

Solving the funding question



£30 million private finance invested into residential and academic facilities at the University of Kent

What is the funding question?

The big unknown for universities is how much funding will be available to them in the future. With the economic climate swelling student numbers, pressures on scarce resources are set to increase.

How can UPP provide the answer?

UPP procure funding without recourse to the university's balance sheet or the public purse. We apply our innovative funding model to work in true partnership with the higher education sector by developing bespoke solutions for each institution. This may involve investment in new student residential accommodation, or indeed academic facilities. Alternatively, a capital receipt may be realised for the transfer of existing estate on a leasehold basis. All of our solutions are of no risk to the university and release its balance sheet to invest elsewhere.

We have the committed backing of banks and other major institutions. By maintaining close relationships with these institutions, we ensure our business model continues to be funded despite prevailing liquidity problems. This is demonstrated by our capability for raising significant funds, to the extent that we have invested over £1 billion into the HE sector, including over £300 million of borrowings raised in 2008 alone.

What's the proof?

- Invested more than £1 billion in the HE sector
- Raised in excess of £300 million of debt in 2008 alone
- More than a decade of experience in the sector
- Portfolio of more than 18,000 bedrooms at 12 universities
- A rent roll of £65 million
- Sector leading occupancy levels in excess of 99.5%



£60 million private finance invested into a 1,300 room scheme at Loughborough University



We have repeatedly demonstrated our ability to raise finance in a challenging banking environment and are well positioned to more than double our investment into the sector.



Gabriel Behr Group Finance Director, UPP

Why UPP?

In our schemes, every aspect of risk – from strategic development through to construction and lifecycle maintenance – is transferred to those best placed to manage it. Facilities management costs, together with related employee expenses, are fixed and managed by our operations company. At UPP, we demonstrate our commitment to our partners by assuming the demand risk for our accommodation, effectively making equity investments into the future success of the university itself.

The university estate has a growing presence as an asset class, and the university accommodation sector has been performing well despite a tough economic climate. UPP is the natural partner for universities to leverage this opportunity and access private capital.



Lancaster University's £100 million-plus programme is the single largest university new accommodation project in the country



The deal has made a huge difference to the university's ability to get on with other projects. To have all the maintenance work taken out of our hands is an added bonus.

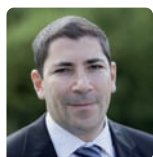


Andrew Neal Director of Finance, Lancaster University



Estimated £50 million Eco Residence scheme providing 800 rooms at King's College, London

For further information on UPP's funding model please contact:



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In November 2008, UPP raised £70 million in senior debt to extend leases at Oxford Brookes University (shown above) and Reading University