

## **iQ Student Accommodation acquires Pure Student Living from L1 Treasury – expanding its offer in London and in leading university cities across the UK**

iQ Student Accommodation (“iQ”) has acquired Pure Student Living from LetterOne Treasury Services (“L1 Treasury”) – taking its portfolio close to 28,000 rooms in 66 locations across the UK. iQ is already the largest provider of student accommodation in Manchester, and, following this acquisition, will be the 2nd largest provider of purpose built student accommodation in the UK and the market leader in Central London\*, with a portfolio book value of £3.2bn.

Over the last two and a half years L1 Treasury has built Pure Student Living into a leading student accommodation owner and operator with 3,644 rooms across 11 sites in London, Edinburgh, York, Bath and Brighton. Some of the properties were operational at the time of L1 Treasury’s acquisition in 2015 while others were in various stages of development. The accommodation is primarily located near universities that rank among the top in the world where demand for such accommodation substantially exceeds supply.

iQ owns and operates all of its sites across the UK. It offers a range of high quality and well-located homes for students, and puts wellbeing and a sense of community at the heart of the experience through shared social and study spaces, free leisure facilities, gyms and a full programme of events. It is one of the few providers to have staff and security teams on hand and on site around-the-clock.

London is an area of strategic growth for the company, and this consolidation will result in iQ being the largest provider of student accommodation in central London. It will enable the business to give an even wider choice of accommodation to university students – offering 6,724 rooms in 15 sites from zones 1 to 4. This continues iQ’s focus on the UK’s key student cities and complements its existing leadership position in Manchester and Sheffield, which are amongst the UK’s highest ranking university cities. The transaction will also result in 80% of the value of iQ’s portfolio being located in Russell Group cities.

Following this acquisition, iQ will now also have a presence in York and Bath for the first time, whilst expanding its existing presence in London, Brighton and Edinburgh. These locations are all growing university cities which have a high degree of student growth, but a limited supply of quality accommodation. iQ will also be increasing the number of universities with whom it has a partnership from 16 to 19 – and is pleased to now be working with Bath Spa University, York St John University and City University in London.

The sites will be fully integrated into the portfolio and rebranded as iQ in spring 2018.

Student numbers in the UK indicate a healthy start for the 2018/19 academic year with UCAS confirming the highest ever number of applicants for the initial October course deadline – an increase of 7% to 61,440. There are currently over 2.2 million students studying in the UK, with 1.7m studying full-time. There are now over 397,500 students coming from outside the UK, making up nearly one quarter (23%) of the full-time student population. More than 81% of students live away from home whilst studying at university.

**Rob Roger, CEO, iQ,** commented: *“iQ puts the student experience at the heart of the business – by promoting a sense of community in our sites, and by providing safe, comfortable environments from which students can make the most of their university years. We are addressing the rising demand for this new type of accommodation provision, particularly in central London where, through our acquisition of Pure, we now have over 6,700 beds, and in Manchester where we already have a leading presence with over 3,000 beds. The opportunity to acquire Pure is part of our strategy to grow our experience-driven business and we look forward to fully integrating the new sites over the coming months.”*

**Nitin Bhandari, Head of Direct Investments for L1 Treasury** commented: *“We are proud to have assembled a portfolio of award winning properties and to have integrated them into a leading and highly profitable student accommodation business with a core focus on our customers – the students and education providers. Over the last two and a half years we have increased the efficiency of business and added new revenue streams through innovations such as Pure CityStay. As the business now moves into the next stage of its evolution, we are very pleased that it will find a home within IQ with their strong focus on the student experience.”*

L1 Treasury was advised on the sale by JLL and Eversheds Sutherland. iQ Student accommodation was advised by Knight Frank and Jones Day.

*\* Central London is classified as zones 1 and 2*

**ENDS**

#### **Notes to editors**

**iQ Student Accommodation** is one of the largest providers of student accommodation in the UK, and owns and manages 66 student premises in 27 towns and cities. Our student accommodation is well-located and high quality, and provides the best home-from-home environment for 28,000 university students from all over the world. We want to give students peace of mind by creating safe, comfortable and fully serviced environments. We have staff and security teams at each residence, on hand and on-site 24/7. We make sure that it is as easy as possible for students to become part of their new community by providing shared social and study spaces, free leisure facilities, gyms and events. iQ was established in 2016 and is owned by the Wellcome Trust, Goldman Sachs and Greystar.

**L1 Treasury** manages the liquidity and financial investments of LetterOne. L1 Treasury combines a portfolio of liquid fixed income securities with long term higher yielding investments such as direct loans and real estate and with investments in the financial markets, both direct and via hedge funds. LetterOne was founded in 2013 and is an international investment business headquartered in Luxembourg. LetterOne’s strategy is to build a portfolio of successful companies that are leaders in their fields and sectors. It makes long-term investments of its own capital in companies in which its sectoral experience and strategic and geographic expertise will improve performance and help companies grow. It invests through L1 Energy, L1 Technology, L1 Health and L1 Retail. Transactions of note in 2017 include the purchase by L1 Retail of leading health retailer Holland & Barrett and the Letter of Intent signed between L1 Energy and BASF to merge the parties’ oil and gas businesses in a joint venture called Wintershall DEA, which will be one of the largest independent European exploration and production companies.

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