# Sanctuary Housing secures £400m deal with GSA to refocus on affordable homes



Sanctuary Housing Association has secured a buyer for its substantial £400 million student accommodation portfolio, with Global Student Accommodation (GSA) set to complete the transaction. This move aligns with Sanctuary’s broader strategy to unlock and recycle capital, enabling reinvestment in its core affordable housing stock. The portfolio under sale includes 5,600 bedrooms spread over 21 student accommodation schemes in eight key locations: Manchester, Salford, London, Brighton, Bradford, Falmouth, Liverpool, Preston, and Ormskirk.

This strategic sale, initially announced in October 2024, marks a significant step in Sanctuary's financial repositioning. The association, which manages around 125,000 homes and provides housing and care services to over 250,000 people across England and Scotland, has been navigating financial challenges linked notably to its student property assets. In its 2024/25 accounts published recently, Sanctuary recorded a deficit near £30 million primarily attributed to property revaluations and development write-downs in this sector. This contrasts with the previous year's £207 million surplus, which had been bolstered by a sizeable one-off gain of £162 million linked to the acquisition of Johnnie Johnson Housing Trust.

Despite this deficit, Sanctuary’s overall financial health exhibits resilience. The group revenue rose by 8.7% to £1.18 billion in 2024/25, with its underlying operating surplus improving by £19.3 million to reach £226 million. Operating efficiencies and improvements were evident, with the association reporting high occupancy rates—95% for student accommodation and 90% for care homes—alongside a robust cash balance of £159.6 million and undrawn credit facilities amounting to £356.5 million. These figures ensure Sanctuary maintains approximately 23 months of financing against committed expenditure, providing a buffer amid market uncertainties.

Sanctuary’s student accommodation portfolio, valued at around £400 million, comprises purpose-built student housing assets in a range of urban centres, extending beyond the locations named in the sale announcement to cities like Dundee and Glasgow as well, as noted in broader reports. Ernst & Young was appointed to market these assets, reflecting the scale and complexity of the disposal. The association’s initiative to divest this portfolio aims to mobilise capital for further development and enhancement of its affordable homes, a sector regarded as central to its mission of building sustainable communities and delivering quality housing.

Operationally, the student accommodation assets include large properties staffed with on-site teams delivering 24-hour support, including caretakers, maintenance helplines, and online reporting systems to ensure resident safety and convenience. This operational model remains crucial to maintaining high occupancy rates and resident satisfaction, even as ownership transfers to new investors.

Sanctuary’s path reflects a broader trend among housing associations recalibrating their portfolios amidst changing market conditions. While sales income from developed properties dropped 35% recently, Sanctuary managed to increase its overall turnover, indicating strong rental income and operational revenue streams balancing the reduced sales proceeds. The association's focus remains on enhancing existing homes and addressing the challenges posed by site delays and fluctuating property valuations.

In summary, the imminent sale of its student accommodation portfolio to GSA represents a strategic financial manoeuvre by Sanctuary Housing Association to reinforce its core mission of affordable housing delivery. It demonstrates how the association is actively managing its asset base to sustain long-term financial resilience and resource availability for ongoing community investments.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://pbsanews.co.uk/2025/07/08/sanctuary-secures-buyer-for-student-accommodation-portfolio/), [[4]](https://www.estatesgazette.co.uk/news/sanctuary-seeks-buyer-for-400m-pbsa-portfolio/), [[5]](https://www.housingtoday.co.uk/news/sanctuary-looking-to-sell-21-student-accommodation-schemes/5132168.article)
* Paragraph 2 – [[1]](https://pbsanews.co.uk/2025/07/08/sanctuary-secures-buyer-for-student-accommodation-portfolio/), [[3]](https://www.housingtoday.co.uk/news/drop-in-valuation-of-student-properties-pushes-sanctuary-into-deficit/5136205.article), [[5]](https://www.housingtoday.co.uk/news/sanctuary-looking-to-sell-21-student-accommodation-schemes/5132168.article), [[6]](https://www.housingtoday.co.uk/news/sanctuary-increases-turnover-despite-35-drop-in-sales-income/5130443.article)
* Paragraph 3 – [[2]](https://www.sanctuary.co.uk/news/sanctuary-publishes-annual-report-and-financial-statements-20242025), [[3]](https://www.housingtoday.co.uk/news/drop-in-valuation-of-student-properties-pushes-sanctuary-into-deficit/5136205.article), [[6]](https://www.housingtoday.co.uk/news/sanctuary-increases-turnover-despite-35-drop-in-sales-income/5130443.article)
* Paragraph 4 – [[4]](https://www.estatesgazette.co.uk/news/sanctuary-seeks-buyer-for-400m-pbsa-portfolio/), [[1]](https://pbsanews.co.uk/2025/07/08/sanctuary-secures-buyer-for-student-accommodation-portfolio/), [[5]](https://www.housingtoday.co.uk/news/sanctuary-looking-to-sell-21-student-accommodation-schemes/5132168.article)
* Paragraph 5 – [[1]](https://pbsanews.co.uk/2025/07/08/sanctuary-secures-buyer-for-student-accommodation-portfolio/), [[4]](https://www.estatesgazette.co.uk/news/sanctuary-seeks-buyer-for-400m-pbsa-portfolio/)
* Paragraph 6 – [[1]](https://pbsanews.co.uk/2025/07/08/sanctuary-secures-buyer-for-student-accommodation-portfolio/), [[2]](https://www.sanctuary.co.uk/news/sanctuary-publishes-annual-report-and-financial-statements-20242025), [[3]](https://www.housingtoday.co.uk/news/drop-in-valuation-of-student-properties-pushes-sanctuary-into-deficit/5136205.article)
* Paragraph 7 – [[3]](https://www.housingtoday.co.uk/news/drop-in-valuation-of-student-properties-pushes-sanctuary-into-deficit/5136205.article), [[6]](https://www.housingtoday.co.uk/news/sanctuary-increases-turnover-despite-35-drop-in-sales-income/5130443.article)
* Paragraph 8 – [[1]](https://pbsanews.co.uk/2025/07/08/sanctuary-secures-buyer-for-student-accommodation-portfolio/), [[2]](https://www.sanctuary.co.uk/news/sanctuary-publishes-annual-report-and-financial-statements-20242025), [[6]](https://www.housingtoday.co.uk/news/sanctuary-increases-turnover-despite-35-drop-in-sales-income/5130443.article)

