

University Leased Student Accommodation - 169 Bedrooms

Two PBSA investments in Epsom town centre let to the University for the Creative Arts (UCA), with annual RPI-linked rent reviews
Available together or individually - Crossways House also available via share sale of a clean SPV

£13.0m	169	c. 9.23%	£267-£313 psf
Combined Asking	Bedrooms	Proposed Gross Yield	Capital Value

Combined proposed income c. £1.20m p.a. · Combined indicative NIY 7.74% current / 7.82% following new letting

Investment Summary

Key Highlights

- Two university-leased PBSA assets in Epsom town centre: **169 bedrooms** producing c. **£1.20m p.a.**
- Combined asking price **£13.0m** - proposed gross yield c. **9.23%**.
- Let to the University for the Creative Arts (UCA); effectively fully occupied for the current academic year.
- Annual RPI-linked reviews: 1.25% collar / 3.0% cap (Crossways) and 1.5% collar / 4.5% cap (Wilberforce).
- Crossways asking price c. 22% below its recent £10.20m independent bank investment valuation.
- Comparable Bradford House (99 beds, also let to UCA) sold to Legal & General for £16.5m (c. £167,000 per bed, 3.44% NIY).
- Wilberforce Court sits directly on UCA's Epsom campus; Crossways c. 10-minute walk. Both inside the M25.

The Properties

Crossways House, 39 East Street, Epsom KT18 5BX - 99 en-suite bedrooms, asking **£8.0m**.

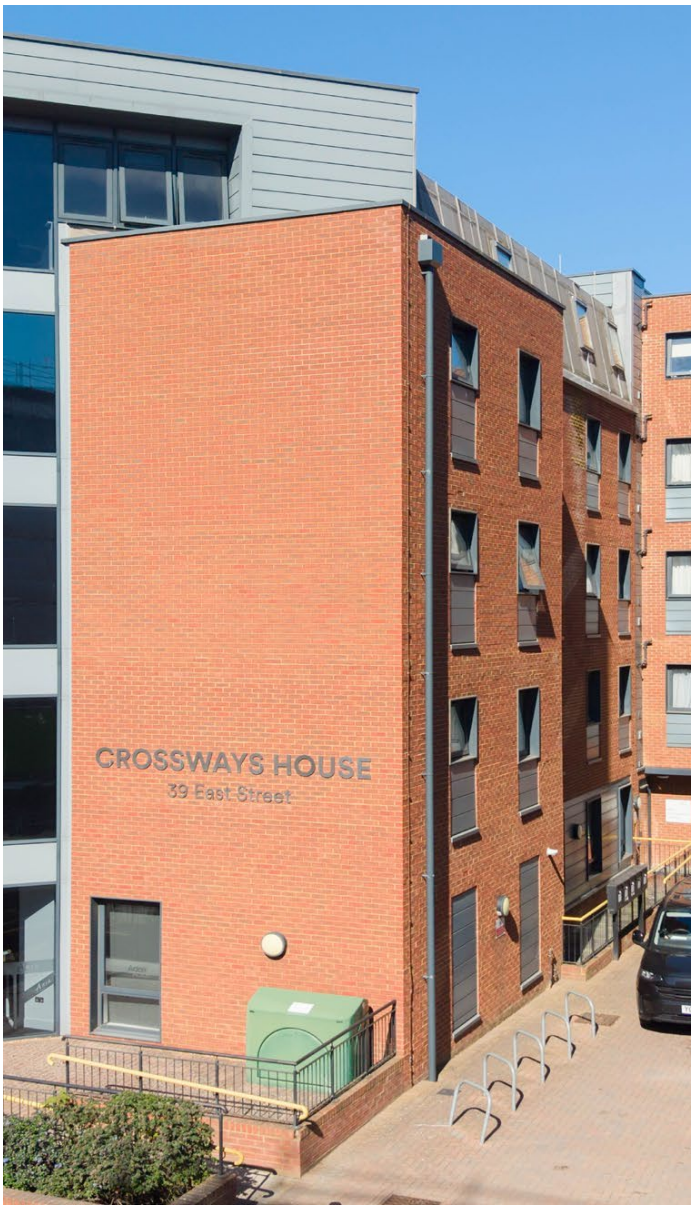
Wilberforce Court, Heathcote Road, Epsom KT18 5DX - 70 bedrooms, asking **£5.0m**.

