

Anticipated acquisition by GIC (Realty) Private Limited and Greystar Real Estate Partners, LLC of Student Roost via Roost Bidco Limited

Decision on relevant merger situation and substantial lessening of competition

ME/7005/22

The CMA's decision on reference under section 33(1) of the Enterprise Act 2002 given on 8 November 2022. Full text of the decision published on 30 November 2022.

Please note that [§<] indicates figures or text which have been deleted or replaced in ranges at the request of the parties or third parties for reasons of commercial confidentiality.

SUMMARY

1. The Competition and Markets Authority (**CMA**) carried out a phase 1 investigation into the anticipated acquisition by GIC (Realty) Private Limited (**GIC**) and Greystar Real Estate Partners, LLC (**Greystar**) of the Student Roost group (**Student Roost**) (the **Merger**). GIC, Greystar, and Student Roost are together referred to as the **Parties**, and, for statements referring to the future, as the **Merged Entity**.
2. The CMA found that the Merger gives rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects in the provision of purpose-built student accommodation in a number of local areas in Birmingham.
3. One of the acquirers, GIC, is a holding company for real estate investments made on behalf of the Government of Singapore, and is active in student accommodation in the United Kingdom (**UK**) through joint venture arrangements. GIC's joint ventures with The Unite Group Plc (**Unite**) and GSA Group (**GSA**) include student accommodation properties across the UK.

4. The other acquirer, Greystar, is a US-based real estate company with expertise in investment management and the development and management of rental housing properties globally. Greystar has interests in student accommodation in the UK through its joint venture interest in the Chapter business, which operates student accommodation sites in London, and through its sole control of the Canvas business, which operates sites across the UK.
5. The target, Student Roost, is a provider of student accommodation across the UK, including in Birmingham and Glasgow, and is currently owned by Brookfield Asset Management, Inc.
6. The CMA found that it has jurisdiction to review the Merger because Student Roost's turnover in the UK exceeds £70 million, meaning the CMA's jurisdictional turnover test is met.
7. The Parties' activities overlap in the provision of corporate purpose-built student accommodation to full-time higher education students seeking accommodation in Birmingham, Bournemouth, Bristol, Edinburgh, Glasgow, Liverpool, and Southampton.
8. The CMA assessed the impact of the Merger in the provision of corporate purpose-built student accommodation in the UK at a national level and in local catchment areas based on walking distances of 20 minutes and 30 minutes from higher education institutions (**HEI**) campuses in the cities where the Parties overlap. In its assessment, the CMA took into account constraints from similar student accommodation located further away, and from other forms of student accommodation, including student accommodation provided by HEIs to their students and houses in multiple occupation. This is consistent with the approach taken by the CMA in previous cases such as *Unite/Liberty Living*.
9. At the national level, the CMA found no competition concerns because the Parties would have a relatively modest share of supply ([10-20]%) and would continue to face strong competition from other corporate purpose-built student accommodation providers such as Unite, Homes for Students, iQ and This is Fresh.
10. At the local level, the CMA considered the impact of the Merger in the catchment areas where the Parties have a significant combined presence, using a filtering methodology used in several previous investigations. Two areas 'failed' the filter and warranted additional scrutiny. For those areas:
 - (a) In Glasgow, the CMA found no competition concerns on the basis that there would be sufficient competitive constraints on the Merged Entity, specifically from alternative corporate purpose-built student accommodation providers.
 - (b) In Birmingham, the CMA found that the Merged Entity would have a high share of supply (as high as [40-50]% in some HEI campus catchment areas) with a

material increment in share being brought about by the Merger. The Parties would face limited competition from other suppliers of corporate purpose-built student accommodation. The Parties would also face limited competition from other forms of student accommodation, in particular because of the limited supply of HMO accommodation close to the areas that failed the filter. The CMA found that these concerns would not be alleviated by new pipeline properties coming to market, given that the evidence available to the CMA did not indicate that the delivery of the pipeline properties within the relevant catchment areas would be timely, likely, or sufficient to address the concerns identified.

11. The Parties accepted that the test for reference to an in-depth investigation was met in relation to the provision of corporate purpose-built student accommodation in 15 catchment areas in which the CMA had raised concerns. The Parties requested that the CMA proceed directly to a consideration of undertakings in lieu of a reference (ie remedies) to an in-depth investigation. The CMA accepted this request.
12. On this basis, the CMA found that it is or may be the case that the Merger may be expected to result in an SLC as a result of horizontal unilateral effects in relation to the provision of corporate purpose-built student accommodation at a local level in 15 catchment areas located in Birmingham.
13. The CMA is therefore considering whether to accept remedies under section 73 of the Enterprise Act 2002 (the **Act**). The Parties have indicated that they intend to propose remedies that might be acceptable to the CMA, and have until 15 November 2022 to do so. If remedies are not offered, then the CMA will refer the Merger for an in-depth phase 2 investigation pursuant to sections 33(1) and 34ZA(2) of the Act.

ASSESSMENT

PARTIES

14. Student Roost is a provider of corporate purpose-built student accommodation (**PBSA**) in the UK. Student Roost's portfolio comprises over 20,000 beds across a number of UK university cities. Student Roost's turnover in the academic year 2020/2021 was £105 million in the UK.¹
15. GIC holds interests in the provision of corporate PBSA in the UK through two joint ventures:²
 - (a) with Unite, referred to as the **Unite JV**. The Unite JV operates certain properties located in London (totalling approximately [6600-6700] beds) and the Aston Student Village in Birmingham (totalling approximately [3000-3100] beds).³ Entities controlled by GIC and Unite each hold 50% of the equity in the Unite JV and [§<]. The day-to-day management of the properties and business of the Unite JV is carried out by Unite, [§<].⁴
 - (b) with GSA, referred to as the **GSA JV**. The GSA JV relates to properties across various cities in the UK (totalling approximately [6800-6900] beds), including Birmingham, and operated under the Yugo brand.⁵ [§<].⁶ The GSA JV functions in a similar way to the Unite JV, with day-to-day management carried out by GSA, [§<].⁷
16. GIC submitted that it has the ability to exercise material influence over each of the Unite JV and the GSA JV.⁸ The CMA agrees with GIC's position as regards the Unite JV and considers that GIC has at least material influence over the GSA JV. As a result, the CMA believes it is appropriate to treat the Unite JV and GSA JV's properties as GIC's properties for the purposes of its analysis in this decision, including in the share analysis and broader competitive assessment set out below.
17. Greystar is active in the provision of corporate PBSA in the UK through:
 - (a) its joint venture interest in the Chapter Master Limited Partnership, a joint venture with the Public Sector Pension Investment Board of Canada and

¹ Final Merger Notice submitted by the Parties to the CMA on 20 September 2022 (**FMN**), Table 6.1; Annex SR-9.002 (slides 20 and 91).

