

# Primary Care Investment

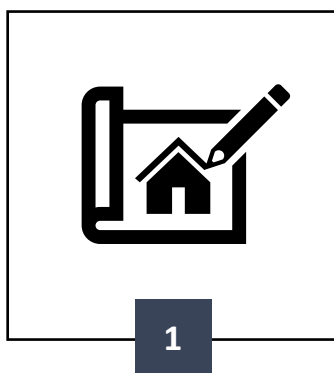
## Options, opportunities and the market

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Rob Hearle, Principal, Health

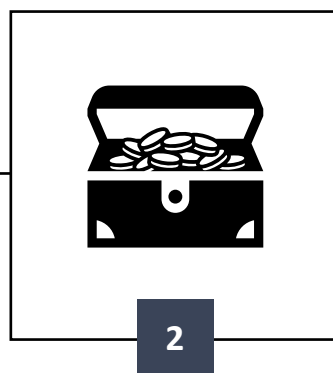


# Investment & funding options...



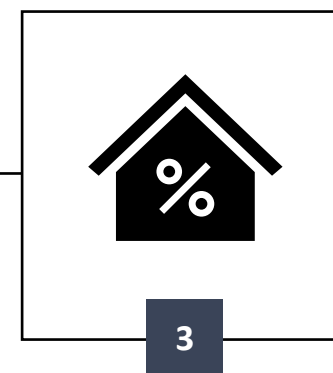
## Forward Fund

Create the investment, engage with the NHS stakeholder, set up the Agreement for Lease and seek funding via a Forward Fund



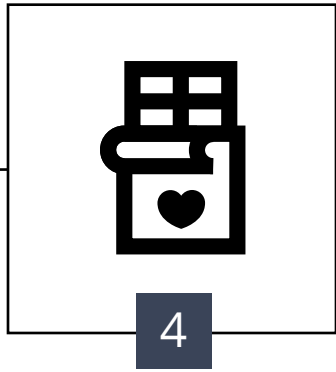
## Pre Purchase

Create and built but pre agree an investment sale to ensure returns and met and development risk covered. – Present Barracks



## Standing Investment

Create and build then consider the best strategy for disposal subject to market, competition etc. Allows options to benefit from strategic timings.



