

# BRISTOL ANALYST VISIT

5<sup>TH</sup> NOVEMBER 2008

The heart of  
student living



# INTRODUCTION – 5<sup>TH</sup> NOVEMBER

## **Bristol tour**

- UNITE's "home" city
- Good example of city strategy & UNITE product

## **Sales and Marketing**

- Critical to driving sales growth
- Delivers against strong market fundamentals

## **Modular Construction**

- Critical to development programme
- Time, cost and quality

# RECENT UPDATE – REMINDER OF KEY MESSAGES

## **Underlying trading very strong**

- 99% occupancy
- 8-11% LFL revenue growth

## **£58m third party equity raised into USAF**

- Increases investment capacity to £380m
- Potentially reduced by Landsbanki deposit £30m
- Up to £205m to be applied in 2008 acquisition

## **Cautious approach to development commitments**

- Uncertain bank markets and valuation outlook
- Under review for next six months

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## UNITE SALES AND MARKETING

**Nathan Goddard**  
**Sales and Marketing Director**



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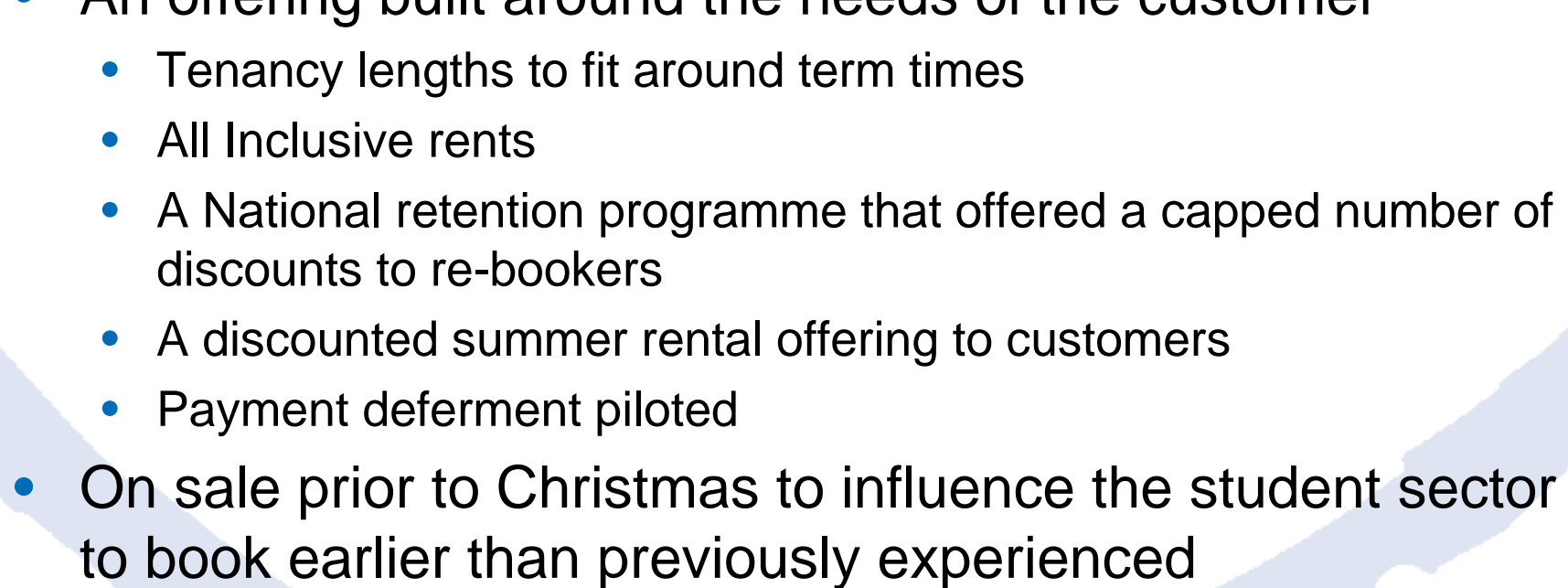
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# Framework

