

The logo for care UK, featuring the word "care" in purple and "UK" in a smaller font to its right, with a stylized infinity symbol in blue and red to the right of "UK".The logo for Colliers, consisting of the word "Colliers" in white serif font on a dark blue rectangular background with a yellow and red horizontal stripe at the bottom.An orange rectangular box containing the text "Tor Na Dee & Craig Court" and "Aberdeen AB13 0HR" in white sans-serif font.

**Heritable Modern Care**

**Home with 18 years unexpired with annual RPI reviews capped at 4%**

# Investment Summary

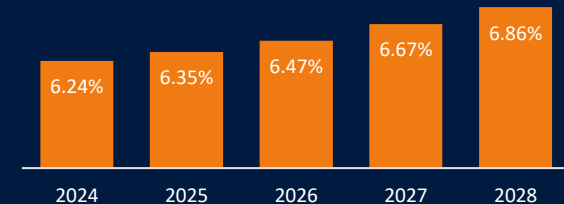
- Aberdeen is the **administrative centre for North East Scotland** and is at the centre of the UK's oil and gas industry often being renowned as the '**Oil Capital of Europe**'.
- Located in the **affluent suburb** of Milltimber 6 miles to the west of Aberdeen City Centre.
- Two modern, self-contained purpose-built care homes arranged over ground and one upper floor. Tor Na Dee consists of **74 wetroom beds** and Craig Court comprises of **14 wetroom beds and two self-contained apartments**.
- The property has a large site area of **2.53 acres**.
- There is a considerable demand within the catchment area with an **under supply of 630 wetroom beds**.
- The property is let on a full repairing and insuring lease to **Care UK Limited** expiring on the 30<sup>th</sup> October 2041 therefore providing approximately **18 years unexpired**.
- The lease is subject to **annual upwards only RPI linked rent reviews** with a collar and cap of 0% - 4%. The next rent review occurs on the 31<sup>st</sup> October 2023.
- As of 31st October 2023 the rent will be **£1,099,317 per annum reflecting £12,215 per bed**.
- Care UK Limited are one of the **largest care operators in the UK** supporting 8,000 plus families across 150 care homes.
- **Heritable**.



We are seeking offers in excess of  
**£17,155,000** (Seventeen Million One  
Hundred and Fifty-Five Thousand Pounds)

reflecting a **Net Initial Yield of 6.00%** subject to  
contract and exclusive of VAT assuming standard  
purchaser costs.

Based on Oxford Economics Forecast the running  
yield profile is predicted to be as follows:



# Location

Aberdeen is the administrative centre for North East Scotland and is located approximately 66 miles (106 kilometres) north east of Dundee, 105 miles (169 kilometres) south east of Inverness, 128 miles (206 kilometres) north east of Edinburgh and 145 miles (233 kilometres) north east of Glasgow.

The city has excellent road links being situated on the A90 trunk road which connects Aberdeen to the wider Scottish motorway network making Edinburgh and Glasgow reachable in under 2 hours.

The city also benefits from excellent train connections with fast and direct services to Edinburgh and Glasgow both taking just over 2 hours.

Aberdeen Airport is located 5 miles northwest of the city centre and provides frequent flights to over 100 destinations across the UK and Europe. The airport also incorporates the world's busiest heliport serving over 500,000 passengers per annum and more than 150 helicopters travelling to and from the remote oil and gas sites in the North Sea each day.

Aberdeen is at the centre of the UK's oil and gas industry and is often renowned for being the Oil Capital of Europe. The UK government has recently announced that over 100 new oil and gas licenses will be granted. Even when the UK reaches net zero by 2050 a quarter of all energy will still come from oil and gas, therefore highlighting the importance of domestic gas production which has approximately a quarter of the carbon footprint compared to imported gas.



	Drive Times	Rail Times
Dundee	1 hour 10 minutes	1 hour
Perth	1 hour 30 minutes	1 hour 20 minutes
Edinburgh	2 hours 20 minutes	2 hours 10 minutes
Inverness	2 hours 20 minutes	2 hours 10 minutes
Glasgow	2 hours 30 minutes	2 hours 30 minutes
Newcastle upon Tyne	4 hours 50 minutes	4 hours

# Situation

Tor Na Dee and Craig Court Care Home are located approximately 6 miles to the west of Aberdeen city centre on North Deeside Road which is the main arterial route connecting the city centre to the A90. The property is situated in the affluent suburbs of Milltimber which is predominantly a residential area and home to some of the wealthiest residents in Aberdeen. The property is adjacent to several new housing developments by Cala which are characterised by large, spacious low-density properties.