## Wrap Lease Funding

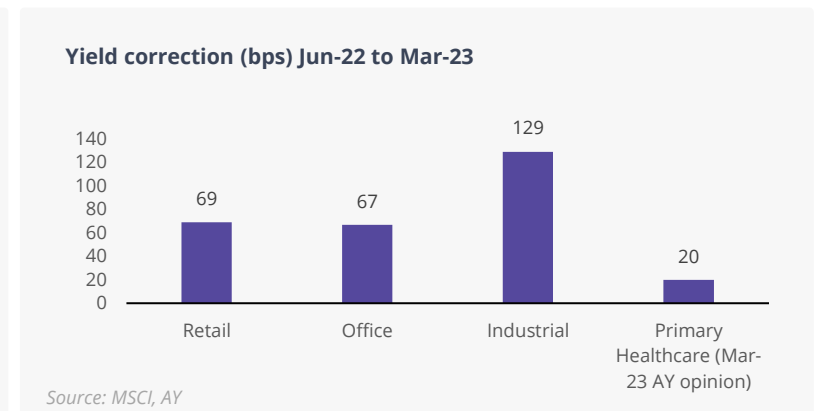
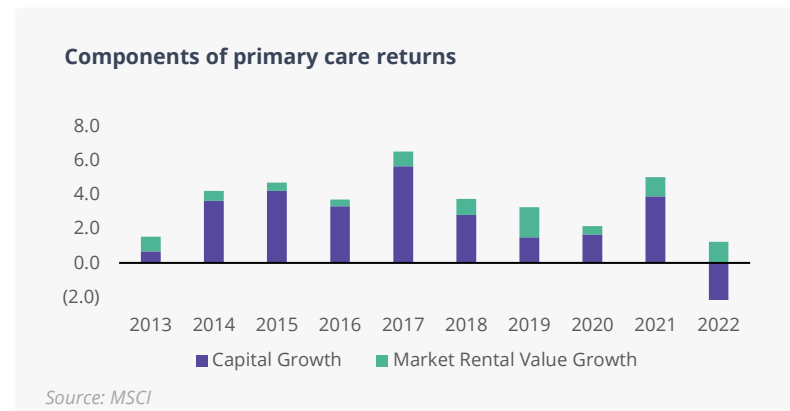
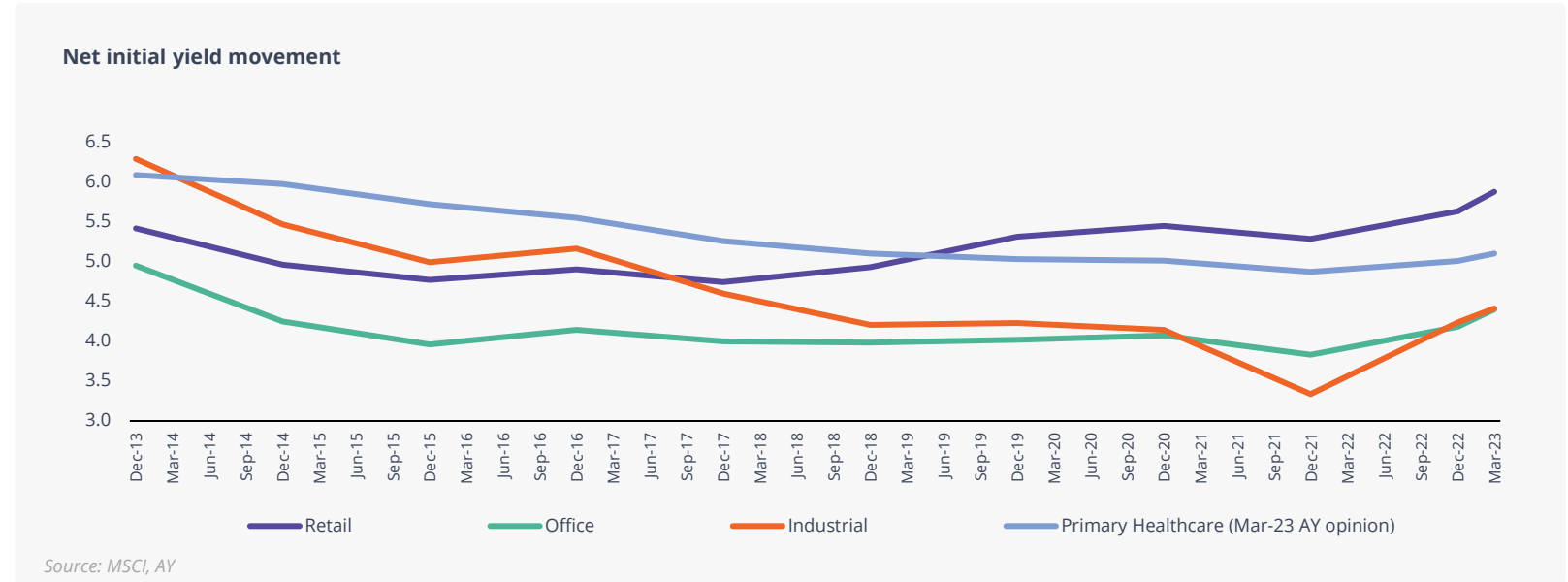
This structure utilises the credit strength of the NHS or a Public Sector to:

- Finance the development of new projects
- Finance capital infrastructure projects to satisfy regulatory and future proofing requirements
- Extract additional value over single or multiple assets
- Provide an alternative source of funding



# Investment into primary care has proven its resilience...

- The last ten years have seen a largely consistent trend of yield compression in the primary healthcare sector.
- This has enabled investors to deliver total returns that make participating in the sector appealing.
- Yields across real estate sectors have moved out over the last 12-18 months.
- Primary healthcare has seen a much smaller yield correction than other sectors.