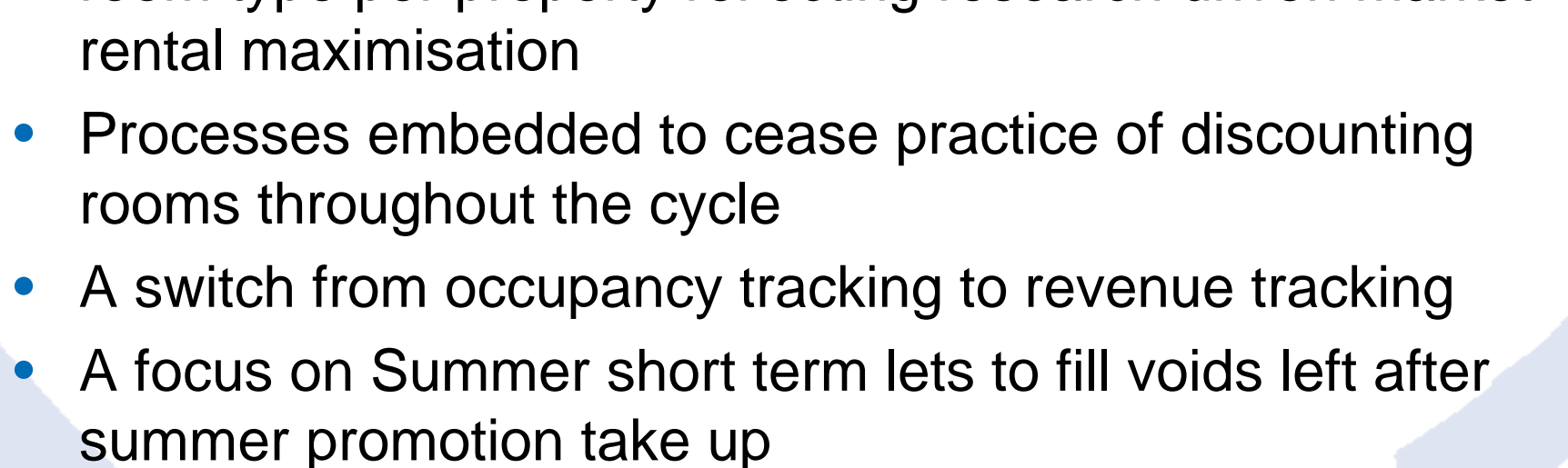
- Our Customer Proposition
- Approach to price setting
- Sales Strategy
- Marketing Approach
- 08/09 Reservations performance
- 09/10 Strategy development
- 09/10 Sales



