GCP Student Living Plc - Portfolio Update and Forward Purchase Agreement

GCP Student Living plc

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

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Portfolio Update and Forward Purchase Agreement

Portfolio update

The Board of GCP Student, the UK's first REIT focused on student residential assets, is pleased to announce that the Company's operational property portfolio is now fully occupied with respect to the 2017/18 academic year.[1]

The average rental growth as compared with the 2016/17 academic year is 4.1%.

Forward purchase agreement

The Company has entered into a conditional forward purchase agreement to acquire a high specification, purpose-built, private student accommodation residence located immediately adjacent to Queen Mary University of London, and in the same locality as the Group's existing c.590 bed Scape East asset.

The property is expected to be completed for the 2019/20 academic year providing approximately 410 beds. The property is ideally located for access to Queen Mary University and is positioned to benefit from attractive supply/demand characteristics for beds in the locality. Queen Mary University of London is a Russell Group Higher Education Institute and home to c.23,100 students, including c.10,300 from outside the UK. The property is within 30 minutes of c.75% of London's higher education institutes.

Once completed, the Company's portfolio will include c.1,000 beds in the same locality as Queen Mary University. This provides the opportunity to take advantage of operational economies of scale.

The acquisition of properties through future contractual arrangements, including forward purchase agreements, enables the Company to secure attractively located assets, in areas with few existing properties and scarce development opportunities, without incurring extensive development risk. The contractual terms also ensure that the assets are designed and developed in-line with the Company's modern specifications.

For further information, please contact:

Gravis Capital Management Ltd		+44 20 3405 8500
Tom Ward	tom.ward@graviscapital.com	
Nick Barker	nick.barker@graviscapital.com	
Dion Di Miceli	dion.dimiceli@graviscapital.com	
Stifel Nicolaus Europe Limited		+44 20 7710 7600
Neil Winward	neil.winward@stifel.com	
Mark Young	mark.young@stifel.com	
Tom Yeadon	tom.yeadon@stifel.com	
Buchanan		+44 20 7466 5000
Charles Ryland	charlesr@buchanan.uk.com	
Vicky Hayns	victoriah@buchanan.uk.com	

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 nine assets with c.3,450 beds which are either currently fully operational or expected to complete construction / refurbishment over the next two academic years. At 30 June 2017, its property portfolio was valued at £634.6 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.

1. Full occupancy is determined as occupancy across the Company's operational portfolio of properties being no less than 97%. This is consistent with terminology used across the Private Purpose Built Student accommodation market and the methodology applied by the Company since its IPO in 2013.