JLL SEE A BRIGHTER WAY

CONSENTED CO-LIVING SITE

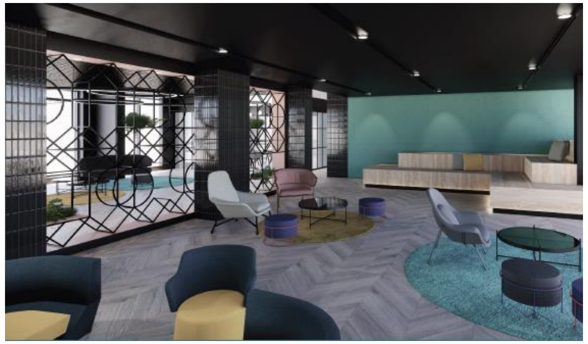
Royal Crescent Road,
Southampton, SO14 3TT

FOR SALE

CONTENTS

INTRODUCTION

- In March 2024 planning approval (23/00649/FUL) was obtained for a Co-living development in Southampton city centre.
- The consented scheme comprises 397 Co-living units spread across a 17-storey tower, 7 story stack and 5 story base.
- The proposed development benefits from an efficient unit mix and includes a generous allocation of communal amenity space (3.1 m2 per unit), incorporating a gym, café, workspace, and extensive communal terraces (1.5m2 per person).
- The Site measures 0.47 hectares and is centrally located on Royal Crescent Road, just an 10-minute walk to the city centre and in close proximity to local amenities, Southampton University and many major employers.



HIGHLIGHTS

4 Unit Types
From 18.5 m2 to 27 m2 for a variety of tenant needs

4 External Areas
For both resident and public use totaling 1,079 sqm

3.1 sqm of Internal Amenity
Totaling 1,253 sqm

17 Storeys
With far-reaching city views

INVESTMENT RATIONALE

LOCATION

Central location
in close proximity to infrastructure, employment, retail and leisure hubs

WIDE APPEAL

A Co-living product in this location will appeal to a wide array of potential tenants (Young professionals, corporate lets & students), helping ensure good occupancy levels

MARKET DYNAMICS

Limited Southampton BTR, PBSA, Serviced Apartment & Co-Living pipeline, favourable demand dynamics & strong recent rental growth

SCALE

A gateway site into the city of Southampton. One of the very few development sites providing this level of scale, this close to the city centre