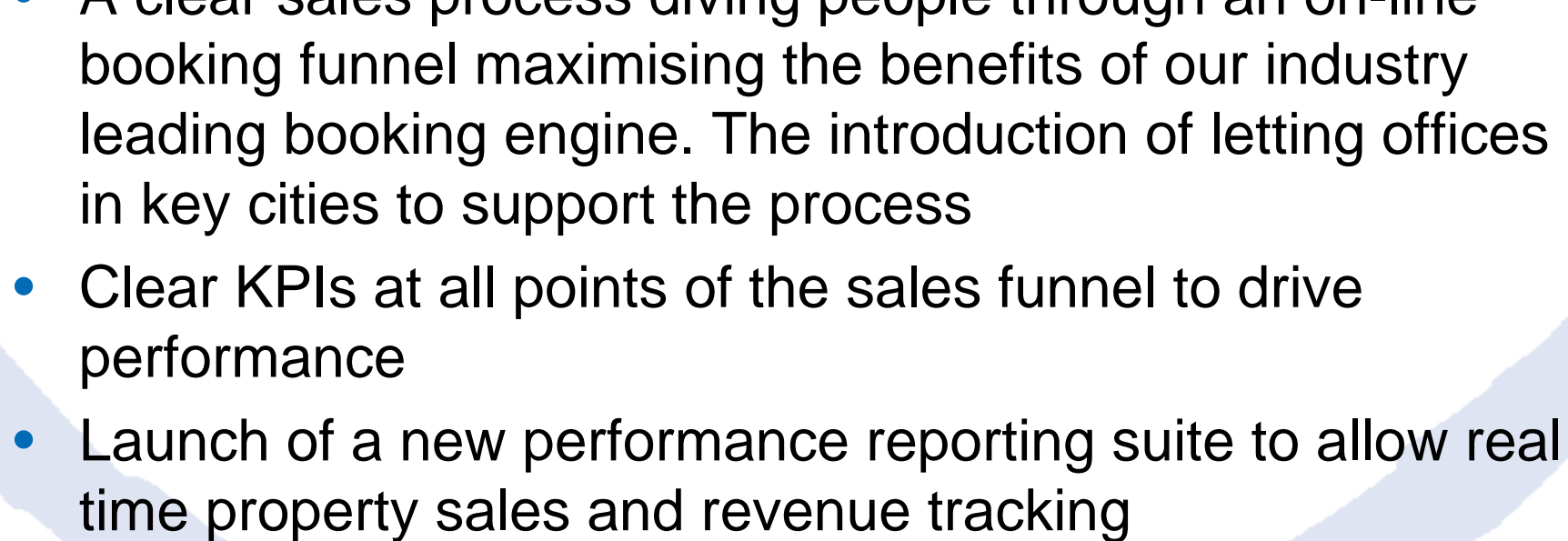
## 08/09 Proposition

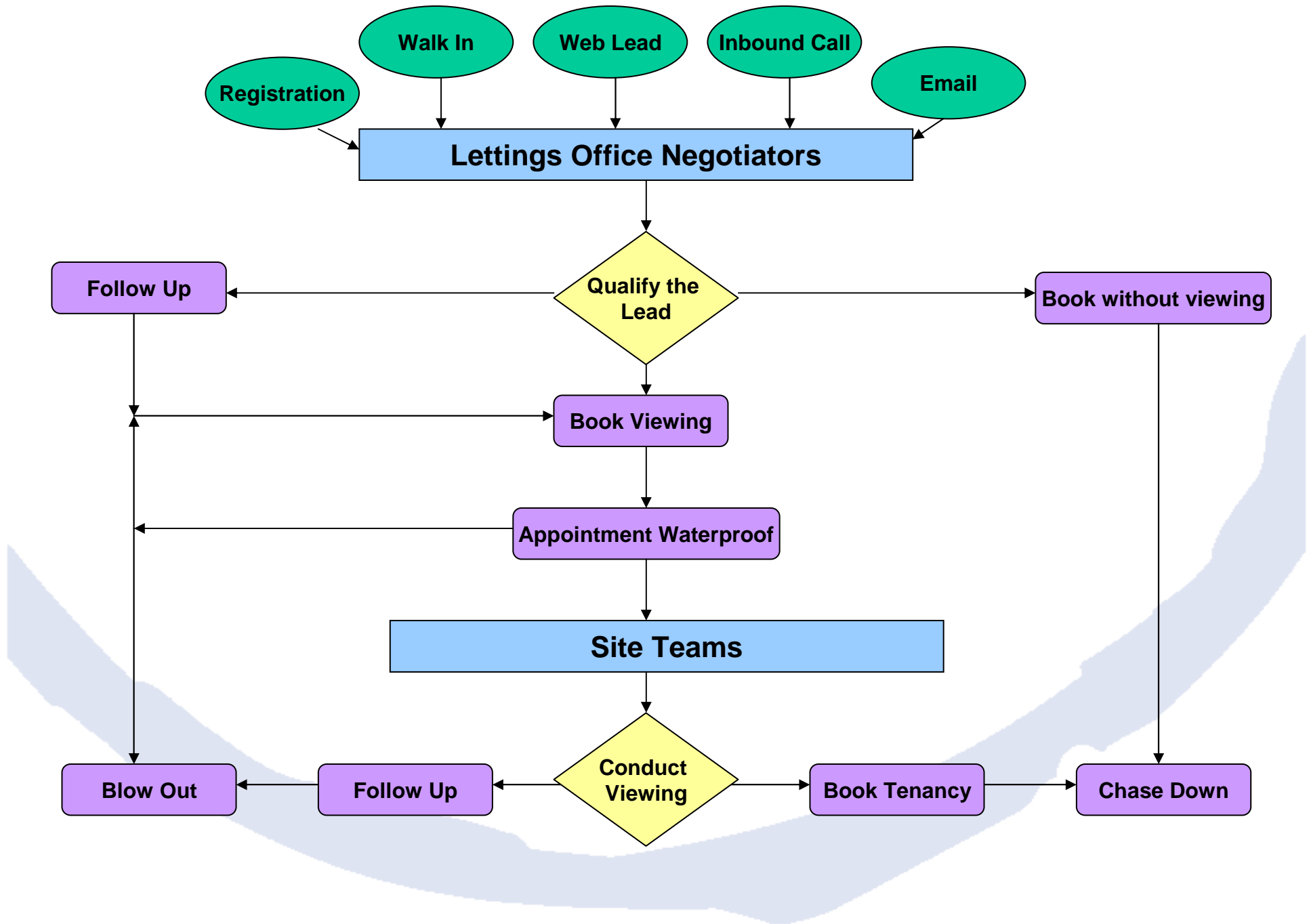
- November 07 Unite launches its first ever Research and Customer driven National Customer Proposition
  - An offering built around the needs of the customer
    - Tenancy lengths to fit around term times
    - All Inclusive rents
    - A National retention programme that offered a capped number of discounts to re-bookers
    - A discounted summer rental offering to customers
    - Payment deferment piloted
  - On sale prior to Christmas to influence the student sector to book earlier than previously experienced
- 

## 08/09 Price setting

- Price setting movement from regional approach to a national modelled price that deliverers one fixed price per room type per property reflecting research driven market rental maximisation
  - Processes embedded to cease practice of discounting rooms throughout the cycle
  - A switch from occupancy tracking to revenue tracking
  - A focus on Summer short term lets to fill voids left after summer promotion take up
- 

## Sales Strategy

- The introduction of a trained ,commission paid city sales force
  - A clear sales process diving people through an on-line booking funnel maximising the benefits of our industry leading booking engine. The introduction of letting offices in key cities to support the process
  - Clear KPIs at all points of the sales funnel to drive performance
  - Launch of a new performance reporting suite to allow real time property sales and revenue tracking
- 



## Marketing Strategy

- A movement from Brand Awareness to sales lead generation marketing
  - A switch from off line to digital media maximising search traffic
  - Development of our International Marketing especially with regard to utilisation of booking agents
  - A flexible city process allowing expenditure where city performance dictates
  - Clarity around cost per acquisition
- 

# Core Creative



**A choice of accommodation designed for you**

We've taken the best bits of student accommodation and created a new kind of living experience: one that offers everything from studio flats to flats for you and up to seven mates in a great range of city locations. So you can live how you want, where you want and with who you want. Simple.

