



LGIM furthers Unite relationship with £150m funding

12 April 2024 - Legal & General Investment Management's (LGIM's) dedicated UK and European Real Estate Debt division has completed a £150m senior loan with Unite, secured against 10 Purpose Built Student Accommodation (PBSA) assets across key UK cities.

The loan will be used to refinance an existing bank facility for its flagship Unite UK Student Accommodation Fund (USAF), which matured in Q1 2024. The funding builds on the strong relationship between Unite Group and LGIM, and follows on from LGIM's £400m senior loan in July 2023 which was used to refinance a public bond for USAF.

James Spencer-Jones, Head of Real Estate Debt Europe, LGIM: "We are delighted to continue building on our long-standing relationship with Unite Group. We see continued resilience within the PBSA sector, driven by strong investment and occupational fundamentals. This funding delivers both flexibility for USAF whilst retaining strong structural capabilities and investment characteristics for our investors. The financing continues our pivot into high conviction subsectors and further growth of LGIM Real Estate Debt's loan book."

Gary Leadbeater, Director of Group Treasury and FP&A, Unite Group: "This transaction is a further endorsement of the leadership credentials of both parties within the sector, further demonstrating the strength of our relationship with LGIM."

LGIM believes that the student accommodation sector will benefit from a relative lack of new speculative development, which should support rental growth while supply issues in conventional buy to let residential - which would normally offer an option for students - will drive demand towards fit for purpose accommodation. It sees fundamental support from an increase in international student numbers over the long term, together with growth in younger age cohorts domestically. Selectivity based on the strength of the university will remain vital as we see increasing differentiation in higher education as a long-term trend.

Unite were advised by Eversheds and Simmons & Simmons acted for LGIM.

Investing globally, LGIM Private Credit manages around £18.6bn¹ of investments on behalf of institutional clients globally. Its investment capabilities extend across real estate debt, infrastructure debt, corporate debt and alternative debt

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¹Data as at 31 December 2023.

Key Risk Warnings

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Notes to editors

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About Legal & General Investment Management (LGIM)

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²Data as at 31 December 2023.

³LGIM internal data as 31 December 2023. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong (2018-2019 only). The AUM includes the value of securities and derivatives positions.