A rare opportunity to forward fund a prime student accommodation development in Stirling city centre.

GOOSECROFT ROAD
STIRLING FK8 1JX



INVESTMENT SUMMARY

- The consented scheme will comprise 106 bed spaces, of which 104 beds are self-contained studios with one additional two bedroom apartment
- PC anticipated for 2023 academic year
- Structural undersupply of purpose built student accommodation in a city with high ranking and rapidly growing University
- Excellent city centre location with high level of amenity and close proximity to University transport connections
- 'Best in class' high specification shared space and common amenity proposed
- Stirling University ranked 'Sports University of the Year' by the Times Good University Guide 2020

On behalf of KR Developments, Ryden are instructed to seek full funding offers in excess of **£12,000,000 (Twelve Million Pounds)** which reflects a net initial yield of 6.24% and full purchaser's costs of 2.37%. It is anticipated that LBTT will be payable on the land purchase only.





University of Stirling

LOCATION

Stirling

Stirling is strategically located at the heart of Scotland, being almost equidistant between Glasgow and Edinburgh, each of which are approximately a 35 mile drive to the south-west and south-east respectively. Approximately 55% of Scotland's population live within one hour's drive of Stirling.

Transport

Stirling has direct strategic road connections to the major cities of Glasgow, via the M80 Motorway and Edinburgh, via the M9 Motorway. The city has rail links from Stirling Railway Station, which is situated a short walk from the site, to Edinburgh Waverley, Glasgow Queen Street and Aberdeen. There are also coach links to these centres and a comprehensive local bus service network in and around Stirling.


Stirling Castle & Railway Station



Travel times to Stirling

From	Car	Train
Edinburgh	40 mins	45 mins
Glasgow	30 mins	35 mins
Perth	40 mins	35 mins
Dundee	55 mins	1hr
Aberdeen	2hrs 15 mins	2hrs

(Source: Google travel times)


Wallace Monument



Port Street, Stirling

Demographics

The population of the Stirling Council area (which includes settlements such as Dunblane, Bannockburn and Bridge of Allan), in addition to the city itself, is 94,210 as of July 2019. Forecasters predict this population will grow significantly by 2037 to in excess of 105,000. As of the 2011 Census the city had a population of 45,750.

Stirling is a thriving economy, located at the heart of Scotland. The Stirling area's strategic and accessible location along with exceptional quality of life has helped it to attract new residents, businesses and visitors, driving economic growth.

Economy

Stirling has a strong and stable economy which provides a fantastic environment for business growth, delivering global connectivity at a highly competitive cost. Key sectors such as financial services, food and drink and tourism are amongst the best performing in Scotland whilst the rapidly emerging digital technology sector is playing an increasingly important role in Scotland's economy.
(Reference www.investinstirling.com).

Benefiting from world class research and innovation, Stirling has a number of strengths in specific sub-sectors including: aquaculture, digital technology, Big Data and digital health. With the most highly skilled workforce in Scotland, a business infrastructure that supports the most entrepreneurial area in Scotland and leading business survival rate, Stirling offers businesses a location that can support a multitude of needs.

The University of Stirling is an important contributor to and beneficiary of the activities of the local and wider economy.

Stirling University Innovation Park (Reference www.SUIP.co.uk) supports over 40 companies in 110,000 sqft of modern office accommodation.

Tourism

As a former capital of Scotland, with such historical monuments as Stirling Castle, the National Wallace Monument and other nearby attractions such as Blair Drummond Safari Park, Stirling has become an important tourist destination in Scotland. (www.destinationstirling.com).

Further Education

The University of Stirling was funded by Royal Charter in 1967 and was Scotland's first new university in 400 years. It is a plate glass university and is principally situated within a 330 acre campus approximately 2.3 miles north of the city centre. The university has expanded to four facilities, a Management school, a Graduate school with a number of institutes and centres covering a broad range of subjects in the academic areas of arts and humanities, natural sciences, social science and health sciences and sport.