[www.unite-students.com](http://www.unite-students.com)

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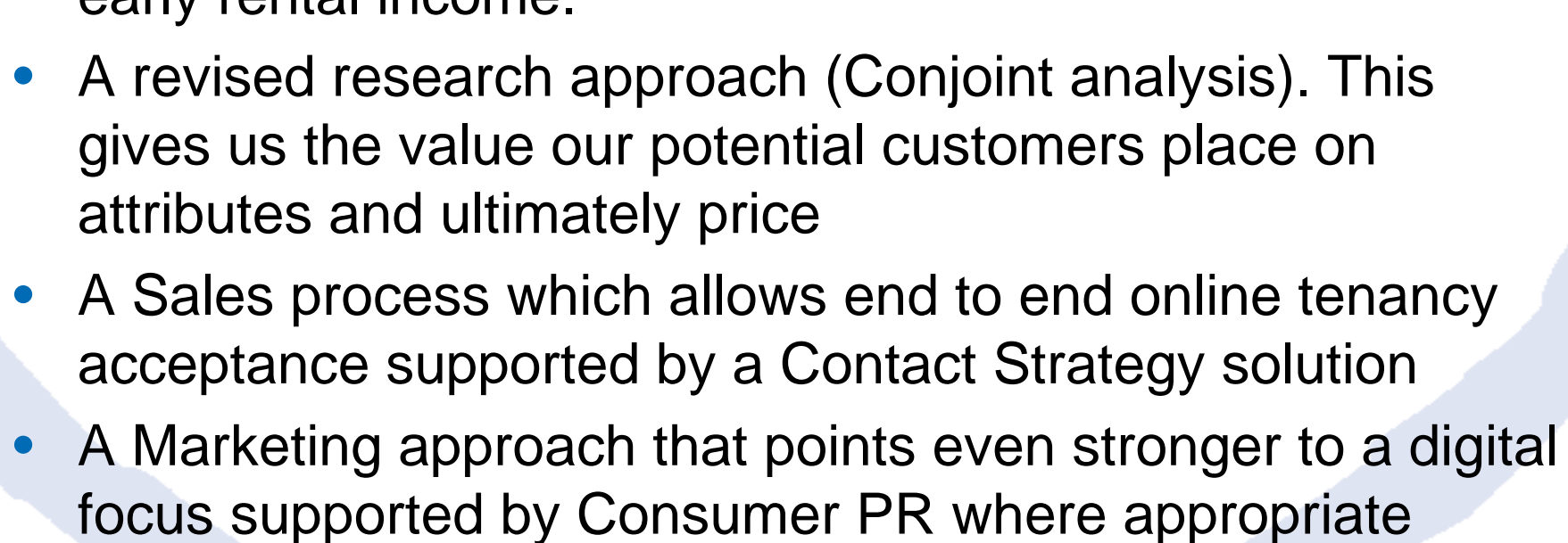
The heart of student living **UNITE**

## 08/09 Reservation performance

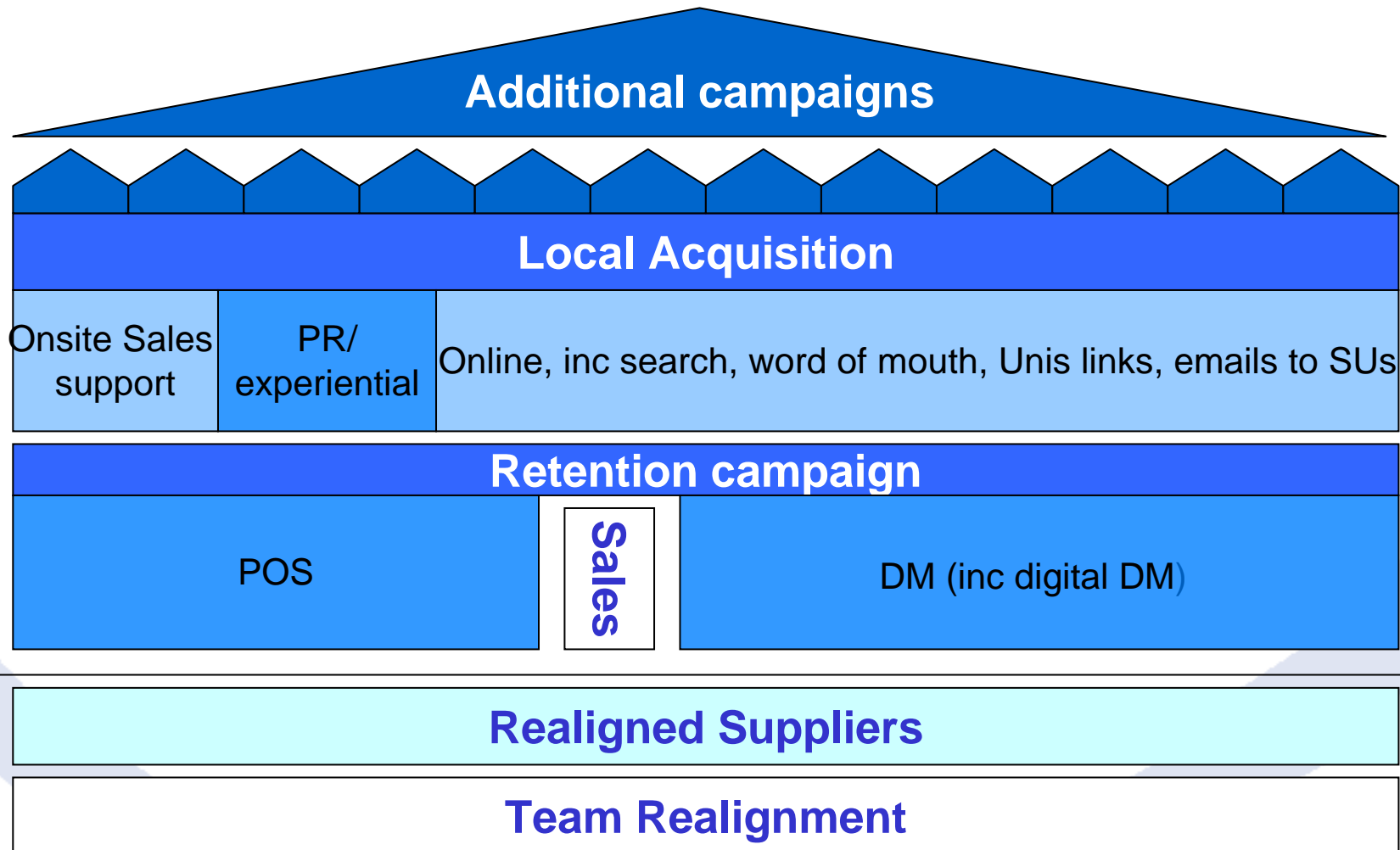
- 99% occupancy compared to prior year occupancy of 92%
- YOY LFL DL revenue growth of £10,700,000
  - £4.9m occupancy
  - £5.6m price and mix
- 11% LFL sales growth



