

## Alternative Capital Markets

PROJECT: 51 UNIT EXTRA CARE SCHEME

CLIENT: SOMERSTON HEALTHCARE

IMAGE COURTESY OF: PRP ARCHITECTS



## ALTERNATIVE CAPITAL MARKETS

*Alternative Markets has been the second largest sector for the past two years, with over £13bn of activity, and is expected to continue to grow significantly over future years.*

Strutt & Parker's Alternative Capital Markets team works across the UK to provide advice on a range of alternative asset classes. We offer a comprehensive service to investors on various types of real estate outside the traditional investment sectors.



Richard Harris

HEAD OF ALTERNATIVE  
CAPITAL MARKETS

### *These include:*

Hotels

Healthcare

Retirement

Build to Rent/PRS – Residential

Student

Education/Nurseries

Data Centres

The team is based in our London head office, where we work closely with the wider commercial and residential teams. We are able to provide a joined-up service for clients who have interests in these expanding and emerging sectors.

### *Our property services include:*

Investment acquisitions and disposals

Raising capital via sale and leasebacks

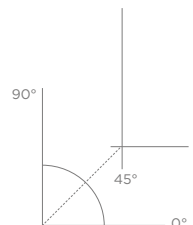
Site acquisitions and disposals

Sourcing funding for development and expansion extensions

Valuations – business and leased investment

Planning and development consultancy/feasibility studies

Going concern business sales



## HEALTHCARE SECTOR

*Our healthcare specialists have transacted in excess of £1bn in the healthcare real estate sector, and are one of the leading agencies in investments sales, acquisitions and development, with over 12 years' experience.*

*Healthcare covers a wide spectrum of areas and those we cover include:*

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Care Homes (Nursing, Residential, Dementia)

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Mental Health/Learning Disability Units

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Supported Living

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Private Acute Hospitals

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GP Surgeries

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Specialist (SEN) Schools

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*Key services include:*

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### ACQUISITION & DISPOSALS

- Sourcing investment opportunities on and off market
  - General going concern sales/acquisitions
  - Undertaking high value sales campaigns
  - Advising on pricing for sale and marketing strategy
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### DEVELOPMENT FUNDING/SITE ACQUISITIONS

Working with our residential and commercial departments to identify/originate sites for development throughout the UK.

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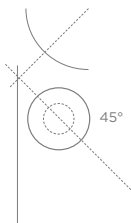
### VALUATION

- Desktop indication of value
  - Full RICS 'Red Book' valuation
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### PLANNING

Our UK coverage is delivered through our core team in London, which is supported by our UK network of 60 offices. Principal offices include Guildford, Sevenoaks, Oxford, Canterbury and Chelmsford.

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## *Bisley*

PROJECT: INVESTMENT SALE OF CARE HOME LET TO MMCG



## *Gerrards Cross*

PROJECT: INVESTMENT SALE OF CARE HOME LET TO MMCG



## *Canterbury*

PROJECT: INVESTMENT SALE OF CARE HOME LET TO MMCG



## RETIREMENT/LATER LIVING

*The retirement living market is evolving rapidly. With an ageing population and an acute shortage of high quality existing accommodation, the sector is being redefined. This in turn demands a more innovative approach to the delivery of retirement housing and care provision.*

At Strutt & Parker, our wide-ranging experience in this sector facilitates an understanding of both commercial realities and use expectations. We are working with leading operators, investors and developers across this market to help projects progress through the development process, to deliver commercially viable schemes and create successful buildings and places to live. We are at the forefront of research to establish how we can support the delivery of future retirement schemes to help address one of the most serious housing challenges facing our society.

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### *Key services include:*

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#### **SITE SOURCING/ACQUISITIONS**

We have witnessed a surge in interest from developers seeking sites for senior living/care, in many cases competing directly with residential. We collaborate with our regional offices to source opportunities for development.

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#### **INVESTMENT/DEVELOPMENT FUNDING**

We work with the UK institutional investors and many global real estate investment houses to introduce new sources of capital and development funding sources to this nascent sector.

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#### **PLANNING & CONSULTANCY**

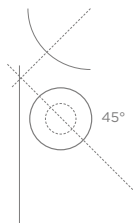
- Our planning teams, principally in London, Guildford, Sevenoaks, Chelmsford and Oxford, have a good understanding of retirement living development, particularly within larger, mixed use developments.
- Development options assessments and viability reports
- Bespoke development appraisals and financial modelling

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#### **VALUATION**

Whilst in its infancy, Strutt & Parker's residential valuation services, together with our specific knowledge of servicing capital markets, means we can provide valuation advice on retirement living/assisted living developments.

