

Former Woodlands Hotel, Coupals Road, Haverhill CB9 7UW

Development Consultancy Report

February 2023

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1.

Instruction

Instruction

Purpose

Knight Frank has been instructed to conduct a Development Consultancy Report on behalf of Country Court Care Homes 5 Limited to assess the required care home size of the subject scheme. This report comprises an analysis that compares a number of trading performance indicators in the UK against *local area* levels, by care home size band. As part of this analysis, we have also reviewed all modern purpose-built care homes developed since 2016 and conducted a review of any future schemes in the local area.

Knight Frank Trading Performance Survey

All data for the purposes of this report has been sourced from Knight Frank's Care Home Trading Performance Survey for the financial year 2021-22.

Supported by data provided to Knight Frank by care home operators within the UK, this survey provides industry-leading benchmarks on occupancy rates, average weekly fees, costs such as staff and agency outlays, and profitability. Knight Frank aggregates the data provided and produces benchmarks on key performance indicators at national, regional and county levels. The dataset includes mature trading homes only and excludes any new homes that were introduced to the index within the 2021-22 financial year.

Key Performance Indicators

This report compares the following key performance indicators. All figures are per annum:

- Occupancy rates (%)
- Average Weekly Fees (£)
- Total Income per occupied bed (£)
- Total staff costs as a percentage of income (%)
- Total staff costs per occupied bed (£)
- Total food costs per occupied bed (£)

- Total property costs per (registered) bed (£)
- EBITDARM as a percentage of income (%)
- EBIDARM per occupied bed (£)

Local Area Sample

For the purpose of this report and to ensure a robust sample, *local area* refers to combined averages for the counties of Suffolk, Essex and Cambridgeshire. We have termed this "*Eastern Counties*" within the report. Data from sampled care homes will be anonymised to comply with data protection.

Modern Purpose-Built Developments

We have carried out a review of all the modern purpose-built elderly care homes that have opened in the UK since 2016, as well as a separate review of the relevant county. This exercise highlights the percentage of homes that fall within their respective bed bands.

Future Supply

The future supply was researched on 01/03/23 via local planning authority websites. Any planning applications submitted after this date have not been researched.

T.1 Instruction Summary

Client	Country Court Care Homes 5 Limited
Site Address	Former Woodlands Hotel, Coupals Road, Haverhill CB9 7UW
Purpose of advice	Development Consultancy Report
Date of engagement	12/01/2023
Prepared by	Joe Brame BA (Hons)
Reviewed by	Mandip Bhogal BSc (Hons)

2.

Proposed Scheme & Location

Proposed Scheme

2.1 Proposed Site and Situation

The proposed site is located at the former Woodlands Hotel, Coupals Road, Haverhill CB9 7UW. This site is adjacent to Haverhill Golf Club in the village of Sturmer which sits on the eastern outskirts of Haverhill.

Haverhill is a market town in the western most point of the county of Suffolk. The town sits on the border of Essex (to the south) and Cambridgeshire (to the west). The closest major city to Haverhill is Cambridge, situated 18 miles north west of the town via the A1307.

We are advised that Country Court Care Homes 5 Limited are at the pre-application stage with the intention to construct a modern purpose-built care home development on the 1.69 acre site outlined in Figure 1.

A 64 bed care home scheme is being proposed by Country Court Care Homes 5 Limited on the subject site. The scheme benefits from being in a quiet leafy setting with roadside access and in close proximity to the town of Haverhill.

This report will address the proposed size of this scheme from an operational perspective.

Figure 1

Source: WGP Architects



Trading Performance by Bed Size



3.

Trading Performance by bed Band Size

3.1 Executive Summary

United Kingdom

When analysing elderly care homes within the United Kingdom, it is apparent that the lowest performing bed band is the 1-39 category as six out of the nine key performance indicators in T.2 were low performing when compared with the other bed bands. This implies that smaller care home schemes are less efficient to operate when compared with the larger care homes, particularly from a cost perspective.

60-79 bed schemes present the most robust trading performance, with four out of the nine key performance indicators ranking at the top. The research indicates this band enjoys the highest EBITDARM as a percentage of income which comes as a result of this band being able to generate more income per occupied bed. Staff costs as a percentage of income are not as high as the largest homes, but equally much lower than smaller bed bands.

As shown in T.2, the largest care homes experience lower costs across staffing, food and property (including utilities, maintenance/repairs and insurance). The larger sized care homes enable economies of scale to be achieved and to remain sustainable. From an operational perspective, this supports the development of larger care home schemes.

Eastern Counties

As shown in T.3, our trading data indicates a relatively similar picture for eastern counties of Suffolk, Essex and Cambridgeshire. Once again, the 1-39 bed band is the lowest performing category with the highest costs across the board and the lowest profit margins.

The 100+ bed band would appear to be the strongest category, with the lowest staff costs and non-staff costs resulting in sustainable profit margins. It is worth noting that occupancy of 87.1% is much higher

in this size band in the Eastern counties when compared directly to the 82.4% for this size band in the UK. There are a number of well-occupied large nursing facilities in this locality.

The 60-79 bed band is a strong performing category in the Eastern counties, albeit not the top. Occupancy is higher than the smaller bed bands, while average weekly fees, income levels and EBITDARM per occupied bed are the highest of all the bed bands.

