UK Student Accommodation Investment Guide

- News and analysis
- Location focus
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- UK’s no.1 asset class

experienceinvest
Welcome to Experience Invest’s Q1 2018 Student Accommodation Investment Guide.

In its sixth year, the guide has been produced to deliver breaking news and expert information about the UK’s student property market. Last year’s guide was our the most popular to date and it proved to be a top choice for investors looking to enter the UK’s no.1 asset class.

As the guide is online, it is regularly updated throughout the year to ensure that investors are kept up-to-date.
Established market
The student buy-to-let market is now well established and has the ability to deliver a robust long-term, income stream. High quality developments in prime locations, preferably close to a university or city/town centre will help ensure the longevity of investor returns.

Fully managed
A specialist management company experienced in the student housing sector will oversee all the maintenance and management of your unit, providing investors peace-of-mind knowing that all repairs and upkeep costs, facilities and finding tenants is taken care of.

Assured returns
Some investments offer assured returns for a defined period of time which enables investors to secure a steady rental income. Assurances are typically offered by the company behind the development who will be contractually obliged to pay returns even if the unit is not occupied.

Increase in annual rental income
Due to the high occupancy levels associated with the sector, it is safe to assume that rental returns will increase over time. Rising returns will help investors resell their units at a higher price with ample scope for yield compression.

Can I sell my unit at any time?
As you will own the full Title Deed, you can sell your unit/units any time after Exchange of Contracts.
A record-breaking $16 billion was globally invested in student housing in 2016, with activity focused on the two most mature global markets; the UK and the US.

Rising international student numbers have underpinned demand for new-build student property. Around 4.6 million students studied abroad in 2015, an increase of 130% since 1999.

The UK is home to highly ranked Higher Education Institutions.

The UK's higher education sector has a strong international standing, built upon hundreds of years of university heritage.

Global cross border investment into student housing reached 37% of all investment, a higher sector percentage than for offices (34%) and retail (29%).

$16 billion worth of global investment in 2016.

UK PBSA is highly attractive to international investment. UK PBSA is Many overseas investors saw the drop in the value of sterling following Brexit as a buying opportunity.

Uncertainty around Brexit has not deterred investment. UK volumes have declined slightly since the 2015 peak however, several large portfolios trade but remained strong in the wake of the Brexit vote.

The number of international students studying in the UK has increased by 5% over the past 10 years.

BREXIT

UK PBSA is

International student numbers are forecast to reach 8 million by 2025.

Global Powerhouse.

Around 2.3 million students are enrolled in higher education in the UK.

Around 50% of full-time students live in the private rented sector in the UK. Only a fifth live in university-owned PBSA.

A record-breaking $16 billion was globally invested in student housing in 2016, with activity focused on the two most mature global markets; the UK and the US.

Source: Savills Spotlight 2017-2018 World Student Housing Report
Mature student property markets stand strong against political uncertainty

More mature student property markets like the UK and US are standing strong as investors continue to see them as fantastic places to buy.

Political uncertainty has failed to derail student property as it continues on its path to becoming one of the most lucrative asset classes found anywhere in the world. This is the finding of the latest Savills World Student Housing report, which says the US and UK, as the world’s most mature student housing investment hotspots, have stood strong in recent times.

Both nations have faced a degree of uncertainty in the past 18 months. The US welcomed a wave of controversy after the shock election of Donald Trump as President, while the UK has been rocked by the Brexit vote.

However, neither of these major political events seem to have caused the type of unrest in the student property market that would have been expected. In the UK, the sector continues to welcome the sort of investment that has helped it rise out of its previous niche position, and while 2016 saw a slight dip compared to the peak investment levels of 2015, it has remained strong in the eyes of investors throughout the 2016/2017 period, for a number of reasons.

Upgrading and new demand

One of the primary reasons investment has continued strongly in the UK private rented sector is the rise of the purpose-built student accommodation (PBSA) market. To put it simply, as student demands continue to change, traditional housing options have been deemed not fit for purpose, and the private sector has been increasingly tasked with meeting demand.

Savills said that at present, as many as half of students in the UK live in private accommodation, and a fifth in university-owned PBSA, showing just how the market is changing to meet demand.

Students going to university these days are typically coming with bigger rental budgets in mind, and this is particularly true when it comes to overseas undergraduates, who have grown in number by five per cent compared to ten years ago.

