

19 April 2022
ASX Announcement

Pre-Leasing Update for Academic Year 2023

Key Points:

- Student Quarters (SQ) on track to deliver their largest annual rental increases on current pre-leasing for the 2022/2023 academic year
- Current occupancy across the portfolio is 94.3%
- Pre-leasing 20.7% ahead of prior year at 67.2%
- Annual rental increase of 7.8% seen across the portfolio as at end of March
- New assets recently added to portfolio on track for strong annual rental increases highlighting SQ's operational expertise

US Student Housing REIT (ASX: USQ) ('USQ' or 'the REIT') is pleased to provide an update on pre-leasing across the portfolio for the 2022/2023 academic year.

As at end of March 2022, the portfolio is **67.2% pre-leased** with **rental increases of 7.8% (prior year 4.3%)** across the 9 assets owned by the REIT. The current pre-leasing is **20.7% ahead of the prior year**.

Current portfolio occupancy remains high at 94.3%.

Some standout assets include:

- The recently acquired *District at Clemson*, Clemson University currently pre-leased at 98.8% with an annual rental increase of 11.3%. The Clemson asset was purchased for US\$25.5M in November 2021 and this is SQ's first pre-leasing period, demonstrating SQ's operational expertise in buying new assets with strong rental upside
- *Balcony* at Mississippi State University 100% pre-leased with an annual rental increase of 11.5%

In an inflationary environment, USQ believe that the combination of low fixed rate debt and strong annual rental increases across the portfolio provides a significant hedge. Equally, these factors should lead to Net Operating Income (NOI) improvements over time.

Further updates and distribution timetable:

- **Management roadshow** will commence on the 16th of May with SQ senior management in Australia
- **Maiden distribution** to be delivered in May 2022
- **Independent asset revaluation** to be undertaken on the portfolio (excluding Lofts on 8th) by CBRE commencing May 2022 which will be released to market when available, and reflected in 30 June 2022 financials

We look forward to providing further updates over the coming weeks.

About USQ

US Student Housing REIT (www.usq-reit.com) is a real estate investment trust listed on the ASX with a mandate to invest in off campus student housing at large four-year public universities across the United States. The REIT was established to acquire and manage high-quality purpose-built student housing assets located within close proximity to top-tier public universities across the United States, and drive value through operational strategy and capital upgrades. This announcement has been authorised for release by the Board of USQ.

About Auctus

Auctus Investment Group Limited ('Auctus') is an ASX listed global investment manager with in-excess of A\$450M Assets Under Management (AUM), focusing on opportunities across private equity, infrastructure and private real estate. Our core investment thesis is investing in sectors with strong tailwinds and potential to scale. Auctus provides access to these private market investments for wholesale, Family Office and sophisticated investors.

About Student Quarters

Student Quarters is an Atlanta based, specialist student housing asset manager founded in 2013 with a demonstrated track record of value generation. SQ manage in excess of >US\$1bn across off-campus student housing, and 10,000+ beds. The team are highly experienced student housing owners with over 50 years of combined experience in underwriting, repositioning, managing, and disposing of quality student housing properties. SQ provides best in class operating and leasing experience for premier located, pedestrian friendly assets at major public Universities.

Yours sincerely,

Russell Beasley

Director

Equity Trustees Limited (ACN 004 031 298, AFSL 240975) as Responsible Entity for US Student Housing REIT

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