

New member signals sector's rising status



Sylwia Ziemacka,
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SHHA

As we celebrate the 3rd anniversary of the SHHA, the interest in the real estate market for senior housing and healthcare real estate continues to grow significantly. This is reflected both in the pages of *Real Asset Insight*, as well as in the activity of SHHA members.

One of the aims of the SHHA is to reach out to different regions across Europe and so it is a pleasure to welcome Northern Horizon as a new SHHA member and it will be great to share knowledge and insights and build deeper relationships with the Nordic markets.

We are looking forward to welcoming Northern Horizon – and all SHHA members who are attending Mipim – to the Real Asset Media, CLUB CANNES 2023, giving you a home in Cannes on the

Boulevard de la Croisette, overlooking the sea and only two minutes from the Palais.

CLUB CANNES 2023 will also host an SHHA Networking Event on the afternoon of 16 March from

'SHHA will host its first Annual Conference this year, reflecting growth in interest in the sector.'

15.00-17.00. It is an opportunity to bring together both members and all those interested in senior housing & healthcare real estate from across the market. This will be followed by drinks, so please do invite friends and colleagues in the industry as all are welcome!

Reflecting the growth in interest in the sector more widely, the SHHA will host its first Annual Conference this year. More details will be available shortly, but it looks set to become a very important date for the industry as a whole.

Following on from a very active and successful year in 2022, it already looks like this year is going to be even more active and we look forward to supporting this important industry initiative in 2023!

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Impact buys care portfolio as UK market breaks records

Impact Healthcare REIT has acquired a UK portfolio of six care homes owned and operated by Morris Care.

The £56 million purchase price will partly be paid in cash and in part with an issue of Impact shares.

The portfolio comprises five homes in UK county Shropshire and one in Cheshire. They have a combined total of 438 beds.

The homes will continue to trade under the Morris Care brand for three years and the operational management team of Morris Care will transfer to Welford Healthcare, which

will manage the homes, on 35-year lease terms.

Knight Frank advised Morris Care on the sale.

"Despite an uncertain political and economic climate, this transaction is yet another endorsement for the robustness of UK healthcare real estate," said Julian Evans, head of healthcare at Knight Frank.

He said the firm is seeing record volumes of capital being deployed into UK healthcare and within the last six weeks alone Knight Frank has transacted about £500 million of healthcare assets.



AXA IM Alts makes Spanish healthcare debut in Zaragoza

AXA IM Alts has made its first investment into the Spanish healthcare market. The investment, on behalf of clients, comprises the development of a healthcare complex in Zaragoza.

The planned project will create a 12,600 sq m state-of-the-art health facility in Zaragoza, the capital of Spain's Aragon region. The asset will comprise 270 beds across a nursing home and mental health clinic, alongside a separate daycare centre.

Completion is set for Q4 2025 and has been prelet to elderly care home operator Grupo Mimara.

Grupo Lar has been retained as developer and will also support in sourcing suitable land for further opportunities, as well as preleasing approved schemes to leading operators and managing the completed developments.

"The healthcare asset class in Spain is highly fragmented with low volumes of institutional participation and acute undersupply. We see an opportunity for AXA IM Alts to leverage its track record in the sector to become a leading investor in this market," said Esther Escapa, head of transactions and development Iberia.

PGIM/Elevation JV sells Oxfordshire care home to European buyer

PGM Real Estate, real estate fund Elevation Development Partners and elderly care developer/operator Care Concern Group have jointly developed and sold a luxury care home in Oxfordshire, UK, to a European asset manager.

Valerian Court Care Home in Didcot, which comprises 70 bedrooms with en-suite wetrooms, opened in December 2022. The home provides 24-hour comprehensive care and has facilities which include a cinema, hairdresser and rooftop garden. The home is also fitted with electric vehicle charging points and cycle storage.

Elevation is a specialist investment manager in European healthcare real estate and has more than £1.2 billion of assets under management in the UK, France, Germany and Spain. These include care homes, rehabilitation clinics and specialist assets for learning disabilities and mental health.

PGIM Real Estate has partnered with Elevation to source and structure investments with developer/operators, and to provide ongoing asset and development management services. Elevation and PGIM have so far committed



Valerian Court Care Home in Didcot, Oxfordshire, has 70 bedrooms

to six new purpose-built care homes, in partnership with CCG.