These students typically want quality to be at the heart of their accommodation, as they seek out comfort, and an environment that is conducive to their studies. This is something that the
PBSA has reacted well to in the last few years, incorporating some of the most important needs and desires into new developments that help make them a favourable option in the eyes of student tenants.

Things like private rooms that offer communal spaces for socialising, on site amenities like gyms, laundry rooms and entertainment, study spaces, a strong location and an all-in cost are all drivers of demand in student housing. And when traditional accommodation cannot tick all these boxes, it’s up to private investors to fill the gap.

Over the last few years, these demands from students have become ever more prominent. As traditional student housing becomes obsolete, it’s the need for new homes, and the subsequent meeting of this from the private sector, that has allowed student property to enjoy the rise it has.

Foreign student influx

Growing global student mobility, as mentioned above, has been a driver of growth in the PBSA market for the last few years. As student numbers have stayed largely steady, a rise in the proportion of foreign undergraduates coming to nations like the US and UK, which enjoy education systems held in high regard, has allowed PBSA to flourish.

According to UCAS data, there are currently around 2.3 million students enrolled in higher education in the UK alone. This is still below the peaks enjoyed before tuition fees were rolled out, but the five per cent rise in international students in the past decade means that there’s an increasing new audience for student housing, and by extension, investors.

It’s not just the figures that promote the market; however. Sentiment is also important. Even since the Brexit vote, the UK has shown that it has such a high quality of education available, that there is not any great rush for students to stop applying here. That vote of confidence resonates with investors, who need to see that their assets have long-term potential, and shows them that even if the UK has witnessed potential adversity, its student market has the strength to power through and give them strong returns.

Despite being such a relatively small country, the UK accounts for ten per cent of the world’s top 500 universities, coming second to only the US, and it’s this quality that helps the market keep pushing forward.

Global investment

The other factor that has had a real impact on the prevalence of student property investment in the UK has been the rise of the asset on a global scale. Investors are now more willing than ever to go across borders to secure such assets, and places like the UK are well suited to them.

According to Savills, for the 2016/2017 period, student accommodation accounted for 37 per cent of all global cross border investment. This put it ahead of traditionally more successful asset classes such as offices (34 per cent) and retail (29 per cent).

This has been a reaction to the fact that student housing has proven itself to investors, showing that it is both secure and income-generating. These combined has made student housing an increasing target in the eyes of international buyers, and Savills expects to see this remain the case for some time to come.

In the future, the report states that it’s expected that student housing will continue to push its way into mainstream portfolios, as international spenders see it as a way to safely diversify, while also making an impressive income for years to come.
Why student property remains a sought-after asset class

Student property has been one of the most popular asset classes for some time, but why is this the case, and will we see that change any time soon?

There's little doubt that over the past few years, student property has had a quite sensational ascension from niche asset class to one of the premier performers for investors of all sizes from all over the world. In the space of just a few years, we saw the sector go from strength to strength, eventually bringing in almost £6 billion per year from buyers.

And it's a trend that's not over yet. According to predictions from Savills, even following on from the best three years in history for student property investment, those on both the domestic and overseas front are not finished quite yet. In 2017, it's expected that the spend on student property will rise by another 17 per cent as investors continue to see the value it offers.

So why does student property remain such a hugely popular asset class? Here, we take a look at just a few reasons.

The UK is popular

Not only is the UK a popular place for property investment - and it has been for decades since first becoming a safe haven - but its education system is also highly sought after. Every year, large numbers of students come from all over the world to study here because of the fantastic reputation universities have, be they in Cambridge, Oxford, Edinburgh, Manchester or Liverpool.

The reasons for students to come to the UK from overseas are plentiful, from the fact that four of the top six universities in the world are here, to the fact that there are fantastic research opportunities and high satisfaction rates (93 per cent are happy with the teaching they receive in the UK, according to the Department of Business, Innovation and Skills). And with predictions showing that the UK could grow its number of international students to as many as 600,000 by the end of 2020 (from around 460,000 at present) it seems that there's no stopping the sector from growing. The demand that this causes for property is one of the continued reasons that investors spend big on student accommodation.

New opportunities

Student lets have traditionally been sub-standard. For decades, the UK property market was littered with dirty house shares and small, cramped flats that students would live in after they moved off campus. But this has changed, and the demand for better accommodation for students is creating new opportunities for investors to get in on something big.