When comparing the 60-79 bed band to the 40-59 bed band, the larger schemes performed stronger on six out of the nine KPI's. The 60-79 bed band averaged higher occupancy, superior average weekly fees, greater income levels, lower staff costs (as a percentage of income), lower property costs and greater EBITDARM per occupied bed. This outperformance highlights the strength of schemes sitting within the 60-79 bed band where efficiencies are gained and economies of scale achieved.

Trading Performance by Bed Size

3.2 All Care Homes

United Kingdom (Average)

T.2 Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	85.0%	991	50,470	68.3%	34,455	1,738	3,689	20.0%	10,069
40-59 beds	84.8%	928	49,186	62.5%	30,755	1,700	2,955	23.9%	11,745
60-79 beds	82.8%	1,025	54,238	56.3%	30,529	1,714	2,703	28.7%	15,541
80-99 beds	81.4%	1,014	54,131	55.8%	30,183	1,697	2,330	28.7%	15,523
100+ beds	82.4%	966	49,285	52.2%	25,729	1,469	2,051	28.4%	14,018
All beds	83.4%	980	51,835	58.9%	30,551	1,689	2,773	26.3%	13,655

Eastern Counties of Suffolk, Essex and Cambridgeshire (Combined Average)

T.3 Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	85.9%	942	50,652	60.0%	30,372	1,673	3,631	28.3%	14,315
40-59 beds	85.7%	892	47,081	57.7%	27,145	1,535	3,023	29.7%	13,991
60-79 beds	86.4%	1,018	52,285	57.3%	29,955	1,680	2,912	29.3%	15,329
80-99 beds	85.0%	877	45,792	53.3%	24,428	1,419	2,170	31.1%	14,234
100+ beds	87.1%	853	45,590	51.2%	23,348	1,334	2,019	33.2%	15,152
All beds	86.1%	933	48,571	56.0%	27,219	1,540	2,730	30.2%	14,682

Red = least performing size band **Green** = optimum performing size band

Trading Performance by Bed Size



3.3 Nursing Care Homes

United Kingdom (Average)

T.4 Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	84.6%	1,088	57,460	72.5%	41,674	1,865	3,887	17.7%	10,159
40-59 beds	85.0%	1,016	53,980	63.3%	34,174	1,711	3,006	24.2%	13,088
60-79 beds	82.8%	1,092	57,955	56.8%	32,912	1,728	2,810	28.1%	16,278
80-99 beds	82.2%	1,061	56,507	56.2%	31,767	1,721	2,287	28.0%	15,803
100+ beds	82.3%	969	49,427	53.2%	26,291	1,436	2,009	27.0%	13,339
All beds	83.3%	1,055	55,586	59.2%	32,917	1,697	2,759	26.2%	14,537

Eastern Counties of Suffolk, Essex and Cambridgeshire (Combined Average)

T.5 Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	82.6%	1,011	53,114	61.9%	32,865	1,542	3,286	27.0%	14,333
40-59 beds	85.6%	1,014	53,362	58.2%	31,071	1,536	2,870	29.9%	15,966
60-79 beds	86.2%	1,119	56,890	56.3%	32,023	1,693	2,971	31.5%	17,907
80-99 beds	80.1%	988	52,707	56.4%	29,733	1,572	2,156	21.3%	11,228
100+ beds	85.6%	896	48,446	51.4%	24,910	1,368	2,062	31.4%	15,212
All beds	84.8%	1,028	53,164	56.0%	29,754	1,550	2,624	29.5%	15,668

Red = least performing size band **Green** = optimum performing size band

Trading Performance by Bed Size

3.4 Residential (Personal) Care

United Kingdom (Average)

T.6 Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	85.4%	911	44,353	63.4%	28,138	1,627	3,513	22.5%	9,991
40-59 beds	84.6%	800	41,804	61.0%	25,491	1,684	2,878	23.1%	9,677
60-79 beds	82.8%	867	45,231	54.7%	24,752	1,678	2,443	30.5%	13,770
80-99 beds	78.4%	829	44,419	53.4%	23,707	1,597	2,498	32.4%	14,379
100+ beds	-	-	-	-	-	-	-	-	-
All beds	83.6%	851	43,727	58.1%	25,426	1,669	2,803	26.9%	11,758

Eastern Counties of Suffolk, Essex and Cambridgeshire (Combined Average)

T.7 Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	87.9%	905	49,233	58.8%	28,937	1,749	3,842	29.1%	14,305
40-59 beds	85.7%	794	41,738	57.0%	23,805	1,534	3,154	29.5%	12,309
60-79 beds	86.5%	897	46,708	58.8%	27,451	1,665	2,840	26.1%	12,208
80-99 beds	89.3%	781	40,429	50.2%	20,314	1,301	2,182	41.0%	16,565
100+ beds	-	-	-	-	-	-	-	-	-
All beds	83.6%	852	43,763	58.2%	25,458	1,669	2,804	26.9%	11,757

Red = least performing size band **Green** = optimum performing size band

Trading Performance by Bed Size



3.5 Occupancy

Occupancy levels across the UK are slightly higher for smaller care homes in the Knight Frank Trading Performance Survey. A large proportion of smaller homes are older converted facilities and predominantly local authority funded. They will therefore enjoy a higher occupancy but also higher staff costs per occupied bed and higher property costs with lower income.

In the Eastern counties, occupancy for homes in the 40-59 bed band (85.7%) was lower than the 60-79 bed band (86.4%). Overall, there is less variation in occupancy in the Eastern counties sample.

3.6 Income and Average Weekly Fees

Higher occupancy does not necessarily transfer to greater levels of income (Figure 3). Homes in the 60-79 bed band enjoyed the greatest level of income on a per occupied bed basis in both the UK and Eastern counties.

