PRESS RELEASE

23 July 2024

THE UNITE GROUP PLC

("Unite Students", "Unite", the "Group", or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

CONTINUED STRONG DEMAND WITH SIGNIFICANT GROWTH OPPORTUNITIES

Joe Lister, Chief Executive of Unite Students, commented:

"We have had a strong first half, with 14% growth in adjusted earnings underpinned by full occupancy, rental growth and substantial investment into our platform and portfolio.

"There is an acute and growing shortage of student homes, which is amplified by a shrinking private rental sector and depressed levels of new PBSA development. Unite has a crucial role to play in partnering with universities to deliver new supply of high-quality, affordable accommodation where the need is greatest, which also frees up local family homes in the process. Our development pipeline has grown to a record £1.5 billion for delivery into the strongest university markets, including our first university joint venture with Newcastle University. We are uniquely positioned to secure further opportunities to support the growth of our university partners through our long standing and trusted relationships, in-house development capability and best-in-class operating platform.

"Our alignment to the UK's strongest universities, alongside a growing range of attractive investment opportunities and a more supportive policy environment, puts us in a strong position to deliver continued long-term growth for shareholders."

	H1 2024	H1 2023	FY 2023	Change from H1 2023
Adjusted earnings[1]	£125.3m	£110.2m	£184.3m	14%
Adjusted earnings per share[1]	28.7p	27.5p	44.3p	4%
IFRS profit	£281.7m	£111.7m	£102.5m	152%
IFRS diluted EPS	64.4p	27.8p	24.6p	132%
Dividend per share	12.4p	11.8p	35.4p	5%
Total accounting return[2]	7.9%	2.4%	2.9%	
As at	**30 Jun 2024**	**30 Jun 2023**	**31 Dec 2023**	**Change from 31 Dec 2023**
EPRA NTA per share[2]	969p	928p	920p	5%
IFRS NAV per share	973p	952p	931p	5%
Net debt: EBITDA	5.7x	6.8x	6.1x	(0.4x)
Loan to value[3,4]	26%	31%	28%	(2)%

HIGHLIGHTS

Growing earnings, strong demand for 2024/25

- Adjusted EPS up 4% to 28.7p (H1 2023: 27.5p)[1], IFRS diluted EPS up 132% to 64.4p (H1 2023: 27.8p)
- Confident in 98-99% occupancy and rental growth of at least 7% for 2024/25 (2023/24: 98% and 7.4%)
- Growing demand from university partners, accounting for c.58% of beds for 2024/25 (2023/24: 53%)

Positive outlook supports accelerating earnings growth

- FY2024 EPS guidance increased to upper end of 45.5-46.5p range, 4-5% YoY growth (2023: 44.3p)
- Strongest demand for high-quality universities to which Unite is aligned
- Earnings growth to accelerate from 2026 as development completions increase

Universities seeking partners to address housing shortages

- Significant unmet need for high-quality, value-for-money student homes
- New PBSA supply 60% below pre-pandemic levels and 100,000-150,000 fewer HMO beds available
- Unique capability to deliver new beds in strategic partnerships with universities
- £250 million joint venture with Newcastle University to develop 2,000 high-quality beds progressing well
- Confident of securing second university joint venture in next 6-12 months

Record and growing pipeline with investment focused in the strongest markets

- £1.5 billon pipeline in Russell Group cities at 6.7% yield on cost
- Planning consent secured in H1 for 2,400 beds in London, Bristol and Glasgow
- New acquisition of £170 million consented development in Zone 1 London for delivery in 2027
- Portfolio enhanced through £47 million of refurbishments at 8% yield on cost in 2024
- Completed disposals of £184 million (Unite share: £76 million) at 6.2% yield to improve portfolio quality

Rental growth driving total accounting returns

- EPRA NTA up 5% to 969p (2023: 920p) and 7.9% Total Accounting Return in H1 (H1 2023: 2.4%)
- £8.7 billion portfolio valuation (Unite share: £5.7 billion), up 2.7% on a like-for-like basis
- Expect Total Accounting Return of around 12% pre-yield movement in FY2024
- LTV of 26% at 30 June 2024[3] and net debt to EBITDA of 5.7x (December 2023: 28% and 6.1x)

[1] Adjusted earnings and adjusted EPS remove the impact of SaaS implementation costs from EPRA earnings and EPRA EPS. See glossary for definitions and note 7 for calculations and reconciliations

[2] The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The Group uses alternative performance measures (APMs), which are not defined or specified under IFRS. These APMs, which are not considered a substitute for IFRS measures, provide additional helpful information and include measures based on the European Public Real Estate Association (EPRA) best practice recommendations. The metrics are also used internally to measure and manage the business. The adjustments to the IFRS results are intended to help users in the comparability of these results across other listed real estate companies in Europe and reflect how the Directors monitor the business. See glossary for definitions

[3] Excludes IFRS 16 related balances recognised in respect of leased properties. See glossary for definitions

[4] Wholly-owned balances plus Unite's share of balances relating to USAF and LSAV

[5] Like-for-like properties owned at both 30 June 2024 and 31 December 2023

PRESENTATION

A live webcast of the presentation including Q&A will be held tomorrow at 8:30am BST for investors and analysts. The webcast can be accessed via https://brrmedia.news/UTG_IR24 and will be available for playback on our website (https://www.unitegroup.com) after the event.

To register for the event or to receive dial-in details, please contact unite@powerscourt-group.com.

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CHIEF EXECUTIVE'S REVIEW

The business has delivered a strong performance in the first half, with growth in earnings, dividends and net assets. We have delivered strong reservations for the 2024/25 academic year, well ahead of our typical leasing pace, which reflects the strength of student demand as well as the continued appeal of our value-for-money proposition and well-located portfolio.

Adjusted earnings for the period increased by 14% to £125.3 million (H1 2023: £110.2 million). This increase was driven by strong rental growth for the 2023/24 academic year and delivery of asset management and development projects over the past 12 months. Growth in rental income helped to offset the impact of inflationary increases in staff and property costs. Adjusted EPS increased 4% to 28.7p on a per share basis (H1 2023: 27.5p), reflecting the increased share count following our equity raise in July 2023. The Group recorded an IFRS profit before tax of £283.9 million in the first half (H1 2023: £112.2 million), principally driven by adjusted earnings and the increase in property values.

We are announcing an interim dividend of 12.4p (H1 2023: 11.8p), an increase of 5% on H1 2023, which reflects the growth in our adjusted EPS and a positive outlook for the 2024/25 academic year. We plan to distribute 80% of adjusted EPS as dividends for 2024.

EPRA NTA per share increased by 5% to 969p (31 December 2023: 920p), with strong valuation growth, driven by rental growth, partially offset by the FY2023 final dividend payment. This resulted in a total accounting return of 7.9% in the first six months of the year (H1 2032: 2.4%), including the final dividend paid in the period. IFRS NAV per share increased by 5% to 973p over the half (31 December 2023: 931p).

Our key financial performance indicators are set out below:

Financial highlights	H1 2024	H1 2023	FY 2023
Adjusted earnings	£125.3m	£110.2m	£184.3m
Adjusted EPS	28.7p	27.5p	44.3p
Dividend per share	12.4p	11.8p	35.4p
Total accounting return	7.9%	2.4%	2.9%
IFRS profit before tax	£283.9m	£112.2m	£102.5m
IFRS diluted EPS	64.4p	27.8p	24.6p
EPRA NTA per share	969p	928p	920p
IFRS NAV per share	973p	952p	931p
Loan to value	26%	31%	28%

Growing shortage of high-quality student homes

Structural factors continue to drive a growing supply / demand imbalance for student accommodation. Demographic growth will see the population of UK 18-year-olds increase by 124,000 (16%) by 2030 (source: ONS). Application rates to university have also grown significantly over the long term, reflecting the value young adults place on a higher level of education and the life experience and opportunities it offers. Strong wage growth in recent years has seen graduate earnings keep pace with inflation at a time when tuition fees have been frozen for seven years, supporting the overall attractiveness of a university education. Undergraduate applications for the 2024/25 academic year are encouraging, with application rates for UK school leavers meaningfully ahead of pre-Covid levels and robust demand from international students, particularly China and India. Applications to high-tariff universities, to which the Group is aligned, have grown 15% since before the pandemic, significantly outperforming the wider sector.

The supply of student accommodation cannot keep pace with student demand and many university cities are already facing housing shortages, which are particularly acute for the strongest universities where our investment is focused. Private landlords are leaving the sector at pace in response to rising costs from higher mortgage rates and increasing regulation, such as EPC certification and local authority licencing schemes. Since 2021, there has been an 8% reduction in the number of HMOs in England (source: Department of Housing, Communities and Local Government), equivalent to 100,000-150,000 fewer beds available for students to rent.

New supply of PBSA is also down 60% on pre-pandemic levels, reflecting viability challenges created by higher build and funding costs. In many markets, property valuations are now below replacement costs, further constraining new supply. Once allowance is made for first generation university-owned beds leaving the market each year through obsolescence, we expect to see almost no growth in PBSA supply in the near term.

The combination of these factors has significantly increased demand for our product in many cities and we expect this trend to continue for a number of years.

Strong demand underpinning rental growth

Across the Group's total operational portfolio, 94% of rooms are now sold for the 2024/25 academic year (2023/24: 98%). Reservation rates are slightly behind last year's record levels but have consistently tracked ahead of typical years throughout the sales cycle. We have seen strong demand from both UK and international students, in addition to increased demand from universities. Nominations agreements with universities cover 58% of total beds for 2024/25 (2023/24: 54%), including four new multi-year agreements with Russell Group universities for over 2,500 beds.

Demand from international students remains robust, with 18% of the portfolio sold on direct-let tenancies to international students for 2024/25, unchanged compared to last year (2023/24: 19%). We have not seen a meaningful impact from the removal of visas for family members of international postgraduate taught students, which reflects the single-occupancy nature of our properties.

We are confident in delivering full occupancy for the 2024/25 academic year and achieving rental growth of at least 7%.

We expect the supply / demand imbalance in UK PBSA to remain for a number of years. We see further upside to rental growth from asset management initiatives to improve our properties and the capture of rental growth on long-term nomination agreements, where rental increases have lagged the wider market.

Cost growth is also moderating, with inflation returning to the Bank of England's 2% target level and a more encouraging outlook for utility pricing in 2025 and 2026, which we anticipate to grow in line with headline inflation based on latest pricing for future seasons. This outlook supports improving operating margins over the next two years.

Breakdown of reservations for 2024/25 by domicile and year of study:

	Nominations*	Direct let				
		UK	China	India	Other Intl.	Total
First year		4%	2%	-%	1%	7%
Returning students		14%	4%	1%	2%	21%
Postgraduate		1%	8%	1%	1%	11%
% of reservations	**61%**	**19%**	**14%**	**2%**	**4%**	**100%**
% of portfolio	**58%**	**18%**	**13%**	**2%**	**3%**	**94%**

* *All years and domiciles*

High quality, value-for-money homes

Our customer offer is built around a value-for-money, hassle-free living experience, with support on hand for students when it is needed. Our pricing is inclusive of utilities, Wi-Fi and contents insurance, and is comparable to the HMO alternative after including these services. We have invested over £90 million over the past year to enhance our portfolio, service and experience to meet student needs, such as a 24/7 physical presence by staff, with a particular focus on student welfare support.

We have taken a balanced approach to increasing rents, with customer affordability forefront in our minds as we respond to rising costs. We are a Real Living Wage employer and have increased wages for our city teams by over 20% in the past two years as we honour this commitment. Utility costs have increased by around 40% per bed over the last three years which, together with other cost increases, has compressed operating margins from pre-pandemic levels as we continue to invest in our teams and platform. Overall, our rents are lower in real terms for the 2024/25 academic year than in 2019/2020, while providing a significantly enhanced product and service.

Deepening partnerships with universities

Universities increasingly recognise that a shortage of high-quality and value-for-money accommodation is a barrier to their growth. Housing shortages and funding constraints are encouraging universities to partner with Unite to deliver new accommodation. In February, we announced our first joint venture with a university, to redevelop existing accommodation in partnership with Newcastle University. The agreement to deliver 2,000 new beds on the University's land highlights how Unite is uniquely positioned to address student housing shortages.

We are in advanced discussions with a number of universities for further strategic partnerships for the development of new accommodation on- and off-campus, as well as the stock transfer and refurbishment of existing university accommodation. Given strong university engagement, we are increasingly confident of securing a second joint venture in the next 6-12 months.

Partnering with universities through nominations agreements underpins our sales cycles each year, with over half our beds let for an average remaining term of 5.8 years. The relationships built through these agreements support our development pipeline, where we often pre-let a portion of the building to a university. These long-term agreements in turn provide a gateway to more strategic partnership opportunities.

Significant opportunities for growth

Current market conditions provide the strongest investment opportunity for Unite in a number of years. Our development pipeline totals £1.5 billion (8,000 beds) in the strongest university cities. We are committed to the delivery of nine developments totalling 6,900 beds, which are fully funded, and expect to commit to additional developments at attractive returns in the second half of the year.

In many of Unite’s markets, property valuations are below replacement costs, following a sharp increase in build costs over the past two years. This creates a significant opportunity to invest in income-enhancing asset management opportunities across our £8.7 billion estate (Unite share: £5.7 billion), which will also drive meaningful improvements in customer experience. We will deliver £47 million of schemes this year (Unite share: £40 million) at an 8% yield on cost, benefiting 5,600 students, and expect to further increase the level of asset management activity in 2025.

We are also tracking several further opportunities to acquire developments or income-producing assets with value-add potential at attractive pricing, where vendors are seeking liquidity. Thanks to our strong balance sheet and capabilities in development and asset management, we are well placed to secure new growth opportunities in the second half.

We are focused on delivering growth while maintaining a high-quality balance sheet. During the period we sold six properties for £184 million (Unite share: £76 million) to increase our alignment to the strongest universities and fund new development and asset management projects.

More supportive policy environment

The new Government recognises the global appeal of education in the UK and the economic value of UK Higher Education. The opportunities afforded by a university education are seen as a route to reducing inequality and, coupled with a growing 18-year-old UK population, provides strong foundations for future growth in student numbers. Encouragingly, there is also recognition that university funding arrangements are not meeting the needs of students and universities and the new Government has committed to creating a secure future for UK Higher Education.

The Migration Advisory Committee report in May recommended no change to the Graduate Route visa for international students, which the previous Government accepted ahead of the election. Other competing student destinations are introducing quotas for international students as part of tighter visa rules, which is adding to the relative attractiveness of the UK as a place to study.

The new Labour Government has put growth at the heart of its strategy and has identified planning reform, increased housing supply and infrastructure as key enablers. The Government has committed to streamlining planning for new homes, including funding for local authority planning departments. Planning has become a significant constraint on new development and any acceleration would be welcomed, though viability challenges remain in many markets where development costs exceed property valuations. Unite will play its part in delivering new student homes at affordable rents, freeing up traditional housing for families and benefitting local communities.

The Government has confirmed that it does not intend to implement rent controls, instead focusing on reform of the private rented sector by abolishing Section 21 'no fault' evictions and extending 'Awaab's Law' to strengthen renters rights. The Group does not use Section 21 evictions and a possible tightening of regulations will likely further reduce the supply of private rental housing.

Outlook

We have delivered a strong sales performance for the 2024/25 academic year, reflecting the strength of demand from students and our university partners and the value for money of our professionally managed, all-inclusive customer offer. Strong rental growth supports an increase in our 2024 adjusted EPS guidance to the upper end of our 45.5-46.5p range and underpins a total accounting return of around 12% in 2024, prior to yield movements.

The current environment offers the strongest investment opportunity for the business in a number of years. There is a significant and growing need for new high-quality, affordable student homes in the strongest markets at a time of capital constraints for universities and most of our competitors. We are tracking several new opportunities, at attractive returns, which we expect to commit to in the near term. Building on our joint venture with Newcastle University, we see a significant opportunity to unlock the potential for new homes on university campuses through further university partnerships. We are uniquely placed to unlock these opportunities thanks to our long-term relationships, access to capital and operational and development capabilities.

We remain confident in the outlook for the business and expect another year of above-average rental growth for the 2025/26 academic year. Our strong operational performance and growth from our development pipeline support an acceleration in earnings growth from 2026.

PROPERTY REVIEW

The first half has seen a strong valuation performance for our investment portfolio, driven by the strong rental growth delivered for the 2024/25 academic year. We continue to improve the quality of the portfolio and our alignment to the strongest universities by investing into our development pipeline and asset management initiatives across our existing estate. We will deliver 271 new beds in Nottingham this year and are on-site at a further four projects. We also plan to complete asset management initiatives for a further 11 properties, which we expect to be fully let for the 2024/25 academic year.