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## Bibliography

1. <https://pbsanews.co.uk/2025/07/08/sanctuary-secures-buyer-for-student-accommodation-portfolio/> - Please view link - unable to able to access data
2. <https://www.sanctuary.co.uk/news/sanctuary-publishes-annual-report-and-financial-statements-20242025> - Sanctuary Housing Association has published its Annual Report and Financial Statements for the year ending 31 March 2025. The report highlights a group revenue of £1,179.3 million, marking an 8.7% increase from the previous year. The underlying operating surplus rose by £19.3 million to £226.0 million, with an underlying operating margin of 19.2%. Despite these gains, the association reported a deficit of £29.7 million, attributed mainly to revaluation movements and adjustments related to student properties held for sale, as well as the cessation of several defined benefit pension schemes. The report also details key performance indicators, including a 95% student occupancy rate and a 90% care occupancy rate. Additionally, the association's cash balance stood at £159.6 million, with undrawn facilities of £356.5 million, ensuring 23 months of financing against committed expenditure. The report underscores Sanctuary's commitment to reinvesting in its homes and maintaining financial resilience.
3. <https://www.housingtoday.co.uk/news/drop-in-valuation-of-student-properties-pushes-sanctuary-into-deficit/5136205.article> - Sanctuary Housing Association has reported a deficit of approximately £30 million for the 2024/25 financial year, primarily due to a decline in the valuation of its student accommodation properties. The association is actively exploring the sale of these assets to free up capital for reinvestment in its affordable housing stock. Despite the deficit, Sanctuary's turnover increased from £1.1 billion to £1.2 billion, with an underlying operating surplus rising from £215.2 million to £226 million. The report also highlights improvements in operational metrics, including a reduction in void losses and increased occupancy rates in both care and student housing sectors.
4. <https://www.estatesgazette.co.uk/news/sanctuary-seeks-buyer-for-400m-pbsa-portfolio/> - Sanctuary Housing Association is seeking a buyer for its £400 million portfolio of purpose-built student accommodation (PBSA) assets. The portfolio comprises 5,500 beds across 21 properties located in cities such as London, Brighton, Bradford, Dundee, Falmouth, Glasgow, Liverpool, Manchester, Ormskirk, Salford, and Preston. The sale is part of Sanctuary's strategy to raise capital for reinvestment in its housing business. Ernst & Young (EY) has been appointed to market the Sanctuary Students portfolio. The association aims to unlock and recycle capital to enhance its existing affordable homes.
5. <https://www.housingtoday.co.uk/news/sanctuary-looking-to-sell-21-student-accommodation-schemes/5132168.article> - Sanctuary Housing Association is considering the sale of 21 student accommodation schemes, encompassing over 5,600 beds across eight locations, including Manchester, Salford, London, Brighton, Bradford, Falmouth, Liverpool, Preston, and Ormskirk. This move is part of the association's objective to unlock and recycle capital for new investment in its existing affordable homes. The decision follows a £30 million deficit reported in the 2024/25 financial year, attributed mainly to revaluation movements and adjustments related to student properties held for sale. Sanctuary continues to explore options to divest its student accommodation assets to strengthen its financial position.
6. <https://www.housingtoday.co.uk/news/sanctuary-increases-turnover-despite-35-drop-in-sales-income/5130443.article> - Sanctuary Housing Association has reported an increase in annual turnover to over £1 billion, despite a 35% drop in sales income. The 125,000-home association achieved a turnover of £1.1 billion, up from £944 million the previous year. This growth was offset by a decline in sales income, with £59.8 million recouped from the sale of developed properties, down from £92.1 million the previous year. The association completed 336 homes in the year, below its target of 475, due to site delays and contractor issues. Despite these challenges, Sanctuary increased its investment in existing homes and reported a pre-tax surplus of £207 million, reflecting a £162.7 million gain from the acquisition of Johnnie Johnson Housing Trust.
7. <https://www.sanctuary.co.uk/news/sanctuary-publishes-annual-report-and-financial-statements-20232024> - Sanctuary Housing Association has published its Annual Report and Financial Statements for the year ending 31 March 2024. The report highlights a group revenue of £1,085.4 million, marking a 15% increase from the previous year. The underlying operating surplus rose by £12.3 million to £206.7 million, with an underlying operating margin of 19.0%. The association reported a surplus before tax of £207 million, reflecting a £162.7 million net gain on acquisitions related to Johnnie Johnson Housing Trust. The report also details key performance indicators, including a 93% student occupancy rate and an 88% care occupancy rate. Additionally, the association's cash balance stood at £144.3 million, with undrawn facilities of £467 million, ensuring 23 months of financing against committed expenditure. The report underscores Sanctuary's commitment to reinvesting in its homes and maintaining financial resilience.