Singapore company QIP announces senior debt financing secured for 284-bedroom student accommodation project in Sheffield, UK

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- *The company has secured senior debt financing with UK-based Shawbrook Bank, a specialist funder that offers development finance within the residential real estate market*
- *Working with QIP's real estate delivery partners in London, DML Development Managers Ltd, they have also secured construction group Bowmer & Kirkland, who will begin the build later this month*
- *This represents a major milestone for Asian investors who want to access UK purpose built student accommodation assets*

Singapore-based Q Investment Partners, a private equity real estate company, announced today that they have secured debt finance from UK bank Shawbrook for their purpose built student accommodation (PBSA) development in Sheffield, England.

UK real estate group Bowmer & Kirkland are confirmed as the main contractor and are scheduled to commence works in March 2018 under a fixed-price contract.

"This is a significant milestone for Asian investors who are seeking access to UK PBSA assets. Without companies such as QIP and our UK delivery partners DML, an investor would need local UK presence in order to secure the finance. This can make it an expensive, time-consuming and resource-heavy task," says Ben Hall, Senior Investment Manager of Q Investment Partners.

Asian overseas real estate investors are becoming increasingly interested in alternative forms of property investment in markets such as the UK. Traditional residential property routes are facing higher taxes and stricter regulations. According to QIP, this is having a positive impact on the purpose built student accommodation market.

"Regardless of Brexit, the UK maintains its appeal and Asian investors still want to hold UK investments," says Hall.

QIP's PBSA development in Sheffield was launched and closed in July 2017. The company has now secured GBP20m of debt finance from UK bank Shawbrook.

QIP originally sought debt finance throughout Asia, including Korea, Hong Kong, China and Singapore, before agreeing terms with Shawbrook in the UK.

"Securing senior and mezzanine development finance is becoming harder, particularly in the UK. We are delighted that we have secured debt finance from Shawbrook. They are a proactive bank, that understand regional markets across the UK and offer real estate expertise in development finance," says Hall.

Terry Woodley, Director of Development Finance at Shawbrook says, "This is an exciting transaction for us as we continue to support residential development projects across the UK. QIP is an incredibly experienced and knowledgeable partner who we are proud to be working with."

When it came to uncovering the right construction partner, the QIP team wanted to work with a contractor who had experience building PBSA, ideally in Sheffield, and an outstanding track record.

The pool of options was limited but one company stood out.

Rachel Warren, DML's development director, says, "We needed to find a main contractor who could work with us to achieve our strict budgets and timescales. We are impressed with their approach and believe we have the right building team in place. They are one of the UK's largest independent construction groups with considerable experience in delivering projects of this type."

Bowmer & Kirkland Regional Director, Steve Chambers, says, "We have a specialist team in place for projects such as QIP's Sheffield PBSA development. We are currently in the process of completing a scheme for Chinese investors, with a construction value of GBP67m, which is also in Sheffield. We understand how to build quality housing primarily aimed at overseas university students and how to work

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with companies such as QIP and DML on delivering value for investors.”

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