Care homes in the 60-79 bed band also commanded the highest average weekly fees. As shown in Figure 4 overleaf, fees in the 60-79 bed averaged £1,018 per week in the Eastern counties, which was considerably higher than 40-59 bed band.

As shown in section 4 of this report, 58% of newly built care homes the in the UK and 68% in Eastern counties were in the 60-79 bed band.

Occupancy

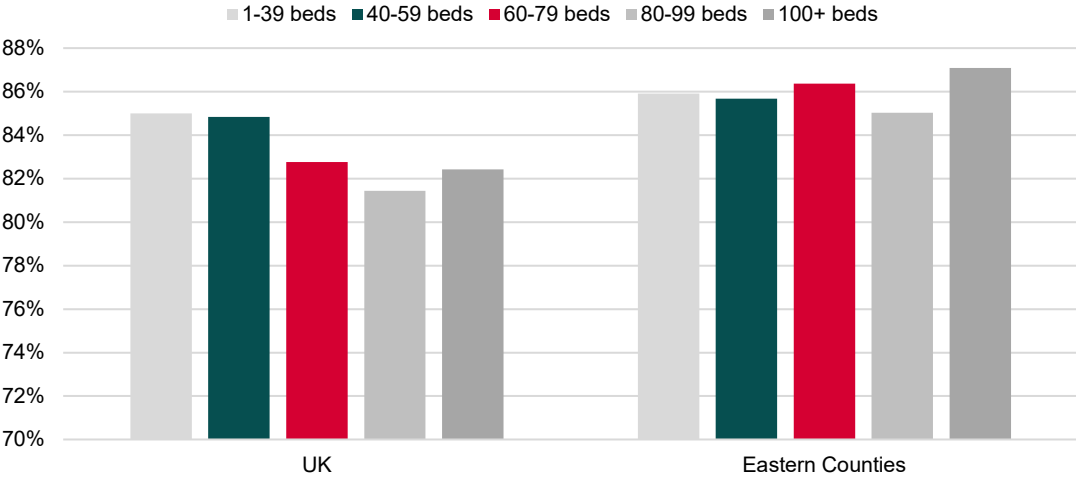


Figure 2

Income per Occupied Bed

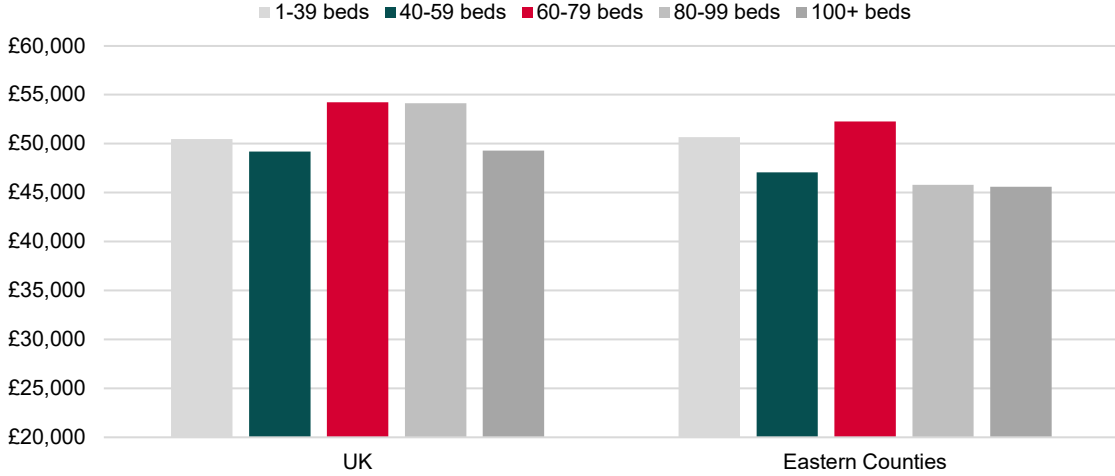


Figure 3

Source: Knight Frank Trading Performance Index 2021-22
*Eastern Counties = Suffolk, Essex and Cambridge only

Trading Performance by Bed Size



Average Weekly Fees

Figure 4



Source: Knight Frank Trading Performance Index 2021-22
*Eastern Counties = Suffolk, Essex and Cambridge only

Trading Performance by Bed Size



3.7 Staff Costs

In the UK, staff costs as a percentage of income (Figure 5) are typically higher in smaller care homes, with larger homes able to generate operational efficiencies. Equally, on a per occupied bed basis (Figure 6) staff costs are the highest in the smaller 1-39 bed category, with larger homes able to generate operational efficiencies.

In Eastern counties, staff costs per occupied bed were higher in the larger 60-79 bed band than in the 40-59 bed band. Much of this difference is attributable to the counties of Essex and Cambridgeshire where staff costs were noticeably higher in the 60-79 bed band (See Appendix 1). In Suffolk, staff costs per occupied bed averaged £32,396 in the 40-59 bed and £31,806 in the 60-79 bed band. Unlike Essex and Cambridge, Suffolk therefore follows the national trend with operational efficiencies being achieved in larger care homes.