² FMN, paragraph 32.

³ FMN, paragraph 35.

⁴ FMN, paragraphs 36-37; Note of call with [§<] dated 14 September 2022.

⁵ FMN, paragraph 74.

⁶ FMN, paragraph 39.

⁷ FMN, paragraphs 40-42.

⁸ Annex 3.001 to the FMN, paragraph 1.

Allianz Real Estate Investments S.A., which operates corporate PBSA facilities in London with a total of approximately [7000-7100] beds; and

- (b) its sole control of the Canvas corporate PBSA business, which operates student accommodation facilities in several UK cities (including Glasgow) with a total of approximately [3500-3600] beds.⁹

TRANSACTION

18. On 30 May 2022, Roost Bidco Limited (**Roost Bidco**), an indirectly wholly-owned subsidiary of Roost JV LP (**Roost JV**) entered into a share purchase agreement with BSREP II PBSA Topcp S.À.R.L. (a private real estate fund ultimately controlled by Brookfield Asset Management, Inc.), pursuant to which Roost JV will indirectly acquire the entire issued share capital of the legal entities together comprising Student Roost.¹⁰
19. Roost JV is an English private fund limited partnership, in which Euro Devon Private Limited (an entity indirectly owned and controlled by GIC) and GS Roost Holdings (UK) I, LLC (a Greystar entity) are limited partners.¹¹
20. On 29 May 2022, GIC's Euro Devon Private Limited entity and Greystar's GS Roost Holdings (UK) I, LLC and Roost UK GP Limited entity entered into a limited partnership agreement relating to the Roost JV, pursuant to which:
 - (a) GIC (through its subsidiary Euro Devon Private Limited) will hold [~~30~~] % of its capital contributions and commitments;
 - (b) Greystar will hold [~~30~~] % of its capital contributions; and
 - (c) Roost UK GP Limited (a Greystar entity) will become the general partner of Roost JV and will manage the day-to-day business of Roost JV and its assets ([~~30~~]).¹²
21. GIC submitted that it will [~~30~~]. The CMA agrees with this assessment and has found that both GIC and Greystar will have material influence over the Roost JV on the basis that [~~30~~]. Neither GIC nor Greystar is able to unilaterally control the Roost JV's policy.¹³

⁹ FMN, paragraph 46.

¹⁰ FMN, paragraphs 1, 5-6; Annex 8.001 to the FMN. These entities (PBSA Portfolio Advisor Limited, BSREP II PBSA Mezz Holdco S.À.R.L., PBSA Group Holdings S.À.R.L., Roost Mezz Holdco S.À.R.L., PBSA Nelson Street S.À.R.L., PBSA Little Patrick Street S.À.R.L., PBSA Calton Road S.À.R.L., PBSA St Davids III S.À.R.L.) together with their respective subsidiaries form Student Roost.

¹¹ FMN, paragraph 1.

¹² FMN, paragraph 1; Annex 8.002 to the FMN.

¹³ Annex 3.001 to the FMN, paragraph 5; Annex 8.003 to the FMN, sections 5 and 7; Annex 8.002 to the FMN, clause 8.5.

PROCEDURE

22. The CMA commenced its Phase 1 investigation on 23 September 2022.
23. During the State of Play call, the CMA confirmed to the Parties that it intended to consider the Merger at a Case Review Meeting due to concerns regarding the impact of the Merger on competition in Birmingham.¹⁴
24. The Parties subsequently notified the CMA that they accepted that the test for reference under section 33(1) of the Act is met on the basis that the Merger raises a realistic prospect of an SLC arising from horizontal unilateral effects in the provision of corporate PBSA at a local level in 15 catchment areas located in Birmingham (as listed in Annex A).
25. As set out in the CMA's guidance on jurisdiction and procedure, merging parties can waive their rights in relation to certain procedural steps within a merger investigation in order to enable a binding outcome to be arrived at more quickly.¹⁵ The Parties requested that the case proceed directly to consideration of undertakings in lieu of a reference to an in-depth investigation (**UILs**). As part of the request, the Parties agreed to waive their procedural rights to challenge the position that the test for reference is met during a phase 1 investigation, including their rights to receive and respond to an issues letter setting out the case for a reference and attend an issues meeting.
26. In keeping with the process set out in its guidance, the CMA, having regard to its administrative resources and the efficient conduct of the case, decided that it was appropriate to fast-track the case to consideration of UILs.

JURISDICTION

27. A relevant merger situation exists where two or more enterprises have ceased to be distinct and either the turnover or the share of supply test is met.¹⁶
28. Each of GIC, Greystar and Student Roost is an enterprise. Roost Bidco will acquire the entire issued share capital of the legal entities comprising Student Roost on completion of the Merger. Post-Merger, each of GIC and Greystar will be able to exert material influence over Roost Bidco's parent Roost JV through their limited partnership interests (and in the case of Greystar, general partner role). Accordingly, the GIC, Greystar, and Student Roost enterprises will cease to be distinct.

¹⁴ [Guidance on the CMA's Jurisdiction and Procedure \(CMA2revised\)](#), January 2022, paragraphs 9.29-9.41.

¹⁵ [CMA2revised](#), January 2022, paragraphs 7.8-7.13.

¹⁶ [CMA2revised](#), January 2022, chapter 4; section 23 of the Act.

29. The UK turnover of Student Roost exceeds £70 million, so the turnover test in section 23(a)(b) of the Act is satisfied.
30. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.
31. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 23 September 2022 and the statutory 40 working day deadline for a decision is on 17 November 2022.

COUNTERFACTUAL

32. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual). For anticipated mergers, the CMA generally adopts the prevailing conditions of competition as the counterfactual against which to assess the impact of the merger. However, the CMA will assess the merger against an alternative counterfactual where, based on the evidence available to it, it believes that, in the absence of the merger, the prospect of these conditions continuing is not realistic, or there is a realistic prospect of a counterfactual that is more competitive than these conditions.¹⁷
33. The Parties submitted that the prevailing conditions of competition should form the basis of the counterfactual.¹⁸ Further, the CMA has received no evidence or third-party submissions supporting a different counterfactual. The CMA therefore considers the prevailing conditions of competition to be the relevant counterfactual.¹⁹

BACKGROUND

Student accommodation

34. The Parties, through their respective investments and/or other joint ventures, are active in the provision of accommodation to full-time higher education students seeking accommodation (**FTSSA**).²⁰ Student accommodation consists of rooms that are available to be let by students on a short-term basis (typically on 40-51 week terms).²¹

¹⁷ [Merger Assessment Guidelines \(CMA129\) \(MAGs\)](#), March 2021, from paragraph 3.12.

