



INTO

SPACES

2

1

Building university capacity

The business case for space



INTO[®]
UNIVERSITY
OF EXETER

INTO[®]
UNIVERSITY
OF EXETER

THE IN
BUILD

Building inspiration for education

INTO Spaces is at the centre of major higher education capacity-building ventures.

As the educator of more than 13,000 international students per year, INTO Spaces' parent company INTO University Partnerships knows that high-quality living and learning environments are fundamental to all student recruitment, achievement and satisfaction.

To date, INTO Spaces has invested more than £200m in the construction of superb facilities at INTO partner universities and institutions across the UK, United States and China.

INTO Spaces consists of a team of experts in the funding, design and delivery of higher education teaching, administrative and residential facilities. Their extensive experience in the sector allows them to focus on the relationship between income generation and capital resource allocation – ie the business case for space.

This provides the basis of identifying a funding solution, be it internally-generated or, as is increasingly the case, externally-sourced.



INTO University Partnerships

INTO University Partnerships specialises in the establishment of long-term, large-scale 50/50 public-private joint venture (JV) operational partnerships with educational institutions to help them meet demand for higher education in a competitive global market.

In the UK, such agreements are used to generate 'off balance sheet' funding solutions for the development of both study centres and associated student residential accommodation.

As part of the JV agreement, INTO markets to and recruits international students to INTO-branded study centres where they are taught and prepared for progression on to under- or post-graduate programmes.

Since its establishment in 2006, INTO has established many study centres across the UK, the United States and China.

The impact of the presence of international students on the partner university, and the subsequent progression of the vast majority of them on to study programmes, is considerable - both in terms of revenue generated and academic outcomes.

Why was INTO Spaces created?

'A digital eruption is hitting higher education. The expectations of learners have been transformed irrevocably. Vast quantities of free educational resources are available online, and learners of all ages are becoming more and more sophisticated at using them. If and when they arrive on campus, they expect an experience that students could never have imagined even 10 years ago-an experience that fully embraces technology and is truly mobile.'

Simon Nelson, Chief Executive Officer of FutureLearn

The introduction of student fees and the effective withdrawal of Government capital funding from the English university sector has created a pressing need for investment or re-investment.

In addition, there has been a radical change in the competitive horizon and a rise in student expectations.

To meet these challenges, universities will have to fund their infrastructure and operational investment requirements from either self-generated surpluses or third party providers.

Although universities can themselves raise capital for infrastructure investment, they may not have the borrowing capacity to do so. Even if they can obtain the financial resources through borrowing, doing so in order to fund new infrastructure projects may not be the most appropriate use of those resources.

How INTO Spaces can help

To address such issues, INTO has established an innovative 'off balance sheet' JV partnership structure to harness new sources of third party risk funding for the development of any or all of the following:

- New academic infrastructure;
- Refurbishment of existing academic facilities;
- Operational development of specific university schools or faculties.

50/50 JV agreements between partner universities and third party investors mean that demand risk is transferred from the university to the JV.

Such 'off balance sheet' arrangements create a new non-recourse source of funding for the university sector,

as well as a fresh opportunity for anyone in the investment community looking to invest.

The JV agreements are based on a space-charging mechanism which offers a fixed RPI linked charge per student recruited to the university and transfers demand risk from the university to the JV. This, in turn, enables a simple business case analysis to be generated to clarify the proposed investment's financial viability.

These elements can be combined with support for international recruitment, either through the development of pathway programmes or direct on to under- and post-graduate programmes.





The INTO Spaces offer

According to a partner university's specific needs and objectives, INTO Spaces can help by:

- Identifying, with the university, a specific project, or projects, that may be of interest;
- Preparing initial investment and development proposals. These could be for generic infrastructure of specific schools or faculties;
- Developing the proposals in more detail and exploring the business case context in partnership with the university;
- Developing a detailed JV-based funding and development proposal;
- Assisting the 50/50 JV in securing the funding and delivering the project.

INTO University Partnerships can also assist with the recruitment of students on to the university's under- and post-graduate programmes.

INTO Spaces' team combined experience includes:

University of East Anglia, Norwich

Site identification, planning and design of 135,000sq ft international centre comprising 38,000sq ft of academic facilities and 417 residential units for JV INTO University of East Anglia. Structured long-term finance arranged with AIB.

University of Exeter

Site identification, planning and design of 172,000sq ft. international centre comprising 33,000sq ft. academic facility and 521 residential units for JV INTO University of Exeter. Structured long term finance arranged with Barclays and AIB.

Newcastle University

Site identification, planning and design of 190,000sq ft international centre comprising 39,000sq ft. academic facility and 540 residential units for JV INTO Newcastle University. Structured with Barclays and Nationwide and subsequently refinanced with L&G.

University of Plymouth

Development of over 500 study bedrooms together the new 75,000sq ft. Faculty of Education building.

University of Lancaster

The construction of 4,400 study bedrooms in four phases, together with social facilities and academic offices. Of these, 800 were Eco-residences - being both flats and town houses which won the UK BREEAM Excellence Award and a Green Gown Award.

University of Kent

Development at Woolf College of a 490 seat Lecture Theatre, together with seminar/teaching rooms and 540 study bedrooms and studios.

University of Kent

User Brief, Design Brief and Business Case analysis of the requirements for a new Business School, a new School of Maths Statistics and Actuarial Science and refurbished accommodation for the School of Economics.

▼ INTO University of Exeter



▼ Residential facilities at INTO University of East Anglia



▼ INTO Newcastle University



INTO»SPACES

To discuss INTO Spaces contact **Clive Crawford** at:

INTO University Partnerships, One Gloucester Place, Brighton, East Sussex, BN1 4AA, UK

T: +44 (0)1273 665200

M: 07778 343213

E: clive.crawford@into.uk.com

For more information visit into-corporate.com or contact us:

North America

INTO University Partnerships
380 Stevens Avenue
Suite 211
Solana Beach, CA 92075
T: +1 858 356 4400
F: +1 858 356 4401

Europe, Middle East and Africa

INTO University Partnerships
One Gloucester Place
Brighton, East Sussex
BN1 4AA
United Kingdom
T: +44 (0)1273 665200
F: +44 (0)1273 679422

Asia

INTO University Partnerships
Unit 1007, 10/F
Wing On Kowloon Centre
345 Nathan Road, Jordan
Hong Kong
T: +852 210 56800
F: +852 210 56855



[www.twitter.com/
INTOnetwork](http://www.twitter.com/INTOnetwork)



[www.linkedin.com/company/
into-university-partnerships](http://www.linkedin.com/company/into-university-partnerships)