The campus sports facilities are highly regarded and Stirling is designated Scotland's University of Sporting Excellence.

Notable accolades include:

Times and Sunday Times Good University Guide 2020	Sports University of the Year
The Guardian University Guide 2021	Ranked 28th in the best UK Universities league
The Complete University Guide 2020	Safest student city in the UK
National Student Survey 2020	Top 20 in the UK for student satisfaction

Further information www.stir.ac.uk and for the University of Stirling Strategic Plan 2016-2021. (www.stir.ac.uk/about/our-vision/our-strategy).

UNIVERSITY of STIRLING

The most recent recorded HESA numbers are detailed below:

	Mode	2019/20	2018/19	2014/15	5 Year Growth
Students	Full Time	10,505	10,480	9,255	14%
Total UK	Full Time	7,745	7,825	7,155	8%
Total Non-UK	Full TIme	2,760	2,655	2,100	31%

(Reference: HESA University Data).

In addition Forth Valley College of Further Education has a campus within Stirling which was opened in 2012. The Stirling campus focuses on Creative Industries, Tourism and Hospitality and is situated North West of the city centre. (www.forthvalley.ac.uk).





SITE LOCATION

Goosecroft Road is located in the heart of the city centre directly opposite the Railway Station. The subject site location benefits from the following city centre amenities within a 500 metre radius:

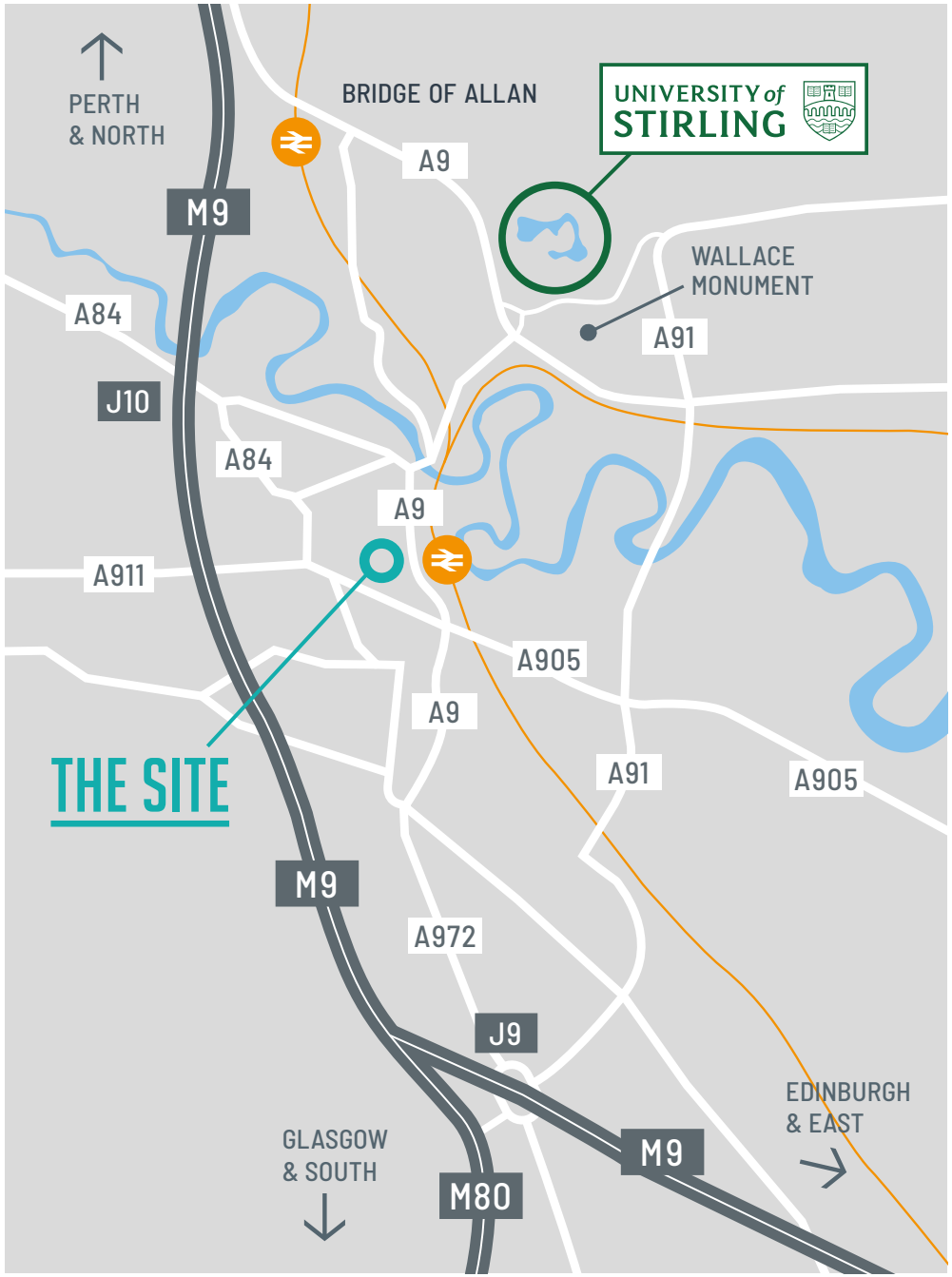
- Stirling Railway Station
- Stirling Bus Station
- Thistles Shopping Centre
- Stirling Castle
- Travelodge Hotel
- Vue Cinema
- Pure Gym