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*Aura Living Retirement, Cirencester*

PROJECT: OCTOPUS & AURA CARE LIVING RETIREMENT LIVING SCHEME



## BUILD TO RENT/PRS SECTOR

*Build to Rent (PRS) has grown from 10% to 19% of households since 2000 and now accounts for 4.9m households in the UK, making it the second largest housing tenure. PRS comprises 20% of the housing stock in the UK, and a quarter of households in London are now Build to Rent.*

PRS is now the fastest growing sector in the UK real estate market and is currently worth £1.29 trillion (55% uplift in the total value of its assets in just five years). As PRS has grown, the decline in both the social rented sector and owner occupation has been significant. Owner occupation reached a peak in 2002 at 69.2% of households – it is now 64.2%.

The proportion of renters aged between 24 and 35 years old has more than doubled. Build to Rent is now increasingly popular with young professionals, couples and families, and the flexibility of the sector is being recognised by a larger and more varied demographic of people.

There has been a long-standing view that Build to Rent developments result in smaller returns than Build for Sale developments. However, because of rising house prices and rising rents, this is increasingly not true. PRS investors benefit from high UK rents, as well as the value of their assets increasing steadily over time as house prices continue to rise steadily.

For this reason, traditional institutional investors and PropCos are increasingly attracted to PRS as a long-term investment vehicle as they search for non-volatile, high quality investments offering long-term returns. In the last year, institutions have invested more than £2.65 billion in UK PRS.

Strutt & Parker work across the UK for a range of clients. Our track record includes arranging development funding, disposal of PRS schemes, valuations, viability and development consultancy, residential lettings and residential property management.

### *Key services include:*

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Acquisitions and Disposals

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Site Identification

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Planning and Development Consultancy/Feasibility Studies

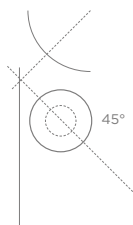
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Development Funding Solutions

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Valuation

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## HOTEL SERVICES

*Our hotel specialists have over 15 years' experience in the hotel sector, having transacted hotels from boutique London townhouse hotels and beach resorts, through to branded business and budget hotels.*

Our UK coverage is delivered through our core team in London, which is supported by our UK network of 60 offices. Our international reach is enabled via our exclusive affiliation with Christie's International Real Estate and Catella, a leading brokerage and financial advisor on European real estate.

The hotels team specialises in off market transactions, often acting for institutions and high net worth overseas investors, and prides itself on its client focused approach.

### *Key services include:*

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#### **ACQUISITIONS AND DISPOSALS**

- Targeted off-market trading hotel searches
- Sourcing investment opportunities – leased and management contracts
- General going concerns sales/acquisitions

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#### **HOTEL CONSULTANCY SERVICES**

- Business review of current operation
- Management contract/lease negotiation

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#### **INVESTMENT DEVELOPMENT SERVICES**

- Site identification and acquisition
- Development appraisal and funding advice
- Operator search and selection

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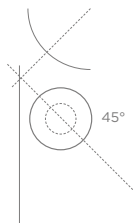
#### **PLANNING ADVICE**

- Specialist planning advisory services supporting change to C1 use (hotels)
- Advising on alternative use potential

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#### **VALUATION**

- Desktop indications of value
  - Full RICS 'Red Book' valuations
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*Townsend House*

PROJECT: ALTERNATIVE USE SALE



*Forsh House*

PROJECT: HOTEL SALE



## STUDENT ACCOMMODATION SERVICES

*Strutt & Parker works across the UK for a range of clients, including universities, investors, developers, lenders and land owners. Our track record includes arranging development funding, disposals and acquisitions of student accommodation property, valuation advice to student accommodation owners and development advice to universities.*

The PBSA (purpose-built student accommodation) market continues to grow as an investment class. Whilst most UK institutional investors now have exposure to this market, there has been a particularly strong interest from international investors as they seek to take advantage of a weak pound and higher than average residential buy-to-let returns. In spite of increased interest in the market there is still a shortage of stock, and student accommodation currently only accounts for 2% of the UK residential market.

### *Key services include:*

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#### **INVESTMENT ACQUISITION AND DISPOSALS**

- Sourcing investment opportunities on and off market
- Advising on pricing for sale and marketing strategy

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#### **VALUATIONS**

- Desktop indication of value
- Full RICS 'Red Book' valuations
- Purchase reports

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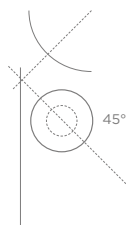
#### **PLANNING AND DEVELOPMENT CONSULTANCY/FEASIBILITY STUDIES**

- Our planning teams, principally in London, Guildford, Sevenoaks, Chelmsford and Oxford, have a good understanding of student accommodation development, particularly within larger, mixed use developments.
- Development options assessments and viability reports
- Bespoke development appraisals and financial modelling
- Identification of development funding and JVs

