

PILinvests offers student accommodation vehicle

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PILinvests has launched the Crosslane Student Accommodation fund to invest in a portfolio of purpose-built private sector student accommodation in university cities across the UK.

The properties will be managed and let by the Crosslane team, who have an existing portfolio of similar assets.

Investors subscribing for the first £12m of equity will be issued with participations equivalent to 107 per cent of equity invested.

Crosslane is targeting an initial fund raise of £50m equity, with a first close at £3m to acquire an initial pipeline portfolio.

The minimum investment will be £50,000 and the fund will have a seven-year term, a targeted internal rate of return of 12-14 per cent and 4 per cent distribution each year.

James Sullivan, managing director of PILinvests, said: "Student accommodation is a resilient investment sector during an economic downturn, offering investors the prospect of enjoying robust performance.

"Demand for this type of accommodation outstrips supply, rents are rising in real terms and many private operators boast of being 100 per cent fully booked for the current academic year 2009-10.

"It is the resilience combined with rental growth prospects and high occupancy rates that ensure student accommodation will remain a key investment sector."