¹⁸ FMN, paragraph 68.

¹⁹ This includes the likely future changes to This is Fresh's Collegelands property in Glasgow. Student Roost has confirmed that it intends to take over operation of this property in 2026. The implications of this development are considered in the competitive assessment.

²⁰ FTSSA excludes those students who live in their own/family residence (FMN, footnote 41).

²¹ *Scape Living / GCP*, paragraph 34.

35. There are two main types of student accommodation:
- (a) PBSA, which consists of properties developed specifically for students. Bedrooms are typically single occupation, while kitchens and common areas are typically shared, as are bathrooms in the case of 'standard' or 'non-ensuite' rooms. Frequently, PBSA consists of large developments, accommodating hundreds of students.²²
 - (b) Houses in multiple occupation (**HMO**), which are traditionally properties where different individuals who are not family members share a single residence, typically with individual bedrooms and shared use of residence's common areas (kitchen, bathroom, etc).²³ For the purposes of the CMA's investigation, HMO includes non-purpose-built houses, flats and studios rented by FTSSA from a private landlord. HMO therefore captures almost all properties in which FTSSA reside, other than PBSA.
36. PBSA is supplied both by corporate PBSA providers (including the Parties) and by HEIs (**HEI PBSA**).²⁴

The provision of student accommodation

37. For the purpose of the CMA's investigation, the end users of student accommodation are FTSSA.
38. First-year students, international students and students with disabilities are typically offered an 'accommodation guarantee' by the HEI.²⁵
39. In order to meet the capacity demands of these accommodation guarantees, HEIs will typically offer their own PBSA (where available). If their own PBSA is insufficient to meet this demand, HEIs will typically contract with corporate PBSA providers through nomination agreements to secure a set number of beds.²⁶
40. Returning students are usually not covered by an accommodation guarantee. These students are generally responsible for finding their own accommodation and will typically elect to let a room directly from a corporate PBSA provider or to rent HMO accommodation.²⁷
41. Therefore, in relation to corporate PBSA, students will obtain a room either:

²² FMN, paragraph 71.

²³ FMN, paragraph 73.

²⁴ FMN, paragraph 71.

²⁵ *Unite/Liberty Living*, paragraph 49.

²⁶ FMN, footnote 42.

²⁷ Some HEIs also work to some extent with HMO providers (albeit to a lesser extent than corporate PBSA providers), both by running housing lists (which in some circumstances are accredited) and by entering into both formal (head lease schemes) and informal agreements with local HMO providers.

- (a) directly from a corporate PBSA provider through the 'direct let' channel (either directly through their websites or through, for instance, agents); or
- (b) indirectly through their HEI, where the latter has entered into a nomination agreement with the PBSA provider.

42. The Parties' customers therefore comprise both individual students and HEIs.²⁸
43. The CMA also notes that different corporate PBSA providers have different business models. Some providers (such as GIC and GCP Student Living (**GCP**)) own or invest in corporate PBSA properties but outsource management and branding of those properties to an asset manager/operator. Some providers are asset managers/operators only (eg CRM and This is Fresh (**Fresh**)), and do not own the underlying properties. Finally, some providers are both owners and operators (eg Unite, iQ and Student Roost).

FRAME OF REFERENCE

44. Market definition provides a framework for assessing the competitive effects of a merger and involves an element of judgement. The boundaries of the market do not determine the outcome of the analysis of the competitive effects of the merger, as it is recognised that there can be constraints on merging parties from outside the relevant market, segmentation within the relevant market, or other ways in which some constraints are more important than others. The CMA will take these factors into account in its competitive assessment.²⁹
45. The Parties overlap in the provision of corporate PBSA in the UK both at a national level and a local level, in Birmingham, Bournemouth, Bristol, Edinburgh, Glasgow, Liverpool and Southampton (together, the **Overlap Cities**).³⁰

Product scope

Parties' submissions

46. The Parties submitted that the relevant product market comprises all forms of accommodation available to FTSSA and should therefore include corporate PBSA, HEI PBSA, and HMO. Notwithstanding this position, the Parties based their analysis in the merger notice on the narrower product frame of reference previously considered by the CMA in *Unite/Liberty Living*, *Scape Living/GCP*, and *iQSA/GCP*, consisting solely of corporate PBSA.³¹

²⁸ FMN, paragraph 108.

²⁹ [MAGs](#), March 2021, paragraph 9.4.

³⁰ FMN, Table 12.1.

³¹ FMN, paragraphs 78-79.

CMA's assessment on product frame of reference

47. The evidence received by the CMA in the course of its merger investigation suggested that the product frame of reference adopted in the CMA's past investigations in relation to the provision of student accommodation remains appropriate.³²
48. Accordingly, the CMA has considered the impact of the Merger in relation to the provision of corporate PBSA. The CMA has nonetheless, where relevant, considered the constraint from other forms of student accommodation as part of its competitive assessment.

Geographic scope

Parties' submissions

49. The Parties submitted that competition primarily takes place at a local level in each of the cities in which they operate, and that there is a limited role for national parameters of competition. Notwithstanding this position, the Parties also provided an assessment of the impact of the Merger on a national basis, in line with the approach adopted by the CMA in its past investigations.³³

CMA's assessment on geographic scope

50. In *Unite/Liberty Living*, *Scape Living/GCP*, and *iQSA/GCP*, the approach taken by the CMA was to consider both a UK-wide frame of reference and local frames of reference based on catchment areas of 20 minutes' walking distance and 30 minutes' walking distance from the affected HEI campuses.
51. The evidence received by the CMA in the course of its merger investigation suggested that the geographic frame of reference adopted in the CMA's past investigations in relation to the provision of student accommodation remains appropriate.³⁴

Conclusion on frame of reference

52. On the basis of the analysis set out above, the CMA has considered the impact of the Merger using the following frames of reference:
- (a) a UK-wide frame of reference for the provision of corporate PBSA; and

³² The CMA considered evidence from the Parties' internal documents and third party feedback.

³³ FMN, paragraph 78.

³⁴ The CMA considered evidence from the Parties' internal documents and third party feedback.