Tight funding markets and capital scarcity are leading to motivated sellers in search of liquidity. Unite's strong balance sheet and access to capital is a differentiator in securing these attractive opportunities. Properties in strong cities, available below replacement cost, potentially with value-add investment potential, are particularly attractive. We are tracking several such opportunities, including single assets and small portfolios.

Our 8,000-bed development pipeline is at a record size of £1.5 billion. Over 75% of the pipeline is already committed and fully funded for delivery over the next four years.

Valuation performance

Our property portfolio saw a 2.8% increase in valuations on a like-for-like basis during the half (Unite share: 2.7%). The valuations reflect strong rental growth on the back of our leasing performance for the 2024/25 academic year, which more than offset the impact from the loss of Multiple Dwellings Relief (MDR). MDR previously provided relief from Stamp Duty Land Tax by disaggregating the value of our properties to a flat level (either cluster flats or studios), which reduced purchaser's costs for a number of our properties.

The average net initial yield across the portfolio is 5.1% at 30 June 2024 (31 December 2023: 5.0%). This represents an increase of 5 basis points over the first six months of the year, principally driven by London properties in the wholly owned portfolio.

Like-for-like capital growth[1,2,3]

£m	30 June 2024 Valuation	Yield Expansion	Rental growth	MDR / Other	Capital expenditure[3]	LfL capital growth
Wholly owned	3,754	(63)	206	(37)	(18)	88
USAF	2,931	-	146	(56)	(8)	83
LSAV	1,995	(2)	81	(6)	(4)	69
Total (Gross)	8,680	(65)	433	(99)	(30)	240
Total (Unite share)	5,603					146

Capital growth					
Wholly owned	(1.7%)	5.7%	(1.0%)	(0.5%)	2.4%
USAF	-%	5.1%	(2.0%)	(0.3%)	2.9%
LSAV	(0.1%)	4.2%	(0.3%)	(0.2%)	3.6%
Total (Gross)	**(0.8%)**	**5.2%**	**(1.2%)**	**(0.4%)**	**2.8%**
Total (Unite share)					**2.7%**

1) *Excludes Build-to-Rent*
2) *Excludes leased properties and disposals*
3) *Excludes reallocation of fire safety provisions to investment property from other assets/(liabilities)*

Development and university partnership activity

Development and university partnership activity continues to be a significant driver of future growth in our earnings and EPRA NTA. Our development pipeline now stands at 8,000 beds, with a total development cost of £1.5 billion, and is aligned to our strategic focus on high and mid-ranked universities.

The anticipated yield on cost of the total pipeline is 6.7%. We have lower hurdle rates for developments that are supported by universities or where another developer is undertaking the higher risk activities of planning and construction.

Universities remain willing to support our planning applications as a means of delivering the high-quality, affordable accommodation required to support their growth ambitions. 80% by value of the schemes in our pipeline will be delivered with support of a nomination agreement from a university partner for a portion of the beds, giving us increased confidence to commit to projects.

Build costs have continued to rise, driven by labour and planning requirements for higher specification design, meaning we are seeing inflation of around 3-5% p.a. being reflected in contractors' pricing. We have been able to mitigate this impact through a combination of planning gains, cost efficiencies and strong recent rental growth.

The Building Safety Act is now in effect and addresses the safety of new residential accommodation, by adding three gateways to the design, build and occupation of new buildings. We expect these gateways will add around six months to PBSA development programmes, which will further slow new supply. Our appraisals and delivery targets reflect the expected impact of the Act.

We are increasingly seeing attractive development opportunities become available, often with planning, as vendors seek liquidity in a tighter funding environment. We expect to add further schemes to our pipeline in the second half of the year.

Committed pipeline

Including our Castle Leazes project, we have committed to deliver nine development schemes with a total development cost of £1,077 million and blended yield on cost of 6.8% for the student accommodation elements. We have future capital commitments of £853 million for these projects, which will be funded through the Group's cash and committed debt headroom of £1,046 million at 30 June (net of the upcoming Liberty Living bond maturity).

Our 271-bed scheme at Bromley Place in Nottingham is on track for delivery on time and on budget for the 2024/25 academic year. The scheme is tailored to the postgraduate market, with larger room sizes and around 45% of rooms are studios, higher than the 10% average for our portfolio.

At Meridian Square in Stratford, we secured planning approval for 952-bed project in the period and expect to acquire the site in the coming months. Due to delays in securing planning, we now expect to deliver the project in 2028. Together with our nearby Hawthorne House development, the two projects will increase our scale in Stratford to 3,400 beds, providing new homes to meet the significant growth in student numbers anticipated in the area following the recent opening of campuses by UCL and University of the Arts London.

We have made good progress in the period securing planning at Freestone Island in Bristol and Central Quay in Glasgow. We have acquired the land at Freestone Island and are on-site with early works ahead of anticipated commitment to the build in the autumn, supporting delivery for the 2026/27 academic year. At Central Quay, we have secured planning for 934 beds, ahead of our initial expectation of 800 beds. We expect to acquire the Central Quay site later this year, supporting for the 2027/28 academic year.

We also recently acquired the land for a new 444-bed scheme at King's Place in Borough, in Zone 1 London, which has full planning consent, for delivery for the 2027/28 academic year. Total development costs are expected to be £170 million, delivering an attractive 6.5% yield for a central London scheme with planning. The project will have around 50% more amenity space per student than our typical specification, offering high-quality common spaces to complement the studio-led property.

Future pipeline

Our future pipeline now stands at 1,100 beds across two London schemes with total development costs of £305 million, delivering a 6.2% yield on cost. We have submitted a revised planning application for TP Paddington, which we expect to go to committee in the next 6-9 months.

During the period, we secured an option to acquire a 501-bed project in Elephant and Castle in London, which is well located for a number of leading London universities. The scheme is expected to be delivered in 2028, subject to planning.

Secured development and University partnerships pipeline

	Type[1]	Target delivery	Secured beds/ units	Total completed value	Total devel. Costs	Capex in period	Capex remaining	Forecast NTA remaining	Forecast yield on cost
			no.	£m	£m	£m	£m	£m	%
<u>Committed development</u>									
Bromley Place, Nottingham	DL	2024	271	42	36	14	5	3	7.1%
Abbey Lane, Edinburgh	DL	2025	401	76	62	6	44	9	7.1%
Marsh Mills, Bristol	Noms/DL	2025	623	123	79	12	41	17	7.3%
Freestone Island, Bristol	Noms/DL	2026	500	108	74	13	59	18	7.3%
Hawthorne House, Stratford[3]	Noms/DL	2026	716	236	194	14	88	29	6.1%
Central Quay, Glasgow	Noms/DL	2027	934	160	123	0	122	23	7.5%
King's Place, London	DL	2027	444	227	170	0	170	32	6.5%
Meridian Square, Stratford	Noms/DL	2028	952	271	211	3	198	22	6.4%
Total Committed pipeline			**4,841**	**1,243**	**949**	**62**	**727**	**153**	**6.7%**
<u>University JV's</u>									
Castle Leazes, Newcastle[2,4]	UPT	2027/28	**2,000**	291	**250**	**2**	**248**	16	**7.3%**
<u>Future pipeline</u>									
TP Paddington, London[2]	Noms/DL	2028	605		178	1	172		6.0%
Elephant & Castle, London[2]	Noms/DL	2028	501		127	3	123		6.5%
Total Future pipeline			**1,106**		**305**	**4**	**295**		**6.2%**
Total pipeline			**7,947**		**1,504**	**68**	**1,270**		**6.7%**
Total pipeline (Unite share)					**1,382**		**1,148**		**6.7%**

1) *DL – Direct-let, Noms – Nominated, UPT – University partnership joint venture*
2) *Subject to obtaining planning consent*
3) *Assumes sale of academy space*
4) *51% Unite ownership. Yield on cost includes management fees in NOI and deducts development management fee from costs*

University partnerships pipeline

Co-investment in accommodation alongside a university has been an objective for the business for several years. In February, we announced that Unite and Newcastle University have agreed to enter into a joint venture (JV) to develop 2,000 beds at the University's Castle Leazes site for delivery in 2027 and 2028. The JV deepens our 20-year relationship with Newcastle University through a long-term strategic partnership. Planning has been granted for demolition of the existing Castle Leazes site, which will be completed this year. We have also submitted planning for construction of the new accommodation, which supports finalisation of the JV before the end of 2024.

Since announcing our agreement with Newcastle University, we have seen increased engagement from other university partners, seeking their own long-term accommodation solutions. We are in active discussions with a number of universities for further partnerships, focused on delivery of new on-campus accommodation and the potential transfer and refurbishment of their existing student accommodation. We expect to submit a joint planning application with one of our university partners in Q3 and are increasingly confident of securing a second joint venture the next 6-12 months.

Asset management

In addition to our development activity, we see significant opportunities to create value through asset management projects in our estate. Asset management projects typically have shorter lead times than new developments (often carried out over the summer period) and deliver extremely attractive risk-adjusted returns.

This year, we will complete 11 asset management schemes in strong markets with a total investment of £47 million (Unite share: £40 million) and yield on cost of 8%. The projects will deliver additional beds, refurbish existing rooms and common spaces and enhance the environmental performance of the properties. In total, we will have enhanced properties offering 5,600 beds in the year and anticipate a further increase in asset management activity in 2025.

Fire safety

Fire safety is a critical part of our health and safety strategy, and we have a track record of leading the sector on fire safety standards through our proactive approach. During the period we undertook fire safety improvements on nine buildings across our estate. We prioritise remediation according to our risk assessments are progressing detailed surveys on additional properties and expect to recognise new provisions in H2.

We spent £6.8 million (Unite share: £2.6 million) on fire safety capex during the period. Included in our period-end balance sheet is total committed fire safety spend of £53.4 million (£24.9 million Unite share), the costs for which will be incurred over the next two years. Of this, £35.5 million (£19.8 million Unite share) is included in provisions and £17.9 million (£5.1 million Unite share) is included in the fair value of our investment properties.

During the period, we reached agreement with contractors for recovery of £6.4 million of remediation costs (Unite share: £3.2 million) in relation to one building. In total, we have now agreed settlements totalling £45.6 million (Unite share: £30.5 million). We expect to recover 50-75% of total cladding remediation costs through claims from contractors, although the settlement and recognition of these claims is likely to lag costs incurred to remediate buildings. We anticipate the remediation programme to complete in 2028 with net spend higher in the earlier years of the programme and reducing substantially from 2026.

Build-to-rent

During the period, we committed to the planned refurbishment of our 180 Stratford pilot Build to Rent (BTR) asset. The project will deliver new amenity space as well as a rolling refurbishment of the 178 apartments over the next 24 months as units are vacated. Total costs are expected to be c.£15 million, delivering a yield on cost in line with PBSA returns.

We do not expect to increase our capital commitment to BTR in the short term. We are continuing to explore opportunities to increase the scale of our BTR operations through co-investment with institutional investors, where Unite would act as asset manager. Subject to identifying suitable opportunities, this structure would enhance returns for the Group while limiting capital requirements as we develop our understanding of the opportunity in the BTR sector.

Disposal activity

During the period we completed the sale of six properties in Birmingham, Cardiff, Leicester, Liverpool, Nottingham and Sheffield for £184 million (Unite share: £76 million). The disposal was priced at a blended yield of 6.2% and in line with book value after retentions for remedial fire safety capex. The proceeds were partially used to meet redemption requests in USAF.

Disposals remain a key part of our strategy to improve the quality of our portfolio and increase alignment to the strongest universities. They also help to manage our balance sheet leverage and provide funding for development and asset management opportunities, which offer superior risk-adjusted returns. We expect to make disposals of £100-150 million per annum (Unite share) on an ongoing basis.

FINANCIAL REVIEW

The Group uses alternative performance measures (APMs), which are not defined or specified under IFRS. These APMs, which are not considered to be a substitute for IFRS measures, provide additional helpful information and include, among others, measures based on the European Public Real Estate Association (EPRA) best practice recommendations. The metrics are used internally to measure and manage the business, figures in this section are APMs unless otherwise identified as such.

Earnings

We delivered a strong operating performance in H1 2024, with rental income increasing by 7% to £211.8 million, up from £197.0 million in H1 2023, reflecting rental growth for the 2023/24 academic year and property investment activity. Adjusted EPS increased by 4% to 28.7p (H1 2023: 27.5p).

Based on progress to date on reservations, we anticipate delivering occupancy of 98-99% for the 2024/25 academic year (2023/24: 99.8%). This income visibility underpins our confidence in delivering adjusted EPS for 2024 at the upper end of our previously guided range of 45.5-46.5p.

Summary EPRA income statement	**H1 2024 £m**	**H1 2023 £m**	**FY 2023 £m**
Rental income	211.8	197.0	369.5
Property operating expenses	(58.6)	(50.2)	(113.0)
Net operating income (NOI)	**153.2**	**146.8**	**256.5**
NOI margin	*72.3%*	74.5%	*69.4%*
Management fees	9.0	9.0	16.9
Operating expenses	(14.2)	(16.8)	(33.1)
Finance costs	(22.1)	(30.7)	(55.1)
Development and other costs	(3.3)	(1.6)	(9.1)
EPRA earnings	**122.6**	**106.7**	**176.1**
SaaS implementation costs	2.7	3.5	8.2
Adjusted earnings	**125.3**	**110.2**	**184.3**
Adjusted EPS	**28.7p**	**27.5p**	**44.3p**
EPRA EPS	**28.1p**	**26.6p**	**42.4p**
EBIT margin	*71.6%*	*72.9%*	*68.0%*

A reconciliation of profit after tax to EPRA earnings is set out in note 2.2b of the financial statements

IFRS profit before tax increased to £283.9 million in the first half (H1 2023: £112.2 million), comprised of adjusted earnings and the net revaluation gain of £132.5 million (H1 2023: £10.9 million loss).

	H1 2024 £m	H1 2023 £m	FY 2023 £m
Adjusted earnings	**125.3**	**110.2**	**184.3**
SaaS implementation costs	(2.7)	(3.5)	(8.2)
EPRA earnings	**122.6**	**106.7**	**176.1**
Valuation gains/(losses) and profit/(loss) on disposal	132.5	(10.9)	(61.2)
Changes in valuation of interest rate swaps	5.4	14.1	(17.2)
Non-controlling interest and other items	23.4	1.8	4.8
IFRS profit before tax	**283.9**	**111.7**	**102.5**
Adjusted earnings per share	28.7p	27.5p	44.3p
EPRA EPS	28.1p	26.6p	42.4p
IFRS diluted earnings per share	64.4p	27.8p	24.6p

A reconciliation of profit before tax to EPRA earnings measures is expanded in section 7 of the financial statements.

Software as a Service adjustment

During the period, our technology investment programme delivered enhancements to our customer payment platforms, brand management system and new customer website and mobile app for the class of 2024, who join us in September.

Our technology upgrade project includes transitioning from traditional on-premises solutions to a predominantly cloud-based Software as a Service (SaaS) model at a total cost of c.£35 million over the five years to 2026. Implementation costs, which were previously capitalised, are now to be recognised as an expense when incurred. £16 million of costs have already been expensed to date, including £2.7 million in the first half (H1 2023: £3.5 million). We expect to incur around £10 million of further implementation costs in FY2024 with the remaining £9 million split across FY2025 and FY2026. To better reflect the underlying operating performance of the business, these implementation costs will be removed from adjusted earnings. Post implementation, technology licence costs will be expensed on a recurring basis.

Operations result

Like-for-like rental income, excluding the impact of new openings, disposals, and major refurbishments, increased by 7% during the first half. This was offset by the 15% increase in operating expenses for like-for-like properties in the period primarily driven by increased staff and utility costs. This resulted in the Group’s NOI margin decreasing to 72.3% for the six months (H1 2023: 74.5%).

