

HOME FOR SUCCESS



US
UNITE
STUDENTS

HOME FOR SUCCESS

Over the last three years, Unite Students has made significant progress in meeting and exceeding student and stakeholder expectations. We are the largest, oldest, and most experienced student accommodation operator and investor in the sector and are focused on making sure that our scale, knowledge and experience translates into leading service levels.

We have successfully embedded a consistent operating platform and built a strong financial foundation. We have achieved this stable platform through initiatives such as mobile working, providing employees with clear development paths, aligning our rent payments to the student loan cycle, introducing a wellbeing programme for students and launching a student panel to give us direct customer feedback.

We believe this is the right time to take our investment further.

The Unite Student Panel



Our Home for Success plans were tested and validated by the Unite Student Panel.



HIGHER EDUCATION SECTOR

The UK higher education sector is undergoing a period of profound change. This is most pronounced in England where the introduction of £9,000 per year tuition fees and changes to the student number allocation process have brought strong market forces to bear on the sector.

As a result, universities are reviewing their student offer across the board ensuring that they can offer an academic and non-academic experience that is attractive both to UK and international students.

Students themselves are demanding a high level of quality and service within their accommodation that will help them meet their academic, social and employment aspirations. With university increasingly being seen as an investment, good value for money is demanded by students and their parents. Service levels and differentiation are therefore likely to become increasingly important trends in the next five years, and so we're investing now to continue our leading role in the sector.

It is important that the quality, specification and capacity of a university's residences matches their growth plans, while retaining an appropriate level of flexibility. For this reason, strategic, long term accommodation partnerships with a trusted third party are becoming more attractive.

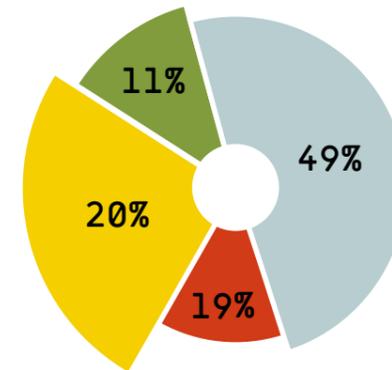
STUDENT ACCOMMODATION

Unite Students occupies a market leading position in the UK's purpose built student accommodation sector, a sector in which supply of accommodation has not kept up with demand from the UK's growing number of students. Student numbers have doubled in the last ten years with 1.7 million full time students studying in the UK, while university housing levels have remained flat.

We provide a home for 41,000 students, three times the number of rooms of our nearest competitor, with a 23% market share of the purpose built student accommodation sector. We also have clear growth prospects with over 6,000 new rooms under development.

Investor appetite in the sector is growing and as a result, new UK developers and operators are entering the market, along with competition from abroad. The volume of transactions in the sector is also increasing, and has almost doubled since 2011¹. These are all signs that the sector is beginning to mature.

We seek to become the most trusted brand in the sector, having the highest quality portfolio and maintaining a strong capital structure. Maintaining strong relationships with our university partners, students and employees is crucial to our success.



Breakdown of student accommodation by type (2012/13) (source: HESA)

- Private residential sector (780,260)
- University purpose built student accommodation (308,830)
- Parental/guardian home (324,070)
- Corporate purpose built student accommodation (179,250)



INVESTING IN SERVICE

Given the strength of our service over the last three years, and looking to the long term, we believe that this is the right time to invest in our business. We are accelerating our progress by reinvesting all our retained profits over the next two years back into our operating business, an investment of £40 million. It will see a transformation in our buildings, service and our digital platforms, give us a clear competitive advantage and enable us to provide a genuine home for students which helps them succeed at university.

HOME FOR SUCCESS

Home for Success is our core business purpose and our commitment to our stakeholders. For students, this means offering a comfortable home that enables them to achieve more during their time at university, whether that means academic achievement, personal growth or being ready for the world of work. For other stakeholders it means committing ourselves to their success, for example:

- Working in partnership with universities to help them achieve the right accommodation experience for their students, in line with their strategic plans.
- Ensuring that our student residents bring positive benefits to their local community, and encouraging more integration between the community and students.
- Offering our employees meaningful, challenging and rewarding careers.
- Delivering sustainable, growing cash flows and consistent low double digit total returns to our investors.

Home for Success represents a bolder and stronger aspiration for Unite Students around which everything we do is aligned. To underpin this aspiration we have changed our name to Unite Students, to underline where our focus lies.

Over the next two years we are delivering a series of commitments which will bring Home for Success to life. These are being driven by our employees - every one of them will contribute to making students feel at home and giving them the opportunity to be successful.