Purpose Built Student Accommodation is big business in the current market, so it's no surprise that investors are spending a lot of money on it. The sector is set up to specifically construct properties that meet the needs of students, mixing private and collaborative spaces and giving them somewhere to socialise, as well as live and study.

This is revolutionising the student accommodation sector, and as a growing number of students continue to demand such quality and benefits from the places they live, it's little surprise that investors continue to want to buy into something so exciting.

Strong returns

Another real benefit of investing in Purpose Built Student Accommodation is that it gives buyers the chance to purchase relatively cheap while bringing in strong returns. This is always going to be a positive, particularly for overseas buyers who want that degree of security in their purchase.

Investors can now often purchase homes in this sector for less than market value, because they buy off-plan. And because they do this, they can also secure their assured returns for a set number of years, which gives them that security, and allows them to forecast more accurately giving them peace-of-mind that their income will be strong for some time.

Such perks are just another reason that student property makes sense as an asset class, and why so many people from across the world are making it part of their investment strategy.
Understanding the risks and rewards profile of an investment is fundamental to any successful investment strategy. Whilst it is generally assumed that the higher the reward usually means the higher the risk of the investment, this is not always the case if you research the opportunity properly.

It is important that you know all the information about any investment you are considering and evaluate the risks and rewards.

Student accommodation investment

In today's market there are a growing number of property developers who are looking to raise finance for purpose-built student accommodation developments. Using a proven business model to help lower investor risk, investors are rewarded with higher returns than more traditional buy-to-let investments.

Business model

Student accommodation investments have now evolved to such an extent that it is now common place to have investor’s funds held in secure solicitor’s accounts. It is important to note that these secure accounts are set up to trigger payments to the developer for the build but are only released against Architect Certification, which confirms that specific stages of a build have been completed.

This will ensure greater security of investor’s funds.

Whilst Title Deeds and all other legal documentation are important and need to be forthcoming, a valid and transparent legal system of purchasing property such as the one found in the UK is also crucial.

Successful projects will have all finances of the build and management of the accommodation worked out in great detail, which enable developers to provide investors with assured income paid monthly.

Snapshot of the business model

To minimise risk, investors should look for student accommodation projects that are situated in a location with a high demand. A well located project will attract the interest of experienced management companies who will take care of the day-to-day running and maintenance of the investment.

Investors should also ensure that the build cost and all other costs are worked out beforehand and that the units are priced correctly. Investors should make sure that the final cost of their unit is covered by contingency money for any building oversights.
Let's look at some of the risk and rewards you need to consider before investment in any student accommodation project.

The development company could go into liquidation

Ensuring that all funds are placed in solicitor’s accounts and that funds are only released upon Architect Certification means that funds are never put at risk.

As funds have been allocated for construction, the risk of the developer going into liquidation is minimal and as the build has been essentially paid for a new team could be installed to complete the project.

The build and management costs could have been calculated wrong or inaccurately

The use of experienced contractors will ensure that build costs are monitored and budgets are adhered to. Whilst project managers, quantity surveyors and architects will be employed for each project it is always good to have an independent project, monitoring service that sits separately from the usual professionals, whose primary task is cost management and invoice payment monitoring.

Another way to sidestep this issue is for the developer to enter into a fixed price contract for the build which means that mistakes in calculations will be the responsibility of the contractors and not the development team.

The project could take longer to build and complete than expected

Whilst no one can legislate for inclement weather and other external factors that might lead to delays in the build, this is a risk that can be dealt with by asking...
questions on the experience of the developers contractors. Any reputable project will have contingencies in place for any overruns in completing the project.

Good developers will report back to clients to assure them throughout the build. They will have regular reports given to them from their contractors which should give them sight of potential delays, which they should be able to avert through various means such as further resourcing of manpower.

The location might not be the best

It is important to note that the closer a project is to the university the quicker it will let out. There is generally correlation in occupancy to distance away from the university, but rental prices and their sensitivity against the subsidised rents quoted by the university itself for its own halls of residence will be important to successfully letting the property. Another way of overcoming location is through the facilities and amenities available to students at any given project.

Student numbers could decline along with demand

Whilst this is a real danger, statistics and trends in the knowledge economy seem to favour upward trends. However, it would be prudent to verify demand as successful student projects will be in locations where there are acute shortages in the supply of accommodation to number of students requiring beds.