The site sits approximately 2.3 miles south from the University of Stirling main campus and is well located to benefit from excellent local transport links. The UniLink bus service, connecting the city centre to the University campus, departs from immediately outside the proposed development.

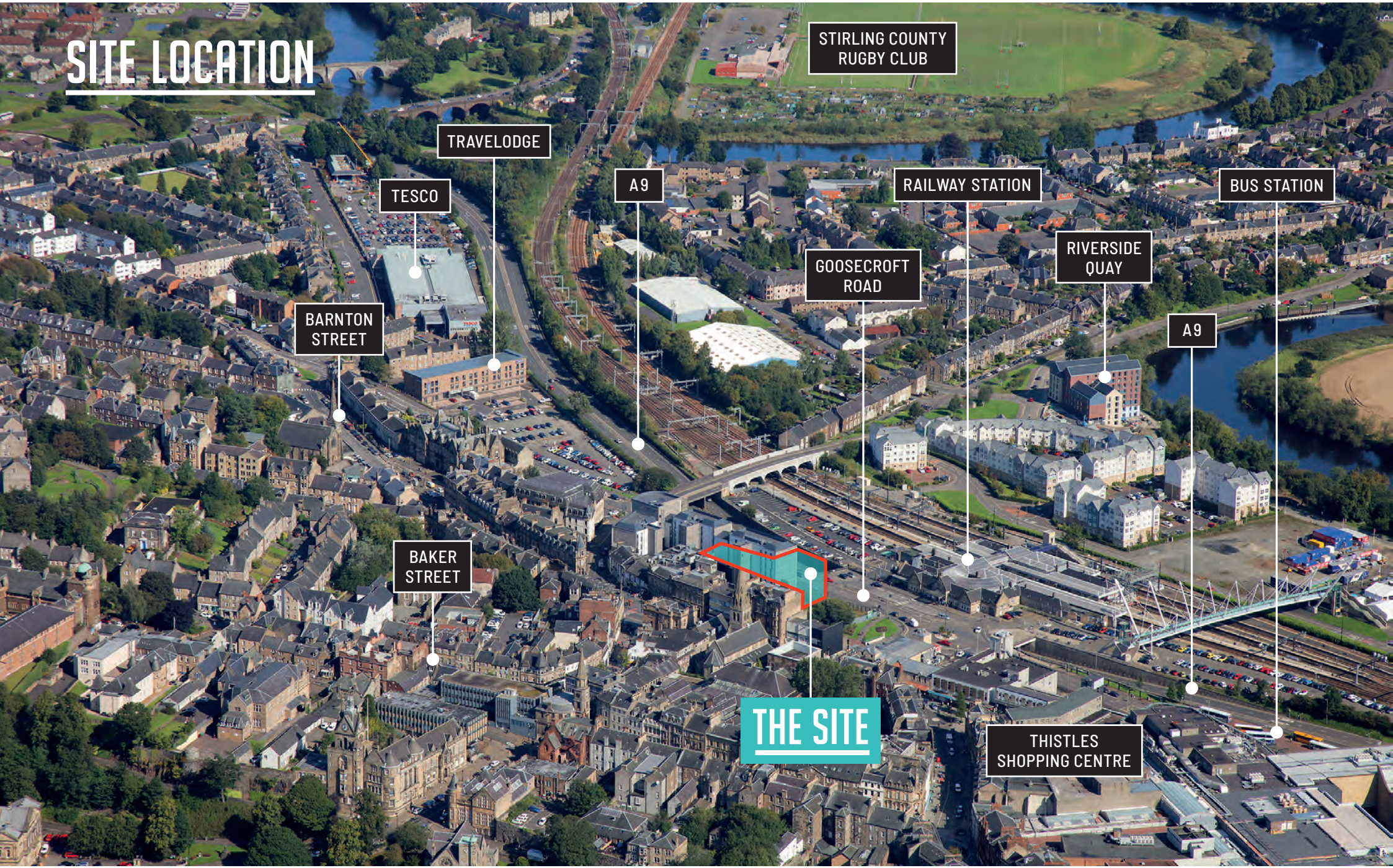
The commuting times to the University are estimated to be as follows:

