investment criteria and which is located in a city centre location in close proximity to a top 20 UK university.

In addition, the Board are pleased to further the Company's relationship with PGIM. PGIM is a key partner of the Company as its provider of long-term financing at attractive rates of borrowing."

Commenting on the loans, Bryan McDonnell, a Principal with PGIM's London office, said:

"We are excited to expand our relationship with one of the leading providers of student accommodation in the UK. This transaction was a good partnership of PGIM Real Estate Finance and GCP Student Living, who both see an opportunity to enhance value in the short term and share a common vision for the long-term success of the sector in London and beyond."

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About GCP Student Living plc

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.

The Group has an estimated total asset value of c.£690 million including six standing assets, providing c.2,000 modern studios and beds, and one forward-funded development asset which will provide a further c.580 beds on completion. A further asset, Woburn Place, will provide c.420 beds following refurbishment.

The Company's standing assets are primarily 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.