## 09/10 Strategy development

- Key proposition Parameters to remain consistent
  - A revised cancellation process to add more protection to early rental income.
  - A revised research approach (Conjoint analysis). This gives us the value our potential customers place on attributes and ultimately price
  - A Sales process which allows end to end online tenancy acceptance supported by a Contact Strategy solution
  - A Marketing approach that points even stronger to a digital focus supported by Consumer PR where appropriate
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# Overview



# Sales Process

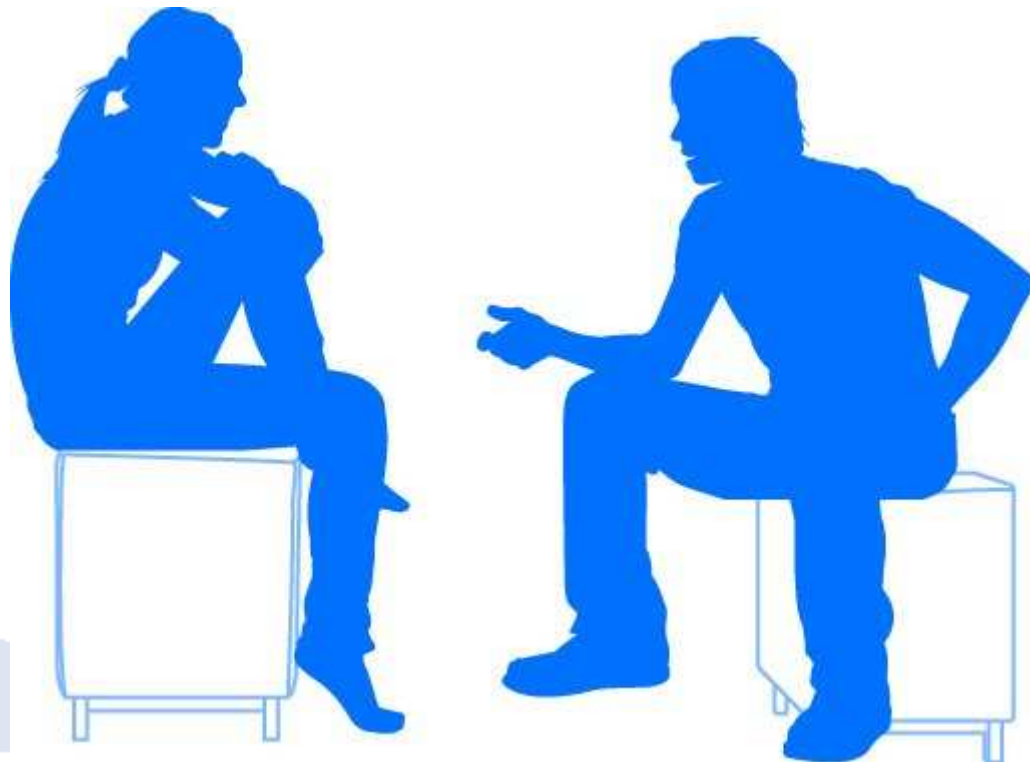
Our core process .....



“What this business does to deliver direct value to our customers”

## 09/10 Sales Performance

- Rental growth expected to be at least in line with that achieved in 2008/09
- Sales commenced on schedule three weeks ago





# ANALYSTS TOUR – UMS 5<sup>TH</sup> NOVEMBER 2008

**Will Garrard**

**Director of Manufacturing  
UNITE Modular Solutions**

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# AGENDA

1. Modular & OSM – What is it and why do it?
2. How does UMS fit into the UNITE Group business model?
3. Innovation agenda – Delivered
4. Innovation agenda – 2008-2010
5. Tour of factory & show flats

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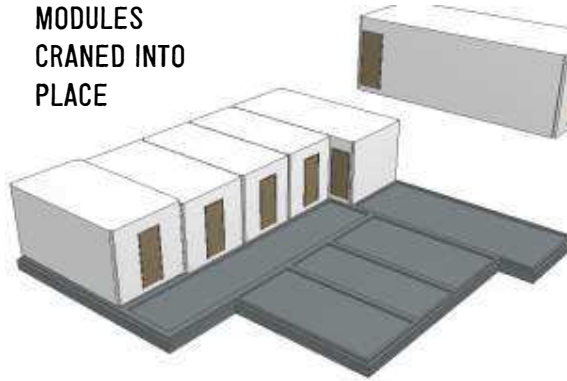
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# OSM AND MODULAR VOLUMETRIC CONSTRUCTION