- (b) local frames of reference for the provision of corporate PBSA within catchment areas of (i) 20 minutes' walking distance, and (ii) 30 minutes' walking distance from the relevant HEI campuses in each Overlap City.

COMPETITIVE ASSESSMENT

Horizontal unilateral effects

53. Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged firm profitably to raise prices or to degrade quality on its own and without needing to coordinate with its rivals.³⁵ Horizontal unilateral effects are more likely when the merging parties are close competitors. The CMA assessed whether it is or may be the case that the Merger may be expected to result in an SLC in relation to horizontal unilateral effects in the provision of corporate PBSA at both a national and local level.

National assessment

54. The Parties submitted that, in academic year 2021/2022, they had a combined share of supply by number of beds of [10-20]% at a national level (with an increment of [5-10]% brought about by the Merger).³⁶
55. The Parties submitted that there are a significant number of competitors with large corporate PBSA businesses at the national level that would continue to constrain the Merged Entity in relation to any national aspects of competition, including Unite, Homes for Students, iQ, and Fresh, followed by a long tail of suppliers with shares in the range of 0-5% (including CRM, Sanctuary, Campus Living Villages and Collegiate AC).³⁷
56. The CMA notes that the evidence received in the course of its investigation is consistent with its findings in *Unite/Liberty Living*, *Scape Living/GCP* and *iQSA/GCP* that competition between student accommodation providers at a national level is limited, in line with the Parties' submissions (see paragraph 49 above).³⁸
57. As indicated by the share of supply data submitted by the Parties, the CMA believes that four other large competing providers of corporate PBSA would remain at the national level, all of which are established players with large portfolios of properties, and that these would continue to exert a competitive constraint on the Merged Entity.

³⁵ [MAGs](#), March 2021, paragraph 4.1.

³⁶ FMN, paragraph 101 and Table 15.1. As explained at paragraph 16 above, the CMA has treated the Unite JV's properties and GSA JV's properties as GIC's for the purpose of its assessment.

³⁷ FMN, paragraphs 100 and 105.

³⁸ The CMA considered evidence from the Parties' internal documents and third party feedback.

58. Further, evidence from third parties and the Parties' internal documents indicates that the Parties' growth plans are not significantly different to those of their main competitors, and therefore that there is no reason to expect the nature of the constraint posed by these players to materially change in the foreseeable future.
59. On the basis of the Parties' relatively modest combined share of supply, the small increment brought about by the Merger, and the range and strength of competing alternative suppliers at a national level, the CMA found that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in relation to the provision of corporate PBSA on a UK-wide basis.

Local assessment – filter methodology

60. The CMA may apply a filtering methodology when investigating mergers that involve a large number of local area overlaps between merging firms. Filtering is based on an assessment that relies on systematic information that is relatively easy to gather, with the exact information depending on the specific nature of the products or services involved and merging parties' activities.³⁹
61. Where local areas fail a filter, the CMA may carry out a more comprehensive assessment of the local area, though typically based on factors that can be systematically analysed across all local areas. The elimination of other areas using the filter allows the CMA to gather further information on a more manageable number of areas, where competitive harm is more likely to occur.
62. In *Unite/Liberty Living*, the CMA adopted a local filtering methodology to identify catchment areas based on walking distances from HEI campuses which required further consideration. A given catchment area⁴⁰ was considered to 'fail' the CMA's filter, and warrant further consideration, when both the Merged Entity's share of supply and the share of supply increment resulting from the Merger exceed 30% and 5%, respectively. The CMA determined these filters on a cautious basis, to exclude any realistic prospect of an SLC in areas that 'pass' the filter.
63. The same filtering methodology was used in each of *Scape Living/GCP* and *iQSA/GCP*, and the CMA considered that the same approach would be appropriate to identify potential overlaps of concern in this investigation. Local areas in two cities – Birmingham and Glasgow – failed the filter.
64. Table 1 below sets out the catchment areas in each of Birmingham and Glasgow that failed the CMA's filter (ie where the Parties had a combined share that exceeded 30%, and the increment resulting from the Merger exceeded 5%).

³⁹ [MAGs](#), March 2021, paragraph 4.32.

⁴⁰ Relevant HEIs are those universities, higher education colleges or other specialist providers of higher education from which the Higher Education Statistics Agency (HESA) collects data, and where FTSSA > 1000.

Table 1: HEI campus catchment areas that failed the CMA’s filter

Birmingham	<ol style="list-style-type: none"> 1. Aston University Main Site 2. Curzon Building (Birmingham City University) 3. Millennium Point (Birmingham City University) 4. Parkside Building (Birmingham City University) 5. Joseph Priestley Building (Birmingham City University) 6. University House (Birmingham City University) Birmingham City 7. University International College (Birmingham City University) 8. Royal Birmingham Conservatoire (Birmingham City University) 9. School of Art campus 1 (School of Jewellery) (Birmingham City University) 10. School of Art campus 2 (Birmingham City University) 11. Summer Row (University College Birmingham) 12. Moss House (University College Birmingham) 13. McIntyre House (University College Birmingham) 14. The Link (University College Birmingham) 15. Camden House (University College Birmingham)
Glasgow	<ol style="list-style-type: none"> 1. Glasgow Caledonian University campus 2. University of Strathclyde campus 3. Glasgow School of Art campus

65. For each of these areas, the CMA has systematically reviewed a range of evidence, including share of supply data, other data and internal documents from the Parties, and submissions from third parties to assess how closely the Parties’ properties compete within the catchment areas and what competitive constraints would remain post-Merger.

Detailed competitive assessment

66. The CMA notes that there are certain market features that are relevant to its competitive assessment of all relevant catchment areas. These features, summarised below, have been taken into account in all catchment areas failing the filter.

67. Consistent with its findings in previous cases in the student accommodation sector, the CMA has received evidence from third parties that students are price sensitive. Students will typically compare prices across student accommodation providers, which are generally transparent on websites, and weigh up price against other property-specific characteristics including location, quality and amenities. From the

point of view of HEIs sourcing beds under nomination agreements, price is an important factor, as well as location and the type of room.⁴¹

68. The CMA has not received any evidence to suggest that the Parties are able to price discriminate between different types of students and the CMA understands that corporate PBSA providers therefore have to set their prices for a given room type based on the average student.
69. As part of its investigation, the CMA has been made aware of instances where corporate PBSA properties are in the process of being developed or have recently been completed (ie pipeline properties). In line with past investigations, the CMA treated such types of properties as part of the relevant frame of reference when the property is already under construction and the supplier has confirmed that it will start housing students from the start of the next (ie 2022/2023) academic year.
70. The CMA has also taken into account the Parties' and competitors' expansion projects where there is a high degree of certainty that they will materialise.