Transport Type	Distance (miles)	Time (mins)
	2.4	13
	2.3	46
	2.3	13
	2.4	7

(Source: Google maps/directions)



SITE LOCATION



STIRLING CITY REGION DEAL

The Stirling and Clackmannanshire City Region Deal was signed at a special event at Forth Valley College on Wednesday, 26 Feb 2020 and sealed a collective commitment to a £214m investment package across the Stirling and Clackmannanshire area.

The deal focuses on delivering national and international sustainability through cutting edge environmental projects, innovation in the digital and tourism sectors and boosting skills across the region to create a pathway for future success and resilience.

It is founded on an ambition for Stirling's people and potential, to recognise the city as an economic and cultural powerhouse by building on its assets to create a beautiful city which generates wealth and increases opportunities for all. Stirling compares well with other cities nationally and the aspiration is to benchmark against the best cities internationally, by attracting and retaining talent and nurturing business growth.

(www.investinstirling.com/why-stirling/city-development-framework)


Stirling Castle


Stirling Railway Station

PROPOSED DEVELOPMENT



PROPOSED DEVELOPMENT

The consented scheme will comprise a prominent, high specification student accommodation development, including 106 bed spaces extending across seven storeys, along with high quality amenity spaces. There are 104 self-contained studios with one additional two bedroom apartment. The main entrance is accessed off Goosecroft Road on the ground floor via a central lobby which leads onto a communal lounge area.

The site is currently vacant and sits adjacent to a recently completed residential development. Planning consent has been secured from Stirling Council (REF 19/00135/FUL).