FOUNDATION  
READY WITH  
SERVICES AND  
UPSTANDS



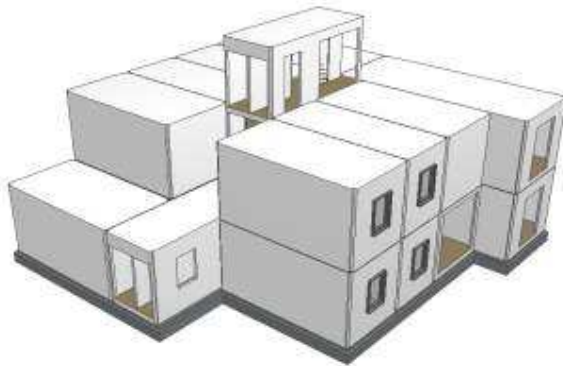
GROUND FLOOR  
MODULES  
CRANED INTO  
PLACE



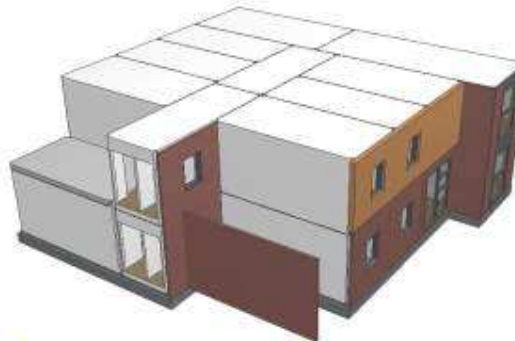
MODULAR  
CORRIDOR AND  
M&E PACKAGES  
DELIVERED



SUBSEQUENT FLOORS  
ADDED IN SIMILAR  
ORDER



BUILDING ENVELOPE  
ADDED



MODULAR ROOFING  
SYSTEM TOPS OUT  
BUILDING

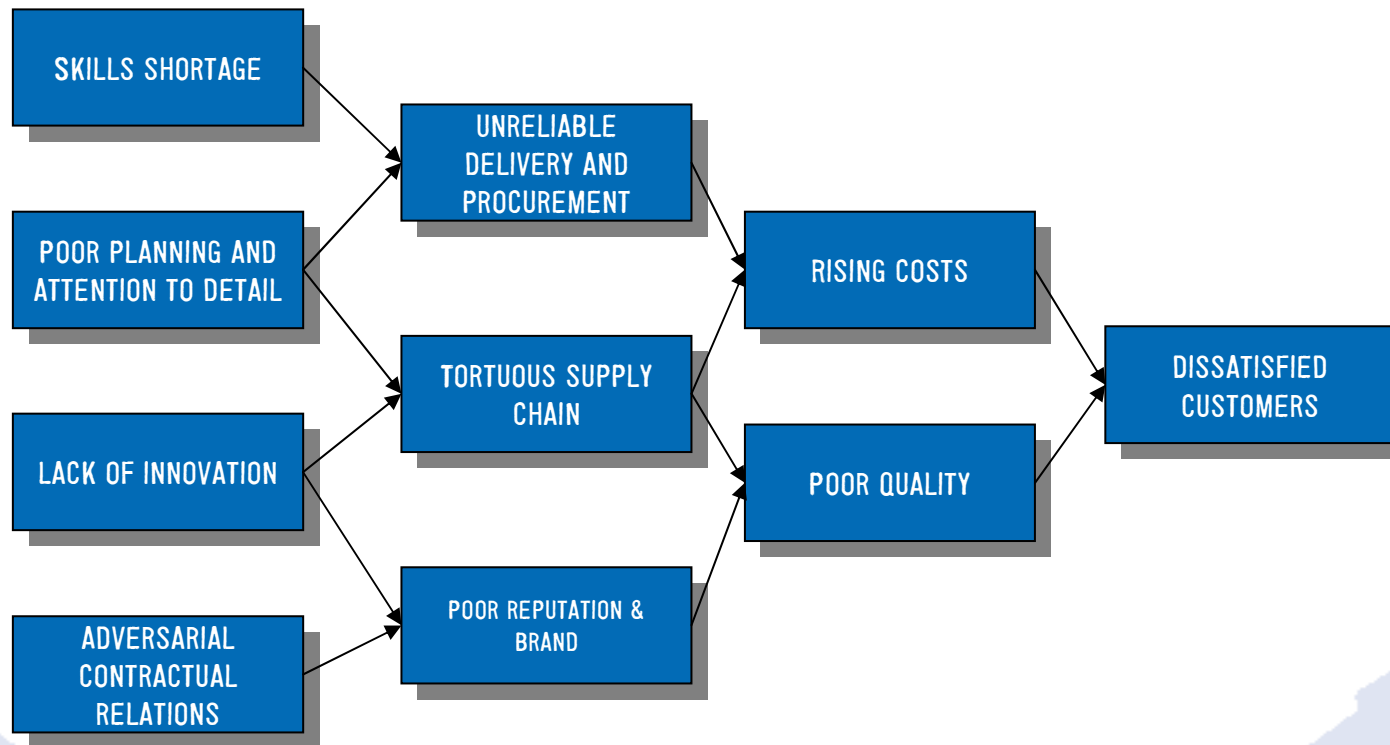


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# WHY OSM AND WHY MODULAR? THE EGAN REPORT 1998