	H1 2024			H1 2023			YoY change	
	Wholly owned £m	Share of Fund/JV £m	Total £m	Wholly owned £m	Share of Fund/JV £m	Total £m	£m	%
Rental income								
Like-for-like properties	137.6	59.2	196.8	129.0	55.1	184.1	12.7	7%
Non-like-for-like properties	12.4	2.6	15.0	9.8	3.1	12.9	2.1	16%
Total rental income	150.0	61.8	211.8	138.8	58.2	197.0	14.8	7%
Property operating expenses								
Like-for-like properties	(37.8)	(16.2)	(54.0)	(33.3)	(13.5)	(46.8)	(7.2)	15%
Non-like-for-like properties	(3.8)	(0.8)	(4.6)	(2.1)	(1.3)	(3.4)	(1.2)	35%
Total property operating expenses	(41.6)	(17.0)	(58.6)	(35.4)	(14.8)	(50.2)	(8.4)	17%
Net operating income								
Like-for-like properties	99.8	43.0	142.8	95.7	41.6	137.3	5.5	4%
Non-like-for-like properties	8.6	1.8	10.4	7.6	1.9	9.5	0.9	10%
Total net operating income	108.4	44.8	153.2	103.3	43.5	146.8	6.4	4%

The increase in property operating expenses in the first half was driven by an average 10% pay increase for city staff and higher spend on utilities, centrally allocated costs and property insurance. Utility costs in H1 2023 were reduced by a £2.5 million non-recurring benefit from a sellback of excess volume. Excluding the non-recurring benefit in H1 2023, the YoY increase in utility costs in H1 was £2.2 million or 15% and in line with our expectations. Our utility costs are fully hedged through H2 2024 and 65% for 2025.

	H1 2024 £m	H1 2023 £m	2023 £m	Change
Staff costs	(16.4)	(14.6)	(29.7)	13%
Utilities	(16.4)	(11.7)	(26.9)	40%
Summer cleaning	(0.7)	(0.7)	(5.7)	(7)%
Marketing	(3.8)	(4.1)	(7.3)	(7)%
Central costs	(8.7)	(7.5)	(16.8)	17%
Other	(12.6)	(11.6)	(26.6)	9%
Property operating expenses	**(58.6)**	**(50.2)**	**(113.0)**	**17%**

Our EBIT margin reduced to 71.6% in the period (H1 2023: 72.9%) due to the growth in staff and utility costs. Our strong leasing performance for the 2024/25 academic year and moderating cost inflation, particularly for utilities, still supports an improvement in EBIT margin around 50bps for 2024 as a whole with further improvement anticipated in 2025.

Finance costs reduced to £22.1 million (H1 2023: £30.7 million) due to the impact of lower net debt following our capital raise in July 2023. The cost of debt reduced to 2.8% over the period due to lower drawings on the Group's bank debt facilities (H1 2023: 3.3%). £6.0 million of interest costs were capitalised in the first half, an increase from £3.4 million in H1 2023, due to increased construction activity in the development pipeline.

EPRA NTA growth

EPRA net tangible assets (NTA) per share, our key measure of NAV, increased by 5% to 969 pence at 30 June 2024 (31 December 2023: 920 pence). EPRA net tangible assets were £4,260 million at 30 June 2024, up from £4,015 million six months earlier.

The main drivers of the £245 million increase in EPRA NTA and 49 pence increase in EPRA NTA per share were:

- Valuation increase from rental growth (£287 million, 57 pence), reflecting sales progress for 2024/25
- Yield movement (£(64) million, (13) pence)
- Development gains (£14 million, 3 pence)
- Capital expenditure on maintenance, fire safety and sustainability (£(98.0) million, (20) pence)
- Further commitments to fire safety capex, net of claims agreed (£(6) million, (1) pence)
- Temporary cash balances received from interest rate hedging of £49 million (9 pence)
- The positive impact of retained profits and other movements (£63 million, 14 pence)

Property portfolio

The valuation of our property portfolio at 30 June 2024, including our share of properties held in USAF and LSAV, was £5,960 million (31 December 2023: £5,770 million). The £190 million increase in portfolio value reflects the valuation movements outlined above, completed disposals, capital expenditure and interest capitalised on developments.

Summary balance sheet

	30 June 2024			30 June 2023			31 December 2023		
	Wholly owned £m	Share of Fund/JV £m	Total £m	Wholly owned £m	Share of Fund/JV £m	Total £m	Wholly owned £m	Share of Fund/JV £m	Total £m
Rental properties	**3,803**	**1,831**	**5,634**	3,646	1,792	5,438	3,728	1,782	5,510
Rental properties (leased)	**82**	**-**	**82**	89	-	89	85	-	85
Properties under development	**244**	**-**	**244**	217	-	217	175	-	175
Total property	**4,129**	**1,831**	**5,960**	3,952	1,792	5,744	3,988	1,782	5,770
Net debt	**(972)**	**(535)**	**(1,507)**	(1,214)	(528)	(1,742)	(1,030)	(541)	(1,571)
Lease liability	**(78)**	**-**	**(78)**	(86)	-	(86)	(84)	-	(84)
Other assets/(liabilities)	**(89)**	**(26)**	**(115)**	(117)	(50)	(167)	(49)	(51)	(100)
EPRA net tangible assets	**2,990**	**1,270**	**4,260**	**2,535**	**1,214**	**3,749**	**2,825**	**1,190**	**4,015**
IFRS NAV			**4,269**			**3,834**	**2,848**	**1,219**	**4,067**
LTV			*26%*			*31%*			*28%*

Cash flow and net debt

The Operations business generated £128 million of net cash in H1 2024 (H1 2023: £126 million) and net debt reduced to £1,507 million (31 December 2023: £1,571 million). The key components of the movement in net debt were an operational cash inflow and the timing benefit of the swap £49 million offset by total capital expenditure of £101.6 million, disposals of £76 million and dividend payments of £78 million.

Interest rate hedging arrangements and cost of debt

During the period, borrowing rates for new debt remained high, as markets adjusted to a more gradual loosening of monetary policy by central banks than previously anticipated. We are well protected from significant increases in borrowing costs through our well-laddered debt maturity profile and forward hedging of interest rates, but still expect to see our borrowing costs increase over time as we refinance in-place debt at higher prevailing market costs.

Our see-through borrowing cost reduced to 2.8% during the first half as a result of lower drawings on the Group RCF following our July 2023 capital raise (December 2023: 3.2%). Based on our hedging protection and current market interest rates, we forecast a cost of debt of 3.3% for 2024 as a whole. Yields on our investment portfolio and secured development pipeline continue to show a healthy positive spread against our funding costs.

Reflecting our strong operational performance and reduction in borrowings, Net debt to EBITDA improved to 5.7x and interest cover to 4.8x in the first half (December 2023: 6.1x and 4.6x respectively).

Key debt statistics (Unite share basis)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Net debt	£1,507m	£1,742m	£1,571m
LTV	26%	31%	28%
Net debt to EBITDA ratio[1]	5.7	6.8	6.1
Interest cover ratio[1]	4.8	3.8	4.6
Average debt maturity	4.0 years	4.1 years	3.8 years
Average cost of debt	2.8%	3.3%	3.2%
Proportion of investment debt at fixed rate	100%	100%	100%

[1] *Calculated on a 12-month look-back basis*

Debt financing and liquidity

As at 30 June 2024, the wholly-owned Group had £1,342 million of cash and debt headroom (31 December 2023: £588 million), comprising of £592 million of cash balances and £750 million of undrawn debt (31 December 2023: £38 million and £550 million respectively). Headroom will reduce to £1,046 million following repayment of the £300 million Liberty Living bond which matures in November.

The Group maintains a disciplined approach to leverage and capital allocation, with LTV of 26% at 30 June 2024 (31 December 2023: 28%). The Group continues to target an LTV of around 30% on a built-out basis alongside interest cover of 3.5-4.0x and net debt to EBITDA of 6-7x.

We have secured four new loans during the period, totalling £850 million, supporting the refinancing of 2024 maturities and adding new capacity and flexibility to fund our development pipeline and growth opportunities.

In February, we increased our revolving credit facility by £150 million to a total of £750 million and added a further £150 million term loan. Both new facilities are on similar terms to our existing RCF and mature in 2027.

The Group established a £2 billion Euro Medium Term Note (EMTN) Programme during the period. Following establishment of the programme, the Group issued a £400 million eight-year bond bearing a 5.625% coupon. Following issuance of the fixed rate bond, the Group broke pre-hedging swaps, resulting in a gain of £47 million in H1. We anticipate introducing new hedging for future borrowings during H2, which will result in a reinvestment of the mark-to-market gain on the crystallised swaps.

During the period, USAF completed a new £150 million secured loan, refinancing its maturing £150 million RCF. The five-year loan has a fixed rate of 5.6%. We have started planning for the refinancing of the USAF £395 million bond due to mature in June 2025.

Dividend

We are proposing an interim dividend payment of 12.4p per share, which represents an increase of 5% compared to the prior year (H1 2023: 11.8p). The interim dividend will be fully paid as a Property Income Distribution (PID) of 12.4p. The interim dividend will be paid on 1 November 2024 to shareholders on the register at close of business on 20 September 2024.

For those shareholders electing to participate in the Company's scrip dividend scheme, this interim dividend will be paid in new ordinary shares. The last date for receipt of scrip elections for this interim dividend is 11 October 2024. Details of the scrip scheme, terms and conditions and the process for election are available at the Company's website.

The Company offered an Enhanced Scrip Dividend alternative in respect of the 2023 final dividend paid in May 2024, resulting in scrip elections for 26% of the Company's share capital, allowing the Company to retain £26 million of capital for investment into accretive growth opportunities.

Tax and REIT status

The Group holds REIT status and is exempt from tax on its property business. During the first half of 2024, we recognised a current tax charge of £1.2 million (H1 2023: £1.1 million).

Funds and joint ventures

The table below summarises the key financials at 30 June 2024 for USAF and LSAV.

	Property assets £m	Net debt £m	Other liabilities £m	Net assets £m	Unite share of NTA £m	Maturity	Unite share
USAF	2,931	(771)	(29)	2,131	619	Infinite	29%
LSAV	1,995	(622)	(64)	1,302	651	2032	50%

Property valuations increased by 2.8% and 3.6% for USAF and LSAV respectively over the first half of the year on a like-for-like basis, driven by rental growth, which more than offset the impact of the removal of MDR.

During the period, USAF paid £86 million of redemptions to unitholders out of disposal proceeds resulting in a 0.8% increase in Unite's ownership of USAF to 29.0%.

Fees

During the six months to June 2024, the Group recognised net fees of £9.0 million from its fund and asset management activities (H1 2023: £9.0 million).

	H1 2024 £m	H1 2023 £m	FY 2023 £m
USAF asset management fee	6.5	6.6	12.1
LSAV asset and property management fee	2.5	2.4	4.8
Total fees	**9.0**	**9.0**	**16.9**

Principal risks and uncertainties

The principal risks of the business are set out on pages 72-79 of the 2023 Annual Report published in April. The Board has reviewed the principal risks again and concluded that they have not changed since the year-end report. Our principal risks fall into six categories and are summarised as follows:

Category	Risk
Market risk	• Demand reduction: driven by macro events (such as Covid-19, government policy around Higher Education or immigration) • Demand reduction: value for money / affordability • Supply increase: maturing PBSA sector and increasing supply of PBSA beds
Operational risk	• Major health and safety (H&S) incident in a property or a development site • Information security and cyber threat
Property / development risk	• Inability to secure the best sites on the right terms. Failure or delay to complete a development within budget and on time for the scheduled academic year • Property markets are cyclical and performance depends on general economic conditions
Sustainability / ESG risk	• Failing to proactively address the environmental, social and governance risks demanded of Unite Students as a responsible business
Financing risk	• Balance sheet liquidity risk / compliance with debt covenants
People risk	• Unable to attract, develop and retain an appropriately skilled, diverse and engaged workforce

Responsibility statement of the directors in respect of the interim report and accounts

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R

The interim management report includes a fair review of the information required by:

- DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Joe Lister	Mike Burt
Chief Executive	Chief Financial Officer

INTRODUCTION AND TABLE OF CONTENTS

These financial statements are prepared in accordance with IFRS. The Group uses alternative performance measures (APMs), which are not defined or specified under IFRS. These APMs, which are not considered to be a substitute for IFRS measures, provide additional helpful information and include measures based on the European Public Real Estate Association (EPRA) best practice recommendations. The metrics are used internally to measure and manage the business. The reconciliation between IFRS performance measures and EPRA performance measures can be found in Section 2.2b for EPRA Earnings and 2.3c for EPRA net tangible assets (NTA). The adjustments to the IFRS results are intended to help users in the comparability of these results across other listed real estate companies in Europe and reflect how the Directors monitor the business.

CONSOLIDATED INCOME STATEMENT

For the 6 months to 30 June 2024

	Note	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Year to 31 December 2023 £m
Rental income	2.4	150.0	139.1	259.2
Other income	2.4	8.9	8.9	16.9
Total revenue		**158.9**	**148.0**	**276.1**
Cost of sales		(41.3)	(34.7)	(76.8)
Expected credit losses		(0.3)	(0.8)	(3.0)
Operating expenses		(16.0)	(18.2)	(41.6)
Results from operating activities before gains/(losses) on property		**101.3**	**94.3**	**154.7**
(Losses)/ gains on disposal of property		(3.4)	19.3	11.8
Net valuation (losses)/ gains on property (owned and under development)	3.1a	90.0	(28.2)	(37.2)
Net valuation losses on property (leased)	3.1a	(3.3)	(4.3)	(10.4)
Profit before net financing costs		**184.6**	**81.1**	**118.9**
Loan interest and similar charges		(5.6)	(13.8)	(19.8)
Interest on lease liability		(3.6)	(3.9)	(7.7)
Mark to market changes in interest rate swaps		5.4	14.1	(17.2)
Swap cancellation costs		(1.8)	(0.1)	-
Finance costs		**(5.6)**	**(3.7)**	**(44.7)**
Finance income		2.6	0.4	1.3
Net financing costs		**(3.0)**	**(3.3)**	**(43.4)**
Share of joint venture profit	3.3a	102.3	34.4	27.0
Profit before tax		**283.9**	**112.2**	**102.5**
Current tax		(1.2)	(1.1)	(1.2)
Deferred tax		0.6	1.3	2.3
Profit for the period		**283.3**	**112.4**	**103.6**
Profit for the period attributable to				
Owners of the parent company	2.2c	281.7	111.7	102.5
Non-controlling interest		1.6	0.7	1.1
		283.3	**112.4**	**103.6**
Earnings per share				
Basic	2.2c	64.6p	27.9p	24.7p
Diluted	2.2c	64.4p	27.8p	24.6p

All results are derived from continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months to 30 June 2024

	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Year to 31 December 2023 £m
Profit for the period	**283.3**	**112.4**	**103.6**
Share of joint venture mark to market movements on hedging instruments	(2.3)	0.9	(2.1)
Other comprehensive income for the period	(2.3)	0.9	(2.1)
Total comprehensive income for the period	**281.0**	**113.3**	**101.5**
Attributable to			
Owners of the parent company	279.4	112.6	100.4
Non-controlling interest	1.6	0.7	1.1
	281.0	**113.3**	**101.5**

All other comprehensive income may be classified as profit and loss in the future.

There are no tax effects on items of other comprehensive income.

