

Brussels, embargo until 26.07.2021, 07:30 AM CET

Cofinimmo enters British healthcare real estate

First steps in UK with acquisition of three recent nursing and care homes in East and South-East England

Cofinimmo (Euronext Brussels: COFB) states that it acquired three recent nursing and care homes in the United Kingdom for approximately 57 million GBP. The nursing and care homes are situated in East and South-East England and count approximately 200 beds in total.



Nursing and care home Lakeview Lodge – Milton Keynes

Jean-Pierre Hanin, CEO of Cofinimmo: *“With our entry into British healthcare real estate, we take an important step in the execution of our corporate strategy: to build and to consolidate our leadership position in European healthcare real estate. With the United Kingdom, we add a ninth country to our geographic presence, the third new country we entered this year.”*

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1. Status of the British nursing and care home sector

The UK has one of the largest care home landscapes in Europe, but the sector remains highly fragmented¹. 78% of care home beds are in properties not originally built with care use in mind or are more than 20 years old. Purpose-built homes that are less than 20 years old account for just 22% of all care home supply.

Population over 85 is set to increase by 27.5% to 2030, with an estimated 460,000 more people of this age in the decade. This is seven times the growth rate of the overall UK population and 16 times faster than the working age population.

Based on current rates of occupation, the rise in dementia, and the high levels of co-morbidity amongst older people, the UK would require a further 10,000 additional care home beds per annum to 2030 to keep up with demand. Not only is there a need for a higher quantity of care home beds, but quality issues of the current stock need to be addressed urgently.

The need for investment in the British nursing and care home sector is high. Cofinimmo's entry in Britain underscores its active participation in the expansion and renewal of the property portfolio dedicated to healthcare in Europe.

2. The sites

The portfolio consists of 3 very recent nursing and care homes of prime quality, in the East and South-East of England, all situated in a range of max. 100 km north of London. Together, they represent 196 beds and a total surface area of approximately 9,500 m². The sites are fully leased to Country Court Care Group Limited.



Ferrars Hall was purpose built in June 2016 to a high standard and comprises 66 bedrooms. It is arranged over three floors, offering residential and specialist dementia care. Located in the heart of the town of Huntingdon, near Cambridge, it is well-integrated in the local community.

Lakeview Lodge is a 66 bedroom purpose built care home constructed in March 2017 to a very high standard. Arranged over three floors, the home provides personalised, family-led care. Lakeview Lodge lies to the south of the city of Milton Keynes in a residential neighbourhood with schools, community facilities and shops. It overlooks a lake.

Oakview Lodge was purpose built in January 2018 to a high standard. It comprises a 64 bedroom nursing home integrated in a residential area. Arranged over three floors, the home provides nursing, residential and dementia care. It is located in Welwyn Garden City, approx. 35 km from central London.

All three buildings have a relatively low energy intensity. Two buildings are equipped with solar thermal systems, a third with a heat pump.

¹ Source : JLL (UK Care Homes: An opportunity to build communities and invest capital. Research 2020).

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They are well accessible with public transport with local bus routes and stations in the area. Every building is situated in a short distance of green spaces, parks, forests or natural reserves.

Name of the facility	Type of asset	Location	Year built	Surface area (approx.)	Number of beds
1. Ferrars Hall	Nursing and care home	Huntingdon (West Cambridgeshire)	2016	3,200 m ²	66
2. Lakeview Lodge	Nursing and care home	Milton Keynes (Buckinghamshire)	2017	3,200 m ²	66
3. Oakview Lodge	Nursing and care home	Welwyn Garden City (Hertfordshire)	2018	3,100 m ²	64
Total				9,500 m²	196

3. The transaction

The Cofinimmo group acquired, through subsidiaries, 3 healthcare sites in East and South-East England. The total investment amounts to approximately 57 million GBP. For each of the three sites a triple net¹ lease has been concluded for a fix term of 35 years. The rents will be indexed annually according to the British retail price index (RPI) and the gross rental yield will be in line with the current market conditions.

These investments are not included in the investment estimate for 2021, as published in section 11.1 of the press release dd. 28.04.2021.

4. The operator

Country Court Care Group Ltd. has been active since 30 years as a nursing and care home operator. Its sites are clustered between London and Nottingham. This well-established family operator offers approximately 1,750 beds in 35 properties. It has 2 additional nursing and care homes under construction with further expansion on the horizon.

¹ Insurances, taxes and maintenance are born by the tenant.

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About Cofinimmo:

Cofinimmo has been acquiring, developing and managing rental properties for over 35 years. The company has a portfolio spread across Belgium, France, the Netherlands, Germany, Spain, Finland, Ireland, Italy and the UK with a value of approximately 5 billion EUR. With attention to social developments, Cofinimmo has the mission of making high-quality care, living and working environments available to its partners-tenants, from which users benefit directly. *'Caring, Living and Working - Together in Real Estate'* is the expression of this mission. Thanks to its expertise, Cofinimmo has built up a healthcare real estate portfolio of approximately 3 billion EUR in Europe.

As an independent company that applies the highest standards of corporate governance and sustainability, Cofinimmo offers its tenants services and manages its portfolio through a team of over 140 employees in Brussels, Paris, Breda and Frankfurt.

Cofinimmo is listed on Euronext Brussels (BEL20) and benefits from the REIT system in Belgium (RREC), France (SIIC) and the Netherlands (FBI). Its activities are supervised by the Financial Services and Markets Authority (FSMA), the Belgian regulator.

On 30.06.2021, Cofinimmo's total market capitalisation stood at approximately 3.9 billion EUR. The company applies an investment policy aimed at offering a socially responsible, long-term, low-risk investment that generates a regular, predictable and growing dividend.



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