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Healthcare Real Estate

Transition of The Huntercombe Group leasehold portfolio to new operator

Elevation Advisors LLP (“**Elevation**”) is pleased to announce that on 30 November 2020 it completed the consensual transition of a portfolio of 5 specialist healthcare facilities from The Huntercombe Group (“**THG**”), a division of Four Seasons Health Care group (“**FSHC**”), to CareTech Holdings Plc (“**CareTech**”). Elevation manages the relevant portfolio on behalf of its shareholders (“**Landlord**”).

The portfolio comprises real estate underlying a low secure mental health hospital, 2 further hospitals and 2 specialist care homes with an aggregate of 125 purpose built beds located in England.

During the course of 2020, Elevation transitioned the portfolio from THG to CareTech on new 35 year FRI leases with institutional terms and a corporate guarantee from CareTech Holdings Plc. CareTech is a leading provider of specialist social care and mental health services, supporting adults and children with a wide range of complex needs in more than 550 specialist services around the UK. Founded in 1993, CareTech trades on the AIM market of the London Stock Exchange and reported net assets of £364 million as of 30 September 2020.

The Landlord and CareTech have agreed to invest substantial capital across the estate to refresh the built environment for the benefit of both residents and staff. CareTech was selected amongst a pool of potential replacement operators based on their unparalleled track record in delivering exceptional care to the specialist market, the operational synergies across the continuum of care of CareTech’s platform and their proven expertise in seamlessly integrating new services.

Andrea Auteri, partner at Elevation said: “We are pleased to partner with CareTech as the new operator for this portfolio given their exceptional track record for quality of care. We thank CareTech, THG, FSHC, the regulatory stakeholders (including NHS England) and their respective staff for their efforts and partnership during the course of the transitioning, against the backdrop of turbulence and unprecedented uncertainty caused by the Coronavirus pandemic.”

Farouq Sheikh, CareTech’s Executive Chairman, commented: “We are delighted with the acquisition of these high-quality services from The Huntercombe Group, which is in line with our growth strategy and enhances our care pathway into specialist facilities for the treatment of complex learning disabilities, autism and mental health. I would like to welcome our new colleagues to CareTech and thank them for their efforts during the transition.”

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