



NECTAR: A GROUND RENT PORTFOLIO



INTRODUCTION

King Street Real Estate has been instructed by Busy Bees, the UK's leading nursery group, to offer for sale a ground rent portfolio on a leaseback basis. The Nectar Portfolio offers a rare opportunity to acquire ultra-long, secure, inflation linked income in an increasingly popular 'Alternative' asset class.

The UK nursery sector has undergone significant growth during the last two decades and childcare is now recognised as an essential part of modern life.

PORTFOLIO SUMMARY

The portfolio consists of 15 properties located throughout the UK. The properties include large purpose-built nurseries, a striking grade II listed building and high specification conversions. All properties are good quality, well established and located in large population catchments. The portfolio consists of 13 x Freehold titles and 2 x Long Leasehold titles (999 year leases with a peppercorn rent).

The proposed terms of the Ground Rent Lease are:

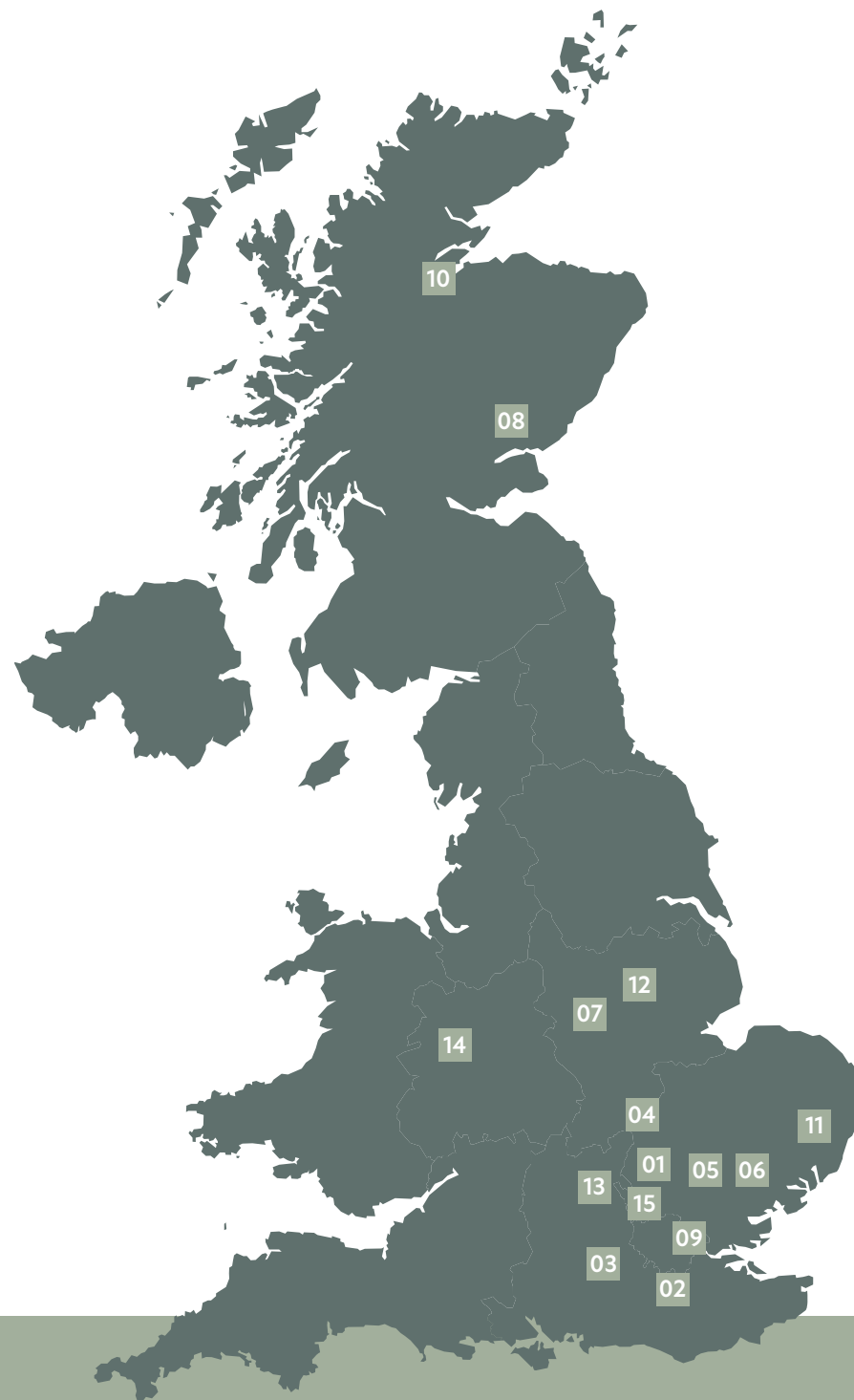
- A term of 175 years;
- The proposed rent will be the equivalent of 8% of EBITDA;
- The rent will be reviewed annually in line with RPI (collar and cap of 0%-5% respectively);
- Busy Bees will be granted an option to purchase the freehold of each property at the expiry of the lease term for £1; and
- Busy Bees require substitution rights.

PROPOSAL

The portfolio is offered for sale as a whole at a guide price of £14.7m (Fourteen Million Seven Hundred Thousand Pounds).

