



Opportunity to acquire a super prime development site for a 60+ bed care home located in the affluent suburb of Cults, Aberdeen, AB15 9LQ

Inviting offers on a subject to planning basis. The site is available via a heritable (freehold) or leasehold purchase agreement.

SCAPE HOMES

CBRE

DISCLAIMER

IMPORTANT INFORMATION: CBRE LIMITED

SUBJECT TO CONTRACT

CBRE Limited on its behalf and for the Vendors of this Property whose Agents they are (and 'we' and 'our' shall include both of them), give notice that:

- Information herein has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the market.
- Neither the information, nor any opinion expressed herein constitutes a solicitation, or recommendation by us of the purchase, or sale of any securities, or any other financial instruments.
- Nothing in this document constitutes accounting, legal, regulatory, tax or other advice.
- We do not accept any responsibility for the consequences of any person placing reliance on the content of this information for any purpose. The information contained in this presentation, including any data, projections, and underlying assumptions are based upon certain assumptions, management forecasts, and analysis of information available as at the date of this presentation, and reflects prevailing conditions, and our views as of this date, all of which are accordingly subject to change at any time without notice, and we are not under any obligation to notify you of any of these changes.

March 2022

CONTENTS

01	Executive Summary	04		
02	Location	05		
03	Situation	06		
04	Proposed Development	07		
05	Local Care Market	08		
06	Planning	09		
07	The Sector	10		
08	The Process & CBRE Deal Team	11		

EXECUTIVE SUMMARY

60+BED CARE DEVELOPMENT LOCATED IN THE AFFLUENT & UNDERSUPPLIED SUBURB OF CULTS, ABERDEEN



Premium **60+bed**
(100% en-suite) **Elderly**
Care Home
Development

Heritable development
site available with **Full**
Vacant Possession

Affluent suburban
location in **Cults** with
attractive outlook over
Deeside Golf Course

Excellent **Accessibility**,
good **Road Frontage** &
nearby **Public Transport**

Pre-application
planning discussions
supportive of care
home use

Flexibility to alter
configuration if
required.

CBRE PULSE REVEALS:

Large Undersupply of
future proofed care
beds

Affluent Location with
strong average house
sale prices

High proportion of
elderly people with
3,635 people aged
over 85

Large staff pool of
Registered Nurses and
Care Assistants

LOCATION

LAND SOUTH OF NORTH DEESIDE ROAD, CULTS, ABERDEEN, AB15 9LQ

KEY INFORMATION

Address	Land South of North Deeside Road, Cults, Aberdeen, AB15 9LQ
Tenure	Heritable with Vacant Possession
Site Area (Approx)	1.483 acres (0.60 hectares)
Proposed Beds	Pre-application feedback supportive of care home use. 74-beds proposed with flexibility to alter plans to meet specific operator requirements.
Proposed En-Suite	100% en-suite wetroom facilities

**Affluent
Location &
Nearby
Amenities**

**Excellent
Site Accessibility
& Road
Connectivity**

**Nearby Public
Transport
Facilities**

LOCATION & SITUATION

Location & Situation:

- ▶ Located in Cults, an affluent suburb of Aberdeen, approximately 5.7 miles south west of Aberdeen City Centre and 36.7 miles south of Peterhead.
- ▶ Aberdeen benefits from excellent road connections via the A90 & A92.
- ▶ The proposed site is prominently located on North Deeside Road and a new access road will be created. The site benefits from excellent road frontage and attractive views over Deeside Golf Course to the south.
- ▶ Cults is well serviced by local bus routes and is 4 miles west of Aberdeen Train Station.
- ▶ The northern boundary of the site is bordered by a church and block of retirement apartments. The southern boundary comprises Deeside Golf Course. The western boundary comprise high quality detached houses whilst the eastern boundary comprises a mix of houses and low rise flats.
- ▶ The site currently comprises a number of residential houses and boarding kennels.