Rental income could drop after the assured time periods

Verifying the charges being levied by the university, as well as the broader private market, should provide certain assurances about future rental prices. However, you can to an extent future proof your investment by purchasing projects that have an assured rental income. Receiving assured income of this nature for a period of three to five years should mean that the market should be stable at higher than the rents quoted as the market rental prices tend to rise with inflation and other market factors such as demand. Notwithstanding this, it will ensure that you have, at worst, the same level of income as with that already assured on purchase.

The management company could go into liquidation or provide a poor service

Again, picking a stable and long-standing management company will help to reduce the risk of this happening. In the event that this happens in a project where the income is assured, the developers will resolve the matter. Diligent developers and freeholders will always want to be involved in resolving any matter of this nature.

Competition from the local market

It is inevitable that there may be other student buildings in the pipeline however this shouldn’t matter if your investment is in a good location, has great local amenities and transport links, and if your purpose-built development has good on site facilities.

A good management company will also attract students and their services will help ensure that the building is maintained to the highest of standards and will look fresh no matter how long it has been in operation. Established buildings that are located well and managed well will always attract tenants.
Student accommodation is an established asset class and one that was previously the reserve of institutional funds, but is now available to the general investing public. Large Pension Funds are still active in this market which should provide investors with confidence that this model is here to stay. Whilst development finance is still hard to come by, these investments will continue to provide higher than average investor returns.
If you are thinking about investing in student property, Jerald Solis, Experience Invest’s Head of Business Development, has compiled his top 5 tips for to help guide investors to a successful investment.
When considering a Student Accommodation project investors should always be mindful of its proximity to the university. Being within easy reach of the University Campus is a must where the golden rule is; the closer you are the quicker the property will be tenanted. It is also important to consider the development's proximity to local shopping and entertainment as well as good public transport links.

However, being further away from the University Campus does not mean that you should not consider it for your portfolio. The project can overcome its disadvantage by having better facilities or have oversized accommodation.

Student accommodation projects in less central locations are also often priced at lower rental values. These options lower priced options are attractive to students who are happy to cycle or use public transport or even have cars for that matter.

A measure of any good investment has to be its yield profile and it is always advisable to ascertain whether the projected yields are achievable from the very beginning. Looking into and carrying out due diligence into the current student market and what neighbouring developments are charging is essential. The yield profile must be in line with the existing rents being charged to ensure you receive realistic, sustainable and stable return on your investment.

Looking into what the local University charges is always useful as they are often heavily subsidised against the private accommodation providers. A Student accommodation project which is pegged against the local University’s rental charges will fare better than those that have based their prices on the private sector. In cases where rental prices have been based on private rents, it is advisable to look at the management company being used as their track record may give you comfort on them being able to achieve these rents.

Investment security should be at the core of every investor and when considering a project it is advisable that the following is adhered to:

1. Only look at projects where Planning Permission has been granted as this negates development uncertainty.
2. It is also important to ensure that you’re in a safe buying environment whereby Legal Contracts have to be designed to maximise investor security.
3. Once the build commences make sure that your deposits remain with the developer’s solicitors and only released once Architect Certification is supplied for works already completed. This will ensure that the funds are used appropriately.
4. Always ask for regular construction updates and don’t be embarrassed to ask. All good developers will be more than pleased to show off their work.
Location
Focus
After conducting our own research within the guidelines of our strict due diligence process, we have selected a number of key locations across the country which we consider good spots for student property investment.

**Liverpool**

Liverpool is one of the most established centres in the UK for higher education and is home to a number of leading institutions including The University of Liverpool, Liverpool John Moores University, Liverpool Hope University and The Liverpool University of Performing Arts.

The combined student population currently stand at 57,000 – almost 12% of the city's total population – with students from over 100 countries in the world enrolled.

Over the last few years development of student property in the city has been fairly active. Investors should take this fact into consideration when investing in Liverpool as, in order to receive stable returns, the investment must be tangible and located in close proximity to one of the city's leading higher educational establishments.

**Luton**

Located 30 miles north and within commuting distance of London, Luton is a large town in Bedfordshire.