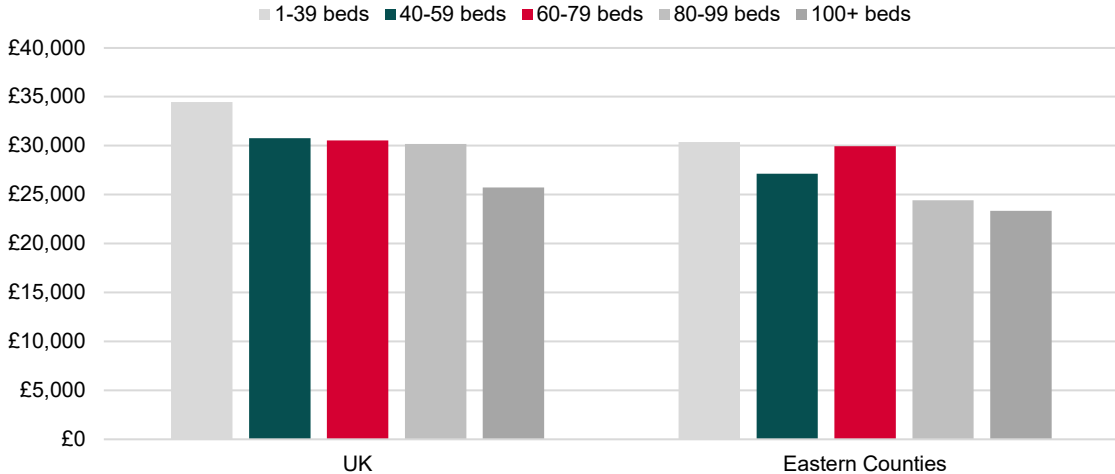
Staff Costs % of Income

Figure 5



Staff Costs per Occupied Bed

Figure 6



Source: Knight Frank Trading Performance Index 2021-22
 *Eastern Counties = Suffolk, Essex and Cambridge only

Trading Performance by Bed Size



3.8 Non-Staff Costs

Food costs are only a small outlay relative to staffing and property costs. As shown in Figure 78, food costs average from £1,600 to £1,700 for the majority of care homes in the UK. The largest care homes of 100+ beds achieved a meaningful reduction in food cost. Typically, homes that enjoy sustainable trading performance will be able to spend a higher amount on food costs in order to provide residents with good quality meals.

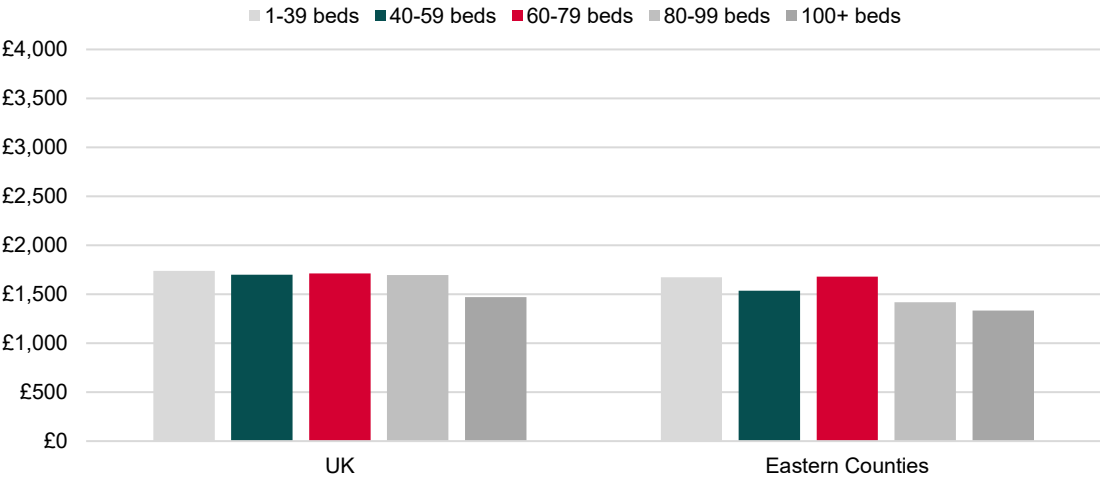
In Eastern counties, food costs were marginally higher in the larger 60-79 bed band than in the 40-59 bed band on this measure.

There is a clear trend in larger homes versus smaller homes with lower property costs per bed for larger homes, owing to the efficiencies achieved through scale. Smaller homes are typically older, less energy efficient and require more costly repairs and maintenance.

In Eastern counties, property costs follow the same trend, highlighting that larger care homes can achieve notable cost efficiencies compared to smaller ones. As shown in Figure 8, Property costs in the 60-79 bed band averaged £2,912 compared to £3,023 in the smaller 40-59 bed band.

