

Balfour Beatty partners with University of Sussex to finance, build and operate new student accommodation project

2 years ago



Balfour Beatty has commenced construction of a new student accommodation project – the West Slope Residences – on behalf of The University of Sussex, having achieved Financial Close in December 2023. At Financial Close, Balfour Beatty Investments signed a 54 year contract to design, build, finance and maintain the new accommodation.

Balfour Beatty Investments will invest equity of £32 million, 81% of the project equity, with the University of Sussex acting as a co-investor providing the remaining 19%. In addition, Balfour Beatty Investments has provided the funding strategy with £171 million of wrapped bond financing being raised through a private placement.

The project will provide 1,899 bedrooms together with a new Health and Wellbeing Centre, as well as catering and retail facilities for students.

Throughout construction, Balfour Beatty will use modular construction techniques, to build the modular steel frame and bedroom units offsite and in a controlled factory environment, significantly reducing carbon emissions by limiting the number of lorry movements and material deliveries to and from site. Following completion, Balfour Beatty Investments will maintain the accommodation for the duration of the contract.

Ion Appuhamy, Managing Director of Balfour Beatty Investments, said: “The West Slope Residences is the most ambitious development programme the University of Sussex has undertaken in recent years, and will

significantly contribute to and enhance the student experience.

“Building on the success of the East Slope Residences project which we completed back in 2020, we now look forward to providing an additional campus for students whilst simultaneously showcasing our extensive experience in the design, funding and construction of high-quality accommodation and amenities.”

Lindsay McGibbon, Managing Director of Balfour Beatty’s regional buildings business said: “At Balfour Beatty, we have a long and proud history in the successful delivery of student accommodation schemes in the UK.

“Through this latest contract award, we will leverage our unrivalled knowledge and expertise to safely deliver the West Slope Residences to the highest standard, ensuring that it is a campus that both the University of Sussex and students alike can be proud of, and thrive in.”

Allan Spencer, Executive Director (Special Capital Projects), at the University of Sussex, said: “I am delighted that we are expanding our partnership with Balfour Beatty. This project is critical to the University’s future success, ensuring all new students can live on campus. Securing this significant investment in our campus is a major milestone for the University and will deliver a key element of our ambitious Capital Programme, enhancing the experience of our students and staff through new accommodation and facilities.”

Balfour Beatty has already achieved considerable success in the student accommodation market and with the addition of the West Slope Residences now has a portfolio of nearly 7,000 beds in development or operation across the UK, testament to its end to end offering from development and design, through to financing, construction, and maintenance.

Construction is already underway with the student accommodation due to be ready for the start of the 2026/27 academic year. At construction peak, Balfour Beatty will employ 450 people including c.50 apprentice and graduate roles as part of its commitment to The 5% Club.