CONSOLIDATED BALANCE SHEET

At 30 June 2024

	Note	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m
Assets				
Investment property (owned)	3.1a	3,678.7	3,646.1	3,694.3
Investment property (leased)	3.1a	81.7	89.0	84.7
Investment property (under development)	3.1a	244.2	216.9	174.7
Investment in joint ventures	3.3a	1,298.1	1,246.6	1,219.0
Other non-current assets		13.6	13.2	12.7
Interest rate swaps	4.2	12.4	87.3	56.0
Right of use assets		3.3	2.2	1.7
Deferred tax asset		6.1	4.7	5.6
Total non-current assets		**5,338.1**	**5,306.0**	**5,248.7**
Assets classified as held for sale	3.1a	124.7	-	25.7
Inventories	3.2	31.3	17.4	26.2
Trade and other receivables		82.8	84.8	132.8
Cash and cash equivalents		591.7	65.5	37.5
Total current assets		**830.5**	**167.7**	**222.2**
Total assets		**6,168.6**	**5,473.7**	**5,470.9**
Liabilities				
Current borrowings	4.1	(299.7)	-	(299.4)
Lease liabilities		(6.7)	(4.8)	(5.4)
Trade and other payables		(212.8)	(203.9)	(207.8)
Current tax liability		(0.3)	(0.1)	0.6
Provisions	5.1	(5.1)	(26.9)	(5.2)
Total current liabilities		**(524.6)**	**(235.7)**	**(517.2)**
Borrowings	4.1	(1,275.3)	(1,294.9)	(782.2)
Lease liabilities		(72.9)	(82.5)	(78.4)
Total non-current liabilities		**(1,348.2)**	**(1,377.4)**	**(860.6)**
Total liabilities		**(1,872.8)**	**(1,613.1)**	**(1,377.8)**
Net assets		**4,295.8**	**3,860.6**	**4,093.1**
Equity				
Issued share capital		109.6	100.6	109.4
Share premium		2,447.7	2,161.8	2,447.6
Merger reserve		40.2	40.2	40.2
Retained earnings		1,669.6	1,524.7	1,466.0
Hedging reserve		1.4	7.0	3.8
Equity attributable to the owners of the parent company		**4,268.5**	**3,834.3**	**4,067.0**
Non-controlling interest		27.3	26.3	26.1
Total equity		**4,295.8**	**3,860.6**	**4,093.1**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the 6 months to 30 June 2024

	Issued share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Hedging reserve £m	Attributable to owners of the parent £m	Non-controlling interest £m	Total £m
At 1 January 2024	**109.4**	**2,447.6**	**40.2**	**1,466.0**	**3.8**	**4,067.0**	**26.1**	**4,093.1**
(Unaudited)								
Profit for the period	-	-	-	281.7	-	281.7	1.6	283.3
Other comprehensive income for the period:								
Share of joint venture mark to market movements on hedging instruments	-	-	-	-	(2.3)	(2.3)	-	(2.3)
Total comprehensive income for the period	-	-	-	281.7	(2.3)	279.4	1.6	281.0
Shares issued	0.2	0.1	-	-	-	0.3	-	0.3
Fair value of share based payments	-	-	-	1.0	-	1.0	-	1.0
Deferred tax on share based payments	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Own shares acquired	-	-	-	(1.0)	-	(1.0)	-	(1.0)
Unwind of realised swap gain	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Dividends to owners of the parent company	-	-	-	(77.9)	-	(77.9)	-	(77.9)
Dividends to non-controlling interest	-	-	-	-	-	-	(0.4)	(0.4)
At 30 June 2024	**109.6**	**2,447.7**	**40.2**	**1,669.6**	**1.4**	**4,268.5**	**27.3**	**4,295.8**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the 6 months to 30 June 2023

	Issued share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Hedging reserve £m	Attributable to owners of the parent £m	Non-controlling interest £m	Total £m
At 1 January 2023	**100.1**	**2,162.0**	**40.2**	**1,479.0**	**6.2**	**3,787.5**	**26.4**	**3,813.9**
(Unaudited)								
Profit for the period	-	-	-	111.7	-	111.7	0.7	112.4
Other comprehensive income for the period:	-	-	-	-	-	-	-	-
Mark to market movements on hedging instruments	-	-	-	-	-	-	-	-
Share of joint venture mark to market movements on hedging instruments	-	-	-	-	0.9	0.9	-	0.9
Total comprehensive income for the period	-	-	-	111.7	0.9	112.6	0.7	113.3
Shares issued	0.5	(0.2)	-	-	-	0.3	-	0.3
Fair value of share based payments	-	-	-	0.6	-	0.6	-	0.6
Deferred tax on share based payments	-	-	-	0.4	-	0.4	-	0.4
Own shares acquired	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Unwind of realised swap gain	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Dividends to owners of the parent company	-	-	-	(66.4)	-	(66.4)	-	(66.4)
Dividends to non-controlling interest	-	-	-	-	-	-	(0.8)	(0.8)
At 30 June 2023	**100.6**	**2,161.8**	**40.2**	**1,524.7**	**7.0**	**3,834.3**	**26.3**	**3,860.6**

	Issued share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Hedging reserve £m	Attributable to owners of the parent £m	Non-controlling interest £m	Total £m
At 1 January 2023	**100.1**	**2,162.0**	**40.2**	**1,479.0**	**6.2**	**3,787.5**	**26.4**	**3,813.9**
Profit for the year	-	-	-	102.5	-	102.5	1.1	**103.6**
Other comprehensive income for the year:	-	-	-	-	-	-	-	**-**
Mark to market movement on hedging instruments	-	-	-	-	-	-	-	**-**
Hedges reclassified to profit or loss	-	-	-	-	-	-	-	**-**
Share of joint venture mark to market movements on hedging instruments	-	-	-	-	(2.1)	(2.1)	-	**(2.1)**
Total comprehensive income for the year	**-**	**-**	**-**	**102.5**	**(2.1)**	**100.4**	**1.1**	**101.5**
Shares issued	9.3	285.6	-	-	-	294.9	-	**294.9**
Fair value of share based payments	-	-	-	2.2	-	2.2	-	**2.2**
Deferred tax on share based payments	-	-	-	0.2	-	0.2	-	**0.2**
Own shares acquired	-	-	-	(0.6)	-	(0.6)	-	**(0.6)**
Unwind of realised swap gain	-	-	-	-	(0.3)	(0.3)	-	**(0.3)**
Dividends to owners of the parent company	-	-	-	(117.3)	-	(117.3)	-	**(117.3)**
Dividends to non-controlling interest	-	-	-	-	-	-	(1.4)	**(1.4)**
At 31 December 2023	**109.4**	**2,447.6**	**40.2**	**1,466.0**	**3.8**	**4,067.0**	**26.1**	**4,093.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months to 30 June 2024

	Note	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Year to 31 December 2023 £m
Net cash flows from operating activities	5.2	**147.1**	**147.5**	**153.2**
Investing activities				
Investment in joint ventures		2.3	(1.0)	-
Capital expenditure on property		(84.4)	(73.4)	(135.3)
Acquisition of intangible assets		(2.4)	(0.7)	(1.8)
Acquisition of plant and equipment		(0.5)	(0.6)	(0.9)
Proceeds from the sale of investment property		22.7	-	-
Interest received		2.5	0.4	1.3
Dividends received		18.3	12.9	27.3
Net cash flows from investing activities		**(41.5)**	**(62.4)**	**(109.4)**
Financing activities				
Proceeds from the issue of share capital		0.3	0.3	294.9
Payments to acquire own shares		(1.0)	(0.6)	(0.6)
Interest paid in respect of financing activities		(8.4)	(14.5)	(38.8)
Swap gain net of exit fees		49.0	-	-
Proceeds from non-current borrowings		543.9	30.1	-
Repayment of borrowings		(50.0)	-	(182.5)
Dividends paid to the owners of the parent company		(77.9)	(65.6)	(103.4)
Withholding tax paid on distributions		(6.9)	(6.5)	(12.0)
Dividends paid to non-controlling interest		(0.4)	(0.8)	(1.9)
Net cash flows from financing activities		**448.6**	**(57.6)**	**(44.3)**
Net increase/(decrease) in cash and cash equivalents		**554.2**	**27.5**	**(0.5)**
Cash and cash equivalents at start of period		37.5	38.0	38.0
Cash and cash equivalents at end of period		**591.7**	**65.5**	**37.5**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Section 1: Basis of preparation

General information

The information for the year ended 31 December 2023 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 but is derived from those accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Basis of preparation

The financial statements consolidate those of Unite Group plc and its subsidiaries (together referred to as the Group) and include the Group's interest in jointly controlled entities.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the United Kingdom. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the United Kingdom and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for at least 12 months from the date of this report.

The Directors have considered a range of scenarios for future performance through the 2023/24 and 2024/25 academic years. This included a base case assuming cash collection and performance for the 2023/24 academic year remains in line with current expectations and sales performance for the 2024/25 academic year consistent with published guidance; and a reasonable worst-case scenario where income for the 2024/25 academic year is impacted by reduced sales, equivalent to occupancy of around 90%. Both scenarios assume that the USAF Bond is refinanced in June 2025, and that the Liberty Living Bond is repaid in November 2024 following the recent refinancing.

The impact of our ESG asset transition plans are included within the cashflows, which have been modelled to align with the Group's 2030 net zero carbon targets. Under each of these scenarios, the Directors are satisfied that the Group has sufficient liquidity and will maintain in covenant compliance over the next 12 months. To further support the Directors' going concern assessment, a 'Reverse Stress Test' was performed to determine the level of performance at which adopting the going concern basis of preparation may not be appropriate. This involved assessing the minimum amount of income required to ensure financial covenants would not be breached. Within the tightest covenant, occupancy could fall to approximately 60% before there would be a breach. The Group has capacity for property valuations to fall by around 40% before there would be a breach of LTV and gearing covenants in facilities where such covenants exist. Were income or asset values to fall beyond these levels, the Group has certain cure rights, such that an immediate default could be avoided.

The Directors are satisfied that the possibility of such an outcome is sufficiently remote that adopting the going concern basis of preparation is appropriate.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements.

Seasonality of operations

The results of the Group's Operations segment, a separate business segment (see Section 2), are closely linked to the level of occupancy achieved in its portfolio of property. Occupancy typically falls over the summer months (particularly July and August) as students leave for the summer holidays.

Conversely, the Group's build cycle for new properties sees construction complete shortly before the start of the academic year in September. There will be a net income benefit in the second half of the year from one newly completing asset in 2024.

Changes in accounting policies

The Group has not adopted any new accounting standards or policies compared to those included in the 2023 Annual Report.

Critical accounting judgements and key sources of estimation uncertainty

Full details of critical accounting judgements and key sources of estimation uncertainty are given on page 184 of the 2023 Annual Report and Accounts. This includes detail of the Group's approach to valuation of investment property and investment property under development, the recognition and valuation of provisions for cladding remediation and the classification of joint venture vehicles. There have been no changes to critical accounting judgements and key sources of estimation uncertainty.

Section 2: Results for the period

This section focuses on the results and performance of the Group and provides a reconciliation between the primary statements and EPRA performance measures. The following disclosures explain the Group's results for the period, segmental information, earnings and net tangible asset value (NTA) per share.

The Group uses EPRA earnings, adjusted earnings and NTA movement as key comparable indicators across other real estate companies in Europe.

IFRS performance measures

	Note	Unaudited 30 June 2024		Unaudited 30 June 2023		31 December 2023	
		£m	pps	£m	pps	£m	pps
Profit after tax[1]	2.2c	281.7	64.6	111.7	27.9	102.5	24.7
Net assets[1]	2.3d	4,268.5	973	3,834.3	952	4,067.0	931

1 Profit after tax represents profit attributable to the owners of the parent company and net assets represents equity attributable to the owners of the parent company.

EPRA performance measures

	Note	Unaudited 30 June 2024		Unaudited 30 June 2023		31 December 2023	
		£m	pps	£m	pps	£m	pps
EPRA earnings	2.2c	122.6	28.1	106.7	26.6	176.1	42.4
Adjusted earnings[2]	2.2c	125.3	28.7	110.2	27.5	184.3	44.3
EPRA NTA diluted	2.3d	4,262.3	969	3,750.9	928	4,018.6	920

2 Adjusted earnings are calculated as EPRA earnings after adding back software as a service costs previously capitalised (net of deferred tax) (see note 2.2a), in order to reflect the performance of the Group's underlying operating activities.

2.1 Segmental information

The Board of Directors monitors the business along two activity lines, Operations and Property. The reportable segments for the 6 months ended 30 June 2024 and 30 June 2023 and for the year ended 31 December 2023 are Operations and Property. The Group undertakes its Operations and Property activities directly and through joint ventures with third parties. The joint ventures are an integral part of each segment and are included in the information used by the Board to monitor the business. Detailed analysis of the performance of each of these reportable segments is provided in the following sections 2.2 to 2.3. The Group's properties are located exclusively in the United Kingdom. The Group therefore has one geographical segment.

2.2 Earnings

EPRA earnings and adjusted earnings amend IFRS measures by removing principally the unrealised investment property valuation gains and losses such that users of the financial statements are able to see the extent to which dividend payments (dividend per share) are underpinned by earnings arising from operational activity. In 2024 and 2023, software as a service costs, which were previously capitalised under the existing intangibles policy, have been excluded from adjusted earnings (net of deferred tax), to align with the International Financial Reporting Interpretations Committee ('IFRIC') agenda decision from 2021. The reconciliation between profit attributable to owners of the Company and EPRA earnings is available in note 2.2b.

The Operations segment manages rental properties, owned directly by the Group or by joint ventures. Its revenues are derived from rental income and asset management fees earned from joint ventures. The way in which the Operations segment adds value to the business is set out in the Operations review on pages 32–35 of the 2023 Annual Report. The Operations segment is the main contributor to adjusted earnings and adjusted EPS and these are therefore the key indicators which are used by the Board to monitor the Groups financial performance.

The Board does not manage or monitor the Operations segment through the balance sheet and therefore no segmental information for assets and liabilities is provided for the Operations segment.

2.2a EPRA earnings

Unaudited 30 June 2024

£m	Unite	Share of joint ventures USAF	LSAV	Group on see through basis Total
Rental income	150.0	32.5	29.3	211.8
Property operating expenses	(41.6)	(10.3)	(6.7)	(58.6)
Net operating income	**108.4**	**22.2**	**22.6**	**153.2**
Management fees	11.5	(2.5)	-	9.0
Overheads	(13.8)	(0.2)	(0.2)	(14.2)
Lease liability interest	(3.6)	-	-	(3.6)
Net financing costs	(5.2)	(5.5)	(7.8)	(18.5)
Operations segment result	**97.3**	**14.0**	**14.6**	**125.9**
Property segment result	**(0.8)**	**-**	**-**	**(0.8)**
Unallocated to segments	**(2.3)**	**(0.1)**	**(0.1)**	**(2.5)**
EPRA earnings	**94.2**	**13.9**	**14.5**	**122.6**
Software as a service costs	2.7	-	-	2.7
Adjusted earnings	**96.9**	**13.9**	**14.5**	**125.3**

Included in the above is rental income of £11.1 million and property operating expenses of (£5.7 million) relating to sale and leaseback properties.

The unallocated to segments balance includes the fair value of share-based payments (£1.2 million), contributions to the Unite Foundation (£0.5 million), a deferred tax credit £0.4 million and a current tax charge (£1.2 million).

Depreciation and amortisation totalling £2.5 million is included within overheads.

The software as a service costs are presented net of deferred tax £0.9 million.

Unaudited 30 June 2023

£m	Unite	Share of joint ventures USAF	LSAV	Group on see through basis Total
Rental income	139.1	30.7	27.2	197.0
Property operating expenses	(35.5)	(8.6)	(6.1)	(50.2)
Net operating income	**103.6**	**22.1**	**21.1**	**146.8**
Management fees	11.4	(2.4)	-	9.0
Overheads	(16.3)	(0.2)	(0.3)	(16.8)
Lease liability interest	(3.9)	-	-	(3.9)
Net financing costs	(15.6)	(3.9)	(7.3)	(26.8)
Operations segment result	**79.2**	**15.6**	**13.5**	**108.3**
Property segment result	(0.8)	-	-	(0.8)
Unallocated to segments	(0.6)	(0.1)	(0.1)	(0.8)
EPRA earnings	**77.8**	**15.5**	**13.4**	**106.7**
Software as a service costs	3.5	-	-	3.5
Adjusted earnings	**81.3**	**15.5**	**13.4**	**110.2**

Included in the above is rental income £10.3 million and property operating expenses (£4.7 million) relating to sale and leaseback properties.

The unallocated to segments balance includes the fair value of share-based payments (£0.8 million), contributions to the Unite Foundation (£0.4 million), a deferred tax credit £1.4 million and a current tax charge (£1.0 million).

Depreciation and amortisation totalling (£4.1 million) is included within overheads.

The software as a service costs are presented net of deferred tax £1.2 million.

31 December 2023

		Share of joint ventures		Group on see through basis
£m	**Unite**	**USAF**	**LSAV**	**Total**
Rental income	259.2	57.5	52.8	369.5
Property operating expenses	(79.8)	(20.0)	(13.2)	(113.0)
Net operating income	179.4	37.5	39.6	256.5
Management fees	21.4	(4.5)	–	16.9
Overheads	(32.2)	(0.4)	(0.5)	(33.1)
Interest on lease liabilities	(7.7)	–	–	(7.7)
Net financing costs	(22.9)	(9.4)	(15.1)	(47.4)
Operations segment result	138.0	23.2	24.0	185.2
Property segment result	(2.7)	–	–	(2.7)
Unallocated to segments	(6.0)	(0.2)	(0.2)	(6.4)
EPRA earnings	129.3	23.0	23.8	176.1
Software as a service costs	8.2	–	–	8.2
Adjusted earnings	137.5	23.0	23.8	184.3

Included in the above is rental income £19.0 million and property operating expenses (£10.2 million relating to sale and leaseback properties).

Unallocated to segments includes the fair value of share-based payments (£3.4 million), costs due to leadership changes (£2.9 million), contributions to the Unite Foundation and social causes (£1.6 million), a deferred tax credit £2.5 million and current tax charge (£1.0 million). Depreciation and amortisation totalling (£6.3 million) is included within overheads.

