

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

## DECISION ON ACCEPTANCE OF UNDERTAKINGS IN LIEU OF REFERENCE

**ME/7005/22**

The CMA's decision to accept undertakings in lieu of reference under section 73(2) of the Enterprise Act 2002 given on 19 December 2022. Full text of the decision published on 19 December 2022.

### Introduction

1. GIC (Realty) Private Limited (**GIC**) and Greystar Real Estate Partners, LLC (**Greystar**) via Roost Bidco Limited (**Roost Bidco**), an indirectly wholly-owned subsidiary of Roost JV LP (**Roost JV**), have agreed to indirectly acquire the entire issued share capital of the legal entities together comprising Student Roost (**Student Roost**) (the **Merger**).<sup>1</sup> 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. GIC, Greystar, Roost JV, Roost Bidco, and Student Roost are together referred to as the **Parties**.
2. On 8 November 2022, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that

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<sup>1</sup> 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.

this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).

3. On 15 November 2022, the Parties offered undertakings in lieu of reference to the CMA for the purposes of section 73(2) of the Act. The CMA gave notice to the Parties on 22 November 2022, pursuant to section 73A(2)(b) of the Act, that it considered that there were reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it was considering the Parties' offer (the **UILs Provisional Acceptance Decision**).
4. The text of the SLC Decision and the UILs Provisional Acceptance Decision are available on the CMA webpages.<sup>2</sup>

### The undertakings offered

5. As set out in the SLC Decision, the CMA found a realistic prospect of an SLC in relation to the provision of corporate purpose-built student accommodation (**PBSA**) in 15 Higher Education Institution campuses in Birmingham (the **SLC Areas**), listed in Annex A to the SLC Decision, as a result of horizontal unilateral effects. Student Roost offers corporate PBSA in Birmingham from two separate sites: The Heights and The Old Fire Station.
6. As set out in the UIL Provisional Acceptance Decision, to address the SLC identified by the CMA, the Parties have offered to give undertakings to divest Student Roost's PBSA sites in Birmingham (the **Divestment Business**), as set out in more detail in the text of the consultation on the CMA webpages<sup>3</sup> (the **UILs**).

### Consultation

7. On 29 November 2022, pursuant to paragraph 2(1) of Schedule 10 to the Act, the CMA published the UILs, inviting interested parties to give their views on the UILs. The relevant text from the consultation is set out at Annex A of this decision.<sup>4</sup> For the reasons set out in the consultation, the CMA's preliminary view was that the UILs would resolve the SLC identified in the SLC decision in a clear-cut manner, ie without giving rise to material doubts about the overall effectiveness of the UILs or concerns about their implementation.<sup>5</sup>
8. The CMA received two submissions during the consultation period. One submission confirmed that the UILs (ie the sale of both Student Roost's PBSA sites in Birmingham, namely The Heights and The Old Fire Station), will be sufficient to

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<sup>2</sup> See [GIC / Greystar / Student Roost merger inquiry](#).

<sup>3</sup> See [GIC / Greystar / Student Roost merger inquiry](#).

<sup>4</sup> The full consultation text was published on [GIC / Greystar / Student Roost merger inquiry](#).

<sup>5</sup> [Merger remedies, \(CMA87\), December 2018](#), Chapter 3, in particular paragraphs 3.27, 3.28 and 3.30.

resolve the SLC identified in the SLC Decision. The other submission expressed no comments on the UIL proposal. The CMA has not otherwise become aware of any information that would cause the CMA to change its preliminary view that the UILs would be acceptable.

9. The CMA therefore considers that the UILs offered by the Parties are clear-cut and appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision.

## **Decision**

10. For the reasons set out above, the CMA considers that the UILs provided by the Parties are as comprehensive a solution as is reasonable and practicable and remedy, mitigate or prevent the SLC identified in the SLC Decision and any adverse effects resulting from it. The CMA has therefore decided to accept the UILs offered by the Parties pursuant to section 73 of the Act. The Merger will therefore not be referred for a phase 2 investigation.
11. The undertakings, which have been signed by the Parties and will be published on the CMA webpages, will come into effect from the date of this decision.

**Colin Raftery**  
**Competition and Markets Authority**  
**19 December 2022**

# Annex A

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

ME/7005/22

Notice under paragraph 2(1) of Schedule 10 to the Enterprise Act 2002 (the **Act**) – consultation on proposed undertakings in lieu of reference pursuant to section 73 of the Act.

### INTRODUCTION

1. GIC (Realty) Private Limited (**GIC**) and Greystar Real Estate Partners, LLC (**Greystar**) via Roost Bidco Limited (**Roost Bidco**), an indirectly wholly-owned subsidiary of Roost JV LP (**Roost JV**), have agreed to indirectly acquire the entire issued share capital of the legal entities together comprising Student Roost (**Student Roost**) (the **Merger**).<sup>6</sup> 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. GIC, Greystar, Roost JV, Roost Bidco, and Student Roost are together referred to as the **Parties**.
2. On 8 November 2022, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**). The text of the SLC Decision is available on the CMA webpages.<sup>7</sup>

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<sup>6</sup> 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.

<sup>7</sup> See [GIC / Greystar / Student Roost merger inquiry](#).