The proposed development will also provide ground floor amenity and shared facilities that will include space to accommodate the following:

- Reception and lobby area (71 sqm)
- Student lounge (47 sqm)
- Cinema (30 sqm)
- Gym (38 sqm)
- Laundry

44 Cycle spaces will be provided to the rear of the property as well as 2 accessible car parking spaces.



Accommodation

In terms of bed spaces, the accommodation will provide the following:

Floor	Apartment Type 2 bed (55.4 sqm)	Studio Type						Bed Spaces
		A (18.6 sqm)	B (19.5 sqm)	C (20.1 sqm)	D (22.1 sqm)	E (23.4 sqm)	F (29.1 sqm)	
Ground	1	0	0	0	0	0	0	2
First	0	4	4	3	1	1	1	14
Second	0	6	3	5	2	1	1	18
Third	0	6	3	5	2	1	1	18
Fourth	0	6	3	5	2	1	1	18
Fifth	0	6	3	5	2	1	1	18
Sixth	0	6	3	5	2	1	1	18
Total	**1**	**34**	**19**	**28**	**11**	**6**	**6**	**106**

a prominent high specification student accommodation development

STUDENT ACCOMMODATION MARKET IN STIRLING

University Owned Beds

At the present time the vast majority of purpose-built student accommodation in the city is provided by the University of Stirling. The bulk of this is provided on campus. The University offers close to 2,800 beds arranged over approximately 20 properties. The accommodation ranges greatly in quality and price. In recent years, the University has constructed new blocks on Campus such as Beech Court and Juniper Court which are high quality accommodation. More basic older blocks on site such as Polwarth House and Muirhead House provide dated low-grade accommodation with rents that reflect that.

The off campus accommodation provided by the University ranges in scale and quality. For example at Bridge of Allan, the Allan Grange Development provides a 44 bedroom residence in a former Victorian house whereas the Union Street accommodation within Stirling itself, is a purpose-built cluster scheme providing 266 beds. The majority of the accommodation provided is cluster accommodation with only limited studio space on campus. The most recently constructed University accommodation is priced at £158.97 PW for cluster bedrooms and £178.70 PW for studios. Typical letting periods are 37 weeks for undergraduates and 50 weeks for postgraduates.

Development Pipeline

Planning application (19/00890/FUL) for a scheme comprising 310 beds at Orchard Village was recently rejected by Stirling Council. It understood that a revised application for a smaller scheme is due to be submitted imminently.

Private PBSA

There are only four blocks of privately owned PBSA in Stirling comprising, Riverside Quay (206 beds), Mid-Point Apartments (76 beds), Centro House (122 beds), and Carters Yard (157 beds).

① **Riverside Quay**	Developed by Maven/IPIM and completed in summer 2019 and is located on Forthside.
② **Mid-Point**	Located on Douglas Street and comprises 4 and 5 bedroom en-suite cluster flats that are managed by a private operator.
③ **Centro House**	Recently purchased by Maven/IPIM and located South of Stirling City Centre.
④ **Carters Yard**	Located in Stirling City Centre and has recently reached practical completion. The scheme comprises a mix of clusters, studios and 1 bed apartments. Developed by Maven/IPIM.