The software as a service costs are presented net of deferred tax £2.8 million.

2.2b IFRS reconciliation to EPRA earnings and adjusted earnings

EPRA earnings excludes movements relating to changes in values of investment properties (owned, leased and under development), profits/losses from the disposals of properties, mark to market changes on interest rate swaps, swap cancellation costs which are included in the profit/loss reported under IFRS. EPRA earnings and adjusted earnings reconcile to the profit attributable to owners of the parent company as follows:

	Note	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m
Profit attributable to owners of the parent company		**281.7**	**111.7**	**102.5**
Net valuation (gains)/losses on investment property (owned and under development)	3.1a	(90.0)	28.2	37.2
Property disposals (owned) losses/(gains)		3.4	(19.2)	(11.8)
Net valuation loss on investment property (leased)	3.1a	3.3	4.3	10.4
Amortisation of fair value of debt recognised on acquisition		(2.1)	(2.1)	(4.3)
Share of joint venture gains on investment property	3.3a	(50.4)	(2.4)	21.9
Share of joint venture property disposal losses	3.3a	(1.2)	-	3.5
Mark to market changes on interest rate swaps		(5.4)	(14.1)	17.2
Swap cancellation and loan break costs		1.8	-	-
Current tax relating to property disposals		-	-	(0.1)
Deferred tax		(0.2)	0.2	(0.2)
Non-controlling interest and other		(18.3)	0.1	(0.2)
EPRA earnings	2.2a	**122.6**	**106.7**	**176.1**
Software as a service costs		**2.7**	3.5	8.2
Adjusted earnings	2.2a	**125.3**	**110.2**	**184.3**

* The non-controlling interest share, or non-controlling interest, arises as a result of the Group not owning 100% of the share capital of one of its subsidiaries, USAF (Feeder) Guernsey Ltd. More detail is provided in note 3.3.

2.2c Earnings per share

Basic EPS calculation is based on the earnings attributable to the equity shareholders of The Unite Group PLC and the weighted average number of shares which have been in issue during the year. Basic EPS is adjusted in line with EPRA guidelines in order to allow users to compare the business performance of the Group with other listed real estate companies in a consistent manner and to reflect how the business is managed on a day-to-day basis.

The calculations of earnings and EPS on a basic, diluted, EPRA and adjusted basis are as follows:

	Note	Unaudited 30 June 2024		Unaudited 30 June 2023		31 December 2023	
		£m	pps	£m	pps	£m	pps
Basic		281.7	64.6	111.7	27.9	102.5	24.7
Diluted		281.7	64.4	111.7	27.8	102.5	24.6
EPRA	2.2a	122.6	28.1	106.7	26.6	176.1	42.4
Diluted EPRA		122.6	28.0	106.7	26.5	176.1	42.2
Adjusted	2.2a	125.3	28.7	110.2	27.5	184.3	44.3
Diluted adjusted		125.3	28.6	110.2	27.4	184.3	44.2

Weighted average number of shares (thousands)	Unaudited 30 June 2024	Unaudited 30 June 2023	31 December 2023
Basic	436,218	400,534	415,733
Dilutive potential ordinary shares (share options)	1,475	1,526	1,165
Diluted	437,693	402,060	416,898

The total number of ordinary shares in issue at 30 June 2024 was 438,687,730 (30 June 2023: 402,581,000, 31 December 2023: 435,854,542).

In 2024, there were 102,662 options excluded from the potential dilutive shares that did not affect the diluted weighted average number of shares (30 June 2023: 124,913, 31 December 2023: 30,553).

2.3 Net Assets

EPRA NTA per share makes adjustments to IFRS measures by removing the fair value of financial instruments and the carrying value of intangibles. The reconciliation between IFRS NAV and EPRA NTA is available in note 2.3c.

The Group's Property business undertakes the acquisition and development of properties. The way in which the Property segment adds value to the business is set out in the Property review on pages 36-40 of the 2023 Annual Report.

2.3a EPRA net assets

Unaudited 30 June 2024

		Share of joint ventures		Group on see through basis
	Unite £m	USAF £m	LSAV £m	Total £m
Investment properties (owned)*	3,803.4	840.2	991.2	5,634.8
Investment properties (leased)	81.7	-	-	81.7
Investment properties (under development)	244.2	-	-	244.2
Total property portfolio	**4,129.3**	**840.2**	**991.2**	**5,960.7**
Debt on properties	(1,563.2)	(272.2)	(337.1)	(2,172.5)
Lease liability on properties	(78.2)	-	-	(78.2)
Cash	591.7	48.0	26.3	666.0
Net debt	**(1,049.7)**	**(224.2)**	**(310.8)**	**(1,584.7)**
Other assets and (liabilities)	(89.9)	3.0	(29.4)	(116.3)
EPRA NTA	**2,989.7**	**619.0**	**651.0**	**4,259.7**
Loan to value**	24%	26%	31%	26%
Loan to value post-IFRS 16	25%	26%	31%	27%

* Investment property (owned) includes assets classified as held for sale in the IFRS balance sheet.

** LTV calculated excluding leased investment property and the corresponding lease liability. LTV is an APM – see note 7.

Unaudited 30 June 2023

		Share of joint ventures		Group on see through basis
	Unite £m	**USAF £m**	**LSAV £m**	**Total £m**
Investment properties (owned)	3,646.1	821.7	970.7	5,438.5
Investment properties (leased)	89.0	-	-	89.0
Investment properties (under development)	216.9	-	-	216.9
Total property portfolio	**3,952.0**	**821.7**	**970.7**	**5,744.4**
Debt on properties	(1,279.1)	(243.6)	(336.2)	(1,858.9)
Lease liability on properties	(86.1)	-	-	(86.1)
Cash	65.5	25.4	26.4	117.3
Net debt	**(1,299.7)**	**(218.2)**	**(309.8)**	**(1,827.7)**
Other assets and (liabilities)	(117.7)	(20.5)	(29.8)	(168.0)
EPRA NTA	**2,534.6**	**583.0**	**631.1**	**3,748.7**
Loan to value**	31%	27%	32%	31%
Loan to value post-IFRS 16	33%	27%	32%	32%

* LTV calculated excluding leased investment property and the corresponding lease liability. LTV is an APM – see note 7.

31 December 2023

		Share of joint ventures		Group on see through basis
	Unite £m	**USAF £m**	**LSAV £m**	**Total £m**
Investment properties (owned)*	3,727.8	827.8	954.7	5,510.3
Investment properties (leased)	84.7	–	–	84.7
Investment properties (under development)	174.7	–	–	174.7
Total property portfolio	**3,987.2**	**827.8**	**954.7**	**5,769.7**
Debt on properties	(1,067.6)	(243.5)	(337.0)	(1,648.1)
Lease liability on properties	(83.8)	–	–	(83.8)
Cash	37.5	18.2	21.5	77.2
Net debt	**(1,113.9)**	**(225.3)**	**(315.5)**	**(1,654.7)**
Other liabilities	(48.3)	(22.3)	(29.7)	(100.3)
EPRA NTA	**2,825.0**	**580.2**	**609.5**	**4,014.7**
Loan to value**	26%	27%	33%	28%
Loan to value post-IFRS 16	28%	27%	33%	29%

* Investment property (owned) includes assets classified as held for sale in the IFRS balance sheet.

** LTV calculated excluding leased investment property and the corresponding lease liability. LTV is an APM – see note 7.

2.3b Movement in EPRA NTA during the period

Contributions to EPRA NTA by each segment during the period are as follows:

Unaudited 30 June 2024

		Share of joint ventures		Group on see through basis
	Unite £m	USAF £m	LSAV £m	Total £m
Operations				
Operations segment result	**97.3**	**14.1**	**14.6**	**126.0**
Add back amortisation of intangibles	**1.7**	**-**	**-**	**1.7**
Total operations	**99.0**	**14.1**	**14.6**	**127.7**
Property				
Rental growth	137.9	16.0	34.8	188.7
Yield movement	(62.7)	0.1	(1.2)	(63.8)
Disposal (losses)/gains (owned)	(3.4)	1.1	(0.1)	(2.4)
Investment property gains (owned)*	71.8	17.2	33.5	122.5
Investment property losses (leased)	(3.3)	-	-	(3.3)
Investment property gains (under development)	14.9	-	-	14.9
Pre-contract/other development costs	(0.8)	-	-	(0.8)
Total property	**82.6**	**17.2**	**33.5**	**133.3**
Unallocated				
Shares issued	0.3	-	-	0.3
Dividends received from joint ventures	18.0	(11.5)	(6.5)	-
Dividends paid	(77.9)	-	-	(77.9)
Swap gain	49.0	-	-	49.0
Swap cancellation costs	(1.8)	-	-	(1.8)
Purchase of intangibles	(1.7)	-	-	(1.7)
Other	(2.7)	19.0	(0.2)	16.1
Total unallocated	**(16.8)**	**7.5**	**(6.7)**	**(16.0)**
Total EPRA NTA movement in the period	**164.8**	**38.8**	**41.4**	**244.9**
Total EPRA NTA brought forward	2,824.9	580.2	609.5	4,014.6
Total EPRA NTA carried forward	**2,989.7**	**619.0**	**651.0**	**4,259.7**

* Investment property (owned) includes assets classified as held for sale in the IFRS balance sheet.

Unaudited 30 June 2023

		Share of joint ventures		Group on see through basis
	Unite £m	USAF £m	LSAV £m	Total £m
Operations				
Operations segment result	**79.2**	**15.6**	**13.5**	**108.3**
Add back amortisation of intangibles	**3.2**	**-**	**-**	**3.2**
Total operations	**82.4**	**15.6**	**13.5**	**111.5**
Property				
Rental growth	81.2	20.6	29.8	131.6
Yield movement	(91.5)	(16.0)	(32.5)	(140.0)
Disposal losses (owned)	19.3	-	-	19.3
Investment property gains/(losses) (owned)	9.0	4.6	(2.7)	10.9
Investment property losses (leased)	(4.3)	-	-	(4.3)
Investment property losses (under development)	(17.9)	-	-	(17.9)
Pre-contract/other development costs	(0.8)	-	-	(0.8)
Total property	**(14.0)**	**4.6**	**(2.7)**	**(12.1)**
Unallocated				
Shares issued	0.3	-	-	0.3
Dividends received from joint ventures	12.3	(12.3)	-	-
Dividends paid	(66.4)	-	-	(66.4)
Acquisition of intangibles	(0.7)	-	-	(0.7)
Other	(0.4)	(0.1)	(0.1)	(0.6)
Total unallocated	**(55.0)**	**(12.4)**	**(0.1)**	**(67.5)**
Total EPRA NTA movement in the period	**13.5**	**7.8**	**10.7**	**32.0**
Total EPRA NTA brought forward	2,521.1	575.2	620.4	3,716.7
Total EPRA NTA carried forward	**2,534.5**	**583.0**	**631.1**	**3,748.6**

31 December 2023

		Share of joint ventures		Group on see through basis
	Unite £m	USAF £m	LSAV £m	Total £m
Operations				
Operations segment result	137.8	23.3	24.1	185.2
Add back amortisation of intangibles	5.2	-	-	5.2
Total operations	**143.0**	**23.3**	**24.1**	**190.4**
Property				
Rental growth	185.2	41.8	56.1	286.7
Yield movement	(215.9)	(34.4)	(85.7)	(339.6)
Disposal gains/(losses) (owned)	11.8	(3.7)	0.3	8.4
Investment property (losses)/gains (owned) *	**(18.9)**	**3.7**	**(29.3)**	**(44.5)**
Investment property losses (leased)	(10.4)	-	-	(10.4)
Investment property losses (under development)	(6.6)	-	-	(6.6)
Pre-contract/other development costs	(2.8)	-	-	(2.8)
Total property	**(38.7)**	**3.7**	**(29.3)**	**(64.3)**
Unallocated				
Shares issued	294.9	-	-	294.9
Dividends received from joint ventures	27.3	(21.8)	(5.5)	–
Dividends paid	(117.3)	-	-	(117.3)
Acquisition of intangibles	(1.6)	-	-	(1.6)
Share based payment charge	(3.4)	-	-	(3.4)
Other	(0.4)	(0.2)	(0.2)	(0.8)
Total unallocated	**199.6**	**(22.0)**	**(5.7)**	**172.0**
Total EPRA NTA movement in the year	303.9	**5.0**	**(10.9)**	298.0
Total EPRA NTA brought forward	2,521.1	575.2	620.4	3,716.7
Total EPRA NTA carried forward	**2,825.0**	**580.2**	**609.5**	**4,014.7**

* Investment property (owned) includes assets classified as held for sale in the IFRS balance sheet.

2.3c Reconciliation to IFRS

To determine EPRA NTA, net assets reported under IFRS are amended to exclude the fair value of financial instruments, associated tax and the carrying value of intangibles.

To determine EPRA NRV, net assets reported under IFRS are amended to exclude the fair value of financial instruments, associated tax and real estate transfer tax.

To determine EPRA NDV, net assets reported under IFRS are amended to exclude the fair value of financial instruments but include the fair value of fixed interest rate debt and the carrying value of intangibles.

The net assets reported under IFRS reconcile to EPRA NTA, NRV and NDV as follows:

Unaudited 30 June 2024

	NTA £m	NRV £m	NDV £m
Net asset value reported under IFRS	**4,268.5**	**4,268.5**	**4,268.5**
Mark to market interest rate swaps	(12.4)	(12.4)	-
Unamortised swap gain	(1.1)	(1.1)	(1.1)
Mark to market of fixed rate debt	-	-	38.5
Unamortised fair value of debt recognised on acquisition	13.0	13.0	13.0
Current tax	1.1	1.1	-
Deferred tax	0.6	0.6	-
Intangibles per IFRS balance sheet	(10.0)	-	-
Real estate transfer tax	-	383.6	-
EPRA reporting measure	**4,259.7**	**4,653.3**	**4,318.9**

Unaudited 30 June 2023

	NTA £m	NRV £m	NDV £m
Net asset value reported under IFRS	**3,834.3**	**3,834.3**	**3,834.3**
Mark to market interest rate swaps	(92.5)	(92.5)	-
Unamortised swap gain	(1.3)	(1.3)	(1.3)
Mark to market of fixed rate debt	-	-	70.4
Unamortised fair value of debt recognised on acquisition	17.0	17.0	17.0
Current tax	0.5	0.5	-
Deferred tax	0.4	0.4	-
Intangibles per IFRS balance sheet	(9.7)	-	-
Real estate transfer tax	-	301.7	-
EPRA reporting measure	**3,748.7**	**4,060.1**	**3,920.4**

31 December 2023

	NTA £m	NRV £m	NDV £m
Net asset value reported under IFRS	**4,067.0**	**4,067.0**	**4,067.0**
Mark to market interest rate swaps	(58.1)	(58.1)	–
Unamortised swap gain	(1.2)	(1.2)	(1.2)
Mark to market of fixed rate debt	–	–	35.0
Unamortised fair value of debt recognised on acquisition	15.2	15.2	15.2
Current tax	0.7	0.7	–
Deferred tax	0.4	0.4	–
Intangibles per IFRS balance sheet	(9.3)	–	–
Real estate transfer tax	–	306.7	–
EPRA reporting measure	**4,014.7**	**4,330.7**	**4,116.0**

2.3d NTA, NRV and NDV per share

Basic NAV is based on the net assets attributable to the equity shareholders of The Unite Group plc and the number of shares in issue at the end of the period. The Board uses EPRA NTA to monitor the performance of the Property segment on a periodic basis.

	Note	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m	Unaudited 30 June 2024 pps	Unaudited 30 June 2023 pps	31 December 2023 pps
Net assets							
Basic	2.3c	4,268.5	3,834.3	4,067.0	973	952	931
EPRA NTA	2.3a	4,259.7	3,748.7	4,014.7	971	931	921
EPRA NTA (diluted)		4,262.3	3,750.9	4,018.6	969	928	920
EPRA NRV	2.3c	4,653.3	4,060.1	4,330.7	1,061	1,009	994
EPRA NRV (diluted)		4,655.9	4,062.3	4,334.6	1,058	1,006	992
EPRA NDV	2.3c	4,318.9	3,920.4	4,116.0	984	974	944
EPRA NDV (diluted)		4,321.4	3,922.6	4,119.9	982	971	943

Number of shares (thousands)			
Basic	438,688	402,582	435,855
Outstanding share options	1,265	1,401	1,165
Diluted	439,953	403,983	437,020

2.4 Revenue and costs

The Group earns revenue from the following activities:

		Note	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m
Rental income*	Operations segment	2.2a	150.0	139.1	259.2
Management fees	Operations segment		9.0	9.0	17.1
			159.0	148.1	276.3
Impact of non-controlling interest on management fees			(0.1)	(0.1)	(0.2)
Total revenue			**158.9**	**148.0**	**276.1**

* EPRA earnings includes £211.8 million of rental income (30 June 2023: £197.0 million, 31 December 2023: £369.5 million), which is comprised of £150.0 million recognised on wholly owned assets (30 June 2023: £139.1 million, 31 December 2023: £259.2 million) and a further £61.8 million from joint ventures (30 June 2023: £57.9 million, 31 December 2023: £110.3 million) which is included in share of joint venture profit/loss in the consolidated IFRS income statement.