LOCATION



SITUATION



SITUATION

BENEFITS FROM EXCELLENT ACCESSIBILITY, GOOD ROAD FRONTAGE & NEARBY PUBLIC TRANSPORT FACILITIES



Existing Site Frontage to North Deeside Road



Nearby high quality residential property on North Deeside Road



Nearby flatted housing



Views of golf course to rear of the site



View of site from north side of North Deeside Road



View of the site looking east

DEVELOPMENT & DESIGN

DESIGNED WITH COVID-19 IN MIND AND TO HELP PREVENT THE SPREAD OF VIRUS

Proposed Amenities

include activity space, café, a cinema, dining area & several lounges

All resident rooms have en-suite **Wet Room** facilities

Landscaped Gardens with **External Terraces** on each floor level

26 Car Parking Spaces

& a new dedicated entrance from North Deeside Road

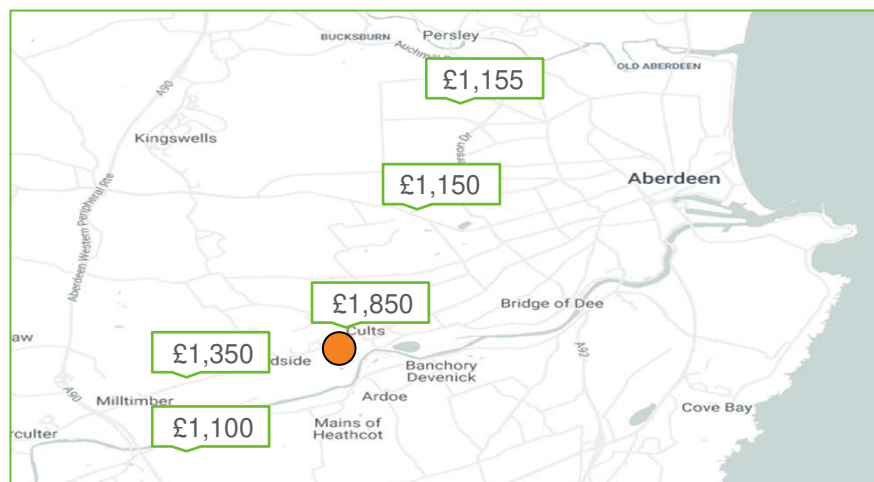


LOCAL CARE MARKET

Note: Catchment area defined as a 4-mile radius surrounding the Development and CBRE Pulse analysis only includes supply considered to be future proof.

AFFLUENT LOCATION WITH A SIGNIFICANT UNDERSUPPLY OF “FUTURE PROOF” ELDERLY CARE BEDS

REGIONAL FEE ANALYSIS



- Subject Property
- Nearby Premium Elderly Care Homes

Sources: Caredata, CBRE, CI and Experian

UNDER/OVER SUPPLY ANALYSIS

Age Group	Penetration	Current	2023	2028
Bed Requirement				
65-74	0.54%	71	75	79
75-84	3.30%	281	302	330
85+	13.60%	494	523	549
Total Requirement		847	899	958
Current Future Proof Supply				
Residential Beds		280	280	280
Nursing Beds		133	133	133
Total Supply		413	413	413
Proposed Beds				
New Care Homes		0	96	96
Other		0	0	0
Total Proposed		0	96	96
Undersupply		434	486	545

CBRE Pulse highlights:

- ▶ Undersupply of 434 beds when looking at care beds considered to be “future proof”, increasing to 486 and to 545 in 2023 and 2028 respectively.
- ▶ Further afield, our benchmarking system highlights that AWFs are very strong in the region. We are aware of several homes achieving high levels of private-pay residents and self funded fee levels in the region of £1,100 - £1,850.
- ▶ High proportion of elderly people (25,326 aged 65+) compared to the UK average.
- ▶ Strong affluence with most elderly people categorised under affluent mosaic groups including B06 Diamond Days.
- ▶ Wealth profile backed up by high house sale prices and excellent social grading stats (61% categorised AB or C1).

PLANNING

PRE-APPLICATION SUBMITTED & DISCUSSIONS IN PROGRESS

PLANNING STATUS

- A pre-application written response was received from Aberdeen City Council on 11 January 2021 which supports the principle of care home use on the site subject to complying with other criteria relating to amenity, design etc.
- Details of the written response will be made available to interested parties.
- The proposed building envelope could accommodate up to 74-beds over a three storey building but purchasers can adjust this to suit their requirements. There is flexibility to amend the proposed layouts to suit specific operator requirements.
- The development plan for the site comprises the:
 - Aberdeen Local Development Plan (LDP) (2017) and;
 - Aberdeen City & Shire Strategic Development Plan (SDP) (2020).
- The Aberdeen LDP identifies the relevant local policies and designations for the site, which is situated within the residential area (Policy H1).