**UMS created to address these concerns, to shorten programme delivery and to guarantee capacity & quality...**

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# THE BENEFITS OF OSM AND MODULAR CONSTRUCTION

## COST & SPEED

- Widespread recognition that OSM only delivers a ~3-6% saving in build cost
- 50% faster than comparable traditional build programme: financing benefit
- Skilled trades are “industrialised” at the manufacturing stage

## QUALITY

- Repeatable quality standards: 2008 YTD < 3 Defects per module @ despatch
- The modular advantage: Low or no requirement for trades in modules at site

## AGILITY

- Long life / loose fit: 60 year industry standard design life & 20 Year warranty
- Flexible operating platform & footprint philosophy
- Manufacturing attitude to supply chain management and innovation, demand driven & “make to order” through mass customisation

## LEAN

- Very high yields 2005 – 2008 waste @ 0.6% of material Vs up to 15% for trad’.
- JIT materials <15 days stock inbound & 2008 YTD 96% OTIF
- Bulk material deliveries to central industrial facility
- Two modules per lorry fully finished: Reduced vehicle movements



**Modular and OSM advantage is measured in total programme cost including time, capacity and certainty...**

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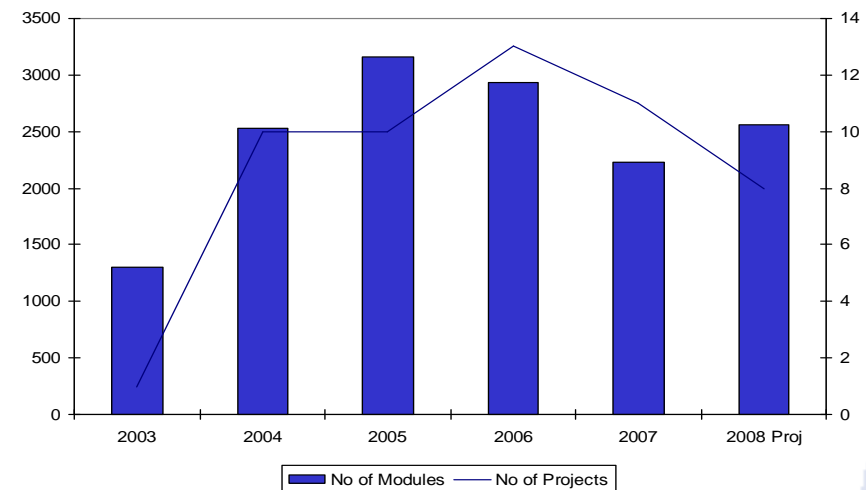
# UNITE MODULAR SOLUTIONS

UMS conceived in Jan 02, opened April 02, 1st building, Kings St. Leicester opened in Sep 2004.



- Opened at Stonehouse April 2002
- Current team 165
- Total site 16 acres
- 185,000sqf of production area
- ISO 9001 & 14001

Modules & Projects deployed



- 5 acre consolidation area
- Capacity: 11 modules per shift
- Capital Investment - £20 Million
- 1 module in <3 days & every 30 minutes



**Proven delivery of capability and volume**

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# A HISTORY OF SUCCESSFUL PROJECTS



