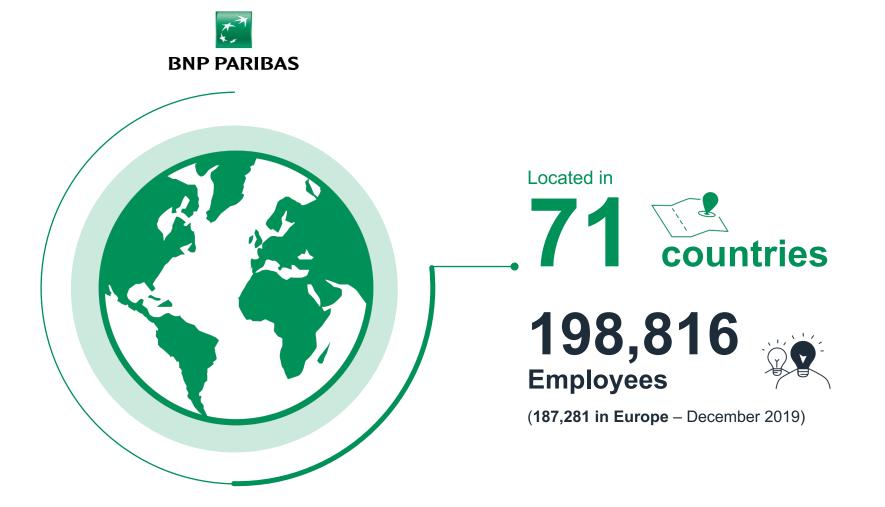






Real Estate for a changing world

## A SUBSIDIARY OF THE BNP PARIBAS GROUP



# INTERNATIONAL FINANCIAL SERVICES (IFS)

- International Retail Banking
- BNP Paribas Personal Finance
- BNP Paribas Cardif
- BNP Paribas Wealth Management
- BNP Paribas Asset Management
- BNP Paribas Real Estate

#### **DOMESTIC MARKETS**

- · BNP Paribas Retail Bank in France
- BNP Paribas Fortis
- BNL
- BGL BNP Paribas
- Arval
- BNP Paribas Leasing Solutions
- BNP Paribas Personal Investors

# CORPORATE & INSTITUTIONAL BANKING (CIB)

- Global Markets
- BNP Paribas Securities Services
- Corporate Banking

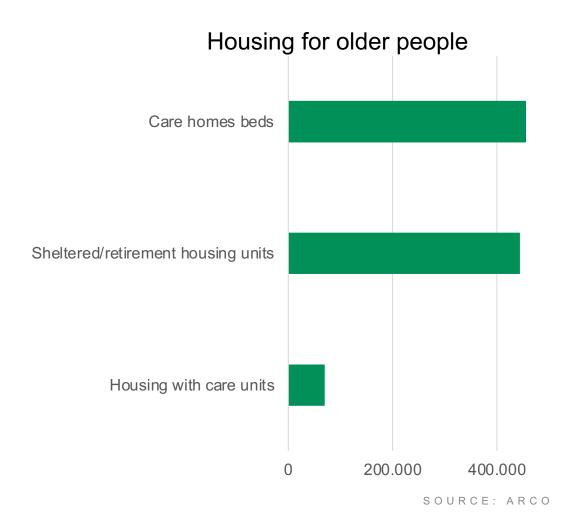


## THE BABY BOOMERS ARE COMING

By 2031 there will be 2.7 million extra over 65s in the UK



## AND THERE ARE NOT ENOUGH BEDS



Estimate of shortfall of elderly care home beds England, 2024

56,912 en-suites 221,225 wetrooms

400,000 bed shortfall in purpose built housing for old people by 2035



## WHY DOES THE QUALITY OF BEDS MATTER?

BENEFITS TO THE SECTOR AND WIDER ECONOMY

Unlocks wider housing market

Improves physical health

Improves mental health

Reduces costs to the NHS

Reduces length of unplanned hospital stays



## THE ELDERLY CARE HIERARCHY

#### PHRASFOLOGY

Hospice

Palliative care for those with life shortening, incurable diseases and end of life care.

