

## **OAKNORTH BANK AND ASK PARTNERS COMPLETE A £6.35M LOAN FOR NEW STUDENT ACCOMMODATION IN FALMOUTH**

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**Student numbers are continuing to rise across the UK. Most campuses have the capacity to accommodate first year students but second and third years rely on HMOs (houses in multiple occupation), putting increasing pressure on residential housing stock which in many cases is already in short supply.**

Small towns, such as Falmouth, have no further capacity for HMO accommodation and the university and the local council are working closely with private investors to provide

purpose-built accommodation to meet a future requirement of 2000 beds. It is also anticipated that, the appeal of university outside of a big city will be far greater in a post-COVID world, which will also bring with it demand for well-designed single-occupancy accommodation.

In this case, a £6.35m finance facility provided by real estate funding specialist ASK Partners, alongside a Coronavirus Business Interruption Loan from OakNorth Bank will be used by Hydrogen Falmouth, to develop a five-storey, Purpose Built Student Accommodation, comprising 112 single-occupancy studio apartments. The development is located directly behind Market Street in the heart of Falmouth's town centre, near shops, bars and cafes and also moments from the sea front. The site is also within walking distance of the Falmouth University campus and with easy reach of Exeter University Penryn campus, which collectively support over 6,000 students.

Both universities are working closely with Falmouth Council and private investors such as Hydrogen Falmouth, to ensure that they can provide sufficient purpose-built accommodation for the anticipated student numbers. This development is in a perfect location for second and third-year students and will offer high-quality rental accommodation. Critically, it also has the potential to release around 30-35 family homes back into the local market.

Commenting on the transaction, Roger Lal, Director of Finance for Hydrogen Falmouth, said: "The site at Fish Strand Hill is an excellent location for student accommodation in Falmouth. We are committed to delivering a well-designed scheme and will continue to work closely with the universities to ensure requirements are met and that students integrate well into this vibrant local community. The funding provided by both parties will be instrumental in keeping this development on track through the Coronavirus pandemic and to meet future student demand."

Hemesh Patel, Property Finance Director at OakNorth Bank, said: "We were delighted to assist with financing this development. As Hydrogen Falmouth suffered major delays in construction as a result of COVID-19, we were delighted to be able to provide a Coronavirus Business Interruption Loan (CBIL) for a proportion of the capital required. Through our allocation from the British Business Bank's schemes, we've approved over £450m of loans since March. We have worked with ASK on a number of transactions in the past and are always happy to review the new investment opportunities they put forward."

Daniel Austin, CEO of ASK Partners, said: "The student housing sector holds great investor appeal given its counter-cyclical nature. We are anticipating a growing demand as more investors look to diversify into real-estate asset classes that will perform well during a downturn. We are delighted to have completed another transaction with both OakNorth Bank and the team at Hydrogen Falmouth. This is an exciting scheme with great potential."