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Innovative new debt financing for the UK senior living market

Elevation Advisors LLP (“**Elevation**”), the leading UK based healthcare real estate investment manager, has launched a new strategy with funding provided by StepStone Real Estate (“**SRE**”) to provide flexible debt financing solutions to senior living developers and operators across the UK. SRE is part of StepStone Group Inc. (Nasdaq: STEP), a global private markets firm that oversaw approximately US\$465 billion of private capital allocations as of 30 June 2021.

Elevation will look to provide whole loans, sized in excess of £20m, to developers and operators with strong track records in the UK senior living space to fund developments and/or acquisitions. The strategy aims to offer flexibility and increased choice to best-in-class borrowers.

The strategy has been seeded with a loan extended to Oakland Care (“**Oakland**”), a leading elderly care developer and operator, who is backed by leading private equity growth investor Synova. Oakland currently operates six luxury care homes with 434 beds across London and the South East, with a further three care homes under construction and more land sites in the pipeline. Oakland has an ambitious ESG strategy for the next five years, having already achieved Greenmark accreditation and more recently announcing it had become the first UK care group to achieve carbon neutral status across its entire portfolio following certification by the Carbon Neutral Trust. The loan commitment offers an integrated financing solution spanning the construction and lease up phase of each development allowing Oakland to significantly increase the number and rate of new elderly care communities it develops and operates in the South East of England.

Elevation continues to pursue further transactions with a growing exclusive pipeline of future potential investments.

Andrea Auteri, Managing Partner at Elevation said: “Elevation is thrilled to be able to bring to the UK senior living market a compelling debt offering. The strategy will be the third pillar of growth for Elevation and work complementarily alongside our triple net lease and joint venture platforms. We are excited to grow our relationship with SRE. We have been impressed by Oakland’s success story and are delighted to have the opportunity to partner with its experienced management team and shareholders to accelerate the growth of their business.”

Josh Cleveland, partner and head of EMEA for SRE, added: “We are delighted to expand our relationship with Elevation with this investment. This investment allows us to increase our exposure to a compelling sector driven by demographic trends that has shown to be resilient to various market cycles. We have seen the importance of investing alongside experienced managers in specialized real estate sectors like healthcare and senior living and look forward to benefitting from Elevation’s leading expertise and track record in the space.”

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