

PRESS RELEASE

Zenzic Capital Launches £500+ Million Student Accommodation Strategy

The new strategy is seeded with the acquisition of five assets with a GDV of over £147 million in a joint venture with Torsion Group.

Zenzic Capital (“Zenzic”), the real estate credit and special situations investment manager has launched a new UK purpose-built student accommodation (PBSA) strategy with a target portfolio GDV of over £500 million. The strategy, through which Zenzic will invest in existing stock and develop new assets, will help address the UK’s acute shortage of high-quality PBSA.

This new strategy has been seeded with the acquisition of five major schemes with a total GDV of over £147 million through a joint venture (the “JV”) with Torsion Group (“Torsion”), the Leeds-based residential developer, contractor and operator. The JV is targeting a total portfolio GDV of over £250 million across seven schemes and will deliver a much needed 1,566 rooms by the end of this year.

Knight Frank estimates there are currently 95,000 new beds in the planning pipeline, significantly below the 263,000 additional full-time undergraduates anticipated between now and 2030¹.

The first five schemes with Torsion, which are all in Russell Group university locations in some of the UK’s most popular student cities. Once completed the five assets will comprise 817 beds and include ensuite bedrooms; social, fitness and wellbeing spaces; study zones; and recreational areas.

Two of these schemes, which are located in Leeds and Nottingham, are newly built and already fully let. The other three are new developments in Warwick, Nottingham and Leeds, which are already under construction.

The three new developments will be delivered by Torsion in time for the start of the 2025/26 academic year. In line with both parties’ focus on ESG, sustainability is central to the design and construction of all five schemes, with the three new developments targeting a minimum BREEAM Very Good rating.

The completed assets will be operated by Torsion-owned LUNA Students, a specialist operator providing a first-class service to students and building owners, with wellbeing and sustainability at the forefront of its offering. LUNA Students recently achieved three-star Fitwell certification on its 290-bed development in Birmingham in recognition of its strategies to optimise tenant health and satisfaction within its buildings.

This is Zenzic’s second transaction within its wider special opportunities strategy which targets growth-led situations alongside more tactical financings to capture compelling opportunities across the business cycle.

Nadine Buckland, CEO of Zenzic Capital, commented: “The UK student accommodation sector is underpinned by a number of highly attractive tailwinds including growing student numbers, an acute shortage of high-quality supply and an inflation-protected income profile that enhances returns for our investors against a challenging wider macroeconomic backdrop. We have already established a strong track record in the PBSA market, and this strategy enables us to increase our exposure to a sector that is one of our most compelling conviction calls.

“As part of this strategy, we look forward to building on our longstanding relationship with Torsion through this joint venture as we work together to deliver a best-in-class, sustainable product that meets the needs of modern students.”

Dan Spencer, CEO of Torsion Group, said: “Having worked with Nadine Buckland, CEO at Zenzic Capital for over eight years, I am excited to form a joint venture and partner with them in the delivery of this current pipeline. Our strong relationship with Zenzic made forming the joint venture seamless, and we look forward to doing many more deals together. The partnership gives us a strong foundation to scale and accelerate our growth in the PBSA sector.

“We are actively taking measures to reduce our embodied carbon emissions on all our developments. That is because sustainability remains at the forefront of our strategy and decision-making as we look to play a leading role in delivering decarbonisation across the construction sector.”

About Zenzic Capital

Zenzic Capital is a leading real estate credit and special situations investment manager. Founded in 2014 by Tom Lloyd-Jones and Nadine Buckland, Zenzic Capital has established a reputation for providing bespoke financing solutions to real estate borrowers and investment solutions for investors.

Zenzic Capital provides a range of structured financing solutions to match the needs of borrowers across the UK and Europe. We have built an extensive track record providing both single-site and platform level funding across acquisition, development and opportunistic scenarios.

For more information on Zenzic Capital, visit
www.zenzicapital.com

About Torsion Group

Formed in 2015 by CEO Dan Spencer, Torsion Group is a privately owned multi-disciplinary company offering a solutions-focused approach to developing, constructing, and operating accommodation-based schemes. This covers residential, student accommodation, and care & retirement living developments. The Torsion team has delivered more than 30,000 beds throughout the UK and offers an end-to-end, solutions-focused approach to all projects.

Torsion is a community-focused residential developer dedicated to creating exceptional living spaces. With a passion for innovation and a commitment to quality, the company creates environments that allow residents to thrive. The company's expertise lies in blending quality design, functionality, and sustainability to create homes that inspire people to live well and excel from concept to reality.

In 2023, Torsion Students rebranded to LUNA Students to create a brand that is more targeted to its student audience and aligned better to the student experience offered by the business. LUNA Students is aimed at students looking for high-quality, contemporary accommodation that offers them a safe, fully managed experience while in tertiary education.

In 2023 Torsion Group was listed in The Times (Sunday Times) Best Places to Work, Large Business of the Year at the Yorkshire Post Excellence in Business Awards, and Developer of the Year at the Property Week Student Accommodation Awards.

For more information on the Torsion Group, visit
www.torsiongroup.co.uk

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