The care homes benefit from a bus station within a 5-minute walk of the property which provides frequent and direct services to Aberdeen City Centre and the surrounding suburbs. The care home also benefits from its own personal minibus service which is dedicated to the care home residents.



# Demographics

Aberdeen is the third most populous city in Scotland. Within a 7-mile radius of the property there is population of almost 250,000 people with an above average proportion, 21.8%, being within Social Group AB which consists of higher & intermediate managerial, administrative, and professional occupations. House prices in the postcode sector are significantly above the UK average at £425,474 compared to the UK average of £282,958.

Aberdeen has an aging population with the number of people aged over 65 being predicted to increase by 45% between 2014 and 2039. Based on the Carterwood data set there is a current under supply of 630 wetroom beds within the catchment area. There is a very large supply of 9,616 care assistants and a large supply of 2,705 registered nurses.

# Description

The property consists of two modern self-contained purpose-built care homes; Tor Na Dee and Craig Court, which were both constructed in 2008. Both buildings are arranged over ground and one upper floor.

Tor Na Dee is a high quality, modern care and nursing home consisting of 74 en-suite wet rooms. The tenant is carrying out rolling refurbishment works including repainting and replacing soft furnishings to ensure that the high standard is maintained.

Craig Court is a specialist care home consisting of 14 en-suite wet rooms and two self-contained apartments bringing the total offering to 16 units.

Tor Na Dee and Craig Court both benefit from secure landscaped gardens to the rear of the property. At the front of the property there is a substantial amount of car parking for both staff and visitors.



The home benefits from the following facilities:



Activities Room



Hair and Beauty Salon



Church Services



Lounge Area



Cinema Room



Minibus for Outings



Garden



Reminiscence room



Shop



# Tenancy

The entirety of the property is let to Care UK Limited on a full repairing and insuring lease commencing on the 27<sup>th</sup> March 2008. Under a Minute of Variation on the 31<sup>st</sup> October 2011 the lease now expires on the 30<sup>th</sup> October 2041 therefore providing approximately 18 years unexpired.

The lease is subject to annual upwards only RPI linked rent reviews with a collar and cap of 0% - 4%. The next rent review occurs on the 31<sup>st</sup> October 2023.

The current passing rent for the entirety of the property is £1,057,036 per annum reflecting £11,745 per bed. As of the 31<sup>st</sup> October 2023 the rent will rise to £1,099,317 per annum reflecting £12,215 per bed assuming that the rent will increase to the cap of 4%.



# Tenant Covenant



Care UK was established in 1982 and is one of the largest care home operators in the UK supporting 8,000 plus families across 150 care homes. The homes provide a wide range of high-quality care services from residential and nursing through to dementia and end of life care.

Care UK has had 57 new homes open since 2013 and has a strong development pipeline with another 13 homes due to be opened in the next 3 years, whilst also maintaining the high quality of care at the existing homes.

Care UK is recognised by the high standard of care provided having more outstanding regulatory ratings than any other operator (as rated by the Care Quality Commission in England and Care Inspectorate in Scotland). At this year's Care Home Awards, Care UK, was awarded more accolades than any other operator taking away eight in total. The business has also been selected as Care Provider of the year for the second year running.

Care UK continues to maintain some of the highest customer satisfaction and employee engagement scores in the sector and is constantly seen as a leading care home provider.

Care UK Limited (01668247) has a creditsafe rating of C (41).



