



URBANEST SECURES £125 MILLION OF DEVELOPMENT FINANCE FROM M&G INVESTMENTS FOR LANDMARK CENTRAL LONDON SCHEME

London, 21 November 2018 – Urbanest, a developer and operator of student accommodation, has agreed a £125 million development financing facility with M&G Investments to finance a landmark student-led mixed-use development scheme in the City of London. The deal enables the development of over 650 student beds, to be offered exclusively to students from King's College London ('KCL') through a long-term nominations agreement.

In one of the largest deals of its kind this year, M&G will fund the construction of Urbanest's Aldgate scheme, to be known as Urbanest City. In addition to 654 student beds, the scheme will provide 60,000 sq. ft of Grade-A office accommodation, along with an incubator space for entrepreneurial start-up businesses through a lease to King's College Entrepreneurship Institute. The building will target a BREEAM "Excellent" rating upon scheduled completion in 2021.

The £125 million loan will mature in 2023 and will convert from a development to investment finance facility once construction is complete. The construction has been procured under a contract with Balfour Beatty, Urbanest's long-standing development partner.

Concealed beneath the Aldgate development are the remains of a bastion tower and part of the 4th century wall that once encircled the Roman City of Londinium. Urbanest is working with Museum of London to incorporate these incredible archaeological remains into the project, which consolidates two former office buildings (Emperor House and Roman Wall House) acquired by Urbanest in early 2017.

The spectacular Roman remains are set to be made readily accessible to the public for the first time within a three-storey gallery and museum, that will feature a subterranean public viewing platform, café and exhibition space to display finds from the original archaeological excavations of the site in the late 1970s and early 1980s. The ancient remains and the space that they have inspired will place the Roman wall at the heart of the scheme and provide an exciting museum space for student residents and Londoners to enjoy.

Vicky Skinner, CFO at Urbanest, says:

"This is Urbanest's most ambitious student-led mixed-use development to date, providing a unique blend of student housing, heritage, entrepreneurial innovation, commerce and leisure space uses which will sit alongside and complement each other in the completed scheme. We are delighted to be working with M&G and KCL again and our aspiration with Urbanest City is to add another landmark location within our expanding PBSA portfolio."

Adam Willis, Associate Director in M&G's Real Estate Finance team, says:

"Urbanest continues to provide fantastic facilities for students in London and we are delighted to expand our relationship and enable the construction of this exciting development. We continue to see increasing demand for student accommodation in the capital and this deal

provides our institutional investors with access to attractive returns secured against high quality real estate in London's city centre.

Paloma Lisboa, director of Student Residences at King's College London, says:

"We have enjoyed a longstanding relationship with Urbanest, and they are renowned for their focus on resident service and a market-leading operational platform. This Nominations Agreement enables us proprietary access to the rooms we need without having to build them ourselves; so that our students can enjoy a wide range of high-quality, Urbanest-owned rooms at a broad range of price-points. This new scheme brings together an exciting blend of history and innovation; creating an 'incubator' space for start-ups alongside vital new student housing. We are delighted to be working closely with Urbanest."

Urbanest was advised by CMS Cameron McKenna Nabarro Olswang LLP, Bedell Cristin, Apt (formerly known as Robin Partington & Partners), CBRE Ltd. and Pollitt & Partners. M&G was advised by Linklaters LLP, JLL and WSP.

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Media relations

Blackstock Consulting

Andrew Teacher / Rebecca Eyres - +44 203 137 6361

M&G Investments

Magdalena Andrzejewska

Magdalena.andrzejewska@mandg.co.uk

0203790 2152

Notes for editors

About Urbanest City

The scheme was designed by Apt (formerly known as Robin Partington & Partners) and will deliver 654 student bed spaces in a range of typologies and configurations across a 14-storey building that fronts onto Vine Street; a six-storey building adjacent to Crosswall; and a 12-storey building that fronts onto Crutched Friars and Jewry Street.

The ground and lower ground floors of the property will accommodate 'incubator' space for entrepreneurial start-up businesses through a lease to King's College Entrepreneurship Institute. The project will employ over 300 people including ten apprenticeships and five graduates.

In addition, a 12-storey 60,000 sq. ft. Grade-A commercial office building is situated to the north of the scheme on India Street. It has been named 'The Luminary' to reflect the blend of education, innovation, talent and commerce in the building.

Like Urbanest's broader portfolio of Zone 1 purpose-built student accommodation ('PBSA'), students will enjoy high-quality amenity space including upper-floor common rooms with views towards the City's Eastern Cluster and the River Thames, and a mixture of group and individual study rooms and spaces.

The new facility follows the £350m bilateral agreement announced in August 2016 with M&G and Aviva Investors, to refinance five of Urbanest's operational assets. Urbanest's portfolio of Zone 1 PBSA assets now stands in excess of 3,600 beds and across seven buildings. This includes a new 454-bed Vauxhall scheme at 5 Miles Street, SW8, which achieved Practical Completion in summer 2018, as well as the Urbanest City scheme under construction.

About Urbanest

With Zone 1 locations including Hoxton, King's Cross, Tower Bridge, St Pancras and Vauxhall, Urbanest's portfolio is anchored by a landmark 1,140-bed Westminster Bridge scheme overlooking The Houses of Parliament. The building was awarded a BREEAM "Excellent" rating upon opening in 2015. It includes a range of hotel-style amenities such as a swimming pool and sauna, cinema room and top-floor residents' lounge, with views over the River Thames.

The company was founded in 2008 with \$350m of equity backing from London-based M3 Capital Partners, who played a significant role in the creation of PBSA as an institutional investment asset class in the UK. Urbanest's strategy is to deliver a market-leading student accommodation experience to residents through a blend of direct-lets and nominations agreements, partnering closely with leading London-based universities to help them achieve their accommodation aspirations.

About M&G Investments

M&G is a leading international asset manager with a long-term, active approach to investing. The firm has been helping people to prosper by putting their money to work for more than 85 years. M&G's customers include private investors, members of pension schemes and life insurance policyholders. Responding to the ever changing financial landscape, the firm has developed a wide range of investment solutions, across equities, fixed income, real estate, multi asset and infrastructure. At 30 June 2018 M&G manages £285.8 billion in assets for its customers.

Headquartered in London, M&G employs over 2,000 people worldwide in 16 countries, managing assets in Europe, Asia and the US. M&G is the asset management arm of Prudential Plc in the UK and Europe.

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