With a campus in Luton, the University of Bedfordshire is the largest higher education institution in the county and provides excellent opportunities students to access top quality higher education. Home to over 24,000 students from over 100 countries, the University of Bedfordshire’s main campus is located in Luton town centre.

In 2004, the University was awarded by The Sunday Times with the title of “Best New University.” Its courses in Nursing and Midwifery are ranked number four in the country. There is a distinct lack of new, purpose-built accommodation in the area. Current student property is out of date and does not answer to the demand from students.

**Manchester**

Manchester is a thriving student city which is home to the University of Manchester, Manchester Metropolitan University and the University of Salford.

The City is one of the UK’s most fashionable locations for student and with 105,000 students across 4 major universities, the city is a prime location for student accommodation investment.

Manchester is also home to the UK’s highest proportion of 20-34 year-olds and is known as the UK’s second city.

**Newcastle**

Newcastle is home to two higher education institutions; Newcastle University and Northumbria University.

Between the years 2000 and 2015, Newcastle University alone saw its student numbers grow by a staggering 70%, hitting more than 21,000. And this amazing rise was even bettered by Northumbria University, which saw its volume of students climb to 27,800 in 2015, a rise of more than 110%.

There is a high demand for purpose-built student rooms in Newcastle, with 64.6% of students unable to access university or private sector student accommodation. This large undersupply of rooms led to an impressive 4% annual climb in student rents last year.
Does Liverpool still need more investment in the student property sector?

In the last few years, the number of students who have been going to university in Liverpool has climbed markedly, new data shows.

As northern cities go, Liverpool has traditionally been one of the biggest and most lucrative, and in the last few years, it has started to become a powerhouse once again, with regeneration opportunities allowing the city to reinvent itself and become a centre for innovation, business and study once again.

The last of these has helped to fuel growth in investment in student property in the city, which has seen room numbers swell over the course of five years.

But does Liverpool need investment in the property market’s most lucrative of assets?

Rising student numbers

Liverpool may not be Manchester in terms of the size of its student body, but it is growing considerably as more and more students are attracted to the city, meaning that there is a strong level of demand for properties in the student market.

The city has three main universities – University of Liverpool, John Moores University and Hope University – and two specialist higher education establishments; Liverpool Institute of Performing Arts and Liverpool School of Tropical Medicine. In the past couple of years, the number of people who are studying at the main establishments has climbed impressively.

In the current academic year, it was reported, there are as many as 57,000 students studying at universities in Liverpool. This is markedly higher than the 50,000 that was recorded in the year before, and it’s a figure that is only likely to rise in the September 2017 academic year and beyond.

In the last few years, the number of students who have been going to university in Liverpool has climbed markedly, new data shows.
The rise in student numbers in Liverpool has contributed to a stronger level of demand for property as well, with one report showing that by the end of 2016 there had been a 37 per cent increase in demand for purpose built student accommodation (PBSA) in this academic year. This is fuelled by the fact 60 per cent of people who come to Liverpool to study are looking for student accommodation, meaning the majority in any given year need to find somewhere to live.

Continued high levels of investment in quality student housing in Liverpool has driven demand in the city.

In 2016, a report by Merrion determined that there is a shortfall of student rooms in Liverpool and that there is still room for the market to grow.

“Based on the industry accepted norm that 68% of students seek managed bed spaces (a demand pool of 48,966 Liverpool students), current provision in Liverpool for the 2017 academic year of 27,066 rooms indicates a shortfall of 21,900* managed bed spaces.

“Even if the 6,892 rooms with planning consent but not started and in the planning system were approved and built out, there would remain a shortfall of 15,008 rooms in the Liverpool student market. Our conclusion is that there remains considerable scope for further development in the Liverpool market, underpinned by the continued expansion and investment plans of the universities themselves.”

15,008
Current shortfall of managed bed spaces within the Liverpool postal district’s higher education market

21,900
Shortfall in managed bed numbers for Liverpool undergraduates if all rooms consented but not started and in the planning system were approved and built out

Quality accommodation

As well as demand for properties generally, another factor that influences the need for more student homes being built across Liverpool is that of quality. For decades, student properties were always viewed as being dingy, dull flats in poor condition. However, in recent times, demand has dictated that this has had to change.

No longer do undergraduates want to live somewhere that they’ve only selected because it’s the cheapest option. People want something that complements their lifestyle and improves their university experience, with amenities and facilities high on the list, along with generally better quality builds.