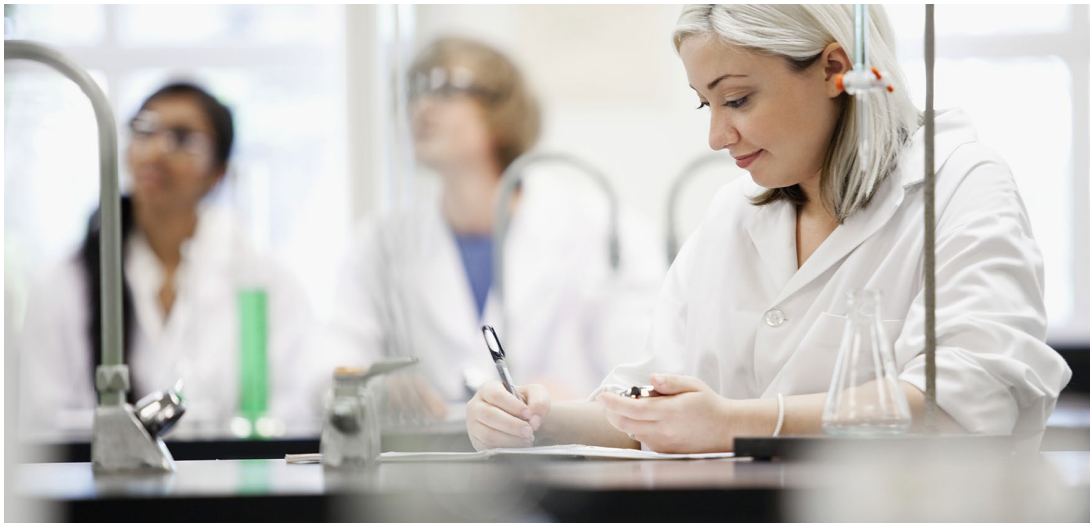
Comparable University Rents in Stirling

Rental levels in the city range largely depending on age and quality of the accommodation. A selection of comparable University rents in Stirling are detailed below:

Scheme	Date Open	Bed Spaces	Accommodation Type	Rent (per week)
Carters Yard	2021	77	clusters	£135 - £177
		9	town houses	£135 - £137
		16	one bed flats	£210 - £215
		55	studios	£185 - £208
		157		
Riverside Quay	2020	79	clusters	£155 - £176
		128	studios	£179 - £205
		2	one bed flat	£220
		209		
Centro House	2017	55	studios	£178 - £185
		4	DDA studios	£185
		58	clusters	£148 - £155
		3	DDA clusters	£148
		120		







Goosecroft Road - Income profile

We have set out the proposed income schedule below based on rents for the 2021/2022 academic year:

Accommodation Type	Bed Spaces	Contract Length	Rent (per week)	Gross Rent
2 bed apartment	2	51	£170 (per bed)	£17,340
studios	104	51	£180 - £205	£986,850
		Gross Term Income		£1,004,190
		Less Void at 2.5%		-£25,105
		Less Operating Costs at £2,000 per bed		-£212,000
		Net Income		**£767,085**

In arriving at an anticipated overall gross rental we have applied higher rental rates to the larger sized studios and those on the upper floors with views to the North. A full breakdown can be provided upon request.

DEVELOPER

KR DEVELOPMENTS

KR Developments is a specialist commercial property development business based in Edinburgh and run by Kevin Robertson and Neil Galloway. Kevin established KR Developments in 2015 to continue to pursue his passion for property development and the creation of quality properties to meet the needs of those that occupy and use them.

Kevin has been involved in the property business for over 35 years and in his previous role as Managing Director of Macdonald Estates, oversaw the development of approximately 3 million square feet of new commercial real estate predominantly in Scotland but also in the Irish republic.

KR Developments have delivered a number of student schemes in Scotland, including:

Scheme	City	Details
George Street Apartments	Glasgow	88 bed award winning conversion of a former warehouse which was forward funded by Empiric Student Property.
Potterow	Edinburgh	52 bed studio development new build development In the heart of the University of Edinburgh central campus delivered in partnership with Curlew.
Tramworks	Glasgow	232 bed scheme in the West end of Glasgow delivered in partnership with Harwood Real Estate.
Argyle Street	Glasgow	75 bed scheme also in the West end of Galsgow delivered on a leasehold basis for Kaplan.

In addition to the above completed student projects, KR Developments are currently delivering 3 schemes totalling in excess of 1000 beds in Glasgow, Sheffield & Edinburgh in a strategic partnership with CA Ventures.



George Street Apartments, Glasgow

FURTHER INFORMATION & PROPOSAL

Tenure

Outright ownership / heritable (Scottish equivalent to English freehold).

Price

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VAT

It is expected the land will be elected for VAT.

Further Information

Further information and access to the dataroom can be provided by contacting the sole selling agent.

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Ryden | Residential Investment & Development



A rare opportunity to forward fund a prime student accommodation development in Stirling city centre.

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