Somerset Court, London



Alexandra Works, Plymouth

St Peters Court, Nottingham



Raglan Court, Coventry



Charles Morton Court, London



Curzon Gateway, Birmingham



Blackfriars, Glasgow



The Forge, Sheffield



The Anvil  
Sheffield

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# RECOGNISED AS A LEADING PROVIDER OF OSM HIGH IN CONTENT



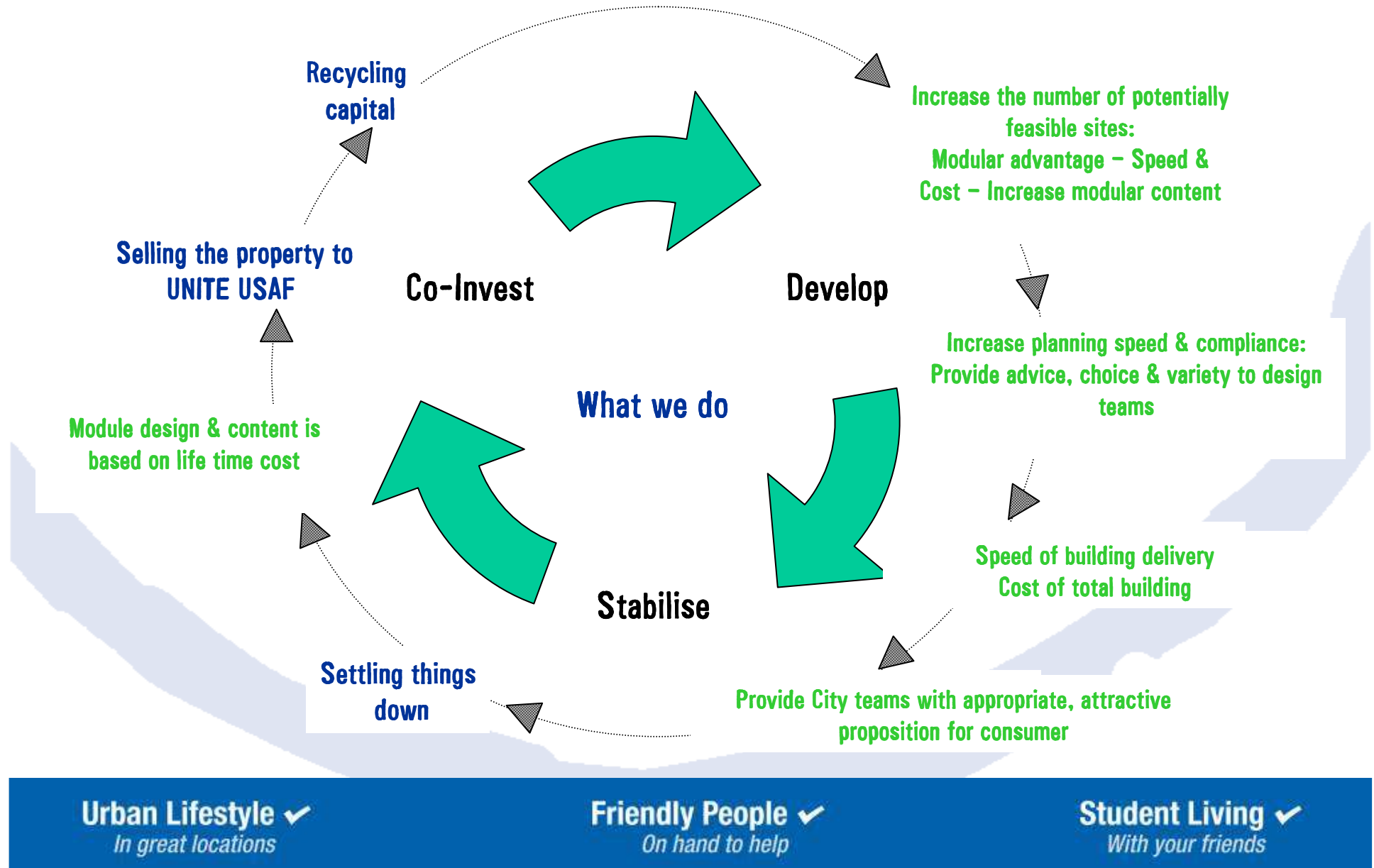
**Fully finished & fitted out modules contrast with most OSM providers!**

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# THE ROLE OF UMS IN THE UNITE GROUP BUSINESS MODEL



# A HISTORY OF RAPID DEVELOPMENT AND INNOVATION



- 1<sup>st</sup> to market with a LWSF modular system.
- Fully fitted modules from day 1
- Flow line concept for OSM modular is unique in Europe
- High rise: 1<sup>st</sup> building system in the world to achieve 11 stories in LWSF alone
- 08+ schemes BREEAM excellent
- Developed LBU bathroom in 9 months
- Significant partnerships with BRE and Oxford Brookes University



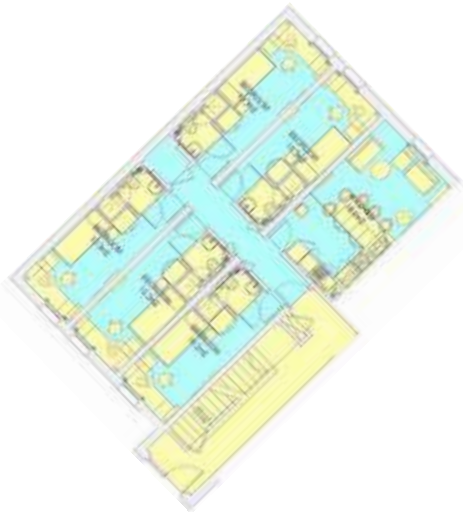
**Very capable R&D and design team with potential to develop system capability and portfolio...**

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# 2008-2010 DEVELOPMENT PROGRAMME



- The modular corridor and cluster flat
- Fully modular staircases
- Eliminate scaffolding and deploy modular roofing and cladding
- Deliver alternative bathroom unit
- “Livocity” for graduates
- Small scale social & residential
- Drive sustainability as a competitive offering
- “Low-rise” to compete with timber



**Delivering increasing capability in the drive for a 100% modular building solution and enhancing our portfolio!**

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## 08 DELIVERY PROGRAMME SCHEMES



**Curzon Gateway, Birmingham**  
**509 Modules**



**McDonald Road, Edinburgh**  
**168 Modules**



**Hillhead, Aberdeen**  
**656 Modules**



**Redmans Road, London**  
**199 Modules**



**John Bell House, London**  
**152 Modules**

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## 09 DELIVERY PROGRAMME SCHEMES



Ferry Lane, London  
840 Modules



Chalmers Street, Edinburgh  
366 Modules



Newington Court, London  
151 Modules



301 Holloway Road, London  
283 Modules



Murano Place, Edinburgh  
390 Modules

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