Valerian Court is the first to be completed but others will follow over the coming year, according to a statement from the JV.

CCG will continue operating the asset in partnership with the new owner following the sale.

“During this challenging time, the importance of high-quality senior housing has never been more apparent,” said PGIM Real Estate head of UK transactions Charles Crowe. “Long-term demographic trends in the UK are strongly favourable, with increasing demand from a rapidly ageing population.”

Saarbrücken assisted living buy broadens spread for AIF fund

Alternative investment fund specialist AIF Capital Group has acquired an assisted living development in Saarbrücken, Germany, from the developer, IFA Gesellschaft für Immobilien.

The planned residential quarter, known as Am Anger, has been bought for the open healthcare fund AIF Fürsorge I, which now has nine assets. AIF stated that the acquisition will diversify the fund’s spread of locations and operators. IFA Gesellschaft für Immobilien specialises in commercial and healthcare real estate.

The property occupies a 4,400 sq m site and consists of three buildings with a total rental area of around 6,300 sq m. It will provide 84 apartments of 45 sq m to



170 sq m. Construction will be according to the KfW Efficiency House 40 standard. Completion is scheduled for 2023.

Daniel Wolf, managing director of AIF Management, said the acquisition will further diversify the company’s healthcare portfolio. “Demand for the assisted living segment is increasing. The living conditions of the older generation and the individual need for support are very heterogeneous. The various housing and care offers for seniors will therefore be further differentiated in the future.”

AIF Capital was legally advised on the transaction by Mayer Brown and on technical due diligence by CBRE. The price was not disclosed.

PHP buys Irish property manager and taps into development pipeline

Primary Health Properties, which invests in modern primary healthcare facilities in the UK and Ireland, has acquired Irish property management business Axis Technical Services.

Axis currently manages a portfolio of more than 30 properties, including most of the Irish portfolio of Primary Health Properties, which currently owns 20 assets in Ireland valued at €261 million.

Axis also provides fit-out, property and facilities management services to Ireland's national health service provider, the Health Service Executive, as well as other businesses located in Ireland.

As part of the deal, PHP has signed a development pipeline agreement with a company related to Axis Technical Services, providing access to further developments. This agreement, with Axis Health Care Assets, gives PHP the option to acquire Axis's development pipeline for the next five years.

Axis has developed five properties over the last five years, which have been acquired by PHP. It also has a strong pipeline of projects with an estimated gross development value of €50m.



Enniscorthy Primary Care Centre, acquired by PHP under its deal with Axis

Primary Health Properties' chief executive Harry Hyman said: "As PHP's portfolio in Ireland continues to grow, the acquisition of Axis Technical Services Limited gives the group a permanent presence in the country which we believe

is becoming more important as we seek out new investment, development and asset management opportunities and try to strengthen our relationship with the HSE as the leading provider of modern, primary care infrastructure in the country."

Care Property Invest eyes growth after raising €111m

Belgian listed healthcare property investor Care Property Invest has raised almost €111 million after a public offering of new shares and a private placement of scrips.

The fundraising will allow Care Property Invest to fund developments while maintaining a maximum debt ratio of 50%.

The €12 per new share issue price represented a 20% discount to the €16 closing price on 10 January 2023.

Investors subscribed to more than 5.9 million new shares, which represented 63.9% of those offered. The remainder were sold as scrips.

The net proceeds of the offering are

estimated to be more than €108 million.

The company expects to acquire a number of new healthcare properties in the countries where it operates, with €20 million allocated to property in the Netherlands and Belgium, about €15 million to Spain and €6 million to Ireland.

The company has recently acquired new assets in Ireland, including the Skibbreen Residential Care Centre (pictured) which Care Property Invest bought in January for €7.5 million.

The facility was bought in a fully operational state and will accommodate 51 residents. Care Property Invest will partner Brookhaven Healthcare, a local



healthcare operator, signing a new long-term, triple-net lease, for a minimum term of 25 years with the rent indexed annually.

SHHA

driving the senior housing and healthcare sector forward




There is real momentum behind the senior living and healthcare sectors, as ageing demographics is leading to growing demand and supply is limited. What used to be an alternative asset class has become mainstream and opportunities in Europe are impactful to residents, operators and investors.

JOIN US TO SHAPE THE VOICE OF THE INDUSTRY AND FOLLOW THE OPPORTUNITIES THAT ARE AHEAD!

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