Glasgow

Local context

71. Three HEI campus catchment areas in Glasgow failed the filter, as shown in Table 1 above. However, the CMA notes that, in each case, they only failed at the 20-minute walking distance catchment level.
72. The three HEI campuses which failed the filter are all located in the city centre. There is significant overlap in the catchment areas of these campuses. The CMA therefore believes that it is appropriate to consider these catchment areas together but has noted when a given factor in the competitive assessment only relates to an individual campus.
73. The Merger would result in GIC and Greystar acquiring five Student Roost properties in Glasgow. Together with Greystar's property Canvas Glasgow (**Canvas**), the Merged Entity would own six corporate PBSA properties in Glasgow, as set out in Table 2 below. The increment brought about by the Merger in the catchment areas for each of the three catchment areas relates to a single property, Canvas.

Table 2: Parties' corporate PBSA sites in Glasgow

No.	Party	Site	Number of beds
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⁴¹ Note of calls with [redacted] dated 9 September 2022, [redacted] dated 14 September 2022, [redacted] dated 7 September 2022, [redacted] dated 30 August 2022, and [redacted] 20 September 2022; [redacted], [redacted], [redacted], [redacted], [redacted] responses to competitor questionnaire.

1.	Greystar	Canvas	[400-500]
2.	Student Roost	Dobbie's Point	[400-500]
3.	Student Roost	St Mungo's	[300-400]
4.	Student Roost	Buchanan View	[600-700]
5.	Student Roost	Merchant Studios	[200-300]
6.	Student Roost	Gibson Street	[0-100]

Source: Data from Greystar and Student Roost (FMN, Table 15.19)

Shares of supply

74. Tables Table 3 to Table 5 below show the Parties' combined shares of supply and increments from the Merger for academic year 2022/2023 for Glasgow Caledonian University (GCU), Glasgow School of Art (GSoA), and University of Strathclyde (UoS) campuses' 20-minute catchment areas which failed the CMA's filter.

Table 3: GCU campus, 20-minute catchment area shares of supply, 2022/2023

Provider	Number of properties	Number of beds	Shares of supply
Greystar	1	[400-500]	[5-10]%
Student Roost	4	[1700-1800]	[20-30]%
Merged Entity	5	[2100-2200]	[30-40]%
Unite	3	[1100-1200]	[10-20]%
Fresh	2	[800-900]	[10-20]%
Novel Student	1	[400-500]	[5-10]%
Nido	1	[400-500]	[5-10]%
Homes for Students	1	[300-400]	[5-10]%
iQ	1	[300-400]	[5-10]%
Other	8	[900-1000]	[10-20]%
Total	22	6599	100.0%

Source: Data from the Parties, JLL and Cushman & Wakefield, FMN Table 15.21

Table 4: GSoA campus, 20-minute catchment area shares of supply, 2022/2023

Provider	Number of properties	Number of beds	Shares of supply
Greystar	1	[400-500]	[5-10]%
Student Roost	4	[1500-1600]	[20-30]%
Merged Entity	5	[1900-2000]	[30-40]%
Fresh	2	[800-900]	[10-20]%
Unite	2	[600-700]	[10-20]%
Novel Student	1	[400-500]	[5-10]%
Nido	1	[400-500]	[5-10]%

CRM Students	3	[400-500]	[5-10]%
Hello Student	3	[300-400]	[5-10]%
iQ	1	[300-400]	[5-10]%
Other	7	[800-900]	[10-20]%
Total	25	6168	100.0%

Source: Data from the Parties, JLL and Cushman & Wakefield, FMN Table 15.25

Table 5: UoS campus, 20-minute catchment area shares of supply, 2022/2023

Provider	Number of properties	Number of beds	Shares of supply
Greystar	1	[400-500]	[5-10]%
Student Roost	4	[1700-1800]	[20-30]%
Merged Entity	5	[2100-2200]	[30-40]%
Fresh	3	[1400-1500]	[20-30]%
Unite	3	[1100-1200]	[10-20]%
Prestige Student Living	1	[400-500]	[5-10]%
Novel Student	1	[400-500]	[5-10]%
Nido	1	[400-500]	[5-10]%
Homes for Students	1	[300-400]	[5-10]%
Other	6	[600-700]	[5-10]%
Total	21	6977	100.0%

Source: Data from the Parties, JLL and Cushman & Wakefield, FMN Table 15.23

Closeness of competition

75. The Parties submitted that Canvas (Greystar's property which results in the failed filter) and the Student Roost properties are not particularly close competitors in Glasgow, or at least no closer to each other than they are to other corporate PBSA providers in Glasgow.⁴²
76. The CMA notes that of the Parties' properties listed in Table 2 above, five are located in the city centre. Canvas, St Mungo's, Dobbie's Point, Merchant Studios and Buchanan View are located within 20 minutes' walking distance of each other in the city centre, while Gibson Street (Student Roost) is located in the West End of Glasgow, over a 35-minute walk from any of the Parties' other properties.
77. There is evidence that the Parties' offerings in the city are broadly comparable, which might indicate close competition. There is minimal variability between the specifications of the buildings themselves and the price range for rooms on offer are also broadly similar.⁴³ Within this price range, Canvas is more comparable in price

⁴² FMN, paragraphs 188-189.

⁴³ FMN, paragraph 188. The rooms offered are also similar with a typical mix of mostly ensuite rooms and some studios: 85% of rooms in Canvas are ensuite, compared to 50-98% in Student Roost properties. The exception is Merchant Studios which is only studio lets (Annexes RFI2-SR-201 (slide 158) and Annex RFI1-9.001).

to Student Roost's higher priced properties (ie Dobbie's Point, Merchant Studios, and St Mungo's). The facilities available at each location are also broadly similar, with Merchant Studios and Buchanan View being the only properties without a gym and cinema room.⁴⁴

78. However, evidence from internal documents and third parties point to relatively limited competition between Canvas and Student Roost's properties. The CMA found that internal documents provide some evidence of monitoring between these sites.⁴⁵ However, there was more consistent monitoring of other properties (including Foundry Courtyard (Fresh), St James (Nido), Kyle Park House (Unite), Havannah House (Homes for Students), George Street Apartments (Hello Students)).⁴⁶
79. In addition, while the majority of competitors that responded to the CMA's merger investigation considered Student Roost to be a strong competitor in Glasgow,⁴⁷ Canvas was seldom included in the list of top five competitors and there is limited evidence that competitors believe the Parties' sites compete strongly with each other.⁴⁸
80. Accordingly, for the reasons set out above, the CMA believes that while the Parties compete in the same corporate PBSA segment, the evidence indicates that Canvas (Greystar) is not a particularly close competitor to Student Roost's sites in Glasgow.