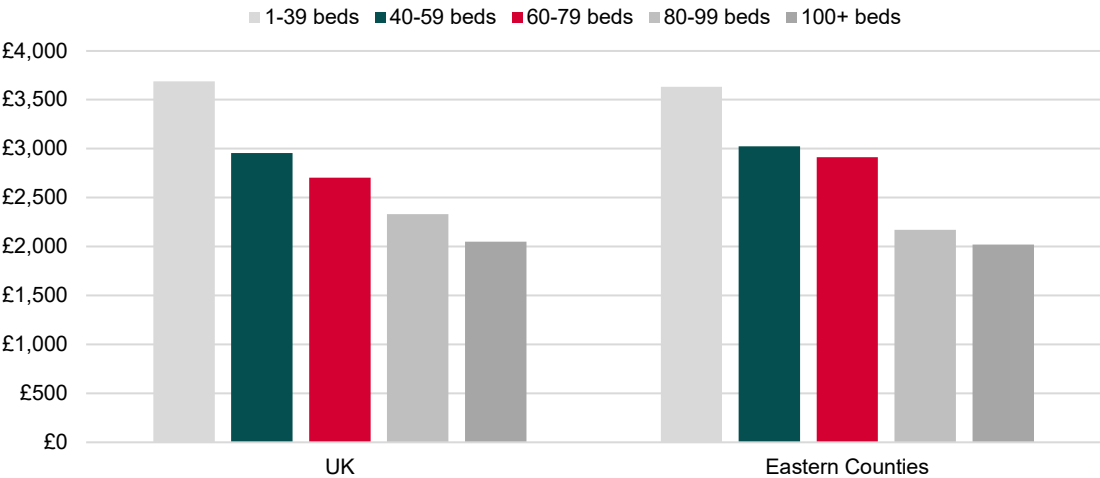
Food Costs Per Occupied Bed

Figure 7



Property Costs per Bed

Figure 8



Source: Knight Frank Trading Performance Index 2021-22
 *Eastern Counties = Suffolk, Essex and Cambridge only

Trading Performance by Bed Size



3.9 Profitability

As shown in Figure 9, EBITDARM margins are typically higher for care homes with 60 beds or more. Across the UK, care homes in the 1-39 bed and 40-59 bed band averaged margins of 20% and 23.9% respectively. This compared to margins in excess of 28% across all larger bed bands. Higher profit margins demonstrate the broader operational strength of 60-79 bed schemes versus smaller sized homes. Please note, when taking out any rental obligations and management fees, the profit margins in smaller homes diminish further.

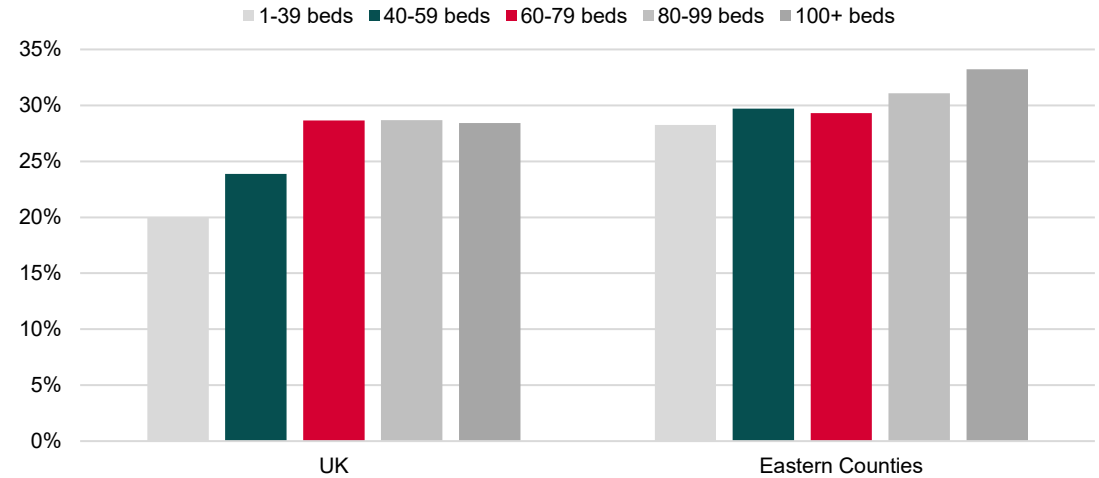
In comparison, profit margins were broadly similar between the 40-59 bed band in and the 60-79 bed band in the Eastern counties. This is shown in Figure 9. However, nursing care homes in the 60-79 bed band experienced strong margins of 31.5% in Eastern counties, which was higher than the 29.9% for 40-59 bed band (see section 3.3, T.5).

When we look at EBITDARM per occupied bed, the 60-79 bed band shows the strongest profitability both in the UK and Eastern counties. This is shown in Figure 10.

In Eastern counties' nursing homes, EBITDARM per occupied was particularly strong averaging £17,907 for the 60-79 bed band compared to £15,966 in the 40-59 bed band (see section 3.3, T.6). This highlights the strong operational performance in the 60-79 bed band for this care type.

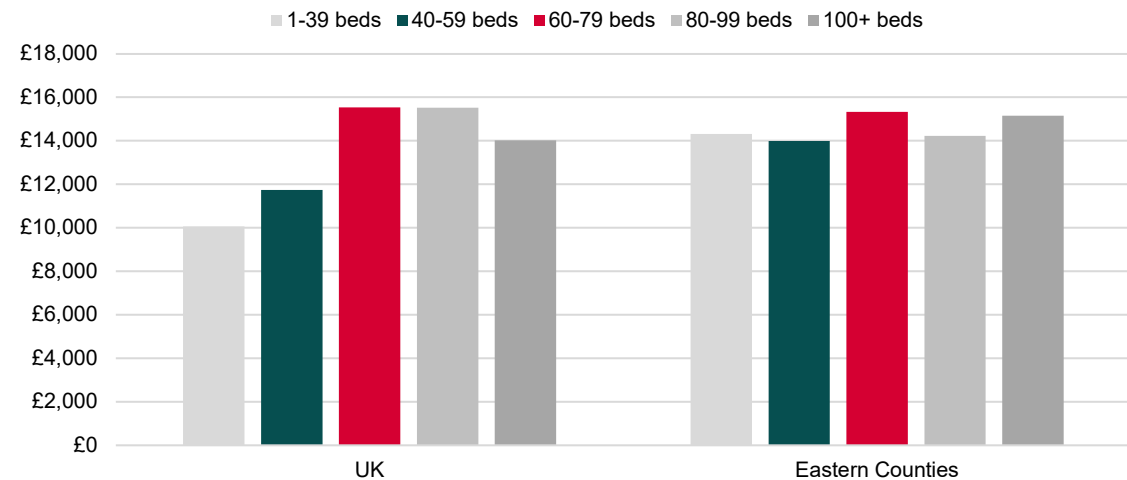
EBITDARM % of Income

Figure 9



EBITDARM per Occupied Bed

Figure 10



4.

