

MARKETING REPORT FOR HOLLYROOD HOUSE, ARDINGLY ROAD, LINDFIELD, HAYWARDS HEATH RH16 2QY

February 2021 – June 2024

Introduction

This report is written to outline and summarise the marketing of Hollyrood House from February 2021 to June 2024. We understand that it will form part of a planning application by St Marks Properties to change the current use as care home (C2) to residential housing (C3). The report confirms that despite two extensive marketing campaigns no demand for a continuation of the existing care use was identified.

Gerald Eve

Gerald Eve have extensive experience of marketing a broad range of care home properties and a team dedicated to advising clients in the healthcare sector. We were instructed by the owners of the above property to market and advise on the disposal of the freehold interest in the property, initially as a going concern care business and latterly with vacant possession.

Gerald Eve is a firm of chartered surveyors and property consultants based in the UK, operating from nine offices. As a Newmark company, we offer extensive reach through a global platform.

Our advice covers planning and development, business rates appeals and payments, valuation, investment agency, lease consultancy, residential leasehold reform, property finance, fund management, corporate property management, building consultancy, compensation and compulsory purchase, corporate recovery & transactions, property & asset management and capital markets.

Gerald Eve is structured around sector groups meaning that clients have access to professionals with a true depth of knowledge, insight and day-to-day understanding of individual property markets. This includes offices, leisure, education, retail, industrial as well as charity owned property.

Location

The premises are located in a rural AONB on the outskirts of Lindfield, an attractive and affluent village adjacent to Haywards Heath in West Sussex. The situation is rural but is within a mile of the independent shops and cafés which characterise Lindfield's historic High Street.

Further to the west, Haywards Heath is within commutable distance of London and other settlements such as Horsham, Crawley and Brighton. Public transport connections are reasonable with the property being within 2.2 miles of Haywards Heath Railway Station, which is served by the Southern and Thameslink railway lines providing direct services into Central London. Road links are good with access onto the A272, approximately 2.4 miles to the south.

Description

Hollyrood House, the main building, dates from approximately 1930 and was extended during the 1960s. It is a part two-storey, part three-storey building of brick construction under a pitched, tiled roof. When operational the building comprised 19 residents' bedrooms and a one-bedroom staff flat. It was subdivided into three 'houses' for the residents, each having its own kitchen, dining room and living rooms and the arrangement remains unchanged. Oakwood is a two-storey modern building

dating from circa 2000. It is of brick construction under a pitched, tiled roof and comprises four bedrooms, a kitchen, several day rooms, a sensory therapy room and a workshop.

The Day Service Centre is a single storey brick building formerly used as a communal hobby room. To the rear of the building is a studio flat with a bedroom/living room with a kitchenette and shower room. The cottage is a two-storey, three-bedroom brick built house dating from approximately 1930.

Generally the accommodation is institutional in character, outdated when compared with modern specialised care facilities in community settings and the location is not well suited or care use, including in respect of attracting care staff.

There are two main parking areas with approximately 30 parking spaces in total. Vehicular access is available at both ends of the site. To the south of the site are tree-lined gardens with attractive views of the surrounding countryside.

Marketing of Hollyrood House

Our client, Brainkind (formerly The Disabilities Trust) own the freehold interest in Hollyrood House and previously operated the care home themselves. The service was challenging for Brainkind to operate and it became non-core when they sought to refocus on the provision of care services for people with a brain injury. The service therefore became surplus to their requirements albeit they ideally wanted to see the service continue under another care provider's ownership. Accordingly, Gerald Eve were instructed to market the property to care providers for continued use as a going concern.

Marketing commenced on 5 February 2021 under a non-disclosure agreement (NDA) with a "teaser" email sent to approximately 80 parties consisting of care home operators and investors as well as healthcare agents.

A total of 14 parties (all of whom were care operators) signed and returned NDA's and were sent full details of the property and business and were given access to the data room. Following more detailed conversations with parties no operators were interested in bidding on the property as a going concern.

Further detail of the marketing can be seen on the first tab of the attached Marketing Summary Schedule.

Following the unsuccessful marketing campaign for a sale as a going concern the difficult decision was made for the home to close.

