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PILinvests launches £50m student accomodation fund

Nathan Cross 15/02/2010 13:20

Alternative asset fund specialist PILinvests has launched a student accommodation fund targeting £50m of equity.

The Crosslane Student Accommodation Fund No. 1 Limited Partnership will invest in purpose-built affordable private sector student accommodation in university cities across the UK.

The properties will be managed and let by Crosslane, which has an existing portfolio of similar assets.

The fund is targeting an initial fundraise of £50m equity with a first close at £3m to buy an initial pipeline portfolio.

The minimum investment will be £50,000 and the fund will have a 7-year investment term, a targeted IRR of 12-14% and 4% distribution per year.

James Sullivan, PILinvests managing director, 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 being 100% fully booked for the current academic year 2009/10.

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