Modern Purpose-Built Developments

Modern Purpose-Built Care Homes

4.1 Great Britain

We have carried out a review of all the modern purpose-built elderly care homes that have opened in Great Britain since 2016 (accurate as at 01/12/2022).

This exercise highlights the percentage of homes that fall within their respective bed bands. Within our research, we have identified 533 modern purpose-built elderly care homes that have opened in Great Britain in this period.

We have excluded newly registered homes that comprise of converted stock, i.e., non-purpose-built. New care homes in this period comprising less than 40 beds only make up 6% of the stock, and homes sized 40-59 beds only 13% of stock.

A substantial 58% of new care home stock that opened in this period comprises 60-79 beds followed by 19% within the 80-99 bed band.

This highlights that the smaller schemes are not as popular as a result of their inefficiencies in comparison to 60+ bed elderly care homes.

The overall average is 67 beds.

MODERN PURPOSE-BUILT ELDERLY CARE HOMES OPENED SINCE 2016 (GB)

T.8 Bed Bands	No. of modern purpose-built elderly care homes opened (since 2016)	%	Average number of beds
1-39 beds	34	6%	30
40-59 beds	73	13%	49
60-79 beds	323	58%	68
80-99 beds	105	19%	84
100+ beds	18	3%	109
TOTAL	533	100%	67

Source: Tomorrow's Guides, Knight Frank Research

Modern Purpose-Built Care Homes



4.2 Eastern Counties – Suffolk, Essex & Cambridge

For Eastern counties, there has been new modern purpose-built developments in four bed bands, since 2016. The most popular bed band in the Eastern counties mentioned is the 60-79 bracket, making up 68% of all new care home developments.

Overall, 79% of new care home developments in Eastern counties since 2016 comprise at least 60 beds.

Evidently, care home operators continue to prefer 60+ bed care home developments due to underlying demand for care home beds as well as the need to replenish older and converted stock with more sustainable and modern facilities.

The overall average is 64 beds which is in line with the proposed scheme.

**MODERN PURPOSE-BUILT ELDERLY CARE HOMES OPENED SINCE 2016
(EASTERN COUNTIES – SUFFOLK, ESSEX & CAMBRIDGE COMBINED)**

T.9 Bed Bands	No. of modern purpose-built elderly care homes opened (since 2016)	%	Average number of beds
1-39 beds	1	4%	32
40-59 beds	5	18%	51
60-79 beds	19	68%	67
80-99 beds	3	11%	82
TOTAL	28	100%	64

Source: Tomorrow's Guides, Knight Frank Research

5.

Future Schemes

Future Supply

5.1 List of Future Supply

Future supply has been identified using online searches via local planning authority websites. Although reasonable endeavours have been made to ensure that all planning applications are captured, at the time of the searches, planning portals may not be up-to-date or schemes could have changed to effect future supply within the search area. The future supply for this report was analysed on 01/03/23. Any planning applications submitted after 01/03/23 have not been included.

We have reviewed all planning applications in relation to care home developments that are pending consideration, approved, appealed or in appeal and schemes under construction. We have reviewed and excluded any schemes that have been refused or withdrawn.

Within the West Suffolk authority area, there are three proposals within the planning pipeline. As shown in T.10, the majority of schemes are at least 19 miles from the subject site in Bury St Edmunds. Please note, the 120 bed Dementia Care Village being built in Haverhill is a multi-housing scheme and is also currently reported to be on hold due to funding issues. This scheme is the only scheme within close proximity to the subject site and in the town of Haverhill.

Within the Braintree District authority area, there are 10 proposals within the planning pipeline. As shown in T.11, the closest scheme to the subject site is a 37 bed redevelopment at Halstead House in Essex, circa 15 miles from the subject site.

We have also noted one nearby scheme in the town of Saffron Walden, which sits within the Uttlesford local authority.

West Suffolk Authority

T.10 Address	Applicant/Developer/Operator	Proposal	Planning Application Number	Planning Application Status	Net care home bed increase	Distance in miles from subject site
Dementia Care Village, Little Court, Haverhill Road, Little Wratting, Haverhill, Suffolk, CB9 7UD	CARE (Little Court) Ltd	Scheme comprises specialist dementia care village for up to 120 residents, including 20 six bedroom apartments provided within five buildings, central amenity building containing shop, restaurant, pub, communal hall, offices and staff accommodation, club/hobby rooms, treatment/counselling rooms, vehicle and cycle parking, and landscaping.	DC/21/0315/FUL	Detail Plans Granted (Nov 2021) - Currently on hold	120	2.3
Hand Car Wash At Former Servic, Tayfen Road, Bury St. Edmunds, Suffolk, IP33 1TB	First Care Homes Cambridge Ltd	Scheme comprises 80 bedroom care home including garden, training room, bicycle, mobility scooter and refuse stores, car park and soft landscaping.	DC/22/1137/FUL	Detailed Plans Submitted (Jun 2022)	80	19.0
40 Hollow Road, Bury St. Edmunds, Suffolk, IP32 7AY	Simply Investment Limited	Scheme comprises 72 bedroom care home with associated parking, engineering works and widening of existing access following demolition of existing residential unit.	DC/22/0793/FUL	Detail Plans Granted (Jan 2023)	72	19.5
The Chimneys, New Road, Rougham, Bury St. Edmunds, Suffolk, IP30 9LR	Montpelier Estates	Scheme comprises a two storey extension to existing care home as well as single storey extension with links to existing facility ancillary. Accommodation, landscaping, car parking, access alterations and package treatment.	DC/22/0240/FUL	Detail Plans Granted (May 2022)	12	27.0