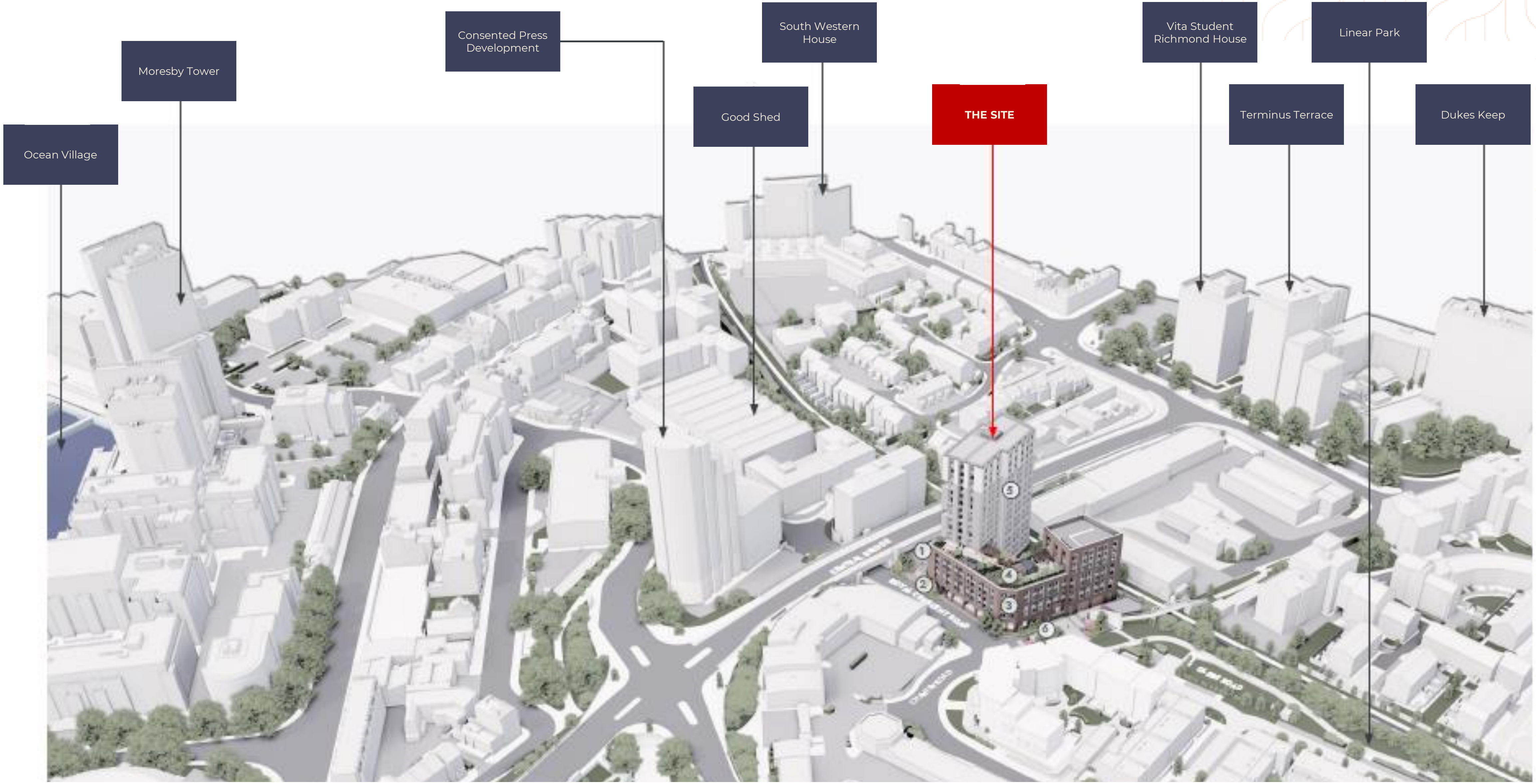
SITE LOCATION

- Located within in a short walk of Southampton city centre, the Site offers a vibrant urban atmosphere with excellent connectivity. It's just a short distance from the historic port, Ocean Village and cultural landmarks of the city.
- Major roads such as the A33 and A3024 provide easy access throughout Southampton and connect to nearby areas. The M3 motorway is conveniently accessible, linking the site to London and other parts of the country.
- Southampton Central railway station is only c. 1.75km away, offering services to London, Bournemouth, and the wider national railway network. Additionally, the local bus network provides frequent routes across the city and to surrounding areas.

INTERCONECTIVITY

Destination	Travel Time from Southampton Central Station
London	1 hour 15 minutes
Birmingham	2 hours 30 minutes
Manchester	3 hours 45 minutes
Bristol	1 hour 45 minutes
Cardiff	2 hours 30 minutes

Destination	Mode of Transport	Travel Time from Site
City Centre	Walking	10 minutes
Southampton Central Railway Station	Walking	30 minutes
Southampton Airport	Drive	15 minutes
	Train	8 minutes
Southampton Port	Walking	10 minutes
	Drive	5 minutes



Key

1 South Yard
2 Entrance
3 Base
4 Rooftop Terrace
5 Tower
6 Public Realm

SCHEME OVERVIEW

Existing Site

Currently, the Site is being used as a storage facility located between Royal Crescent Road and Central Bridge, the surrounding area comprises various building types including residential, student accommodation, office and industrial.

Access to the Site is gated from the northeast and the Site covers a gross area of approximately 1.16 acres (0.47 hectares).

Planning

Southampton City Council is in the process of preparing a new Local Plan, known as 'Southampton City Vision' which will set out the future development of the city over the next 20 years.

The site was granted planning permission (23/00649/FUL) in March 2024, to demolish the existing site and develop buildings up to 17 storeys for Co-living accommodation comprising 397 studio rooms and amenity spaces under Sui Generis use class.

Approved Scheme

The proposed scheme will be 100% studios and the average size is 20.6 sqm. Residents will benefit from a range of amenity both internally and externally totaling 1,253 sqm equating to 3.1 sqm of internal amenity per unit. Of this, 1 sqm per resident has been allocated to Shared Space comprising a co-working space and a gym. Additionally, the building will deliver a Community Café.