This is where Purpose Build Student Accommodation (PBSA) has come into play in cities like Liverpool. Over the past few years, regeneration has meant property specialists such as Experience Invest and the developers they work with have managed to come into cities like Liverpool and change the face of the student property market, replacing out of date stock with homes built specifically with students in mind.

Facilities such as fast internet connections, strong community links and places to socialise and a location that allows easy access to their place of study are all high on the list of desires students have for their properties, and the PBSA has looked to address these with new designs and developments.

And as the student number continues to rise in Liverpool for years to come, this need for better quality, better targeted investment and development will only be even more prevalent.

£1 billion Knowledge Quarter

The Knowledge Quarter in Liverpool has been one of the city council’s main points of focus for the past few years.

Science and creativity have long been the drivers of investment from local authorities and private companies in the area, and it’s believed that the £1 billion-plus set aside for spending on the Knowledge Quarter will not only push forth innovation, but will also see thousands of jobs created in the area, helping to bring in skilled young workers into Liverpool and away from other big cities, both in the north and the wider UK as a whole.

With a shortfall of beds in the city already in place, an influx of younger, skilled professionals and students will necessitate the construction of purpose built accommodation – both mainstream and student – and help to give the housing sector in the city the continued boost of investment it needs to continue its success.

Education and business in the modern world however, cannot thrive without improving the quality of life. Younger people now want to live somewhere that not only provides them with good access to jobs, but which also enhances every facet of their day-to-day life, and this is being promoted in the Knowledge Quarter through Liverpool property investment like Aura Student.

Aura will feature three buildings that will illuminate the skyline of Liverpool’s prestigious Knowledge Quarter. Community is the cornerstone of the development, where students are encouraged to live, work and play together as part of a wider community, a mindset which is being pushed forward with the development of a state-of-the-art gym, communal spaces, study areas a restaurant and communal courtyard spaces that mean everyone can get what they need from the area.

*Source: Liverpool Mayoral Student Accommodation Review, September 2015.
Could demand push Newcastle as the new student property investment hotspot?

Over the last few years, different cities have emerged as leaders in the student property market, and all have been driven by one thing: demand.

In the last five years, the student property market in the UK has become one of the most profitable and prominent assets that the UK has to offer, with billions of pounds invested every year. In that time, a number of cities, including Leeds, Manchester and Liverpool have all come to prominence as leaders in the emergence of the market as a whole, and particularly for investment in the purpose-built student accommodation (PBSA) market.

And while those cities all had something slightly different to offer both investors and tenants, they have all had one thing in common driving their growth: demand.

Quite simply, when demand for property from students outweighs what universities themselves can provide, it’s up to the private sector to step in, and it’s this that has helped to make PBSA one of the very best asset classes around for investors.

It’s this demand that could be about to push another new city in the UK to the forefront in the student accommodation market. The Tyneside city of Newcastle in the north-east has already been experiencing something of a rise in activity in the last few years. And as demand for places and, by extension, accommodation rises, so too will interest from investors.

It’s only in the last year that reports show the number of PBSA rooms in Newcastle overtaking the number of university-owned rooms, and that marks an important milestone in the life of the student property market in any city. And this is all down to the rising student numbers, and the need for more accommodation they bring about.

Between the years 2000 and 2015, Newcastle University alone saw its student numbers grow by a staggering 70 per cent, hitting more than 21,000. And this amazing rise was even bettered by Northumbria University, which saw its volume of students climb to 27,800 in 2015, a rise of more than 110 per cent.

This is a trend that has been ongoing on Tyneside for some time, and has shown no signs of slowing down. There are now more than 50,000 people attending university in the city, and this has given birth to an all new level of demand for property that landlords and investors can really get behind.

The need for more investment was even highlighted at the end of the last academic year. Despite the fact that there has been a real rise in building of student homes over the past five years in the north-east, demand and supply is still so imbalanced that more development in PBSA, fuelled by investment, really is needed.

According to property consultancy GVA, despite the fact there have been more than 2,000 new homes built in Newcastle for students over the last two years alone, rental prices still hit record highs last year. In fact, the four per cent annual climb in rents that was recorded is more than twice the average rate of inflation in the same period.