# Who invests in primary care?



**513 properties**

£2.8 Billion

FTSE 250



**608 properties**

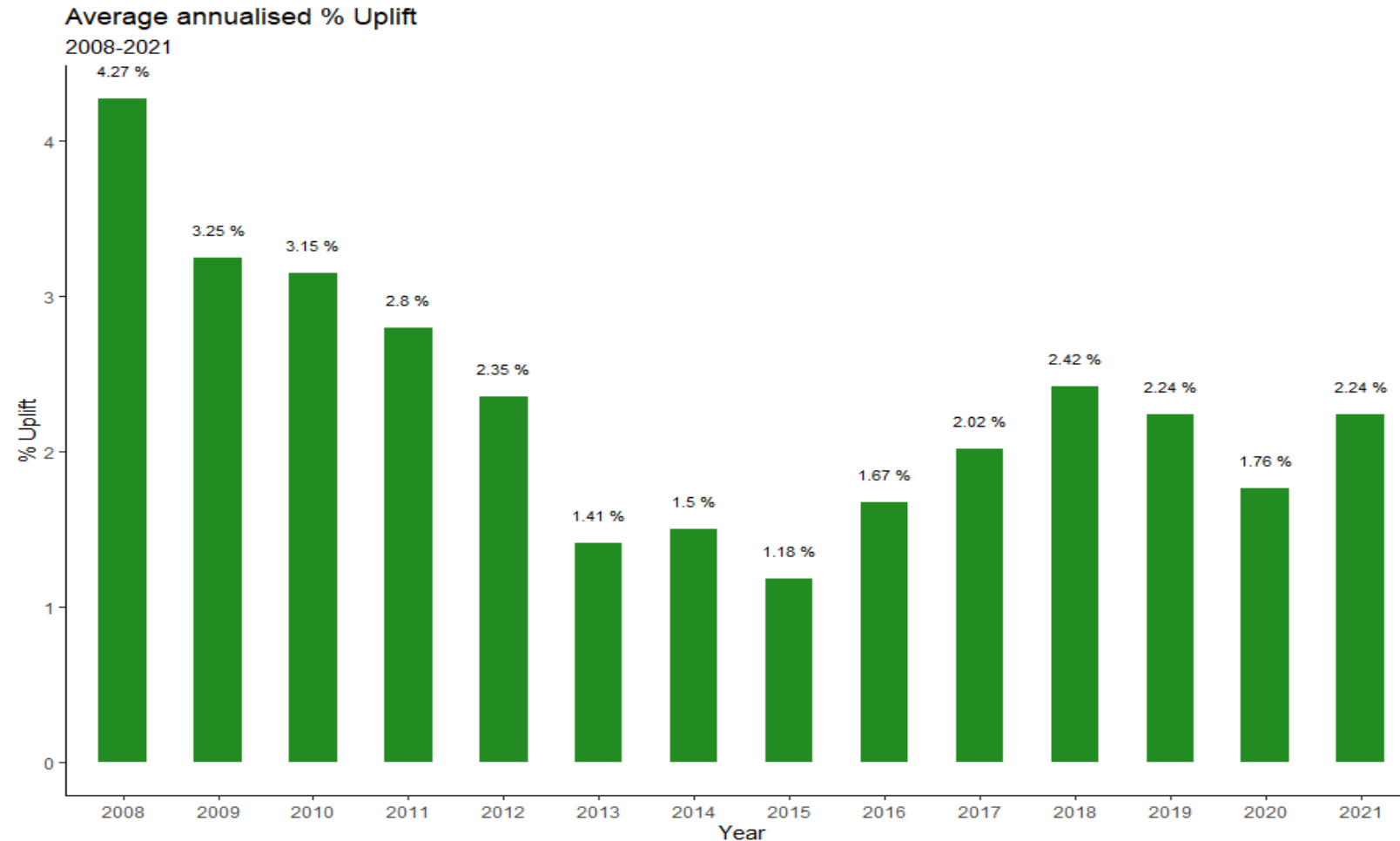
£2.7 Billion

FTSE 250



# What rental growth looks like?

- Open Market Rent
- 2008 data inception date
- >1,000 rent review transactions
- >£150m total rent analysed





# Where are we now...

- **Rising interest rates**
- **Net lending to UK CRE rises**
- **Politics is heating up**
- **Stock availability**
- **Huge demand / huge potential**

Preston Barracks Development, Brighton –  
Developed by U+I Ltd and Forward Funded by Assura Plc



Auckland Medical Centre, Bishop Auckland. Developed  
by Community Ventures and owned by BlackRock