Indicative Approved Scheme Designs

Accommodation Schedule

Studio Room Types				
Unit Type	Type 1 (18.5 sqm)	Type 2 (20.0 sqm)	Type 3 (24.0 sqm)	Type 4 (27.0 sqm)
Count	245	77	55	20
Allocation	61.7%	19.4%	13.9%	5.0%

SUSTAINABILITY

Sustainability has been a key focus in the design of the consented Royal Crescent Co-living scheme. Increasingly, tenants desire to live in sustainable homes and institutional investors require investments that provide strong returns but also meet their ESG investment requirements.

Environmental

- Designed to target BREEAM Excellence certification
- Car free scheme, helping to reduce carbon emissions
- 1,079 sqm of external space over four different areas, for both tenant and public use
- Design considers future proofing and opportunities for circular economy and regenerative design
- Designed to surpass Part L of 2021 Building Regulations
- Brownfield site with lower ecological footprint
- 20% increase in bio-diversity

Social

- Shared amenity spaces fosters a sense of community amongst tenants
- The scheme will help to establish a new positive social identity for the Chapel Area
- Design focused around providing a healthy building for tenants, with natural sunlight, good air quality and internal and external space to socialise
- Scheme includes community event space in South Yard

Governance

- Through professional management capabilities, there is the opportunity to support residents in minimising their own negative impact on the environment
- Opportunity for investor to show good governance through measuring and reporting on environmental performance

Spaces for Nature

The Glade – A private and secluded external space for residents

South Yard – An external community space next to Central Bridge

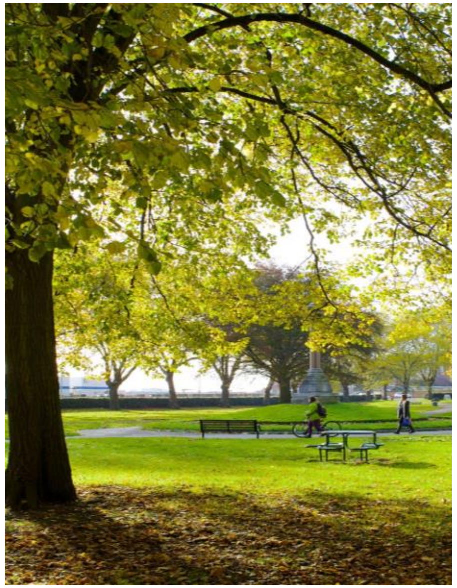
Amenity Roof Terrace – External space for residents where they can grow their own food

Chantry Road – External public realm with sustainable urban drainage

SOUTHAMPTON SNAPSHOT

The Mayflower Quarter is a £3 billion regeneration scheme aimed at transforming Southampton's city centre and waterfront areas. This ambitious project covers approximately 84 hectares and is set to be one of the largest city centre regeneration projects in the UK.

As an education hub, the University of Southampton and Southampton Solent University attracts over 40,000 students, creating consistent rental demand.



Home to one of the busiest and most important cruise ports in Europe, handling over 500 cruise ship calls annually; a multitude of travel destinations can be reached.

The Southampton International Boat Show is one of the largest on-water boat shows in Europe, attracting approximately 100,000 visitors to the city each year.

Southampton offers a diverse range of amenity to suit a variety of demographics. Some of the most prevalent include: Westquay Shopping Centre, Mayflower Theatre, St Mary's Football Stadium, SeaCity Museum, Southampton Airport, Southampton City Art Gallery, Southampton Golf Course and is nearby to several beaches.

MACRO-ECONOMIC STORY

Gateway to Global Trade

As UK's premier vehicle handling port and Europe's leading turnaround cruise port, Southampton plays a crucial role in international commerce and tourism.

Proximity to London

Located 75 miles southwest of the capital, the City benefits from London's economic spillover while offering more affordable living and operating costs.

Regional Economic Base

As part of the Central South region, Southampton is a key driver in an area contributing over £119 billion to the UK economy annually. This is largely contributed to by port activity but also the City’s advanced manufacturing capabilities within the aerospace and defence sectors.

Knowledge Economy

Southampton is home to the University of Southampton and Solent University, both of which foster innovation and attracts young, skilled workforce. Over 40,000 students contribute to youthful demographics in maritime, aerospace, digital tech, healthcare, and education sectors.