Ground Floor Layout – Indicative Only



First Floor Layout – Indicative Only



Second Floor Layout – Indicative Only

THE SECTOR

THE 85+ AGE GROUP IS PROJECTED TO GROW BY 50% BETWEEN 2015 and 2025

THREE KEY DYNAMICS

The UK elderly care home sector is being affected by 3 structural market changes:



1

An acute increase in long term demand for care home beds, driven by an ageing population with increasing levels of care need, often with co-morbidities and usually a combination of physical and mental health care needs.



2

A steady, long-term decline in total bed capacity has reduced the market to a point of relative shortfall unable to meet current demand and poorly positioned to match forecast growth in demand, even before physical obsolescence is factored into the equation.



3

The relative age of the physical stock nationally means a market un-suited to the demands and expectations of the next generation of service users which is fuelling demand for self pay care home beds within homes designed to meet more than basic levels of care and service.

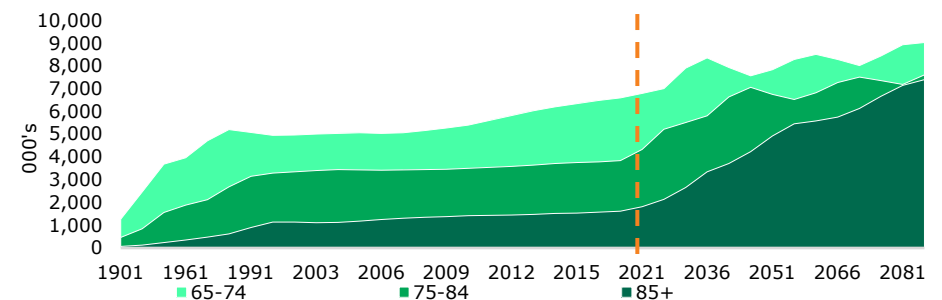
NEEDS-LED GROWTH IN DEMAND

The over 85 age group is projected to grow by approximately 50% from 1.56m in 2015 (2.3% of the total population) to 2.28m in 2026 (2.8% of the population) and by four times by 2081 (8.8% of the population).

An estimated 70% of independent sector beds currently cater for residents with dementia. The Alzheimer's Society estimated in mid-2015 that circa 850,000 people have diagnosable late onset dementia in the UK, set to rise to over one million by 2025 and two million by 2051. Of the current 850,000 afflicted by the disease, an estimated 195,000 are living in residential care settings. Assuming the same ratio would mean an additional 34,400 beds would be needed by 2025 to cater for the rise in dementia alone whilst a requirement closer to 200,000 new beds over the next 25 to 30 years is anticipated.

Delayed discharge from hospitals, largely due to a lack of care home accommodation, is a chronic issue across the UK but one which the independent care sector is increasingly seeking to address in conjunction with forward thinking NHS commissions. Additional new build premises are in short supply leading to high occupancy rates in a short space of time after opening.

HOSPITAL ADMISSIONS



*Source: LaingBuisson

THE SECTOR

THE CARE HOME MARKET IS CHARACTERISED BY TIRED AND OBSOLETE STOCK

SUPPLY DECREASING

Industry estimates, based upon registration data suggest a steady, long-term decline in total bed capacity over the last 20 years. Annual home closures, on a rolling 5-year basis, indicate that between 5,000 – 6,000 beds are removed each year, with approximately the same number of beds, but in fewer homes, being delivered.

The squeeze on capacity is forcing up industry occupancy rates and removing physically obsolete stock but the churn rate is less than 2.0% of total bed capacity. Removing, generally smaller, independently owned beds from the market is positive from a quality perspective but it usually also means removal of the lowest price point in a market which is beneficial to local competitors.

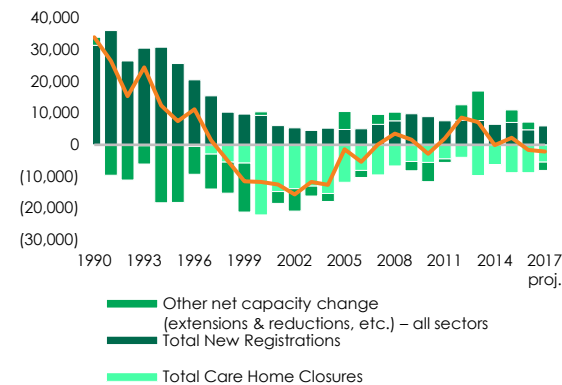
New purpose built care home developments have been an obvious outcome of the industry-wide under supply.

