

# ZIGGURAT completes £6M equity deal on Edinburgh student property



Student property company Ziggurat is celebrating completion of its maiden development in Edinburgh's Cowgate having just sold 90% of the equity in the scheme to a private investor in a deal valued in excess of £6m.

Ziggurat was founded in 2009 by Jim Pike and Matt McAdden to bring together their development expertise and operational skills in the student accommodation sector and create quality investment opportunities for a range of investors.

The company has now completed a restructuring of equity in its 65 bed student scheme, Wellgate House in Edinburgh's Cowgate, with founders Jim Pike and Matt McAdden retaining a 10% interest in the building. They continue to operate and manage the building as Ziggurat through their asset management company, Atelier Property Asset Management Ltd.

The Cowgate opportunity was identified in early 2009 and secured in August of that year in a deal with Castle Rock Edinvar Housing Association. Planning consent for the building conversion was achieved in March 2010, and the building acquired in August of that year utilising £1.9m of private equity raised by Ziggurat and a £2.86m of senior debt from Santander. The conversion works were completed in July 2011, and the building has enjoyed 100% occupancy throughout its first two years of operation by Ziggurat.

Jim Pike says: "We have managed the project from start to finish including the initial acquiring of the site and securing planning permission, raising senior debt and private

equity, building the scheme, and then marketing and managing the property for two years. We have now sold down 90% of the equity, delivering investors a solid return on their investment in the process.”

The private investor now owns 90% of the equity in the company, with the senior debt remaining in place, allowing the initial investors to exit with an internal rate of return on their equity of almost 20%. The property is again fully let for the forthcoming academic year and produces a gross annual income in excess of £575,000.

Matt McAdden adds: “We are obviously very pleased with the successful outcome of this project, particularly in this difficult economic climate, as it was our very first development when we started the business four years ago. We look forward to working on further student developments in Edinburgh and across the UK.”

The three Edinburgh firms involved in the deal were McClure Naismith, which acted as corporate solicitors, Dundas and Wilson, acting on the property side for Ziggurat, and Anderson Strathern, which acted for the private investor. GL Hearn acted as selling agents for Ziggurat.

Ziggurat is currently progressing further schemes in Edinburgh and Newcastle with an end value of some £65m, and has its first two schemes secured in Dublin with an end value of €35m. This follows on from the successful completion of a 101 new build bed scheme in Reading by Fawleybridge, Ziggurat’s sister company, earlier this year. This scheme is valued at £7.5m and was again funded by a mix of private equity and senior debt from Santander.

Submitted by [Samantha McKay-Challen](#)