Tech and Digital Hub

A significant tech cluster is increasingly emerging within Southampton, succeeding particularly in maritime technology and clean growth industries. The strong ties between universities and industries help promote innovation.

Tourism Magnet

The city's rich maritime heritage, cultural attractions, and proximity to popular sites like the New Forest and Isle of Wight further enhance its draw, driving a robust and diverse visitor economy.

Corporate Appeal

The economic diversity and connectivity to London makes Southampton an attractive location for both corporate relocation and regional offices. Its blend of urban amenity and coastal lifestyle creates a unique opportunity versus other UK cities.

Investment in regeneration

Significant projects like £3 billion Mayflower Quarter development signal ongoing economic growth and urban renewal. The project emphasises green spaces and environmentally friendly design. Enhanced connectivity between the City Centre and waterfront will also be created.

KEY STATISTICS

A Growing Target Demographic

- The population of Southampton is forecasted to increase by c.19,000 between 2023 and 2033 according to CACI data.
- The 15 – 24 year old age bracket is forecasted to increase by 12.9% between 2023 and 2033. This is a key demographic for a Co-Living scheme as younger generations comprise heavily of students or other young private renters.

Age Band	Population % Change 2023 – 2033 in SO	Age Band	Population % Change 2023 – 2033 in SO
15 – 24	12.9%	15 – 24	12.9%
25 – 34	-4.5%	25 – 34	-4.5%
25 - 44	3.3%	25 - 44	3.3%

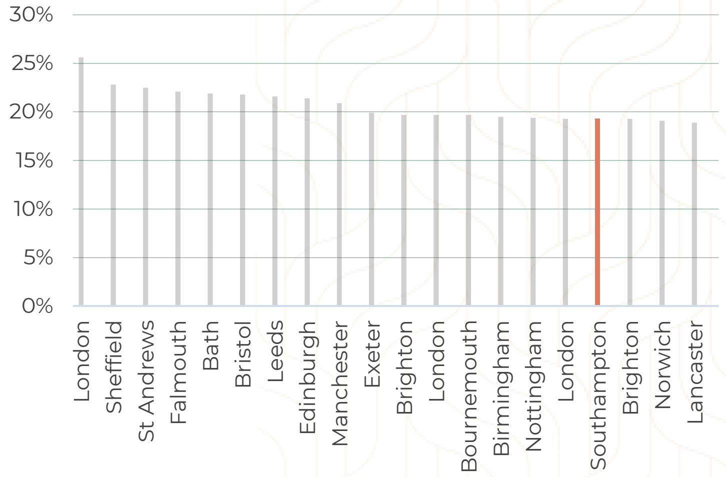
Room to Grow

- Following recent years rapid rises, London's rental growth has started to slow, largely driven by affordability pressures. However, evidence suggests regional rents continue to grow, not yet hindered by the affordability ceiling. In this context, Southampton presents a higher range of rental growth vs other BTR locations.

City	Ave Rent pa (Flat s)	Average Household Income	Ave Rent as % of Household Income
Southampton	£14,148	£52,269	27.1%
Great Britain	£15,828	£36,036	43.9%
London	£26,472	£55,933	47.3%
Manchester	£15,348	£41,562	36.9%
Bristol	£20,976	£52,095	40.3%

Undersupply of Housing

- Southampton is renowned for its strong university offering, being a Russell Group institution. With 33,280 full time students and a shortfall of 18,300 beds within purpose-built student accommodation.
- The lack of student accommodation coupled with an increase in numbers is further putting pressure on the already undersupplied private rental market in the city.
- Additional housing will not only meet the current need, but help improved Southampton's student retention rate (currently 11th in the UK).



DEMOGRAPHICS

FOR SALE - Royal Crescent Road, Southampton, SO14 3TT

Population

The proportion of Southampton's population within the 15-24 age bracket is projected to grow at a quicker rate than the UK, with a 12.9% increase compared to 10.7% for the UK between 2023 and 2033.

In comparison, the population of individuals between 55-64 is set to decrease by -7.6% compared to -6.1% for the UK. Therefore, indicating there will be higher demand for accommodation suitable for students and young professionals than older age groups.

