



University Partnerships Programme

winter 2008/2009

update

Welcome to the winter edition of update

Firstly, I'd like to say what a fantastic year it has been, worthy of celebration on many fronts. In fact, this has been one of the most successful in our ten-year history, not least because we have closed six new deals and raised more than £500 million in funds for our university partners. This achievement is particularly significant to us when the rest of the property market is experiencing such instability.

This year's successes are a major step towards achieving the ambitious goals set out in our Vision 2010. We plan to have 35,000 rooms across more than 15 partners. With 11 universities already on board through a variety of accommodation and academic facility schemes, we are well on the way.

This year also marks the tenth anniversary of our first partnership, with Plymouth University. It is extremely fitting that we have this year completed work on the latest phase of accommodation and facilities at Plymouth to the value of £32 million.

Another cause for celebration is our Eco Residence model, which is proving an extremely popular option with universities looking for increased sustainability among their on-site student accommodation.

Our first Eco Residence, launched at Lancaster University in 2007, received a BREEAM 'Excellent' rating in recognition of its sustainable credentials in 2008. Building on that recognition, it has also just won a BREEAM Award in the Multi-Residential category. Winning the award is something UPP and Lancaster University are very proud of and is a true testament to the success of our partnership.

The Eco Residence is now being rolled out across the country, tailored to meet the particular needs of each university. Our scheme at Leeds Metropolitan University, for example, includes two units that will be built to German PassivHaus standard and therefore require no active central heating systems. And at the University of Kent we are building a 500-seat lecture theatre as well as accommodation comprising 544 rooms.

Finally, this year saw the opening of two new regional offices. The first in June on the Kirkstall Brewery campus of Leeds Metropolitan University which will service our northern region; and the second in September at Broadgate Park, Nottingham which will provide a faster and more flexible centralised service to our local partners.

So now we look towards the future, with the aim of building further on this year's achievements. We are pleased to announce a major new partnership with the University of Exeter in the £150 million development of its residential estate. Our thanks go to all our university partners, with whom I hope we will be able to celebrate further joint successes in 2009.



Sean O'Shea, Chief Executive

inthisissue

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uppuniversitypartners

University of Exeter
 University of Kent
 Lancaster University
 Leeds Metropolitan University
 Loughborough University
 University of Nottingham, Broadgate Park
 Nottingham Trent University
 Oxford Brookes University
 University of Plymouth
 University of Reading
 University of York



Building a sustainable future with Leeds Metropolitan University

Using renewable materials and resources, Leeds Metropolitan University has been working closely with UPP to develop and build a new Eco Residence student accommodation complex. This follows on from the success of our pioneering projects with Lancaster University and the University of Kent.

To build on the existing Eco Residence models, a number of sustainable facilities are being considered for the new development. The university and UPP are looking at a wide variety of energy saving tools, including solar panels, digitally controlled lighting (which senses movement) and robust insulation.

The Leeds Metropolitan scheme will see the introduction of some innovative new approaches. These range from buildings that do not need any heating installed due to the other energy saving elements within the property (such as high level insulation and solar paneling), to the use of Photovoltaic technology to generate electricity from natural sources of light. UPP and the university are also looking at rainwater recycling schemes to reduce the amount of water consumption.

At present, pre-completion construction of our Eco Residence model has reduced the project's carbon footprint by 30%; a figure that will be further increased by the interior features. Thus, by employing these energy saving techniques, UPP is making further in-roads to reduce carbon emissions.

Stephen Willis, Director of Finance and Resources at Leeds Metropolitan University, says: "The Eco Residences will reinforce our position as a high-quality and environmentally conscious university able to attract the best students. Our partnership with UPP is hugely important to us and has proved beneficial to both parties and most significantly, our students; not least through an accommodation design that puts us at the forefront of sustainable thinking."

Sean O'Shea, Chief Executive at UPP adds: "By using the PassiveHaus model, it is the most groundbreaking example of how efficient a property can be and its ability to do this will have

repercussions across the construction industry; I am proud to be part of the team creating this influence."

"Partnership serves as the model for universities improving their financial position through estate transfers and similar deals, and the Eco Residence template acts as a beacon for sustainability."

Projects such as this highlight the growing market for building and managing sustainable properties. Quality and environmental awareness are clearly the keys to success.

UPP already works closely with Leeds Metropolitan University and manages its existing three sites. The original estate transfer covered 1,557 rooms across the university's Kirkstall Brewery, Sugarwell Court and Woodhouse Flats. The original contract was set up as a charity, which produces a hardship fund for the students of Leeds Met of approx £30k per annum. UPP funds and manages the properties, providing a full range of facilities management services.

Leeds Metropolitan University is also the location of one of UPP's regional offices, which offers localised support to its university partners across the Northern region.

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Stephen Willis Director of Finance and Resources at Leeds Metropolitan University

Eco Residence rolls out in Kent

The University of Kent was UPP's second partner to adopt the Eco Residence model and this academic year sees the first students moving into the accommodation.

The 544 rooms are located at the university's new Woolf College in Canterbury. They include study bedrooms arranged in flats of six to eight rooms, enhanced bedrooms, self-contained studios and disabled access rooms.