Such sharp climbs in the price of rent, especially at a time when demand is growing as it is, would suggest a discrepancy between supply and demand that needs to be addressed. And it could just be those savvy investors on the lookout for the best new place to invest who are best placed to address it.
FAQs

How are my funds protected during the construction period?

Client funds are held by a UK solicitor. Payments shall be made to the building contractor once the quantity surveyor and architect have inspected the site and have signed off on the particular stage of completion which is required for funds disbursement.

Aren’t student numbers declining?

According to the Student Housing Review Autumn 2015 from Bilfinger GVA, the change in tuition fees in 2012/13 from £3,000 to a maximum of £9,000 saw a 6% drop in both the number of applicants and acceptances by universities. Since then however, there has been a 9% increase in the number of applicants, compared to a 15.7% increase in acceptances.

A report by UCAS has shown that 564,190 people have applied to UK higher education courses for 2017 so far and another 100,000 people are expected to apply to higher education throughout the remainder of this cycle.

How can I exit the investment?

Experience Invest offers a defined exit strategy on some projects. The developer may wish to buy back the unit/s from the investor, typically with an uplift to make the exit profitable. In many cases, investors are able to sell their unit to another investor through Experience Invest’s client database. Investors typically pay a premium for a completed and operational property investment. Clients may also sell their property through other agents, on the internet or gift it to family/friends.

Who is responsible for repairs & maintenance?

The management company will deal with any repairs and maintenance. The cost of repairs will be deducted from the student’s deposit and maintenance will be paid for by the management company; some projects maintenance figures include a level of proactive maintenance.

Can I raise a mortgage on a student property?

In the current financial climate, mortgages are not offered for these properties, but occasionally projects offer non-status finance.

Don’t universities have their own accommodation?

Many universities don’t have sufficient accommodation to meet demand from first year students who typically live in the university’s halls of residence, creating demand for privately owned accommodation. Students from the second year onwards are expected to find their own accommodation privately however surveys suggest that a large proportion of students would prefer to remain in halls if they could.

According to Student Accommodation Tracker, only 28% of student accommodation currently meets rising expectations.
Completed student properties

Completed student property investments which have been paying investors returns

Experience Invest has already delivered highly desirable student accommodation developments across the country.

As part of Luton town’s regeneration, Experience Invest has been working with the local community to deliver three high quality, purpose-built student developments.

All of the student buildings have been built with student needs in mind, comprising a gym, cinema room and communal living space, among other highlights.

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Investors are happy with the assured passive income they receive from their completed student rooms.

Take a look around our completed projects in Luton

3 new-build developments

Almost 800 student rooms

Fully occupied

Almost 800 student rooms

Fully occupied

Take a look around our completed projects in Luton

3 new-build developments

Almost 800 student rooms

Fully occupied

Take a look around our completed projects in Luton

3 new-build developments

Almost 800 student rooms

Fully occupied
Case study

Student property investment and resale through Experience Invest

Hong Kong based investor, Kevin Lim came to Experience Invest after seeing an advert online for investment in L1 City Living. He was looking to invest in buy-to-let stock as an avenue for building a small portfolio of properties that allows him to make a nice passive income.

“The experience was as simple and straightforward as when I purchased my unit. Experience Invest staff who handled my case was on hand to answer all my queries and guided me through the entire process even following up after the sale to check if all went well.”

In terms of income, the returns that you get as an investor are always assured for a set period when you work with Experience Invest, but you can often get more than you might expect. At L1 City Living, investors received a fantastic return on investment, and Kevin said that they actually came in at the higher end of his expectations.

“The ROI was excellent and on the higher end of my expectation,” Kevin continued.

For a multitude of reasons, investors will often look to change the stock in their portfolio. In the case of Kevin, the main driver for change was to fund a larger investment, and like others, he wanted to sell his investment stock at L1 City Living as a way to do so. Thankfully, the process of selling with Experience Invest is as easy as buying in the first place.

“The experience I had purchasing and selling was one of the most pleasant. In fact, I have already recommended Experience Invest to family and friends on many occasions!

“Their handling of my dealings with Experience Invest gave me comfort and confidence that my best interest was being taken care of. Experience Invest is definitely my preference for off-plan purchases in UK,” Kevin added.
Next Steps

To discuss your requirements with one of our property consultants or to request further information on any of the following:

- Property details
- Payment Process
- Availability
- Reserving a Unit
- Booking a meeting

Please call us on:

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