Braintree District Authority

T.11 Address	Applicant/Developer/Operator	Proposal	Planning Application Number	Planning Application Status	Net care home bed increase	Distance in miles from subject site
Halstead Hall, Braintree Road, Halstead, Essex, CO9 1SL	Stowlangtoft Healthcare	Scheme comprises extension and refurbishment of existing redundant building to form 37-bedroom dementia unit with associated car parking and landscaping. Only 12 of these beds form part of the original building.	22/02211/FUL	Detailed Plans Submitted	12	15.3
Halstead Hall, Braintree Road, Halstead, Essex, CO9 1SL	Stowlangtoft Healthcare	Scheme comprises demolition of outbuildings and extension and refurbishment of existing redundant building to form 25 bedroom dementia unit and of 30 bungalows (comprising 7 one bedroom bungalows, 17 two bedroom bungalows, 6 three bedroom bungalows).	21/02449/FUL	Detail Plans Granted (Jun 2022)	25	15.3
Colne House, Station Road, Earls Colne, Colchester, Essex, CO6 2LT	Kingsley Healthcare Limited	Scheme comprises internal and external alterations to colne house, demolition of existing 5 bedroom annex building, construction of two story extension with underground link to provide net 27 additional specialist care bedrooms.	22/01686/FUL	Detailed Plans Submitted	27	17.5
Land At Braintree College, Church Lane, Braintree, Essex, CM7 5SN	Scott Properties	Scheme comprises demolition of existing facilities and the construction of a 75 bedroom care home and 20 age restricted lifelong homes (comprising 8 two bedroom, 12 three bedroom) for those 55 years of age and over with disabilities. Works also associated infrastructure works, landscaping and access roads.	19/01743/FUL	Detail Plans Granted (Oct 2020)	75	17.7
Braintree Nursing Home, 11 Coggeshall Road, Braintree, Essex, CM7 9DB	Avidcrave Ltd	Scheme comprises construction of three storey 12 bedroom accommodation building for the care of the elderly.	19/01860/FUL	Detail Plans Granted (Dec 2022)	12	18.5
Land west Panfield Lane, North Springwood Drive, Braintree, Essex, CM7 2GB	Hills Building Group (Colchester) Ltd	Scheme comprises a mega mixed use development including 600 residential units including 30% affordable housing units, neighbourhood centre with possible uses including retail, commercial, residential care home, health/veterinary/creche uses, a primary school, community sports facilities and associated works and landscaping.	15/01319/OUT	Outline Plans Granted (Mar 2020)	100	19.1
Abbeyfield House, The Chase, Kelvedon, Colchester, Essex, CO5 9AB	Glenavon Care Ltd	Scheme comprises demolition of existing care home and redevelopment of the site to provide a 28-bedroom nursing home together with associated access, car parking and landscaping.	21/00461/FUL	Detail Plans Granted (Nov 2022)	28	25.4
St Dominics Residential Home, London Road, Kelvedon, Colchester, Essex, CO5 9AP	St Dominics Residential Home	Scheme comprises construction of a two-storey 21 bedroom care home with 9 x 2 bedroom close care bungalows, together with visitor parking spaces, amenity areas and access road. This project also includes associated infrastructure works and access roads.	21/02241/FUL	Detail Plans Granted (Nov 2022)	21	25.5

Braintree District Authority (Continued)

T.11 Address	Applicant/Developer/Operator	Proposal	Planning Application Number	Planning Application Status	Net care home bed increase	Distance in miles from subject site
Woodend Farm, Hatfield Road, Witham, Essex, CM8 1EH	Countryside Properties (UK) Ltd	Scheme comprises application for outline planning permission with all matters reserved - up to 450 residential units including 30% (135) affordable units, commercial space, a residential care home and day nursery with all associated access, servicing, parking, drainage infrastructure, landscaping, open space and utilities infrastructure.	19/01896/OUT	Outline Plans Granted (Jul 2022)	80	26.6
Willowmead Nursing Home, Wickham Bishops Road, Hatfield Peverel, Chelmsford, Essex, CM3 2JL	Gold Care Homes	Scheme comprises construction of 60 bedroom care home development and associated car parking and landscape gardens plus the demolition of care home. The associated works include sewer systems, landscaping, infrastructure, enabling and access roads.	15/01186/FUL	Detail Plans Granted (May 2016)	60	27.6

Uttlesford District Authority

T.12 Address	Applicant/Developer/Operator	Proposal	Planning Application Number	Planning Application Status	Net care home bed increase	Distance in miles from subject site
Printpak Europe Ltd, Radwinter Road, Saffron Walden, Essex, CB11 3JN	Endurance Estates Ltd	Large mixed-use comprising construction of a discount food store, a 70 bedroom care home and 49 retirement living apartments with associated infrastructure works.	UTT/20/2007/FUL	Detail Plans Granted (December 2022)	70 beds (70 wet rooms)	13

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Conclusion

Conclusion

6.1 Conclusion

Trading Performance by Bed Size

Our analysis of trading performance across care home bed band sizes in the Eastern counties of Suffolk, Essex and Cambridgeshire showed that the 1-39 bed was the lowest performing size band. This confirms that there is operational risk with building small care homes schemes. Furthermore, our analysis shows that larger care homes are able to achieve cost efficiencies that result in more sustainable profit margins. Trading data shows that staff costs, property costs and food costs are higher among small care homes and trend downwards for larger care homes. As a general point, this supports the viability of larger care home schemes.