Method of Sale

Available together or individually. Crossways House is held in a clean special purpose vehicle (SPV) with a share sale available (base value of shares c. £6.5m), which may offer SDLT savings subject to due diligence and the purchaser's tax advice. Wilberforce Court is available as an asset purchase.

Landlord Costs

The landlord is responsible for insuring and repairing the properties. Average annual OPEX (2023-2025): Crossways £62,546 p.a.; Wilberforce £52,286 p.a.





Leases & Income

	Crossways House	Wilberforce Court
Asking price	£8.0m	£5.0m
Student bedrooms	99 en-suite	70
UCA lease expiry	Aug 2041 (c. 15 yrs)	Sep 2035 (c. 9 yrs)
Lease breaks	Mutual 31 Aug 2031 (12 mths)	Tenant 1 Sep 2030 (6 mths)
Rent reviews	RPI 1.25% collar / 3.0% cap	RPI 1.5% collar / 4.5% cap
Current UCA income	c. £670,000 p.a.	£484,900 p.a.
Current commercial income	£34,000 p.a.	-
Total current income	c. £704,000 p.a.	£484,900 p.a.
Current gross yield	8.80%	9.70%
Indicative NIY	7.51%	8.10%
Following new letting	c. £715,000 p.a. (8.94% gross / 7.64% NIY)	-
Capital value	c. £267 psf / c. £81,000 per bed	c. £313 psf / c. £71,500 per bed
Avg annual OPEX (2023-25)	£62,546 p.a.	£52,286 p.a.

Operating Costs

Year	Crossways OPEX	Wilberforce OPEX
2023	£55,509	£44,122
2024	£62,856	£63,240
2025	£69,274	£49,497
Three-year average	**£62,546**	**£52,286**

Combined indicative NIY: 7.74% current / 7.82% following new letting. NIYs deduct the average OPEX shown and include purchaser's costs of 6.8% of the asking price. Figures following the new letting (commercial income at Crossways c. £45,000 p.a.) are projections.

Value & Covenant

Crossways Valuation

Basis	Value	Discount at £8.0m
Investment value	£10.20m	£2.20m / c. 22%
Vacant possession	£8.785m	£785,000
VP / HMO assumption	£10.835m	£2.835m / c. 26%

UCA Covenant

- Covenant information reviewed showed c. £156.7m annual income, £90.8m net assets and £19.1m cash.
- Auditors reported no material uncertainty relating to going concern over their assessment period.
- Significant recent improvement across the major UK university rankings.
- Significant investment in the Epsom campus, demonstrating continued commitment to the location.

Residential Value Context

Indicative residential capital values in Epsom are c. £500-£600 psf, compared with entry values of c. £267-£313 psf for these assets.

Alternative Demand / Upside

- Laines Theatre Arts has a requirement for accommodation for c. 500 students in Epsom and has approached the owners regarding further accommodation.
- Epsom Council and the NHS already lease comparable local accommodation on commercial FRI leases at higher rents per bed than UCA currently pays.
- Evidence of alternative institutional demand and potential rental / reversionary upside; limited private PBSA competition in Epsom.

Bradford House Comparable

- 99 student bedrooms - the same as Crossways - with effectively the same layout and specification, also let to UCA.
- Sold for £16.5m (c. £167,000 per bed) to Legal & General at a 3.44% NIY, albeit with longer-dated income.
- Crossways is offered at £8.0m / c. £81,000 per bed - less than half the capital value per bed.
- Shows the potential value creation from a future lease extension / regear.

Location

Epsom is in Surrey, approximately 13.5 miles south-west of central London and inside the M25, with road links to Heathrow and Gatwick airports. Both properties are in Epsom town centre: Wilberforce Court is directly on the UCA campus and Crossways House is approximately a 10-minute walk away.

Direct rail connections from Epsom: London Waterloo c. 36 minutes, London Victoria c. 42 minutes, London Bridge c. 43 minutes (approximate; vary by service).

Epsom was ranked 3rd best place to live in England in 2024, placing third among 1,429 locations in Garrington's ranking, as reported by Epsom & Ewell Borough Council.



Epsom lies inside the M25. Markers indicative. © OpenStreetMap contributors. Not to scale.

Important Notice

Proposal

Combined asking price **£13.0m** (Crossways House £8.0m; Wilberforce Court £5.0m), available together or individually. Subject to contract.

Particulars are for general guidance only and do not form part of a contract. Descriptions, dimensions, and other details are given in good faith but without responsibility; intending purchasers must satisfy themselves by inspection or otherwise. No person has authority to make or give any representation or warranty in relation to the property.