Following the managed rundown and closure of the service, Gerald Eve were reappointed in June 2023 to sell the freehold interest of the property with vacant possession. Particulars were prepared and the property launched to the market in September 2023 on a joint agency basis with Mansell McTaggart. As part of the marketing, details were sent to over 800 parties from our internal database, including over 450 of our contacts in the care sector.

Alongside Mansell McTaggart, we undertook various viewing days and eventually called for bids in December 2023. We received 10 bids for the purchase of the property but we cannot disclose commercially sensitive details relating to specific bid levels. However, we can confirm that all bids came from residential developers. There were no bids made for continued care use. Following a second round of bids, St Marks Properties were selected by Brainkind as the preferred party.

During the marketing we sought feedback in particular from care providers and operators and were provided with the feedback outlined below. Fuller information on the parties targeted during marketing can be seen in the second tab of the attached Marketing Summary Schedule.

Sector	Feedback
Care	Too rural for care home
Care	Too rural. Site inflexible and not suited to adaption.

Retirement Living	Too rural
Special Educational Needs	Too rural
Retirement Living	Site too small
Care	Too rural and wrong local market demographics
Care	Not a target location and deemed local market oversupplied
Care	Too close to their existing Care Home Site
Retirement Living	Too rural

Conclusion

The building is in an average state of repair and does not meet the minimum modern requirements for care provision, meaning that the buildings need a significant overhaul to bring them back to modern standards. This requires a substantial capital investment meaning that care operators would struggle to generate adequate returns from the site. Furthermore, modern care homes are typically situated within close proximity to town centres and local facilities whereas Hollyrood is in a rural location. The unsuitable location was consistently raised as an issue of concern by care operators during marketing.

The property has been actively marketed since February 2021, originally as a going concern and later with vacant possession. It has been the subject of various mailouts and combined with Mansell McTaggart's contacts we expect has been sent to in the region of 1,000 parties. We are confident that the 'far and wide' marketing approach, has ensured full coverage of the potential market for the property, including those parties who may have been interested in continuing a care use on the site.

8th June 2024

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CLIENT	The Disabilities Trust (Brainkind)	DATE INSTRUCTED	Feb-21
ADDRESS	Hollyrood House, Ardingly Road, Lindfield, Haywards Heath RH16 2QY	REPORT DATE	07-Jun-24

Marketing Launch Date 05/02/2021
Guide Price No guide quoted

Contact	Enquiry Date	Offer	NDA Signed	Intended Use	Feedback
Care Home Investor	05/02/2021	n/a	Yes	Continued Care	- Whilst they liked the home it is larger than those they would typically target for this type of care (i.e. preference for 5-7 beds) - The cohesiveness of the different units would cause a more difficult conversion to smaller separate service units
Learning Disability Operator	05/02/2021	n/a	Yes	Continued Care	
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	Too rural
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	Rural location and large
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	"The home is too large and unsustainable for our model . The commissioners and regulators dont support these size of services"
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	Confirmed no interest but no details provided
Care Home Developer	05/02/2021	n/a	Yes	Continued Care	Wanted to take home essentially on a swap basis providing a new purpose built home in a nearby town. DT confirmed this was not a structure they wanted to look at.
Specialist Care Operator	05/02/2021	n/a	Yes	Continued Care	Interest Subject to a viewing. Did not bid.
Supported Living Developer	05/02/2021	n/a	Yes	Continued Care	Confirmed no interest but no details provided
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	"The resident group is very different to the type of resident we look after and therefore, it wouldn't fit into our strategic plans"
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	Interested if offered with Vacant Possession.
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	No interest
Supported Living Developer	05/02/2021	n/a	Yes	Continued Care	No interest. Not type of service for them
Care Home Operator	05/02/2021	n/a	Yes	Continued Care	Confirmed no interest but no details provided
Healthcare Investor	05/02/2021	n/a	Yes	Continued Care	Interested and viewed. Proposal was look to buy the properties for an initial fee which is nominal, they would then enter into an options agreement where they would purchase the properties over a period of 2 years (at around Vacant Possession Value). DT stated they would want min £3m for this arrangement which purchaser was not willing to do
Care Home Operator	05/02/2021	n/a	No	Continued Care	n/a - in effect this and others below were operators to whom a 'teaser' was sent inviting them to express interest in completing a non-disclosure agreement and receiving the confidential sales pack. No interest was expressed