The cost of sales included in the consolidated IFRS income statement includes property operating expenses of £41.3 million (30 June 2023: £34.7 million, 31 December 2023: £76.8 million).

Section 3: Asset management

The Group holds its property portfolio directly and through its joint ventures. The performance of the property portfolio whether wholly owned or in joint ventures is the key factor that drives EPRA Net Tangibles Asset Value (NTA), one of the Group's key performance indicators.

The following pages provide disclosures about the Group's investments in property assets and joint ventures and their performance over the period.

3.1 Wholly owned property assets

The Group's wholly owned property portfolio is held in four groups on the balance sheet at the carrying values detailed below. In the Group's EPRA NTA, all are shown at market value, except where otherwise stated.

i) Investment property (owned)

These are assets that the Group intends to hold for a long period to earn rental income or capital appreciation. The assets are held at fair value in the balance sheet with changes in fair value taken to the income statement.

ii) Investment property (leased)

These are assets the Group sold to institutional investors and simultaneously leased back. These right-of-use assets are held at fair value in the balance sheet with changes in fair value taken to the income statement.

iii) Investment property (under development)

These are assets which are currently in the course of construction and which will be transferred to Investment property on completion. These assets are initially recognised at cost and are subsequently measured at fair value in the balance sheet with changes in fair value taken to the income statement.

iv) Investment property classified as held for sale

These are assets whose carrying amount will be recovered through a sale transaction rather than to hold for long-term rental income or capital appreciation. This condition is regarded as met only when the sale is highly probable and the investment property is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. The assets are measured at fair value in the balance sheet, with changes in fair value taken to the income statement. The assets are presented as current in the IFRS balance sheet.

3.1a Valuation process

The valuations of the properties are performed twice a year on the basis of valuation reports prepared by external, independent valuers, having an appropriate recognised professional qualification. The fair values are based on market values as defined in the RICS Appraisal and Valuation Manual, issued by the Royal Institution of Chartered Surveyors, and taking account of committed fire safety and external façade works as provided by Unite. CB Richard Ellis Ltd, Jones Lang LaSalle Ltd and Messrs Knight Frank LLP, Chartered Surveyors were the valuers in the 6 months ending 30 June 2024 and throughout 2023.

The valuations are based on both:

- Information provided by the Group such as current rents, occupancy, operating costs, terms and conditions of leases and nomination agreements, capital expenditure, etc. This information is derived from the Group's financial systems and is subject to the Group's overall control environment.
- Assumptions and valuation models used by the valuers – the assumptions are typically market related and include rental value, yield and discount rates. These are based on their professional judgement and market observation.

The information provided to the valuers – and the assumptions and the valuation models used by the valuers – are reviewed by the Property Leadership Team and the CFO. This includes a review of the fair value movements over the period.

The fair value of the Group's wholly owned properties and the movements in the carrying value of the Group's wholly owned properties during the period ended 30 June 2024 is shown in the table below. Included in the fair value is £17.9 million related to committed fire safety and external façade capital expenditure (31 December 2023: £20.2 million).

Unaudited 30 June 2024

£m	Investment property (owned)	Investment property (leased)	Investment property (under development)	Total
At 1 January 2024	3,694.3	84.7	174.7	3,953.7
Cost capitalised	34.0	0.3	53.5	87.8
Interest capitalised	-	-	6.5	6.5
Transfer from conditionally exchanged schemes	-	-	2.1	2.1
Transfer to assets classified as held for sale	(124.7)	-	-	(124.7)
Disposals	-	-	(7.5)	(7.5)
Valuation gains	110.0	-	33.5	143.5
Valuation losses	(34.9)	(3.3)	(18.6)	(56.8)
Net valuation gains/(losses)	75.1	(3.3)	14.9	86.7
Carrying value and market value at 30 June 2024	**3,678.7**	**81.7**	**244.2**	**4,004.6**

Assets classified as held for sale at 30 June are comprised of £124.7 million of investment property (owned). Assets held for sale are reported within the Operations segment and represents four properties intended to be sold in the next 12 months.

The fair value of the Group's wholly owned properties and the movements in the carrying value of the Group's wholly owned properties during the period ended 30 June 2023 is shown in the table below:

Unaudited 30 June 2023

£m	Investment property (owned)	Investment property (leased)	Investment property (under development)	Total
At 1 January 2023	**3,623.4**	**90.3**	**202.7**	**3,916.4**
Cost capitalised	33.0	3.0	28.7	64.7
Interest capitalised	-	-	3.4	3.4
Valuation gains	41.9	-	15.9	57.8
Valuation losses	(52.2)	(4.3)	(33.8)	(90.3)
Net valuation gains/(losses)	(10.3)	(4.3)	(17.9)	(32.5)
Carrying value and market value at 30 June 2023	**3,646.1**	**89.0**	**216.9**	**3,952.0**

The fair value of the Group's wholly owned properties and the movements in the carrying value of the Group's wholly owned properties during the year ended 31 December 2023 is shown in the table below:

31 December 2023

£m	Investment property (owned)	Investment property (leased)	Investment property (under development)	Total
At 1 January 2023	**3,623.4**	**90.3**	**202.7**	**3,916.4**
Cost capitalised	66.5	4.8	58.9	130.2
Interest capitalised	–	–	8.4	8.4
Transfer from investment property under development	88.7	–	(88.7)	–
Transfer to assets classified as held for sale	(33.5)	–	–	(33.5)
Valuation gains	121.1	–	32.4	153.5
Valuation losses	(151.7)	(10.4)	(39.0)	(201.1)
Net valuation gains/(losses)	(30.6)	(10.4)	(6.6)	(47.6)
Committed fire safety and external façade works	(20.2)	–	–	(20.2)
Carrying value and market value at 31 December 2023	**3,694.3**	**84.7**	**174.7**	**3,953.7**

Assets classified as held for sale at 31 December 2023 are comprised of £33.5 million of investment property (owned) less (£7.8 million) costs to sell – the amounts are presented net in the balance sheet at £25.7 million. Assets held for sale are reported within the Operations segment and represent a portfolio of properties (split across the Group and joint ventures) intended to be sold in the months following the balance sheet date.

3.1b Fair value measurement

All investment and development properties are classified as Level 3 in the fair value hierarchy.

Class of asset	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m
London – Rental properties	1,199.4	1,196.7	1,154.9
Prime provincial – Rental properties	1,183.8	1,119.4	1,156.0
Major provincial – Rental properties	1,249.6	1,153.2	1,246.0
Other provincial – Rental properties	102.7	104.3	104.0
London – Development properties	96.7	82.5	86.2
Prime provincial – Development properties	104.0	40.3	57.0
Major provincial – Development properties	33.4	83.8	22.0
London Build to Rent – Rental properties	67.8	72.5	66.9
Prime provincial Build to Rent – Development properties	10.2	10.3	9.5
Investment property (owned)	**4,047.6**	**3,863.0**	**3,902.5**
Investment property (leased)	**81.7**	**89.0**	**84.7**
Market value (including assets classified as held for sale)	**4,129.3**	**3,952.0**	**3,987.2**
Investment property (classified as held for sale)	(124.7)	-	(33.5)
Market value	**4,004.6**	**3,952.0**	**3,953.7**

The valuations have been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book") based on net rental income, estimated future costs, occupancy, property management costs and the net initial yield or discount rate.

Where the asset is leased to a University, the valuation also reflects the length of the lease, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the market's general perception of the lessee's credit worthiness.

The resulting valuations are cross-checked against comparable market transactions.

For development properties, the fair value is usually calculated by estimating the fair value of the completed property (using the discounted cash flow method) less estimated costs to completion

3.1c Quantitative information about fair value measurements using unobservable inputs (Level 3)

Unaudited 30 June 2024

	Fair value £m	Valuation technique	Unobservable inputs	Range	Weighted average
London - Rental properties	1,199.4	RICS Red Book	Net rental income (£ per week)	£212-£465	£332
			Estimated future rent (%)	2% - 4%	3%
			Discount rate (yield) (%)	4.0%-4.7%	4.4%
Prime regional - Rental properties	1,183.8	RICS Red Book	Net rental income (£ per week)	£158-£324	£210
			Estimated future rent (%)	2% - 3%	4%
			Discount rate (yield) (%)	4.3%-7.0%	5.0%
Major regional - Rental properties	1,249.6	RICS Red Book	Net rental income (£ per week)	£86-£210	£161
			Estimated future rent (%)	2% - 4%	3%
			Discount rate (yield) (%)	4.8%-8.5%	5.8%
Provincial - Rental properties	102.7	RICS Red Book	Net rental income (£ per week)	£110-£169	£144
			Estimated future rent (%)	2% - 3%	3%
			Discount rate (yield) (%)	7.1%-21.7%	9.1%
London - Development properties	96.7	RICS Red Book	Estimated cost to complete (£m)	£88m-£198m	£153m
			Net rental income (£ per week)	£180-£456	£304
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.15%	4.15%
Prime regional - Development properties	104.0	RICS Red Book	Estimated cost to complete (£m)	£41m-£248m	£162m
			Net rental income (£ per week)	£227-£362	£251
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.35%-5.20%	4.62%
Major regional - Development properties	33.4	RICS Red Book	Estimated cost to complete (£m)	£8m-£122m	£92m
			Net rental income (£ per week)	£179-£250	£211
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	5.15%	5.15%
Fair value at 30 June 2024	**3,969.6**				
Investment property – Build to Rent	67.8	RICS Red Book	Net rental income (£ per week)	£497	£497
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.6%	4.6%
Development Property –Build to Rent	10.2	RICS Red Book	Estimated cost to complete (£m)	£11m	£11m
			Net rental income (£ per week)	£289-£845	£535
			Estimated future rent (%)	3.0%	3.0%
			Discount rate (yield) (%)	4.4%	4.4%
Fair value at 30 June 2024	**4,047.6**				
Investment property - Leased	81.7	RICS Red Book	Estimated cost to complete (£m)	£105-£221	£165
			Estimated future rent (%)	1.4%-2.6%	2.1%
			Discount rate (yield) (%)	6.3%	6.3%
Fair value at 30 June 2024	**4,129.3**				

Unaudited 30 June 2023

	Fair value £m	Valuation technique	Unobservable inputs	Range	Weighted average
London - Rental properties	1,196.7	RICS Red Book	Net rental income (£ per week)	£197-£520	£325
			Estimated future rent (%)	2% - 4%	3%
			Discount rate (yield) (%)	3.9%-4.5%	4.01%
Prime regional - Rental properties	1,119.4	RICS Red Book	Net rental income (£ per week)	£150-£405	£192
			Estimated future rent (%)	2% - 4%	3%
			Discount rate (yield) (%)	4.2%-6.8%	4.83%
Major regional - Rental properties	1,153.2	RICS Red Book	Net rental income (£ per week)	£81-£284	£143
			Estimated future rent (%)	2% - 4%	3%
			Discount rate (yield) (%)	4.6%-7.6%	5.74%
Provincial - Rental properties	104.3	RICS Red Book	Net rental income (£ per week)	£92-£197	£139
			Estimated future rent (%)	2% - 4%	3%
			Discount rate (yield) (%)	7.0%-24.6%	8.76%
London - Development properties	82.5	RICS Red Book	Estimated cost to complete (£m)	£110m-£191m	£154m
			Net rental income (£ per week)	£187-£384	£258
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	3.90%	3.90%
Prime regional - Development properties	40.3	RICS Red Book	Estimated cost to complete (£m)	£43m-£56m	£51m
			Net rental income (£ per week)	£230-£242	£237
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.35%-5.25%	4.73%
Major regional - Development properties	83.8	RICS Red Book	Estimated cost to complete (£m)	£26m	£26m
			Net rental income (£ per week)	£171-£245	£190
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	5.15%	5.15%
Fair value at 30 June 2023	**3,780.2**				
Investment property – Build to Rent	72.5	RICS Red Book	Net rental income (£ per week)	£376	£376
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.0%	4.0%
Development Property –Build to Rent	10.3	RICS Red Book	Estimated cost to complete (£m)	£13m	£13m
			Net rental income (£ per week)	£272-£800	£410
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.10%	4.10%
Fair value at 30 June 2023	**3,869.2**				
Investment property - Leased	89.0	RICS Red Book	Estimated cost to complete (£m)	£99-£191	£154
			Estimated future rent (%)	1%-3%	2%
			Discount rate (yield) (%)	6.8%	6.8%
Fair value at 30 June 2023	**3,952.0**				

31 December 2023

	Fair value £m	Valuation technique	Unobservable inputs	Range	Weighted average
London - Rental properties	1,154.9	RICS Red Book	Net rental income (£ per week)	£206–£424	£324
			Estimated future rent (%)	2%–4%	3%
			Discount rate (yield) (%)	4.0%–4.7%	4.3%
Prime provincial - Rental properties	1,156.0	RICS Red Book	Net rental income (£ per week)	£152–£270	£189
			Estimated future rent (%)	2%–5%	3%
			Discount rate (yield) (%)	4.3%–6.7%	4.9%
Major provincial - Rental properties	1,246.0	RICS Red Book	Net rental income (£ per week)	£84–£189	£135
			Estimated future rent (%)	2%–5%	3%
			Discount rate (yield) (%)	4.9%–7.2%	5.7%
Provincial - Rental properties	104.0	RICS Red Book	Net rental income (£ per week)	£103–£162	£136
			Estimated future rent (%)	2%–3%	3%
			Discount rate (yield) (%)	7.0%–21.7%	8.9%
Prime regional - Development properties	57.0	RICS Red Book	Estimated cost to complete (£m)	£50.0m–£52.0m	£51.4m
			Net rental income (£ per week)	£234–£246	£242
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.4%–5.2%	4.7%
Major regional - Development properties	22.0	RICS Red Book	Estimated cost to complete (£m)	£19.4m-£124.1m	£97.6m
			Net rental income (£ per week)	£214	£214
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	5.2%	5.2%
Fair value at 31 December 2023	**3,826.1**				
Investment property – Build to Rent	66.9	RICS Red Book	Net rental income (£ per week)	£412	£412
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.1%	4.1%
Development Property – Build to Rent	9.5	RICS Red Book	Estimated cost to complete (£m)	£12.6m	£12.6m
			Net rental income (£ per week)	£278	£278
			Estimated future rent (%)	3%	3%
			Discount rate (yield) (%)	4.4%	4.4%
Fair value at 31 December 2023	**3,902.5**				
Investment property - Leased	84.7	Discounted cash flows	Net rental income (£ per week)	£106–£207	£168
			Estimated future rent (%)	1.8%–2.7%	2.3%
			Discount rate (yield) (%)	6.3%	6.3%
Fair value at 31 December 2023	**3,987.2**				

Fair value sensitivity analysis

A decrease in net rental income or occupancy will result in a decrease in the fair value, whereas a decrease in the discount rate (yield) will result in an increase in fair value. There are inter-relationships between these rates as they are partially determined by market rate conditions. These two key sources of estimation uncertainty are considered to represent those most likely to have a material impact on the valuation of the Group's investment property within the next 12 months as a result of reasonably possible changes in assumptions used. The potential effect of such reasonably possible changes has been assessed by the Group and is set out below:

Class of assets	Fair value at 30 June 2024	+5% change in estimated net rental income	-5% change in estimated net rental income	+25bps change in nominal equivalent yield	-25bps change in nominal equivalent yield
Rental properties (£m)					
London	1,199.4	1,277.9	1,156.2	1,151.8	1,290.2
Prime provincial	1,183.8	1,242.8	1,125.1	1,127.1	1,247.0
Major provincial	1,249.6	1,304.5	1,179.3	1,189.2	1,299.6
Other provincial	102.7	108.9	98.5	100.8	106.7
Development properties					
London	96.7	100.6	92.8	91.0	101.0
Prime provincial	104.0	109.2	98.8	110.1	98.6
Major provincial	33.4	34.6	31.3	31.4	34.2
Build to Rent					
London	67.8	71.4	64.7	64.6	71.9
Prime provincial	10.2	10.7	9.7	9.6	10.8
Market value	**4,047.6**	**4,260.6**	**3,856.4**	**3,875.6**	**4,260.0**

3.2 Inventories

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m
Interests in land	31.3	15.9	25.3
Other stocks	-	1.5	0.9
Inventories	**31.3**	**17.4**	**26.2**

At 30 June 2024, 30 June 2023 and 31 December 2023 Interests in land includes conditionally exchanged schemes.