Student Market

18.6% of Southampton's resident population is aged between 16-24 compared to just 10.6% in England, owing to Southampton being a university city with c. 40,000 students.

With an acute supply and demand imbalance for student accommodation, Co-living offers an alternative option to ease pressure on single family housing currently being used as HMOs.

Employment

Many large businesses have operations in Southampton including PwC, Deloitte and HSBC, as well as those in the Maritime and Healthcare services whilst being ranked in Europe's top five superclusters.

Employers need quality housing within city centre locations in order to retain talent from Southampton's universities whilst attracting those from not only UK but European Cities.

44.9% of residents within Southampton are key demographic categories for a Co-living scheme – Established Affluence and Thriving Neighbourhoods *

** Established Affluence and Thriving Neighbourhoods are the second and third most affluent CACI Acorn demographic categories*

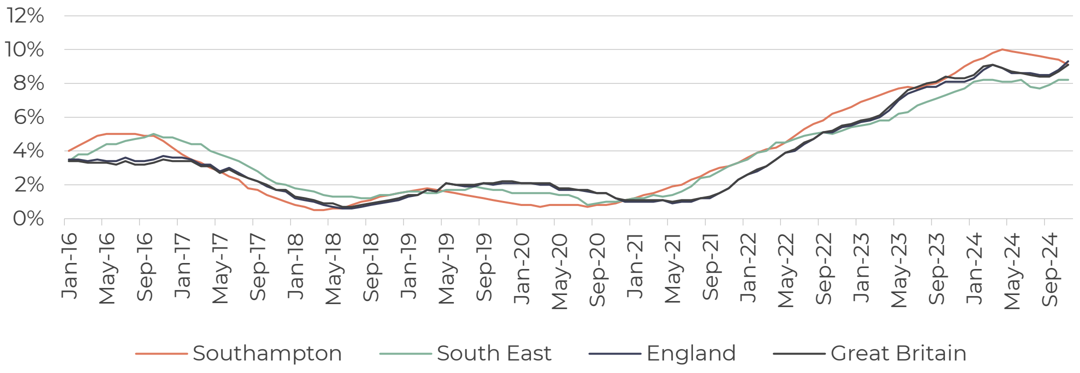
67.3% 67.3% of the total households in Southampton earn over £30k per annum compared to Great Britain at 62.6%

No.1 Southampton is the UK's No.1 cruise port and is therefore home to various large employers including P&O Cruises, Cunard and Princess Cruises.

2nd Southampton is the second most densely populated local authority areas in the South East.

RENTAL MARKET

Annual change in rents in Southampton



Strong Rental Growth

- Southampton has experienced record rental growth over the last five years, totaling 31% across the period.
- Notably, rents have increased 9.1% over the past 12 months and Southampton has demonstrated resilience with 6% CAGR between 2019-2024.
- Southampton's rental prices are projected to increase further due to limited supply and high demand. This upward trajectory is supported by the city's economic growth and desirability as a residential area.

Southampton exhibits strong demographic trends that buoy the case for Living development, with strong population growth rate paired with and decreasing house purchase affordability.

33% of the local population are aged 15-34

Comparatively, 23% of the population in the South East is aged between 15-34. Younger people are more likely to rent accommodation due to lower savings and a more transient lifestyle.

5-year Cumulative Rent Change: +31%

Rents in Southampton have risen 9.1% in the last year, in line with the UK and higher than the South East (8.2%).

17.6% live in privately rented housing

This is the highest rate in the South East and is above the national average.

52.6% of private renters earn over £40k per year

This is higher than the national average and supports the case for a Co-Living scheme in Southampton.

42.1% of private renters are aged between 18-34 years old

This is a target demographic for Co-living schemes and the percentage in Southampton is higher than in the national average

2.7% forecasted population growth between 2023 and 2033

Of which, the 15-24 age category is set to increase significantly by 12.9%

WHY CO-LIVING IN SOUTHAMPTON?

Lack of suitable accommodation

Southampton conducted a survey of private renters in the city and only 47% of respondents said they are satisfied with the service their landlord provides. Being an institutional grade and professionally managed product, this represents an opportunity for a Co-Living scheme at Royal Crescent to offer a unique but desired product offering to private renters in Southampton.