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#### **GOING CONCERN BUSINESS SALE**

- Identifying potential owner operators
  - Funding solutions
  - Financial/Business modelling
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## OTHER SERVICES

*We also cover the following:*

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NURSERIES

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SCHOOLS

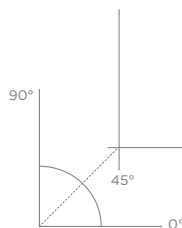
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HEALTH CLUBS/LEISURE

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DATA CENTRES

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## CONTACTS

### *Alternative Capital Markets Team*



*Richard Harris*

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#### HEAD OF ALTERNATIVE CAPITAL MARKETS

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*Alanna Peach*

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#### ASSOCIATE

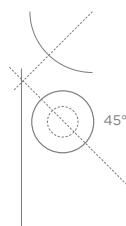
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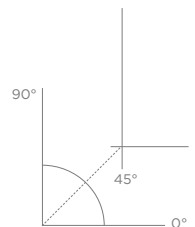
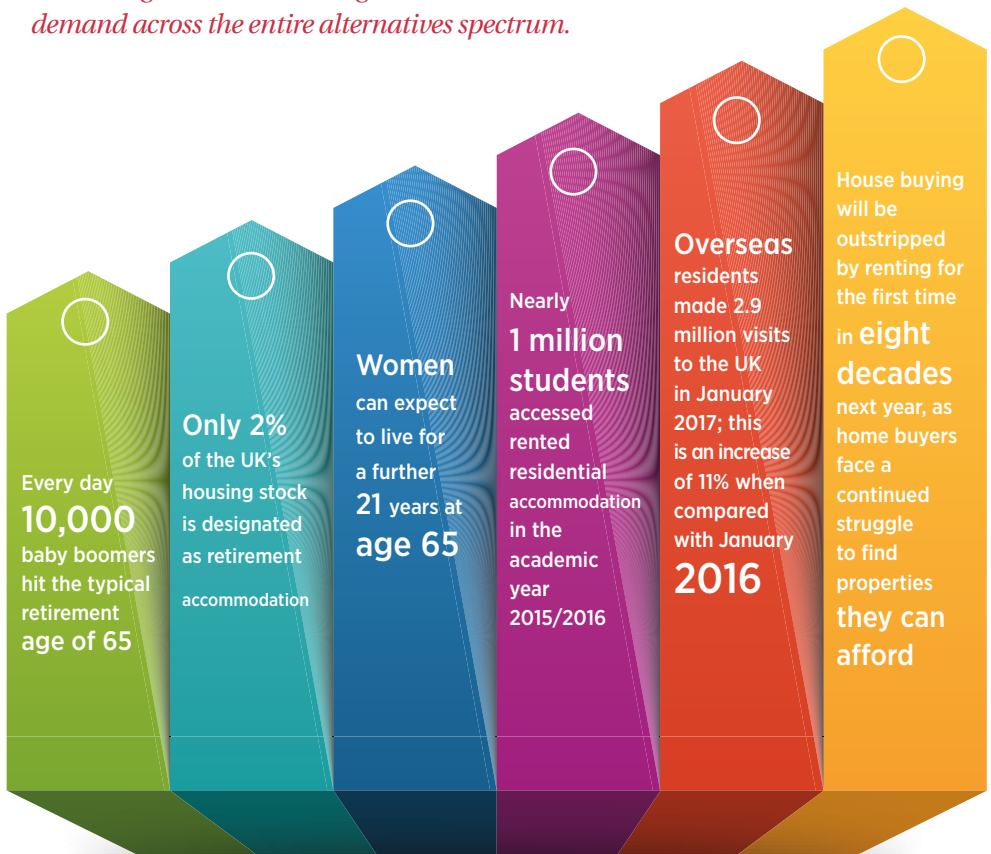
**E** alanna.peach@struttandparker.com

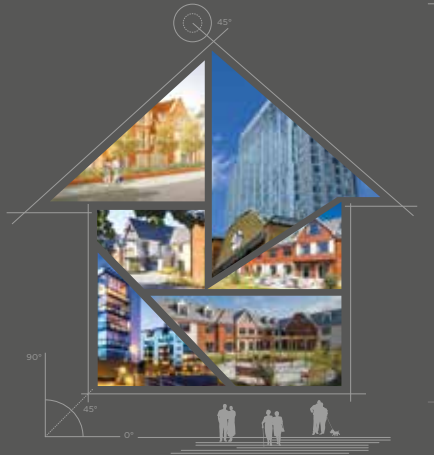
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## Alternative Capital Market Sectors

*Growth in all of the alternative sectors that we work in is being driven by demographic shifts across all generations, leading to increased demand across the entire alternatives spectrum.*





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## Alternative Capital Markets

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