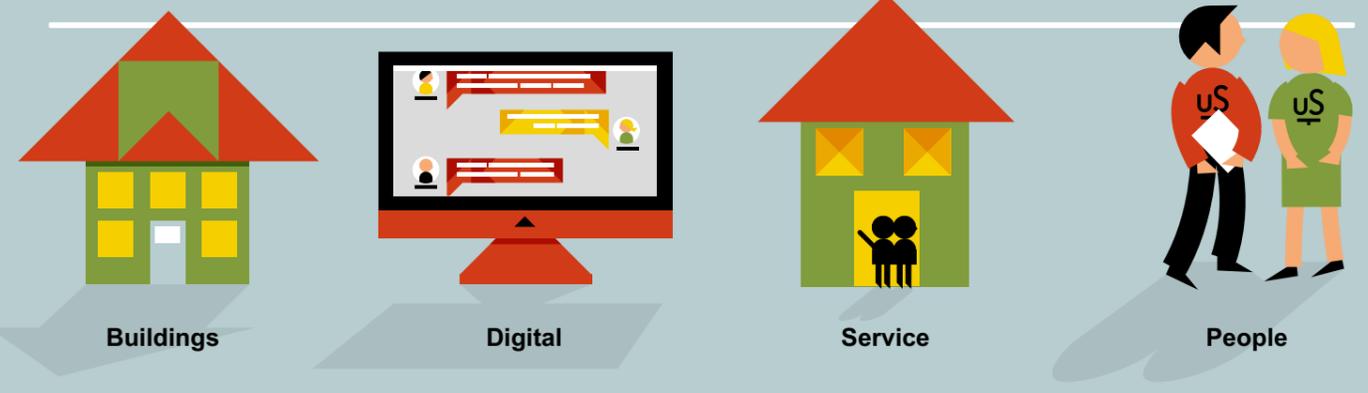
Alongside our new purpose we have refreshed our visual identity to be more contemporary and youthful.



AREAS OF INVESTMENT

Over the next two years our £40 million investment is being channelled into our core business in the areas of buildings, digital, service and people. This will give Unite Students a sustainable, long term competitive advantage as well as bringing a range of tangible benefits to our students and stakeholders that are not available from other private student accommodation providers.

Our areas of investment



Within these four areas, we have made a number of commitments which, when delivered, will achieve our Home for Success ambition. Each of these has been tested and validated by our student panel, so we are sure they will make a positive impact. The majority of these investments will also create new efficiencies and savings which will allow us to improve and extend our service at no further cost.

DELIVERING A HOME FOR SUCCESS

Here are just some of the things we will be rolling out over the next two years.

HEALTHY LIGHTING

We are installing LED lighting throughout our whole estate - over 120 properties. This will result in lower carbon emissions and significant energy savings. In addition, the new lighting will provide a far better quality of light that is more conducive to study and sleep and has a positive impact on student and employees.



PROPERTY MAKEOVER

Our accommodation is getting a complete makeover, inspired by student buildings from around the world and designed for us by Wayne Hemingway. We want students to have access to an environment that has a clear identity and is modern and youthful. We will give students greater ability to personalise their space so that they can feel at home.

Over the next two years we are investing in vibrant, multi-functional common space that provides a place for students to relax, run their own activities and study. These spaces will promote interaction and community, enabling students to feel a sense of belonging that research shows can prevent drop-out from university.²



WI-FI EVERYWHERE

We are providing free Wi-Fi throughout all our buildings with speeds of up to 20Mb, allowing students to study more effectively and keep in touch with family and friends. These high speeds will increase each year to meet and exceed the demands of our students who consider high speed Wi-Fi to be a hygiene factor. Our 2014 Student Experience Research showed that of all student accommodation features, Wi-Fi scores among the lowest satisfaction levels across all types of student accommodation.



DIGITAL PLATFORMS

We are investing £7 million in systems technology for staff and students, to drive service improvements and provide a better experience for students. We want to bring people together within our buildings, and also through online communities. Innovations will include a refreshed website for the 2014/15 academic year and flexible booking engine in March 2015. Internally, new human resources, customer relationship management and maintenance tools will result in efficiency savings.

We have already begun our activity in this area:

- The MyUnite App allows students to submit and monitor maintenance issues, contact our emergency control centre and receive service notifications through a smartphone App.
- Our World of Unite Facebook application allows our students to connect with students from across the world - this is available as soon as they book, allowing students to meet flatmates before they arrive.



ACCESS TO SERVICES WHEN OUR STUDENTS NEED THEM

We plan to use our scale, knowledge and experience in a number of ways to deliver higher levels of service.

We know from our student satisfaction survey that hygiene is important to our students and can be the cause of tensions among flatmates. We are providing free cleaning for the communal areas within our shared flats.

We are also reviewing the hours our teams provide reception and maintenance services so they are available at times to suit students' schedules, particularly weekends.

These improvements will be delivered free of charge to students, thanks to savings arising from other investments, such as LED lighting and mobile working.



LIFE SKILLS

Going to university is a time of transition. In their first year, especially, students will encounter many situations that are unfamiliar, and which may be daunting. Using opportunities we have for engagement with students on a day to day basis, we are planning a proactive approach to help our students to develop the skills and knowledge they will need for everyday life as a student and in the years to come. As a first step we have launched a tailored student budget calculator, available on our website.





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