Corporate Demand

Southampton has a lack of quality hotels and corporations frequently have to pay higher rates to secure their hotel rooms of choice. Coupled with the fact that many corporations have operations in Southampton, this has resulted in high demand for corporate lets in the city. According to Switch Hospitality Management, in 2022, demand for corporate lets stood at 46,249 rooms per night. By 2023, this figure rose to 103,455 rooms per night. Companies that have high demand for corporate lets include BAE Systems, Hitachi and Airbus Group.

Key Employers

Industry	No. jobs in Southampton	Companies with presence in Southampton
Healthcare	c.25,000	University Hospital Southampton NHS Foundation Trust
Education	c.12,000	Southampton University / Southampton Solent University
Retail	c.11,000	B&Q / IKEA
Business Administration	c.10,000	BDO LLP / EY
Transport and Storage	c.9,000	ABP Southampton (Associated British Ports) / Carnival UK

Tech Hub

Southampton's emergence as a technology hub has been a significant development in recent years., attracting startups and young tech professionals who often prefer flexible living arrangements.

University-led Innovation

The University of Southampton, known for its strong engineering and computer science programs, has been a key driver of tech innovation. Its research parks and incubators host over 100 companies and continue to fostered numerous tech startups.

Marine Technology

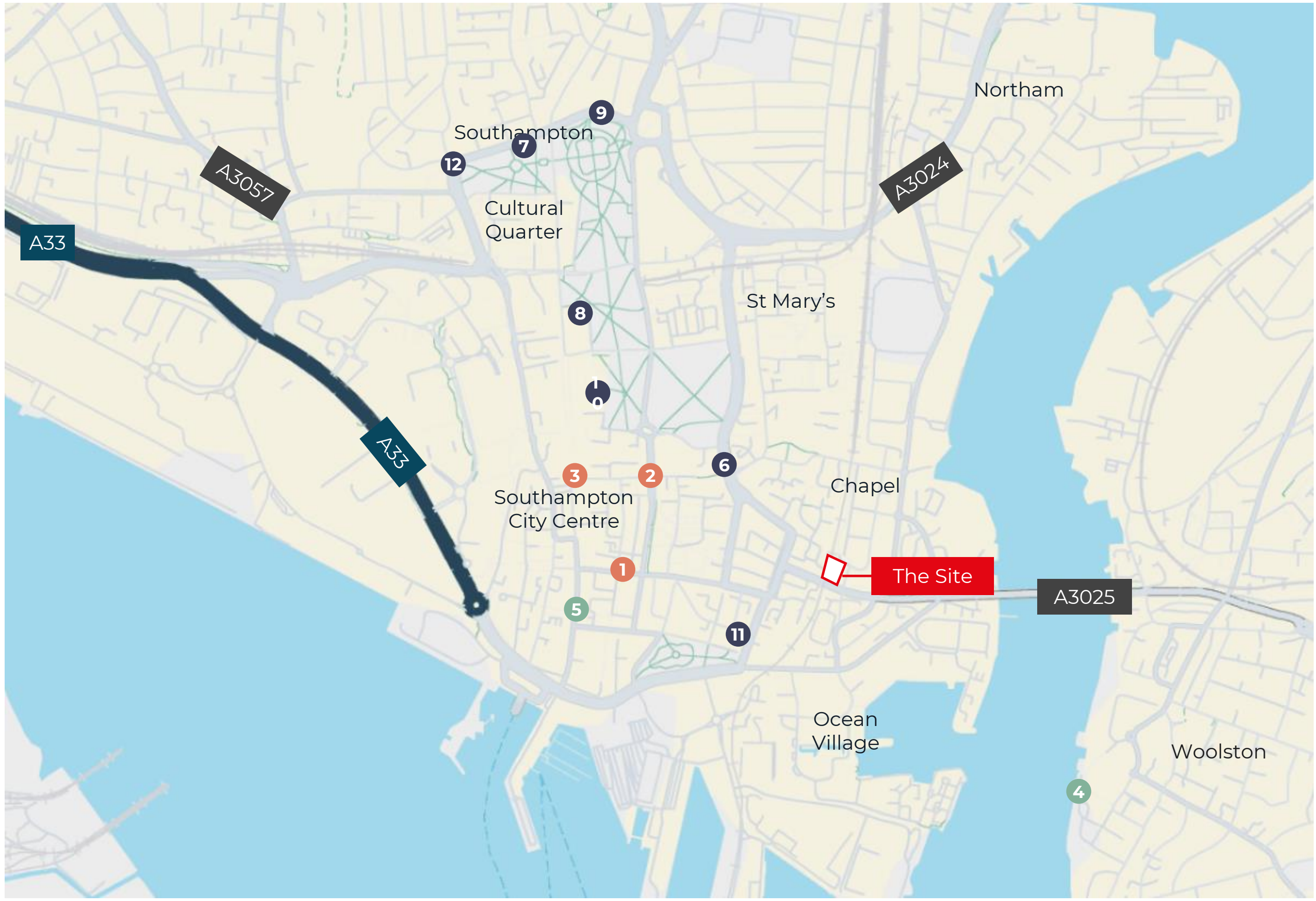
Given its coastal location, Southampton has become a center for marine technology development, including autonomous vessel technology and maritime cybersecurity