TIRED MARKET / PRODUCT DIFFERENTIATION

The UK's care home stock is increasingly obsolete. Only about 20% was built post-2000 and the average age of care homes is more than 20 years. CBRE estimate that approximately 50% of beds have improved single room/en-suite ratios via an upgrading of the physical fabric of existing home rather than being purpose built.

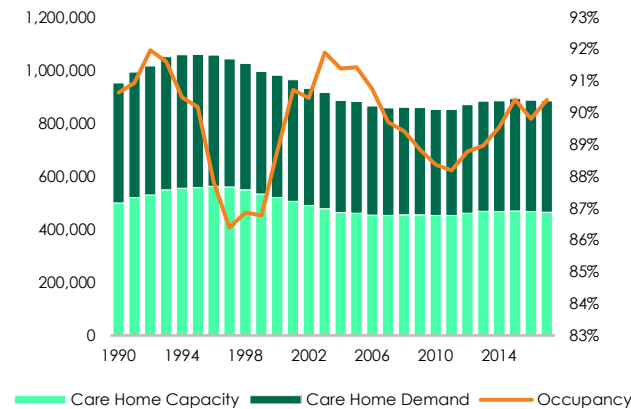
Physical obsolescence is set against a backdrop of increasing self pay residents with higher expectations in so far as physical environmental, service and care are concerned. There are marked differences nationally as to the ability of the market to meet this increasing self pay market.

CLOSURES/NEW REGISTRATION



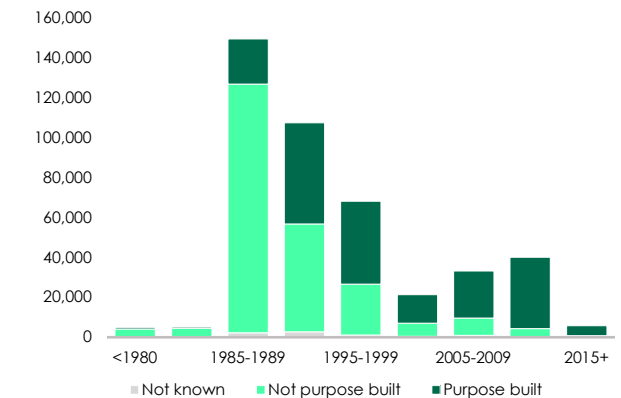
*Source: LaingBuisson

OCCUPANCY



*Source: LaingBuisson

CONSTRUCTION



*Source: LaingBuisson

THE PROCESS & CBRE DEAL TEAM

CBRE ARE INVITING OFFERS TO ACQUIRE THE HERITABLE OR LEASEHOLD INTEREST IN THE DEVELOPMENT

THE PROCESS

- CBRE are inviting offers for a 60+ bed development scheme on the following bases:
 - Leasehold offer on the basis of an institutional lease for a term of 30+ years, with annual RPI linked uplifts.
 - Heritable (Freehold) offer to acquire a turnkey care home.
 - Heritable (Freehold) offer to acquire the development site benefiting from planning consent for Class 8 use.
- The site is not VAT elected.
- Offers should be stated as Net Proceeds to the vendor inclusive of associated development and planning costs.
- All enquiries are to be addressed directly to the CBRE team.
- Please note that no visits are permitted unless arranged via CBRE.
- The owner, Scape Homes, is not obliged to accept the highest, or any offer.
- CBRE will confirm further process details in writing to interested parties.
- Further information, including floor plans, a market analysis report, planning information and technical surveys, will be made available to selected parties.

CBRE DEAL TEAM

All enquiries should be exclusively directed to:



Kathryn Bennett MRICS
OPRE – Healthcare IP

T: +44 (0)141 204 7745
M: +44 (0)7982 717 979
E: kathryn.bennett@cbre.com



Mark Wright MRICS
OPRE – Healthcare IP

T: +44 (0)20 3257 6007
M: +44 (0)7393 253 647
E: mark.wright@cbre.com



Amy Tyler MRICS
Aberdeen

T: +44 (0)1224 219 034
M: +44 (0)7481 825 461
E: amy.tyler@cbre.com

CBRE



CBRE