The residence is aimed at postgraduates, highlighting the university's commitment to provide top-quality accommodation to all students, not just first year undergraduates. This is a move that many other universities are beginning to make, as it becomes increasingly important to offer a full range of on-campus facilities to the entire student body.



The superstructure of the Kent Eco Residence was built using highly insulated, airtight timber panels sourced from sustainable, managed forests, producing a significantly better carbon footprint. The timber frames were manufactured offsite in order to minimise waste.

Like the other UPP accommodation that follows this innovative model, many energy-saving systems have also been installed inside the building to help students to live in a more sustainable manner.

In addition to the residential accommodation, UPP is also providing a state-of-the-art 500-seat lecture theatre, which is due to open in January 2009.



We are delighted to be a partner of UPP and look forward to working with them in order to create a high quality campus environment for our students.



Peter Czarnomski Director of Estates at the University of Kent



Woolf College, University of Kent



The Partner's View



Graham Gilbert, director of finance at the University of York, shares some of his views on the higher education sector and on working with UPP.

Our partnership with UPP, which now covers over 1,000 rooms on campus, is based on mutual benefit. Student accommodation is a key issue for us, as an institution dedicated to providing students with an exceptional experience, but we know that it is often more cost-effective to bring in an external partner rather than manage it ourselves. That is where UPP comes in.

Students' time at university needs to be enjoyable but it also needs the right intellectual and social facilities to ensure those years are well spent. For first years and overseas students, university-provided accommodation on campus is a welcome guarantee that means they do not have to face hunting for somewhere to live on top of all their other concerns

However, like many universities we want to develop a balanced student community, which means getting second- and third-years on campus wherever possible. We are constantly looking to grow and refresh our estate to give us that space, renewing existing assets as well as looking for growth opportunities. With both, we need to ensure we protect our capacity while keeping it affordable.

Fortunately, working with a provider like UPP means we end up with high-quality, well-managed and cost-effective accommodation



that can help to attract the best students. We are also a stakeholder in the special purpose company that runs our accommodation, so we have a real sense of ownership and alignment of interests.

At present we have a large development programme and this needs funding, not just for accommodation but for the right academic, leisure and support facilities as well. At a time of general economic instability, the higher education sector is perceived to be relatively stable and a source of steady, long-term growth. We are therefore well placed to broaden our funding options, not least through partnering with private sector providers such as UPP.

We are positive about the future. We plan to continue renewing our estate, raising standards across our campus and ensuring we offer an environment that appeals to any student.

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Graham Gilbert Director of Finance at the University of York

New rooms at Loughborough

As an integral part of Loughborough University's latest drive to develop a modern, efficient campus, this September saw the first phase of UPP's new student accommodation open for incoming students for the 2008/09 academic year.

Working closely with architects David Morley and developers Laing O'Rourke, as well as UPP, the university is realising its vision of providing surroundings that truly inspire students and support its continuing success in the UK's higher education sector.

The £60 million development is an exciting prospect, with 1,300 bedrooms that will be spread over a mix of four and five storey buildings when completed in May 2009. The largest such scheme undertaken by the university to date, it is set to provide Loughborough with a competitive edge with which to attract prospective students: in an increasingly competitive market, this is a real asset.



Whilst motivating students and staff has been at the core of the design, the plans also focus on encouraging a sociable, welcoming environment for the resident students. The result is space that will encourage them to feel part of a network of peers and immerse themselves in the student experience.

Throughout the partnership with Loughborough University, UPP will also be providing hard facilities management (FM) services to the scheme with 'imago', a wholly owned subsidiary of Loughborough University, providing the soft FM services.



UPP's new scheme at Loughborough University



Our vision

To date, UPP has invested over £1 billion into the university sector, including £500 million in this year alone. Sean O'Shea's appointment as Chief Executive has seen UPP reshape its business as it focuses on future ambitions.

UPP itself has helped secure this growth by announcing plans to double in size and invest a further £1 billion into higher education infrastructure as part of its 2010 strategy. Overall this means UPP will have invested a massive £2 billion into the sector upon completion of current and planned projects.

Sean O'Shea comments: "Many organisations in the higher education sector face significant funding challenges to retain or enhance their competitiveness, at a time when the government

is championing a skills-based economy. Working in partnership with universities, we supply solutions that unlock significant capital against their estates, allowing our partners simultaneously to invest in key areas such as research while regenerating their accommodation and facilities."

Following the restructuring of UPP and the completion of six major transactions, UPP has secured over £500 million in debt finance. This highlights that the higher education sector remains stable and very attractive to investors, despite the current economic climate. UPP has also achieved over 99% occupancy across its 18,000 student rooms this year, demonstrating how high-quality student accommodation can help universities to attract more students in a highly competitive education market.

Sean continues: "The outlook for UPP is good: we have already been appointed as preferred bidder at the University of Exeter for a £150 million accommodation deal. This initiative will increase the amount of on-campus student accommodation and thereby relieve pressure on the local rented housing market. The agreement with UPP is strategically important because it enables the university to concentrate its funds on academic investment whilst also being able to improve and increase student accommodation stock. Our plans are ambitious but we have an extremely strong track record in adapting our proposition to each university and delivering continuously."



Woolf College, University of Kent

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Sean O'Shea Chief Executive at UPP

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