In relation to the proposed scheme of 64 beds, our analysis showed that the 60-79 bed band performed stronger than the smaller 40-59 bed band on six out of the nine KPI's including occupancy levels. This data highlights the strength of schemes sitting in the 60-79 bed band in the local region, where efficiencies are gained and economies of scale achieved.

Modern Purpose-Built Developments

Knight Frank has monitored all modern purpose-built care home developments completed since 2016 across the UK. For the Eastern counties described, an overwhelming 68% of developments in fit into the 60-79 bed band category, while only 18% of new care homes were in the 40-59 bed category.

Furthermore, the average size for developments in the Eastern counties was 64 beds and the average size for the UK was 67 beds. This data confirms both developer and market appetite for schemes 60 beds and above, providing further support for the viability of the proposed scheme.

Future Schemes

Finally, our analysis of current care home schemes in the planning pipeline in the West Suffolk local authority showed a total of four relevant care home proposals (as of 01/03/2023). Three of these proposals were 60 beds or more, further highlighting the demand for larger sized facilities in the local area. Please note, the 120 bed Dementia Care Village being built in Haverhill is a multi-housing scheme and is also currently reported to be on hold due to funding issues. This scheme is the only scheme within close proximity to the subject site and in the town of Haverhill.

Furthermore, our analysis of current care home schemes in the planning pipeline in the Braintree District Authority showed a total of 10 relevant care home proposals (as of 01/03/2023). Four of these proposals were 60 beds or more, further highlighting the demand for larger sized facilities in the local area.



Rendering by WGP Architects

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Appendix

Trading Performance by Bed Size

Appendix 1 – County Level Data for All Care Homes

T.13 - Suffolk Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	85.5%	938	50,114	59.9%	30,001	1,804	3,847	30.5%	15,280
40-59 beds	81.6%	985	52,633	61.6%	32,396	1,678	3,170	26.3%	13,865
60-79 beds	85.6%	1,031	51,735	61.5%	31,806	1,692	3,053	25.9%	13,409
80-99 beds	86.8%	930	50,594	60.9%	30,815	1,607	2,641	27.1%	13,694
100+ beds	71.9%	830	48,327	70.7%	34,185	1,917	3,290	11.3%	5,448
All beds	83.9%	981	51,420	61.6%	31,689	1,699	3,129	26.1%	13,423

T.14 - Essex Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	84.9%	948	51,334	60.2%	30,911	1,524	3,669	26.8%	13,733
40-59 beds	88.2%	802	42,315	57.4%	24,305	1,358	2,921	30.2%	12,796
60-79 beds	88.3%	991	51,763	54.6%	28,273	1,583	2,767	30.6%	15,849
80-99 beds	94.7%	739	38,499	50.0%	19,264	1,222	1,963	42.7%	16,448
100+ beds	88.4%	809	43,096	49.6%	21,396	1,239	1,832	33.8%	14,563
All beds	88.8%	870	45,109	53.9%	24,314	1,376	2,511	32.5%	14,643

T.15 - Cambridgeshire Bed Bands	Occupancy %	Average Weekly Fees (£)	Income per Occupied Bed (£)	Staff Cost % of Income	Staff Cost per Occupied Bed (£)	Food Cost per Occupied Bed (£)	Property Costs/Bed (£)	EBITDARM % of Income	EBITDARM per Occupied Bed
1-39 beds	91.0%	931	50,147	59.4%	29,806	1,739	2,764	26.2%	13,129
40-59 beds	86.2%	950	49,997	52.0%	26,021	1,738	3,029	33.9%	16,957
60-79 beds	84.2%	1,045	54,662	54.0%	29,543	1,871	2,905	33.8%	18,461
80-99 beds	72.0%	995	51,787	48.9%	25,322	1,516	1,978	22.0%	11,382
100+ beds	93.4%	1,222	64,956	47.0%	30,544	1,637	2,247	44.9%	29,192
All beds	82.5%	999	53,215	51.9%	27,603	1,717	2,625	31.8%	16,913

Former Woodlands Hotel, Coupals Road, Haverhill CB9 7UW

Development Consultancy Report

February 2023

Important Notice

The report has been prepared as a consultancy report on the behalf of Country Court Care Homes 5 Limited in relation to care homes in the county of Suffolk.

It must not be used for any other purpose. This report was prepared according to the information and instructions provided to us by Country Court Care Homes 5 Limited and is provided on a non-reliance basis. Knight Frank LLP (and our affiliates, members and employees) will have no responsibility or liability whatsoever in relation to the accuracy, reliability, currency, completeness or otherwise of its contents or as to any assumption made or as to any errors or for any loss or damage resulting from any use of or reference to the contents.”

We have utilised a number of different resources to collate information on existing and future care provision and trading performance data. We have relied upon the information supplied by the data sources used and assume this information to be correct for the purposes of this consultancy report.