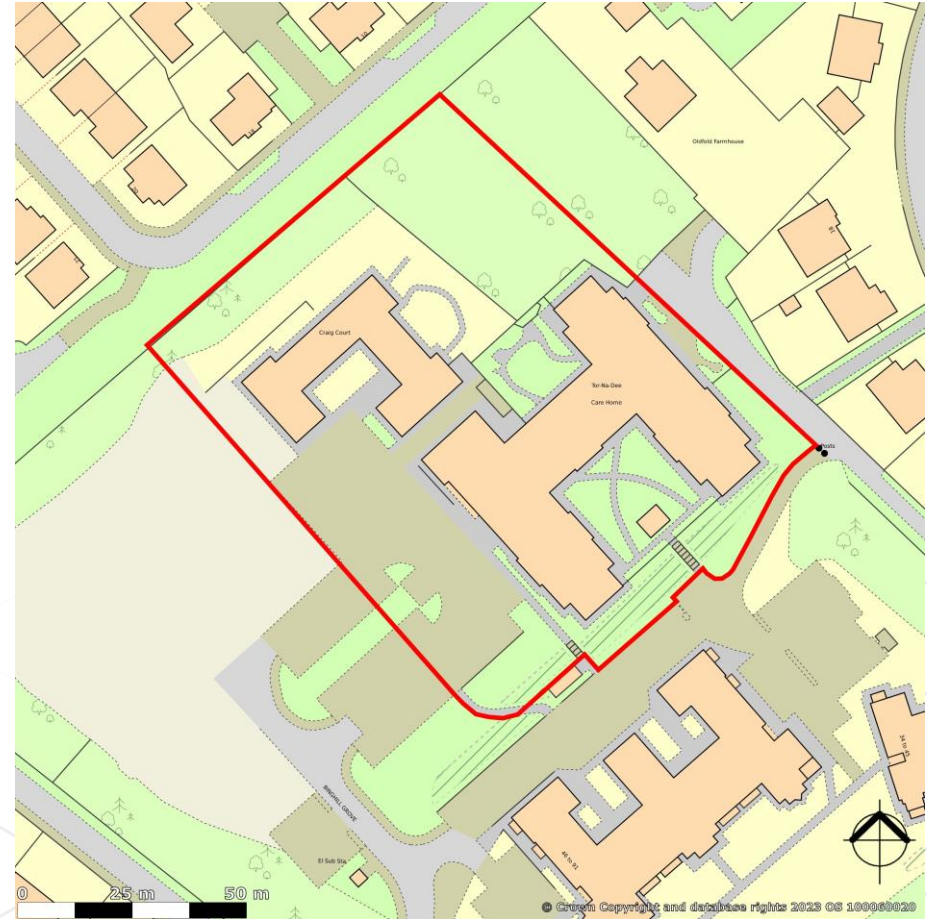


## Care Home Trade

Tor Na Dee has a *carehome.co.uk* review of 9.9 and was last inspected by the Care Inspectorate in July 2021. A recent Care UK Relative Satisfaction Survey scored the home highly (over 90%) in terms of staff performance and home comfort. In terms of current trade performance, Tor Na Dee is currently at full occupancy with an average weekly fee of approximately £1,400 per bed. We have annualised the 6 months to June 2023 trading figures which shows an EBITDAR of approximately £2.3 million providing a rent cover of 2.1x off the October 2023 rent.

Craig Court is currently vacant and our estimate of a standard Fair Maintainable Trade would potentially increase the EBITDAR by approximately £0.33 million, further improving the rent cover for the combined facilities. Care UK are currently reviewing their options for Craig Court.

Full trading accounts are available upon request subject to signing a non-disclosure agreement



## Site

The site extends to 2.55 acres (1.03 hectares)

## Tenure

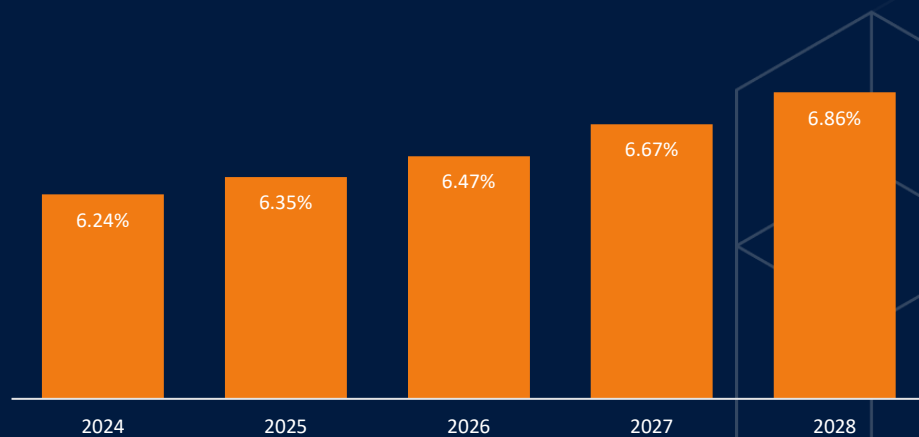
Heritable Interest (Scottish Equivalent of English Freehold)



# Proposal

We are seeking offers in excess of **£17,155,000 (Seventeen Million One Hundred and Fifty-Five Thousand Pounds)** reflecting a **Net Initial Yield of 6.00%** subject to contract and exclusive of VAT assuming standard purchaser costs.

Based on Oxford Economics Forecast the running yield profile is predicted to be as follows:



## VAT

The property is not VAT elected

## EPC

Tor Na Dee has an EPC rating of C (44).  
Craig Court has an EPC rating of C (39).

## Anti-Money Laundering

In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

## Contacts

For further information, please contact:

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