3. On 15 November 2022, the Parties offered to the CMA undertakings in lieu of a reference to a phase 2 investigation (**UILs**) for the purposes of section 73(2) of the Act.
4. On 22 November 2022, the CMA gave notice to the Parties, pursuant to section 73A(2)(b) of the Act, that it considers that there are reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it is considering the Parties' offer (the **UIL Provisional Acceptance Decision**). The text of the UIL Provisional Acceptance Decision is also available on the CMA webpages.<sup>8</sup>

## THE UNDERTAKINGS OFFERED

5. As set out in the SLC Decision, the CMA found a realistic prospect of an SLC in relation to the provision of corporate purpose-built student accommodation (**PBSA**) in 15 Higher Education Institution campuses in Birmingham (the **SLC Areas**) as a result of horizontal unilateral effects. Student Roost offers corporate PBSA in Birmingham from two separate sites: The Heights and The Old Fire Station (together, the **Assets**).
6. As set out in the UIL Provisional Acceptance Decision, to address the SLC Areas identified by the CMA, the Parties have offered to give UILs that will result in the divestment of Student Roost's PBSA sites in Birmingham. The Parties have in the first instance offered to divest Student Roost's The Heights site (the **Partial Divestment**); or alternatively to divest both Assets (ie Student Roost's entire PBSA presence in Birmingham, hereafter referred to as the **Complete Divestment**) in the event the CMA considers that the Partial Divestment is not an effective and clear-cut remedy.
7. The text of the undertakings is available on the CMA webpages (the **Proposed Undertakings**).<sup>9</sup>

## CMA ASSESSMENT

8. As set out at paragraphs 12 to 14 of the UIL Provisional Acceptance Decision, the CMA considers that the Partial Divestment would not constitute a clear-cut and effective resolution of the CMA's competition concerns.
9. By contrast, the CMA currently considers that, subject to responses to the consultation required by Schedule 10 of the Act, the Complete Divestment Proposed Undertakings will resolve the SLC identified in the SLC Decision in a clear-cut manner, ie the CMA currently does not have material doubts about the overall

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<sup>8</sup> See [GIC / Greystar / Student Roost merger inquiry](#).

<sup>9</sup> See [GIC / Greystar / Student Roost merger inquiry](#).

effectiveness of the Proposed Undertakings or concerns about their implementation.<sup>10</sup> This is because the sale of the Complete Divestment Proposed Undertakings would remove entirely the overlap between the Parties in the provision of corporate PBSA in the SLC Areas (and in Birmingham more generally). As such, the divestment of both Assets would result in the replacement of the competitive constraint currently provided by Student Roost that would otherwise be lost as a result of the Merger.

10. The CMA also considers that the Proposed Undertakings would be capable of ready implementation. This is because:
  - (a) The Assets are largely standalone within the Student Roost structure which means that they can readily be separated for sale.<sup>11</sup>
  - (b) The Parties have provided evidence as to the liquidity of the market through investor demand for corporate PBSA assets sold both on a standalone basis and in multi-asset portfolios.<sup>12</sup>
11. The CMA does not consider it necessary to seek an upfront buyer in respect of the Complete Divestment Proposed Undertakings. This is because the Parties have provided evidence that there are multiple potential suitable purchasers, that several potential suitable purchasers have already expressed or confirmed their interest, and that multiple potential purchasers have experience acquiring and operating PBSA sites. As indicated above, the Student Roost Assets are structured in a manner which would facilitate a relatively straightforward sales process and their current operational and marketing plans are largely already in place. The CMA also notes that financial data provided to the CMA supports the commercial attractiveness of the Student Roost Assets. Finally, the Parties have provided the CMA with evidence that similar acquisitions of individual or small numbers of PBSA sites are a common occurrence in the UK, and that the market is highly liquid.

## **Proposed decision and next steps**

12. For the reasons set out above, the CMA currently considers that the Proposed Undertakings as they relate to the Complete Divestment are, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision and form as comprehensive a solution to these concerns as is reasonable and practicable.
13. The CMA therefore gives notice that it proposes to accept the Complete Divestment Proposed Undertakings in lieu of a reference of the Merger for a phase 2

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<sup>10</sup> [Mergers remedies](#), December 2018 (CMA87), Chapter 3 (in particular paragraph 3.28).

<sup>11</sup> Remedies Form for Offers of Undertakings in Lieu of Reference submitted on 15 November 2022 (**Remedies Form**), paragraphs 8, 22-23, 38-39.

<sup>12</sup> Remedies Form, paragraph 123 and Annex 7 to the Remedies Form.

investigation. The text of the Proposed Undertakings is available on the CMA webpages.<sup>13</sup>

14. Before reaching a decision as to whether to accept the Complete Divestment Proposed Undertakings, the CMA invites interested parties to make their views known to it. The CMA will have regard to any representations made in response to this consultation and may make modifications to the Proposed Undertakings as a result. If the CMA considers that any representation necessitates any material change to the Proposed Undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.<sup>14</sup>

15. Representations should be made in writing to the CMA and be addressed to:

Julie Flandrin

Email: [julie.flandrin@cma.gov.uk](mailto:julie.flandrin@cma.gov.uk)

**Deadline for comments: 14 December 2022**

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<sup>13</sup> See [GIC / Greystar / Student Roost merger inquiry](#).

<sup>14</sup> Under paragraph 2(4) of Schedule 10 to the Act.