For example, The National Oceanography Centre in Southampton has been developing autonomous underwater vehicles for ocean exploration and research

Cyber security

The city has seen growth in cybersecurity firms, partly due to its proximity to defence establishments and its strong academic base in computer science.

COMPARABLES



BTR			
Label	Scheme	Developer	Investor
1	Bow Square	National Regional Property Group	Compass Rock
2	Gatehouse Apartments	National Regional Property Group	Grainger
3	Bargate Quarter	Crest Nicholson	Oaktree

PRS			
Label	Scheme	Developer	Investor
4	Vantage Tower	Tellon Capital	Compass Rock
5	Friary House	Friary House Southampton Ltd	Friary House Southampton Ltd

PBSA			
Label	Scheme	Developer	Investor
6	Capital House	Kier Property Developments	Greystar
7	Southampton Crossing	Victoria Hall Management	RPMI Railpen
8	Park House	N&A Property Development	Collegiate
9	Brunswick Apartments	Revcap Advisors	Empiric Student
10	Cumberland Place	Apache / Investra	City Developments Limited
11	Richmond House	Vita Student	Vita Student
12	Vincent Place	O'Flynn Group	Greystar

CONSENTED SCHEME

Consented Scheme

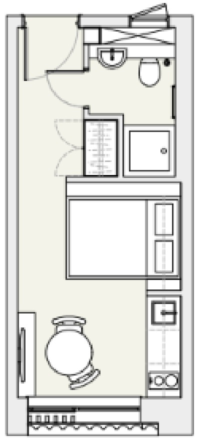
The consented scheme will deliver a variety of studio types. The units will provide spacious and well-equipped accommodation for residents, including innovative storage solutions to minimise clutter, as well as desirable kitchenette layouts.

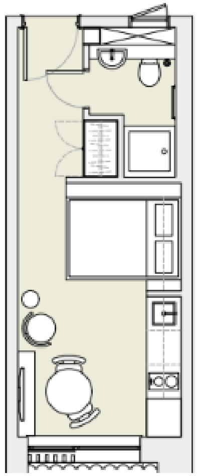
Key to the Co-Living concept are the communal facilities such as kitchens, living rooms and dining areas that are located throughout the development. Facilities such as these deliver the perfect combination of private spaces whilst encouraging interaction and community building.

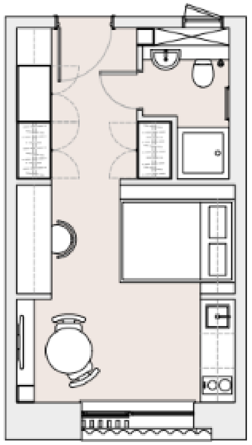
Moreover, the scheme also provides additional functions such as a laundry and bike store.

