

## Specialist sector knowledge informs investment valuation for housing association

Carterwood was instructed by a housing association client to provide an investment valuation on a newly built care home for the elderly.

### Background:

- Experienced client with medium sized existing portfolio.
- Client looking to invest in sale and leaseback deal with a proposed 40 year lease.
- Prospective tenant was a mature operator.

### What we did:

- Carried out an investment valuation and assessment of Market Rent of the proposed care home subject to the proposed lease.
- Produced an assessment of the financial covenant strength of the proposed tenant.
- Undertook a detailed review of the existing and proposed competition.
- Assessed the prospective FMT (fair maintainable trade) and EBITDAR (earnings before interest, taxation, depreciation, amortization and rent).
- Gave an opinion on Fair Market Rent.

### Added Value:

- Provided specialist knowledge on the care home sector including undertaking a comprehensive review of the investment market.
- Highlighted key competitive threats within the local area.
- Sector experience informed our opinion of the Market Rent and Market Value on the special assumption that the home was to be held as an investment with a 40 year lease to the proposed tenant.
- Were able to work to a very tight client timescale.



For more information about Carterwood or to find out how we can help you, call Amanda or Ben on: **08458 690777**

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