3.3 Investments in joint ventures

The Group has two joint ventures:

Joint venture	Share of assets/results 2024 (December 2023)	Objective	Partner	Legal entity in which Group has interest
The UNITE UK Student Accommodation Fund (USAF)	29.05% (28.15%)	Invest and operate student accommodation throughout the UK	Consortium of investors	UNITE UK Student Accommodation Fund, a Jersey Unit Trust
London Student Accommodation Venture (LSAV)	50% (50%)	Invest and operate student accommodation in London and Birmingham	GIC Real Estate Pte, Ltd. Real estate investment vehicle of the Government of Singapore	LSAV Unit Trust, a Jersey Unit Trust, and LSAV (Holdings) Ltd, incorporated in Jersey

* Part of the Group's interest was held through a subsidiary, USAF (Feeder) Guernsey Ltd, in which there was one other external investor. A non-controlling interest therefore occurred on consolidation of the Group's results representing the external investor's share of profits and assets relating to its investment in USAF. The single external investor was paid out through the sale of USAF units and a minority interest no longer exists beyond 30th June 2024.

The ordinary shareholders of The Unite Group plc are beneficially interested in 29.05% of USAF (30 June 2023: 28.15%, 31 December 2023: 28.15%).

3.3a Movement in carrying value of the Group's investments in joint ventures

The carrying value of the Group's investment in joint ventures has increased by £79.2 million during the 6 months ended 30 June 2024 (30 June 2023: £20.0 million, 30 December 2023: (£7.6 million)), resulting in an overall carrying value of £1,298.2 million (30 June 2023: £1,246.6 million, 30 December 2023: £1,219.0 million). The following table shows how the increase has arisen.

	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Year to 31 December 2023 £m
Recognised in the income statement:			
Operations segment result	28.7	29.1	47.4
Non-controlling interest share of Operations segment result	1.4	0.8	1.3
Management fee adjustment relating to trading with joint venture	2.6	2.4	4.5
Net valuation gains on investment property	50.4	2.4	(21.9)
Property disposals	1.2	-	(3.5)
Ineffective swap	-	-	(0.4)
Other	17.9	(0.3)	(0.4)
	102.3	**34.4**	**27.0**
Recognised in equity:			
Movement in effective hedges (loss)/gain	(2.3)	0.9	(2.1)
Other adjustments to the carrying value:			
Profit adjustment related to trading with joint venture	(2.6)	(2.4)	(4.5)
Distributions received	(18.3)	(12.9)	(28.0)
Increase in carrying value	**79.1**	**20.0**	**(7.6)**
Carrying value brought forward	1,219.0	1,226.6	1,226.6
Carrying value carried forward	**1,298.1**	**1,246.6**	**1,219.0**

3.3b Transactions with joint ventures

The Group acts as asset and property manager for the joint ventures and receives management fees in relation to these services. In addition, the Group is entitled to performance fees from USAF and LSAV, if the joint ventures outperform certain benchmarks. The Group receives either cash or an enhanced equity interest in the joint ventures as consideration for the performance fee.

The Group has recognised the following gross fees in its results for the period.

	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Year to 31 December 2023 £m
USAF	9.1	9.0	16.6
LSAV	2.4	2.4	4.8
Asset and property management fees	**11.5**	**11.4**	**21.4**
Total fees	**11.5**	**11.4**	**21.4**

On an EPRA basis, fees from joint ventures are shown net of the Group's share of the cost to the joint venture.

The Group's share of the management fees to the joint ventures is £2.5 million (30 June 2023: £2.4 million, 31 December 2023: £4.5 million), which results in management fees from joint ventures of £9.0 million being shown in the Operations segment result in note 2.2a (30 June 2023: £9.0 million, 31 December 2023: £16.9 million).

During the period the Group did not sell any properties to LSAV or USAF (2022: no properties sold to LSAV or USAF).

Investment management fees are included within the unallocated to segments section in note 2.2a.

On 15 February 2024, Unite announced the formation of a joint venture with Newcastle University to acquire a long leasehold interest and the subsequent development of a £250 million 2,000 bed site of purpose-built student accommodation. The joint venture is not presented above, because the joint venture balances are £nil, where the transfer of title of assets is subject to conditions such as planning permission, which are yet to complete. A balance of £1.9 million is presented within other debtors, which represents future recoverable costs.

Section 4: Funding

The Group finances its development and investment activities through a mixture of retained earnings, borrowings and equity. The Group continuously monitors its financing arrangements to manage its gearing.

Interest rate swaps are used to manage the Group's risk to fluctuations in interest rate movements.

The following pages provide disclosures about the Group's funding position, including borrowings and hedging instruments.

4.1 Borrowings

The table below analyses the Group's borrowings which comprise bank and other loans by when they fall due for payment:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m
Current			
In one year or less, or on demand	299.7	–	299.4
Non-current			
In more than one year but not more than two years	–	557.6	-
In more than two years but not more than five years	420.5	–	320.7
In more than five years	842.8	721.4	447.6
	1,263.3	1,279.0	1,067.6
Unamortised fair value of debt recognised on acquisition	12.0	15.9	14.0
Total borrowings	**1,575.0**	**1,294.9**	**1,081.6**

The carrying value of borrowings is considered to be approximate to fair value, except for the Group's fixed rate loans as analysed below:

	Unaudited 30 June 2024		Unaudited 30 June 2023		31 December 2023	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Level 1 IFRS fair value hierarchy	1,275.0	1,249.7	875.0	818.6	875.0	852.3
Other loans and unamortised arrangement fees	300.0	286.8	419.9	405.9	192.6	180.3
Total borrowings	**1,575.0**	**1,536.5**	**1,294.9**	**1,224.5**	**1,067.6**	**1,032.6**

4.2 Interest rate swaps

The Group uses interest rate swaps to manage the Group's exposure to interest rate fluctuations. In accordance with the Group's treasury policy, the Group does not hold or issue interest rate swaps for trading purposes and only holds swaps which are considered to be commercially effective.

The following table shows the fair value of interest rate swaps:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	31 December 2023 £m
Current	-	–	–
Non-current	12.4	87.3	56.0
Fair value of interest rate swaps asset	**12.4**	**87.3**	**56.0**

The fair values of interest rate swaps have been calculated by a third party expert, discounting estimated future cash flows on the basis of market expectations of future interest rates, representing Level 2 in the IFRS 13 fair value hierarchy.

4.3 Dividends

During the 6 months to 30 June 2024, the Company declared and paid a final dividend of £102.9 million, 23.6p per share (30 June 2023: final dividend of £65.6 million, 21.7p per share).

After the period end, the Directors proposed an interim dividend of 12.4p per share (30 June 2023: 11.8p per share). No provision has been made in relation to this dividend.

The Group has modelled tax adjusted property business profits for 2023 and 2024 and the PID requirement in respect of the year ended 31 December 2023 is expected to be satisfied by the end of 2024.

Section 5: Working capital

5.1 Provisions

During 2020, and in accordance with the Government's Building Safety Advice of 20 January 2020, the Group undertook a thorough review of the use of High-Pressure Laminate ('HPL') cladding on its properties. This identified 27 properties with HPL cladding that needed replacing across the estate, due to legal or contractual obligations.

The Group continue to carry out replacement works for properties with HPL cladding and those where there is a legal obligation to do so, with activity prioritised according to risk assessments, starting with those over 18 metres in height. The remaining cost of the works is expected to be £35.5 million (Unite Group Share: £19.8 million), of which £5.1 million is in respect of wholly-owned properties. Whilst the overall timetable for these works is uncertain, management anticipate this will be incurred over the next 12–24 months.

The Government's Building Safety Bill, covering building standards, was passed in April 2022 and has introduced more stringent fire safety regulations. The Group will ensure it remains aligned to fire safety regulations as they evolve and continue to make any required investment to ensure its buildings remain safe to occupy. The Group has provided for the costs of remedial work where there is a legal obligation to do so.

The amounts provided reflect the current best estimate of the extent and future cost of the remedial works required and are based on known costs and quotations where possible, and reflect the most likely outcome. However, these estimates may be updated as work progresses or if Government legislation and regulation changes.

The regulations continue to evolve in this area and Unite will ensure that its buildings are safe for occupation and compliant with laws and regulations.

The Group has transferred the 30 June 2024 and 31 December 2023 additions in respect of committed spend on fire safety and façade works taking place in 2024/ 2025 to property valuations, which is presented as a deduction to fair value, see note 3.

The Group has not recognised any assets in respect of future claims, but expect to recover 50–75% of remediation costs through claims from contractors.

Management has performed a sensitivity analysis to assess the impact of a change in their estimate of total costs. A 20% increase in the estimated remaining costs would affect net valuation gains/losses on property in the IFRS P&L and would reduce the Group's NTA by 1.0 pence on a Unite Group share basis. Whilst provisions are expected to be utilised within the next year, there is uncertainty over this timing.

5.1 Provisions (*continued)*

The Group has recognised provisions for the costs of these cladding works as follows:

	Gross				Unite share			
	Wholly owned £m	USAF £m	LSAV £m	Total £m	Wholly owned £m	USAF £m	LSAV £m	Total £m
At 1 January 2023	29.5	55.6	28.2	113.3	29.5	15.6	14.1	59.2
Releases	-	(4.5)	-	(4.5)				
Additions	12.6	-	0.5	13.1	12.6	(1.3)	0.3	11.6
Utilisation	(15.2)	(31.4)	(3.0)	(49.6)	(15.2)	(8.9)	(1.5)	(25.6)
At 30 June 2023	26.9	19.7	25.7	72.3	26.9	5.4	12.9	45.2
Releases	(3.5)	(3.3)	-	(6.9)	(3.6)	(0.9)	-	(4.5)
Additions	8.7	56.0	21.7	86.4	8.7	15.8	10.9	35.3
Utilisation	(6.7)	(18.2)	(3.9)	(28.9)	(6.7)	(5.1)	(2.0)	(13.8)
Transferred to valuations	(20.2)	(48.2)	(12.3)	(80.7)	(20.1)	(13.6)	(6.2)	(39.8)
At 31 December 2023	5.2	5.9	31.2	42.3	5.2	1.6	15.5	22.3
Additions	-	-	-	-	-	-	-	-
Utilisation	(0.1)	(3.9)	(2.8)	(6.8)	(0.1)	(1.1)	(1.4)	(2.6)
Change in ownership %	-	-	-	-	-	0.1	-	0.1
At 30 June 2024	**5.1**	**2.0**	**28.4**	**35.5**	**5.1**	**0.6**	**14.1**	**19.8**

5.2 Cash and cash equivalents

	Note	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Year to 31 December 2023 £m
Profit for the period		**283.3**	**112.4**	**103.6**
Adjusted for:				
Depreciation and amortisation		2.5	4.1	6.3
Fair value of share based payments	2.2a	1.2	0.8	3.4
Change in value of investment property	2.2b	(90.0)	28.2	37.2
Change in value of investment property (leased)	2.2b	3.3	4.3	10.4
Net finance costs		3.0	17.3	18.5
Interest payments for leased assets		3.6	-	7.7
Mark to market changes in interest rate swaps		(5.4)	(14.1)	17.2
Loss/(gain) on disposal of investment property (owned)	2.2b	3.4	(19.2)	(11.8)
Share of joint venture profit		(102.3)	(34.4)	(27.0)
Trading with joint venture adjustment		2.5	2.4	4.5
Tax charge		0.6	(0.2)	(1.1)
Cash flows from operating activities before changes in working capital		**105.7**	**101.5**	**168.9**
Increase/ (decrease) in trade and other receivables		49.8	41.0	(24.8)
Increase in inventories		(5.1)	(4.7)	(13.5)
Increase in trade and other payables		(2.2)	10.5	24.4
Cash flows from operating activities		**148.2**	**148.4**	**155.0**
Tax paid		(1.1)	(0.9)	(1.8)
Net cash flows from operating activities		**147.1**	**147.5**	**153.2**

Section 6: Post balance sheet events

On 11 July 2024, Unite completed the acquisition of Kings Place, Borough for a land price of £60 million. Kings Place is a 444 bed, Zone 1 London scheme with a target delivery for the 2027/28 academic year.

Section 7: Alternative performance measures

The Group uses alternative performance measures ("APMs"), which are not defined or specified under IFRS. These APMs, which are not considered to be a substitute for IFRS measures, provide additional helpful information. APMs are consistent with how business performance is planned, reported and assessed internally by management and the Board, and provide comparable information across the Group. The APMs below have been calculated on a see through / Unite share basis, as referenced to the notes to the financial statements. Reconciliations to equivalent IFRS measures are included in notes 2.2b and 2.3c. Definitions can also be found in the glossary.

Adjusted earnings of the Group excludes the non-recurring impact of one-of transactions, improving comparability between reporting periods.

Non-EPRA measures may not have comparable calculation bases between companies and therefore may not provide meaningful industry-wide comparability.

	Note	6 months to 30 June 2024 £m	6 months to 30 June 2023 £m	Year to 31 December 2023 £m
EBIT				
Net operating income (NOI)	2.2a	153.2	146.8	256.5
Management fees	2.2a	9.0	9.0	16.9
Overheads	2.2a	(10.6)	(12.1)	(22.1)
		151.6	**143.7**	**251.3**
EBIT margin %				
Rental income	2.2a	211.8	197.0	369.5
EBIT	7	151.6	143.7	251.3
		71.6%	**72.9%**	**68.0%**
EBITDA				
Net operating income (NOI)	2.2a	153.2	146.8	256.5
Management fees	2.2a	9.0	9.0	16.9
Overheads	2.2a	(10.6)	(12.1)	(22.1)
Depreciation and amortisation	2.2a	2.5	4.1	6.3
		154.1	**147.8**	**257.6**

	Note	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Net debt				
Cash	2.3a	666.0	117.3	77.2
Debt on properties	2.3a	(2,172.5)	(1,858.9)	(1,648.1)
Net debt		**(1,506.5)**	**(1,741.6)**	**(1,570.9)**

	Note	12 months to 30 June 2024 £m	12 months to 30 June 2023 £m	Year to 31 December 2023 £m
Net debt (adjusted)				
Cash (adjusted)	2.3a	234.4[1]	143.9	77.2
Debt on properties (adjusted)	2.3a	(1,831.9)[2]	(1,877.9)	(1,648.1)
Net debt (adjusted)		**(1,597.5)**	**(1,734.0)**	**(1,570.9)**

[1] Calculated on a 12 month look back basis. Average of £666.0 million and £77.2 million in respect of H1 2024 and average of £117.3 million and £77.2 million in respect of H2 2023.

[2] Calculated on a 12 month look back basis. Average of £2,172.5 million and £1,648.1 million in respect of H1 2024 and average £1,858.9 million and £1,648.1 million in respect of H2 2022.

	Note	12 months to 30 June 2024 £m	12 months to 30 June 2023 £m	Year to 31 December 2023 £m
Net debt: EBITDA (adjusted)				
Net debt (adjusted)	7	(1,597.5)	(1,734.0)	(1,570.9)
EBITDA	7	263.9[1]	255.0	257.6
Ratio		**6.1**	**6.8**	**6.1**

[1] Calculated on a 12 month look back basis. £154.1 million in respect of H1 2024 and £109.8 million in respect of H2 2023.

		12 months to 30 June 2024 £m	12 months to 30 June 2023 £m	Year to 31 December 2023 £m
Interest cover (Unite share)				
EBIT	7	259.2[1]	247.0	251.3
Net financing costs	2.2a	(46.6)[2]	(56.9)	(47.4)
Interest on lease liability	2.2a	(7.8)[3]	(7.9)	(7.7)
Total interest		(54.4)	(64.8)	(55.1)
Ratio		**4.8**	**3.8**	**4.6**

[1] Calculated on a 12 month look back basis. £151.6million in respect of H1 2024 and £107.6 million in respect of H2 2023

[2] Calculated on a 12 month look back basis. £18.5million in respect of H1 2024 and £28.1 million in respect of H2 2023.