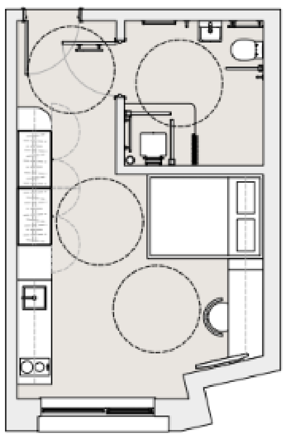
Unit Types

Type 1 (min. 18.5 sqm)	Type 2 (min. 20.0 sqm)	Type 3 (min. 24.0 sqm)	Type 4 (min. 27.0 sqm)



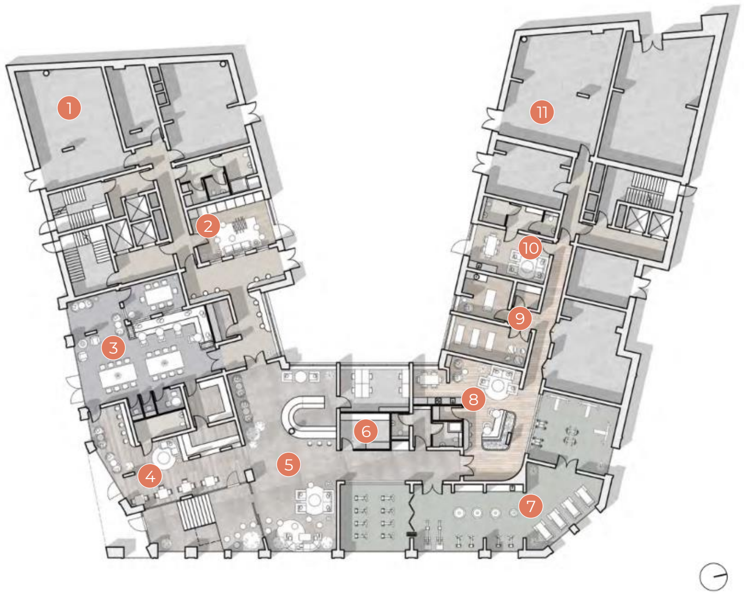






Level 00

1. Back of house
2. Laundry
3. Work, Study, and Events Space
4. Cafe
5. Entrance and Lobby
6. Mail Room
7. Gym & Fitness Studio
8. Relaxation & Entertainment Space
9. Wellness Space
10. Staff Facilities
11. Back of House



FLOOR PLANS - Ground Floor

Key

- Studio Bed type 01
- Studio Bed type 02
- Studio Bed type 03
- Accessible Bed type 04
- Amenity

FLOOR PLANS – First Floor

Key

- Studio Bed type 01
- Studio Bed type 02
- Studio Bed type 03
- Accessible Bed type 04
- Amenity

FLOOR PLANS – Fifth Floor

Key

- Studio Bed type 01
- Studio Bed type 02
- Studio Bed type 03
- Accessible Bed type 04
- Amenity

ADDITIONAL INFORMATION

Legal & Title

The site is held Freehold. Further details and title information is available within the data room.

Anti Money Laundering (AML)

The successful purchaser will be required to provide certain identification documents before the transaction is completed.

Viewings

The site is visible from the public highway; however, viewings are strictly by appointment only with the sole agents, JLL.

Services

Prospective purchasers must satisfy themselves in respect of the provision and capacity of all services and drainage and should rely on their own enquiries.

Data Room

A data room has been prepared containing supporting technical and planning information. Please contact JLL for login details.

VAT

To be confirmed. Please state offers, exclusive of VAT.

Legal Costs

Each party will be responsible for their own legal costs in connection with the purchase.

Method of Sale

The Freehold interest is offered for sale by Informal Tender.

Offers are to be submitted by email to Wilhelm Wrede (wilhelm.wrede@jll.com) and Nicholas Rumble (nicholas.rumble@jll.com) of JLL by **midday Wednesday 12th February 2025.**

The vendors are not obliged to accept the highest offer or indeed any offer. They reserve the right to interview prospective purchasers and seek best and final bids, if necessary.

Debt

The Living Capital Markets - Funding team have recently closed several debt facilities to allow clients time to deliver on exciting business plans.

We are currently advising on deals with a combined value of £3.2bn, covering c26,500 beds, and over the last 24 months, JLL have completed over £4.1bn of Living financings.

The team is now celebrating its 10th year providing specialist Living funding advice, and its deep lender relationships and detailed market knowledge give us a unique insight into the most active, flexible, cost effective, and fast-moving sources of capital.

Living asset classes are high priorities for many lenders in 2025 and we expect a good level of demand from the debt market for high quality income producing assets

FOR FURTHER INFORMATION

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