In-market competitive constraints

81. The Parties submitted that, post-Merger, in each campus catchment area, the Parties would continue to face significant competition from alternative corporate PBSA providers. They submitted that a range of both major and smaller suppliers are present in Glasgow, including Unite, Fresh, Homes For Students, Sanctuary Students, Downing Students, Aparto, iQ, Nido, Vita, Prestige Student Living, True Student, Kaplan Living and Xenia Students.⁴⁹
82. Tables Table 3 to Table 5 above show that there are multiple alternative corporate PBSA properties within the catchment areas for GCU, GSoA and UoS, with Fresh,

⁴⁴ FMN, paragraph 130.

⁴⁵ For example, internal documents provided include one merger-specific document prepared by JLL which identifies the [redacted] property as one of the rental comparables to Student Roost's [redacted] and [redacted] properties (Annex GICR-9.014, slides 147 and 162). One Student Roost internal document lists [redacted] (now [redacted]) as one of competitors for the [redacted] property (along with properties owned by [redacted], [redacted] and [redacted]) (Annex RF12-SR-2.023).

⁴⁶ Annexes SR-9.003 (slides 46, 49, 52, 55 and 58), SR-9.013 (slide 34), GS-10.008 (slide 47), GICR-9.014 (slides 140, 147, 162-163, 173), RF12-SR-2.001 (slides 155-159), and RF12-SR-2.021.

⁴⁷ [redacted], [redacted], [redacted], [redacted], [redacted], [redacted], [redacted] responses to competitor questionnaire.

⁴⁸ [redacted] and [redacted] responses to competitor questionnaire.

⁴⁹ FMN, paragraph 190.

Unite, Novel and Nido, all with more beds than Canvas, within the 20-minute catchment area for all three HEI campuses.

83. Third-party feedback confirmed that Fresh, Unite, Novel and Nido are strong competitors to the Parties' properties and would constrain their activities post-Merger. Evidence from internal documents also pointed to these providers as significant competitors, with evidence of monitoring and benchmarking between these providers' and the Parties' properties.⁵⁰
84. The CMA has also seen evidence from the Parties' internal documents and third-party feedback that a number of other competitors would continue to provide some (albeit weaker) constraint post-Merger, including Elgin Place (iQ) and Havannah House (Homes for Students).⁵¹
85. During the investigation the CMA has not received merger-specific concerns in relation to Glasgow, although several third parties highlighted student accommodation shortages in recent years, along with broader concerns about general consolidation in the student accommodation industry in Glasgow.

The Collegelands property

86. The CMA notes that Fresh currently operates the [500-600]-bed Collegelands property in Glasgow on behalf of Scarlet P Limited which is currently leasing the building from Student Roost. The lease is due to expire in 2026 and Student Roost has confirmed that it subsequently plans to take over the management of the building, letting the rooms directly to students.⁵² The CMA believes that the future use of Collegelands as a Student Roost property is sufficiently timely and likely to occur to warrant consideration as part of its competitive assessment.
87. Collegelands offers primarily ensuite rooms, with a few studio lets available. The price range for its rooms is substantially lower than those of Canvas and Student Roost's other properties. Based on third-party submissions and the Parties' internal documents, the CMA found that Collegelands exerts only a limited constraint on the Parties. There was no evidence in internal documents of the Parties monitoring the property and limited evidence from third parties that it competed with the Parties' properties. On this basis, the CMA believes that the Collegelands property is not a particularly important part of the competitive constraint that Fresh exerts on the Parties at present. The CMA therefore believes that Fresh would remain a strong

⁵⁰ Annexes GS-10.010 (slide 35), SR-9.002 (slide 47), SR-9.003, GS-10.010 (slide 35), SR-9.002 (slide 47), GICR-9.014 (slide 147), GICR-9.014 (slide 140), RF12-SR-2.001 (slide 158), GICR-9.014 (slides 162 and 173), RF12-SR-2.001 (slides 156 and 157); SR-9.003 (slide 45), SR-9.013 (slide 34), SR-9.019 (slides 44, 50 and 57).

⁵¹ For example, Annexes GS-10.008 (slides 22 and 40), GICR-9.014 (slide 163), RF12 SR-2.001 (slide 158); and [REDACTED], [REDACTED], [REDACTED], [REDACTED] responses to competitor questionnaire.

⁵² FMN, paragraph 97; e-mail from Weil, Gotshal & Manges (London) LLP to the CMA of 11 October 2022, 21:18.

competitor even after Student Roost takes over the running of the property, that the Merged Entity would not be materially strengthened by the addition of the Collegelands property, and that the Merged Entity would continue to be constrained by the several strong competitors and tail of smaller players considered above.⁵³

88. Based on the evidence summarised above, the CMA believes that the Merged Entity would continue to be constrained by a wide range of alternative corporate PBSA suppliers.

Out-of-market competitive constraints

89. As the CMA found that the Parties would continue to be constrained by in-market rivals, it was not necessary to carry out a detailed assessment of out-of-market constraints (eg corporate PBSA outside 30 minutes' walking distance and constraints from other sources of student accommodation).

Conclusion on horizontal unilateral effects in Glasgow

90. In light of the evidence set out above, although the Merged Entity would be the largest provider of corporate PBSA in the relevant HEI campus catchment areas in Glasgow (by number of beds), the CMA believes that the Merged Entity would continue to be constrained by several large alternative corporate PBSA providers. Additionally, the CMA believes that Canvas is not a particularly close competitor to the Student Roost properties. Accordingly, the CMA found that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in relation to the supply of corporate PBSA in the local catchment areas for GCU campus, UoS campus,⁵⁴ and GSoA campus.

Birmingham

91. Fifteen catchment areas in Birmingham failed the CMA's filter, as shown in Table 1 above. Of these, 9 failed the filter at both 20 minutes' and 30 minutes' walking distance, whereas 6 failed at 30 minutes' walking distance only.
92. The 15 catchment areas which failed the CMA's filter are all located in the city centre. Given the degree of overlap between the catchment areas, the CMA considered them together for the purposes of its competitive assessment. However, certain factors were relevant only to certain catchment areas, or clusters of catchment areas, identified as follows:

⁵³ The CMA notes that, if the share of supply attributable to Collegelands' beds were to be attributed to Student Roost, the Parties would fail the CMA's filter at an additional campus, Glasgow City College. The CMA considers that any assessment at this campus would not materially differ from that carried out for the UoS campus, as the two campuses are approximately 2 minutes' walking distance from one another, meaning that the same set of corporate PBSA sites are within essentially identical walking times of one another.