[3] Calculated on a 12 month look back basis. £3.6 million in respect of H1 2024 and £4.2 million in respect of H2 2023.

Reconciliation: IFRS profit before tax to EPRA earnings and adjusted earnings

	Note	6 months to 30 June 2024 £m	6 months to 30 June 2023 £m	Year to 31 December 2023 £m
IFRS profit before tax		**283.9**	**112.2**	102.5
Net valuation (gains)/losses on investment property (owned)	2.2b	(140.4)	25.8	59.1
Property disposal losses/(gains) (owned)	2.2b	2.2	(19.2)	(8.3)
Net valuation losses on investment property (leased)	2.2b	3.3	4.3	10.4
Amortisation of fair value of debt recognised on acquisition	2.2b	(2.1)	(2.1)	(4.3)
Changes in valuation of interest rate swaps	2.2b	(5.4)	(14.1)	17.2
Swap cancellation and debt exit fees		1.8	-	-
Non-controlling interest and other		(20.7)	(0.1)	(0.4)
EPRA earnings		**122.6**	**106.7**	**176.1**
Software as a service costs		2.7	3.5	8.2
Adjusted earnings		**125.3**	**110.2**	**184.3**

Adjusted EPS yield

	Note	30 June 2024 pps	30 June 2023 pps	31 December 2023 pps
Adjusted EPS (A)	2.2c	28.7	27.5	44.3
Opening EPRA NTA (B)	2.3d	920	927	927
Adjusted EPS yield (A/B)		**3.1%**	**3.0%**	**4.8%**

Total accounting return

	Note	30 June 2024 pps	30 June 2023 pps	31 December 2023 pps
Opening EPRA NTA (A)	2.3d	920	927	927
Closing EPRA NTA	2.3d	969	928	920
Movement		**49**	**1**	**(7)**
H1 dividend paid	4.3	23.6	21.7	21.7
H2 dividend paid	4.3	-	-	11.8
Total movement in NTA (B)		**72.6**	**22.7**	**25.9**
Total accounting return (B/A)		**7.9%**	**2.4%**	**2.9%**

EPRA Performance Measures

Summary of EPRA performance measures

	30 June 2024 £m	30 June 2023 £m	31 Dec 2023 £m	30 June 2024 pps	30 June 2023 pps	31 Dec 2023 pps
EPRA earnings / EPS	122.6	106.7	176.1	28.1	26.6	42.4
Adjusted earnings / Adjusted EPS*	125.3	110.2	184.3	28.7	27.5	44.3
EPRA NTA (diluted)	4,262.3	3,750.9	4,014.7	969	928	920
EPRA NRV (diluted)	4,655.9	4,062.3	4,330.7	1,058	1,006	992
EPRA NDV (diluted)	4,321.4	3,922.6	4,116.0	982	971	943
EPRA Like-for-like gross rental income				9%	10%	7%
EPRA Cost ratio (including vacancy costs)				30%	30%	35%
EPRA Cost ratio (excluding vacancy costs)				30%	28%	35%
EPRA Loan to value				28%	34%	30%

* Adjusted earnings calculated as EPRA earnings less software as a service costs (in 2024 and 2023).

EPRA like-for-like rental income (calculated based on total portfolio value of £8.7 billion)

	Properties owned throughout the period £m	Development property £m	Other* £m	Total EPRA £m
6 months to 30 June 2024				
Rental income	196.8	3.5	11.5	211.8
Property operating expenses	(54.0)	(0.9)	(3.7)	(58.6)
Net rental income	**142.8**	**2.6**	**7.8**	**153.2**
6 months to 30 June 2023				
Rental income	184.1	-	12.9	197.0
Property operating expenses	(46.5)	-	(3.7)	(50.2)
Net rental income	**137.6**	**-**	**9.2**	**146.8**
Like-for-like net (£m)	**5.2**			
Like-for-like net rental income (%)	**4%**			
Like-for-like gross rental income (£m)	**12.7**			
Like-for-like gross rental income (%)	**7%**			

* Other includes acquisitions, disposals, major refurbishments and changes in ownership.

EPRA cost ratio	6 months to 30 June 2024 £m	6 months to 30 June 2023 £m	Year to 31 Dec 2023 £m
Property operating expenses	41.6	35.5	79.8
Overheads (*)	10.2	11.6	21.2
Development / pre contract costs	0.8	0.8	2.7
Unallocated expenses	3.2	1.8	8.8
	55.8	**49.7**	**112.5**
Share of JV property operating expenses	17.0	14.7	33.2
Share of JV overheads	0.4	0.5	0.9
Share of JV unallocated expenses	0.2	0.2	0.4
	73.4	**65.1**	**147.0**
Less: Joint venture management fees	(9.0)	(9.0)	(16.9)
Total costs (A)	**64.4**	**56.1**	**130.1**
Group vacant property costs (**)	(0.8)	(1.1)	(0.8)
Share of JV vacant property costs (**)	(0.3)	(0.4)	(0.3)
Total costs excluding vacant property costs (B)	**63.3**	**54.6**	**129.0**
Rental income	150.0	139.1	259.2
Share of JV rental income	61.8	57.9	110.3
Total gross rental income (C)	**211.8**	**197.0**	**369.5**
Total EPRA cost ratio (including vacant property costs) (A)/(C)	**30%**	**28%**	**35%**
Total EPRA cost ratio (excluding vacant property costs) (B)/(C)	**30%**	**28%**	**35%**

* Excludes software as a service cost net of deferred tax (in 2023).
** Vacant property costs reflect the per bed share of operating expenses allocated to vacant beds.

Unite's EBIT margin excludes non-operational expenses which are included within the EPRA cost ratio above. The Group capitalises costs in relation to staff costs and professional fees associated with property development activity.

EPRA valuation movement (Unite share)

	Valuation £m	Change £m	%
Wholly owned	3,803.4*	75.6	2.0%
USAF	840.2	12.4	1.5%
LSAV	991.2	36.5	3.8%
Rental properties	**5,634.8**	**124.5**	**2.3%**
Leased properties	81.6		
Properties under development	244.3		
Properties held throughout the period	**5,960.7**		
Total property portfolio	**5,960.7**		

* Includes PBSA and BTR properties.

EPRA yield movement

	NOI yield	Yield movement (bps)
	%	H1
Wholly owned	5.2	8
USAF	5.2	(1)
LSAV	4.5	-
Rental properties (Unite share)	**5.0**	**5**

EPRA property related capital expenditure

	30 June 2024			31 Dec 2023		
	Wholly owned	Share of JVs	Group share	Wholly owned	Share of JVs	Group share
London	3.0	6.9	9.9	4.3	20.5	24.8
Prime provincial	4.3	3.6	7.9	19.3	4.8	24.1
Major provincial	14.5	6.9	21.4	24.6	3.0	27.6
Other provincial	0.7	2.0	2.7	5.2	1.3	6.5
Total rental properties	**22.5**	**19.4**	**41.9**	**53.4**	**29.6**	**83.0**
Increase in beds	-	-	-	–	–	–
BTR	0.2	-	0.2	2.1	–	2.1
Developments	53.5	-	53.5	58.8	–	58.8
Capitalised interest	6.0	-	6.0	8.4	–	8.4
Total property related capex	**82.2**	**19.4**	**101.6**	**122.7**	**29.6**	**152.3**

EPRA loan to value

	6 months to 30 June 2024 £m	6 months to 30 June 2023 £m	Year to 31 Dec 2023 £m
Investment property (owned)	5,634.8	5,438.5	5,510.4
Investment property (under development)	244.2	216.9	174.7
Intangibles	10.0	9.7	9.3
Total property value and other eligible assets	**5,889.0**	**5,665.1**	**5,694.4**
Cash at bank and in hand	666.0	117.3	77.2
Borrowings	(2,172.5)	(1,858.9)	(1,648.1)
Net other payables	(116.2)	(168.0)	(100.3)
EPRA net debt	**(1,622.7)**	**(1,909.6)**	**(1,671.2)**
EPRA loan to value	**27.6%**	**33.7%**	**29.3%**

INDEPENDENT REVIEW REPORT TO THE UNITE GROUP PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and related sections 1 to 7.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the United Kingdom and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Section 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, “Interim Financial Reporting”.

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor

London, United Kingdom

23 July 2024

GLOSSARY

Adjusted earnings
An alternative performance measure based on EPRA earnings, adjusted to remove the impact of non-underlying items.
Non-underlying items are excluded from adjusted earnings to improve the comparability of results across reporting periods.

Adjusted earnings per share / EPS
The earnings per share based on adjusted earnings and weighted average number of shares in issue (basic).

Adjusted EPS yield
Adjusted EPS as a percentage of opening EPRA NTA (diluted).

Adjusted net debt
Net debt per the balance sheet, adjusted to remove IFRS 16 lease liabilities and the unamortised fair value of debt recognised on the acquisition of Liberty Living.

Basis points (BPS)
A basis point is a term used to describe a small percentage, usually in the context of change, and equates to 0.01%.

Diluted earnings / EPS
Where earnings values per share are used "basic" measures divide the earnings by the weighted average number of issued shares in issue throughout the period, whilst the diluted measure also takes into account the effect of share options which have been granted and which are expected to be converted into shares in the future.

Diluted NTA/NAV
Where NTA/NAV per share is used, "basic" measures divide the NTA/NAV by the number of shares issued at the reporting date, whilst the diluted measure also takes into account the effect of share options which have been granted and which are expected to be converted into shares in the future (both for the additional number of shares that will be issued and the value of additional consideration that will be received in issuing them).

Direct let
Properties where short-hold tenancy agreements are made directly between Unite and the student.

EBIT
The Group's NOI plus management fees and less overheads. In the opinion of the Directors, adjusted EBIT is a useful measure to monitor our cost discipline and performance of the Group.

EBIT margin
The Group's EBIT expressed as a percentage of rental income. In the opinion of the Directors, adjusted EBIT margin is a useful measure to monitor our cost discipline and performance of the Group.

EBITDA
The Group's EBIT, adding back depreciation and amortisation.

EPRA
The European Public Real Estate Association, who produce best practice recommendations for financial reporting.

EPRA Cost Ratio
The ratio of property operating expenses, overheads and management fees, against rental income, calculated on an EPRA basis.

EPRA earnings
EPRA earnings exclude movements relating to changes in values of investment properties, profits/losses from the disposal of properties, swap/debt break costs and interest rate swaps and the related tax effects.

EPRA earnings per share / EPS
The earnings per share based on EPRA earnings and weighted average number of shares in issue (basic).

EPRA like-for-like rental growth
The growth in rental income measured by reference to the part of the portfolio of the Group that has been consistently in operation, and not under development nor subject to disposal, and which accordingly enables more meaningful comparison in underlying rental income levels.

EPRA Net Initial Yield (NIY)
Annualised NOI generated by the Group's rental properties expressed as a percentage of their fair value, taking into account notional acquisition costs

EPRA Net Tangible Assets (NTA)
EPRA NTA includes all property at market value but excludes the mark to market of financial instruments, deferred tax and intangible assets. EPRA NTA provides a consistent measure of NAV on a going concern basis.

EPRA Net Tangible Assets per share
The diluted NTA per share figure based on EPRA NTA.

EPRA Net Reinstatement Value (NRV)
EPRA NRV includes all property at market value but excludes the mark to market of financial instruments, deferred tax and includes real estate transfer tax. EPRA NRV assumes that entities never sell assets and represents the value required to rebuild the entity.

EPRA Net Disposal Value (NDV)
EPRA NDV includes all property at market value, excludes the mark to market of financial instruments, but includes the fair value of fixed interest rate debt and the carrying value of intangible assets. EPRA NDV represents the shareholders' value in a disposal scenario.

ESG
Environmental, Social and Governance.

Full occupancy
Full occupancy is defined as occupancy in excess of 97%.

GRESB
GRESB is a benchmark of the Environmental, Social and Governance (ESG) performance of real assets.

Gross asset value (GAV)
The fair value of rental properties, leased properties and development properties.

The Group
Wholly owned balances plus Unite's interests relating to USAF and LSAV.

Group debt
Wholly owned borrowings plus Unite's share of borrowings attributable to USAF and LSAV.

HMO
Houses in multiple occupation, where buildings or flats are shared by multiple tenants who rent their own rooms and the property's communal spaces on an individual basis.

IFRS NAV per share
IFRS equity attributable to the owners of the parent company from the consolidated balance sheet divided by the total number of shares of the Parent Company in issue at the reporting date.

Interest cover ratio (ICR)
Calculated as EBIT divided by the sum of net financing costs and IFRS 16 lease liability interest costs.

Lease
Properties which are leased to universities for a number of years.

Like-for-like metrics
Like-for-like is the change in metric, on a gross basis, calculated using properties owned throughout the current and previous period.

LSAV
The London Student Accommodation Joint Venture (LSAV) is a joint venture between Unite and GIC, in which both hold a 50% stake. LSAV has a maturity date of September 2032.

Loan to value (LTV)
Net debt as a proportion of the value of the rental properties, excluding balances in respect of leased properties under IFRS 16. Prepared on a see through basis. In the opinion of the directors, this measure enables an appraisal of the indebtedness of the business, which closely aligns with key covenants in the Group's lending arrangements.

LTV post IFRS 16
Net debt as a proportion of the value of the rental properties, including balances in respect of leased properties under IFRS 16. Prepared on a see-through basis.

LTV (EPRA)
Net debt as a proportion of the value of the rental properties including balances in respect of leased properties and all other assets and liabilities.

Major provincial
Properties located in Aberdeen, Birmingham, Cardiff, Glasgow, Leeds, Leicester, Liverpool, Newcastle, Nottingham, Sheffield and Southampton.

Net asset value (NAV)
The total of all assets less the value of all liabilities at each reporting date.

Net debt (EPRA)
Borrowings net of cash. IFRS 16 lease liabilities are excluded from net debt on an EPRA basis. In the opinion of the Directors, net debt is a useful measure to monitor the overall cash position of the Group.

Net debt per balance sheet
Borrowings, IFRS 16 lease liabilities and the mark to market of interest rate swaps, net of cash.

Net debt to EBITDA
Net debt as a proportion of EBITDA.

Net financing costs (EPRA)
Interest payable on borrowings less interest capitalised into developments and finance income.

Net operating income (NOI)
The Group's rental income less property operating expenses.

NOI margin
The Group's NOI expressed as a percentage of rental income

Nomination agreements
Agreements at properties where universities have entered into a contract to reserve rooms for their students, usually guaranteeing occupancy. The Universities usually either nominate students to live in the building and Unite enters into short-hold tenancies with the students or the University enters into a contract with Unite and makes payment directly to Unite.

Other provincial
Properties located in Bedford, Bournemouth, Coventry, Loughborough, Medway, Portsmouth, Reading and Swindon.

PBSA
Purpose-built student accommodation.

Prime provincial
Properties located in Bristol, Bath, Durham Edinburgh, Manchester and Oxford.

Property operating expenses
Operating costs directly related to rental properties, therefore excluding central overheads.

Rental growth
Calculated as the year-on-year change in average annual price for sold beds. In the opinion of the Directors, this measure enables a more meaningful comparison in rental income as it excludes the impact of changes in occupancy.

Rental income
Income generated by the Group from rental properties.

Rental properties
Investment properties (owned and leased) whose construction has been completed and are used by the Operations segment to generate NOI.

Rental properties (leased) / Sale and leaseback
Properties that have been sold to a third-party investor then leased back to the Group. Unite is also responsible for the management of these assets on behalf of the owner.

Resident ambassadors
Student representatives who engage with students living in the property to create a community and sense of belonging.

See-through (also Unite share)
Wholly owned balances plus Unite's share of balances relating to USAF and LSAV.

TCFD
The Taskforce on Climate-related Financial Disclosures develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.

Total accounting return
Growth in diluted EPRA NTA per share plus dividends paid, expressed as a percentage of diluted EPRA NTA per share at the beginning of the period. In the opinion of the Directors, this measure enables an appraisal of the return generated by the business for shareholders during the year.

Total shareholder return
The growth in value of a shareholding over a specified period, assuming dividends are reinvested to purchase additional shares.

USAF/the fund
The Unite UK Student Accommodation Fund (USAF) is Europe's largest fund focused purely on income-producing student accommodation investment assets.
The fund is an open-ended infinite life vehicle with unique access to Unite's development pipeline. Unite acts as fund manager for the fund, as well as owning a significant minority stake.

WAULT

Weighted average unexpired lease term to expiry.

Wholly owned

Balances relating to properties that are 100% owned by The Unite Group plc or its 100% subsidiaries.

COMPANY INFORMATION

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