Dementia / Specialist Care

Specialist care for dementia sufferers who have behavioural issues and are a harm to themselves/others.

**Nursing/Care Home** 

Care provided by nurses and carers, some medical tasks supervised by qualified nurses. High acuity nursing and some palliative care. Provision for non-behavioural dementia.

**Residential Care Home** 

Varying degrees of care provided, generally by carers, offering personal care for the elderly with 24 hour domestic support.

Later Living (Assisted)

**Care Facility** 

**Assisted Living** 

Independent living, but individual care packages provided to residents, typically delivered by carers.

**Extra Care** 

Higher level of care than sheltered, but no strict definition.

Later Living (Independent Living) **Sheltered Housing** 

Elderly independent living with some form of warden assistance, often 24hr. In some instances a communal dinning hall or recreation room is found on site.

**Retirement Village** 

Targeted at over 55s, but often occupied by those 65 and over, and may have no care or warden provision at all, or have a full range of services akin to full hotel services and more.

**Domiciliary Care** 

General term for assistance provided to the elderly, whether delivered to individual's homes or retirement home.

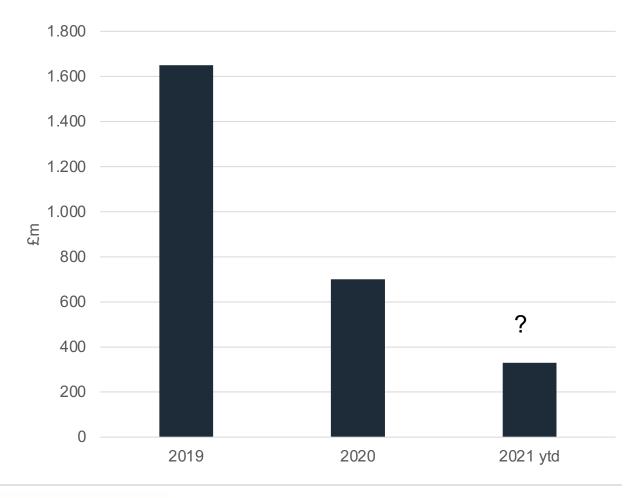


### **DEMAND FROM INVESTORS IS GROWING**

#### SECTOR PROSPECTS IN 2021

Rank	Sector
1	Logistics facilities
2	Retirement/assisted living
3	Co-living
4	BTR
5	Student
6	Affordable housing
7	Healthcare
8	Data centres*
9	Serviced apartments
10	Flex/serviced offices

#### Total investment into UK Care Homes



Real Estate for a changing world

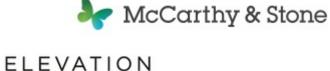


Source: Emerging Trends Europe Survey, 2020 \* A significantly lower number of respondents scored this sector

## WHO HAS BEEN INVESTING?



RESIDENCES









octopus real estate



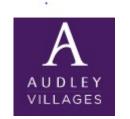
























## THE PERCEPTION VS. THE REALITY







## THE NEED TO FUTURE PROOF OUR HOMES FOR OLDER PEOPLE

BRINGING LATER LIVING INTO THE 21<sup>ST</sup> CENTURY



71% of over 55s identified reducing running costs / Improved energy efficiency as a motivation for moving house

34% of over 55s own some sort of smart speaker system like an Alexa, and 18% are interested in getting one

24% of over 55s have energy monitors and 40% are interested in getting one

43% of over 55s identified greener/ more sustainable living a motivation for house moving





## WHERE DO WE GO FROM HERE?

#### Sector challenges:

- shortage of skilled nursing and care workers
- Social care funding crisis
- Living wage increases impacting on operational costs
- Variety of tenure/choice must increase
- A lack of quality stock of care homes in the right locations and older stock is not being replaced quick enough



#### Outlook:

- Operators will adapt to rapidly changing environment
- Investor interest will not waiver, across the spectrum of healthcare property
- Expect continued preference from investors for well-located purpose built care homes in modern facilities
- And development pipeline for both care homes and housing with care to continue to rise and grow as more investors look at ways to enter the sector.
- Continued support from government is required for planning, taxation, and support for training and employment





# THANK YOU