⁵⁴ And Glasgow City College assuming Collegelands is in future operated by Student Roost.

- (a) Aston University Main Site (**AU**);
- (b) Birmingham City University Centre (**BCU**) campuses;⁵⁵
- (c) University College Birmingham (**UCB**) campuses and BCU School of Art campus 2 (**UCB cluster**);⁵⁶ and
- (d) BCU School of Art campus 1 (School of Jewellery) (**BCU SoJ**).⁵⁷

93. The Merger would result in GIC and Greystar acquiring two Student Roost properties in Birmingham. Together with GIC’s properties managed through the Unite JV and the GSA JV, the Merged Entity would control 8 corporate PBSA sites in Birmingham as set out in Table 6 below.

Table 6: Parties’ corporate PBSA sites in Birmingham

No.	Party	Site	Number of beds
1.	Unite JV	William Murdoch	[400-500]
2.	Unite JV	Harriet Martineau	[400-500]
3.	Unite JV	Lakeside	[600-700]
4.	Unite JV	Mary Sturge	[600-700]
5.	Unite JV	James Watt	[800-900]
6.	GSA JV	Bentley House	[500-600]
7.	Student Roost	The Heights	[900-1000]
8.	Student Roost	The Old Fire Station	[400-500]

94. Tables Table 7 to Table 10 below show the Parties’ combined shares of supply and increments arising from the Merger for the academic year 2022/2023 for each of the

⁵⁵ This includes the Curzon Building, Millennium Point, Parkside Building, Joseph Priestley Building, University House, Birmingham City University International College and Royal Birmingham Conservatoire, which are all located within a few minutes’ walk of each other as part of the BCU city centre campus (FMN, paragraph 143).

⁵⁶ The five UCB buildings are within 5 minutes’ walking distance of each other – the Summer Row site is on Summer Row, with The Link, Camden House, Moss House and McIntyre House located within five minutes’ walk from the Summer Row site down Parade, Charlotte Street and Holland Street. The BCU School of Art campus 2 is a 30minute walk from the UCB Summer Row site (FMN, paragraph 143).

⁵⁷ This is located in the Jewellery Quarter to the north of the UCB cluster. The CMA considered it separately from the UCB cluster on a conservative basis as it is around 7 minutes’ walking distance from the closest UCB building (Moss House), 11 minutes’ walking distance from the UCB Summer Row site and 12 minutes’ walking distance from the BCU School of Art campus 2 (FMN, paragraph 143).

AU, BCU, UCB clusters and BCU SoJ catchment areas at 20 minutes' walking distance and/or 30 minutes' walking distance.⁵⁸

Table 7: AU campus, 20-minute and 30-minute catchment area shares of supply, 2022/2023

20 minutes' walking distance			30 minutes' walking distance		
Provider	Number of beds	Shares of supply	Provider	Number of beds	Shares of supply
Student Roost	[1300-1400]	[10-20]%	Student Roost	[1300-1400]	[10-20]%
GIC	[3500-3600]	[30-40]%	GIC	[3500-3600]	[20-30]%
Combined	[4900-5000]	[40-50]%	Combined	[4900-5000]	[30-40]%
Unite	[1100-1200]	[10-20]%	Unite	[1100-1200]	[5-10]%
Collegiate AC	[1100-1200]	[5-10]%	Collegiate AC	[1100-1200]	[5-10]%
Fresh	[1000-1100]	[5-10]%	Fresh	[1000-1100]	[5-10]%
Homes for Students	[600-700]	[5-10]%	Homes for Students	[600-700]	[0-5]%
Other	[2700-2800]	[20-30]%	Other	[3500-3600]	[20-30]%
Total	11,704	100%	Total	12,537	100%

Source: Data from the Parties, JLL and Cushman & Wakefield, FMN Tables 15.9 and 15.10

Table 8: BCU cluster, 20-minute and 30-minute catchment area shares of supply, 2022/2023

20 minutes' walking distance			30 minutes' walking distance		
Provider	Number of beds	Shares of supply	Provider	Number of beds	Shares of supply
Student Roost	[1300-1400]	[10-20]%	Student Roost	[1300-1400]	[5-10]%
GIC	[3500-3600]	[30-40]%	GIC	[3500-3600]	[20-30]%
Combined	[4900-5000]	[40-50]%	Combined	[4900-5000]	[30-40]%
Unite	[1100-1200]	[10-20]%	Unite	[1100-1200]	[5-10]%
Collegiate AC	[1100-1200]	[5-10]%	Collegiate AC	[1100-1200]	[5-10]%
Fresh	[1000-1100]	[5-10]%	Fresh	[1000-1100]	[5-10]%
Homes For Students	[600-700]	[5-10]%	iQ	[800-900]	[5-10]%
Other	[2600-2700]	[20-30]%	Other	[5000-5100]	[30-40]%
Total	11,554	100%	Total	14,278	100.0%

Source: Data from the Parties, JLL and Cushman & Wakefield, FMN Table 15.11 and 15.12

Table 9: UCB cluster, 30-minute catchment area shares of supply, 2022/2023

Provider	Number of beds	Shares of supply
Student Roost	[1300-1400]	[5-10]%

⁵⁸ The CMA notes that the Parties submitted updated shares of supply for the academic year 2022/2023 in light of it having commenced when the CMA launched its merger inquiry. This has increased the Parties' share in Birmingham by 0.8% to 2.4% at the 20-minute catchment area but did not materially change the competitive assessment. The Parties did not provide updated shares of supply for competitors; consequently, the figures presented here slightly underestimate the Parties' share of supply.

GIC	[3500-3600]	[20-30]%
Combined	[4900-4500]	[30-40]%
Unite	[1100-1200]	[5-10]%
Collegiate AC	[1100-1200]	[5-10]%
Fresh	[1000-1100]	[5-10]%
iQ	[800-900]	[5-10]%
Other	[5400-5500]	[30-40]%
Total corporate PBSA	14,720	100.0%

Source: Data from the Parties, JLL and Cushman & Wakefield, FMN Table 15.14

Table 10: BCU SoJ campus, 30-minute catchment area shares of supply, 2022/2023

Provider	Number of beds	Shares of supply
Student Roost	[1300-1400]	[10-20]%
GIC	[3500-3600]	[20-30]%
Combined	[4900-5000]	[30-40]%
Unite	[1100-1200]	[5-10]%
Collegiate AC	[1100-1200]	[5-10]%
Fresh	[1000-1100]	[5-10]%
iQ	[800-900]	[5-10]%
Other	[3900-4000]	[20-30]%
Total corporate PBSA	13,186	100.0%

Source: Data from the Parties, JLL and Cushman & Wakefield, FMN Table 15.16

95. A specific consideration applicable in Birmingham is the effectiveness of competition between the Merged Entity and Unite, the largest of the Parties' competitors. The CMA believes that there is weaker competition between Unite's standalone properties and the Unite JV's properties in Birmingham due to Unite's interest in the Unite JV, which reduces its incentives to compete. The CMA therefore believes that Unite would represent a weak constraint to at least part of the Merged Entity's offering.⁵⁹
96. Feedback provided by third parties is consistent with the position that there would be insufficient in-market competitive constraints on the Parties post-Merger. Based on this feedback, and the Parties' internal documents, the CMA found that the Merged Entity would only face material constraints from three properties Onyx (Fresh), Bagot Street (Collegiate AC), and Penworks House (iQ). Of these, iQ's Penworks House has limited bed capacity that only represent a fraction of iQ's total bed capacity, and which does not correspond to iQ's overall share of supply positions that are set out above. The CMA believes this would impede its ability to effectively compete with the Parties, in particular when competing for nomination agreements, as at least some HEIs have confirmed they take providers' capacity into

⁵⁹ FMN, paragraphs 36-37; Note of call with [redacted] dated 14 September 2022.

consideration when evaluating their options. More generally, the CMA received specific concerns from third parties that the Merger could result in a reduction of choice for students in Birmingham city centre due to a lack of sufficient alternatives.⁶⁰

97. Further, the evidence received from third parties during the investigation points to HEI PBSA representing only a limited out-of-market constraint in the city centre due to insufficient capacity at the relevant HEIs. Similarly, the third-party feedback obtained points to HMO only representing a weak constraint on the basis of lack of stock close to the HEI campuses failing the CMA's filter and the very small proportion of students travelling beyond 30 minutes' walking distance, ie to areas where the HMO offering may be greater.
98. In light of the evidence summarized above, the CMA believes that the providers identified in paragraph 96 above would not provide a strong constraint on the Merged Entity, either individually or in aggregate.
99. After receiving the CMA's feedback at the State of Play call, the Parties acknowledged that the Merger raises a realistic prospect of an SLC arising from horizontal unilateral effects in the provision of corporate PBSA in the 15 catchment areas located in Birmingham, as listed in Annex A.

Conclusion on horizontal unilateral effects

100. In light of the evidence set out above, and the Parties' acknowledgement that the test for reference is met, the CMA believes that it is or may be the case that the Merger may be expected to result in an SLC as a result of horizontal unilateral effects in relation to the provision of corporate PBSA in the 15 catchment areas located in Birmingham listed in Annex A.

BARRIERS TO ENTRY AND EXPANSION

101. Entry or expansion of existing firms can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. In assessing whether entry or expansion might prevent an SLC, the CMA considers whether such entry or expansion would be timely, likely and sufficient.⁶¹
102. As discussed above, the Parties have accepted that the test for reference is met in respect of the 15 catchment areas located in Birmingham listed in Annex A. In any event, the CMA considered pipeline projects in Birmingham scheduled to be delivered beyond academic year 2022/2023. However, on the basis of the evidence received in its investigation, the CMA believes that the delivery of the pipeline

⁶⁰ Note of call with [redacted] dated 30 August 2022 and [redacted] dated 1 September 2022.

⁶¹ [MAGs](#), March 2021, from paragraph 8.40.

properties within the relevant catchment areas would not be timely, likely, or sufficient.⁶²

103. Accordingly, the CMA believes that entry or expansion would not be timely, likely, or sufficient to prevent a realistic prospect of an SLC from arising in the provision of corporate PBSA in the 15 catchment areas located in Birmingham listed in Annex A as a result of the Merger.

CONCLUSION ON SUBSTANTIAL LESSENING OF COMPETITION

104. Based on the evidence set out above, the CMA believes that it is or may be the case that the Merger may be expected to result in an SLC as a result of horizontal unilateral effects in relation to the provision of corporate PBSA in the 15 catchment areas located in Birmingham listed in Annex A.

⁶² For example, the CMA notes that of the small number of pipeline properties that the Parties identified as having received approval but are not yet under construction in Birmingham city centre, the largest (by number of beds) appears to be one of the sites compulsorily acquired for the construction of the proposed new HS2 station at Curzon Street.

DECISION

105. Consequently, the CMA believes that it is or may be the case that: (i) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and (ii) the creation of that situation may be expected to result in an SLC within a market or markets in the UK.
106. The CMA therefore believes that it is under a duty to refer under section 33(1) of the Act. However, the duty to refer is not exercised whilst the CMA is considering whether to accept undertakings under section 73 of the Act instead of making such a reference.⁶³ The Parties have until 15 November 2022⁶⁴ to offer an undertaking to the CMA.⁶⁵ The CMA will refer the Merger for a phase 2 investigation⁶⁶ if the Parties do not offer an undertaking by this date; if the Parties indicate before this date that they do not wish to offer an undertaking; or if the CMA decides⁶⁷ by 22 November 2022 that there are no reasonable grounds for believing that it might accept the undertaking offered by the Parties, or a modified version of it.

Colin Raftery
Senior Director, Mergers
Competition and Markets Authority
8 November 2022

⁶³ Section 33(3)(b) of the Act.

⁶⁴ Section 73A(1) of the Act.

⁶⁵ Section 73(2) of the Act.

⁶⁶ Sections 33(1) and 34ZA(2) of the Act.

⁶⁷ Section 73A(2) of the Act.

ANNEX A: SLCs in catchment areas located in Birmingham

No	HEI	Campus
1.	Aston University	Main Site
2.	Birmingham City University	Curzon Building
3.		Millennium Point
4.		Parkside Building
5.		Joseph Priestley Building
6.		University House
7.		Birmingham City University International College
8.		Royal Birmingham Conservatoire
9.		School of Art campus 1 (School of Jewellery)
10.		School of Art campus 2
11.		University College Birmingham
12.	The Link	
13.	Camden House	
14.	McIntyre House	
15.	Moss House	