LOCATIONS

- 01 Apsley
- 02 Ashford Godington
- 03 Basingstoke Hospital
- 04 Bedford Great Denham
- 05 Bishops Stortford
- 06 Braintree
- 07 Derby Oakwood
- 08 Dundee West
- 09 Gravesend
- 10 Inverness
- 11 Ipswich Pinewood
- 12 Nottingham
- 13 Oxford Ladygrove
- 14 Shrewsbury
- 15 Woking





THE BUSINESS

Busy Bees Group runs over 855-day nurseries in 10 different countries providing over 86,000 places to children. It is the no.1 private premium provider in the majority of the territories it operates in. The group has been operating for over 37 years achieving a pro forma EBITDA of £156m in 2021. The group also has a highly experienced and diverse executive team underpinned by industry expertise and reputation and proven ability to rapidly expand the group internationally.

THE STRUCTURE

The group is majority owned (62%) by Ontario Teachers Pension Plan Board (OTTP) who acquired Busy Bees in Oct 2013 and has been a supportive shareholder since then transforming Busy Bees from a UK focused business to the leading global provider of private childcare. OTTP is Canada's largest single-profession pension plan currently managing C\$207bn on behalf of over 300k retired and working teachers.

In 2017, Temasek, a Singapore investment company with a + \$200bn investment portfolio, acquired a minority stake (25%) in the Busy Bees group, providing further financial backing to the group and depth to the board. The remaining 13% is owned by management shareholders.



THE GROWTH STORY

Since the group was formed in 1983, it has continued to grow year on year. This growth has been accelerated since the acquisition of the group by OTHP with revenue growing from £138.1m in 2013 to £600.8m in 2021, and reported EBITDA growing from £27.3m in 2013 to £120.8m in 2021 (£156m in 2021 on a PF basis). The group have grown from being a UK childcare provider in 2013 to a childcare provider operating in 10 different countries (UK, Ireland, Italy, Singapore, Malaysia, Vietnam, Australia, Canada, USA and New Zealand) in 2021. The group continued to expand in 2020 completing four acquisitions in Q1 2020, one in each of the UK, US, Australia and Malaysia. The group have continued to expand in 2022 with a completed acquisition in Singapore and a number of further acquisitions in the pipeline.

THE GROUP PERFORMANCE

Following the impact of Covid across the group in 2020, performance has recovered strongly in 2021 with occupancy at the end of the year just 9% down on pre-covid occupancy. Revenue in 2021 of £600.8m was £141m up on 2020 and £87m up on 2019 due to acquisitions and fee rate growth more than offsetting the slightly lower like for like occupancy. 2021 reported EBITDA of £120.8m was £37.3m up on 2020 and £32.5m up on 2019, again through a combination of acquisitions, new site growth and improved cost control across the group.

Through a combination of tight cost control, above forecast EBITDA performance and government grants in some territories, the group also maintained a strong liquidity position across 2021, with liquidity in excess of £172m at the end of 2021.

THE 2022 OP PLAN

Occupancy is forecast to recover to 1% above pre-covid levels by December 2022 meaning we expect to see continued year on year EBITDA growth.

APSLEY

Mill Street, Apsley, Hemel Hempstead, Hertfordshire, HP3 9RG

PROPERTY: A stand-alone, two-storey, building of traditional form with red brick and slate roof together with a feature gable. The property has a small designated parking area and garden space. The property is adjacent to Apsley Community Centre.

SIZE: 4,445 sq ft (approximately).

LOCATION: The property is located in the centre of the prosperous village of Apsley, a suburb of Hemel Hempstead, Hertfordshire. The village benefits from a busy high street, low crime rate, new housing developments and 'outstanding' rated schools. Apsley has strong transport links to London; the average train journey time is 30 minutes. The nursery is close to the A41 and A4251 and it lies circa 24 miles East of London.

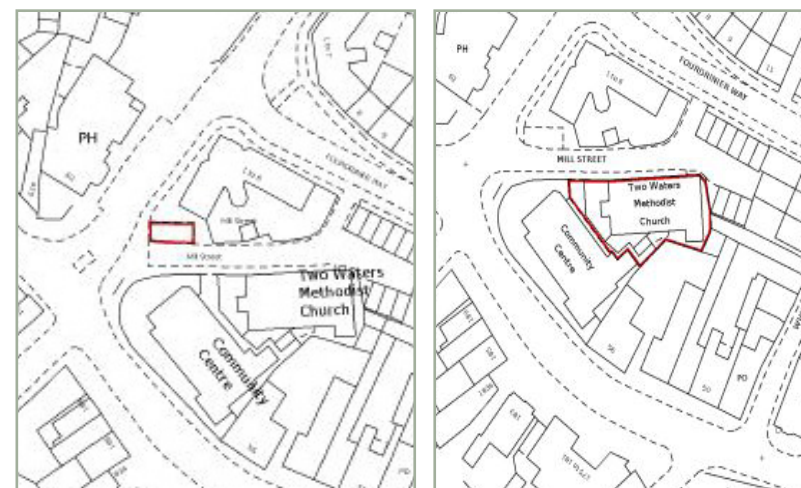
NURSERY: The nursery has spacious rooms and separate gardens for each age group. The nursery caters for babies and children from 6 weeks up to the age of 5 years old.

OFSTED RATING: Good.

TITLE NUMBER: HD451705 & HD496380 (Car Park)

[GOOGLE MAP LINK](#)

EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£347,344	£381,309	£358,765	£362,473



ASHFORD GODINTON

Lockholt, Close, Ashford, Kent, TN23 3JR

PROPERTY: A two storey, stand-alone building together with forest garden and dedicated parking spaces. The property is located adjacent to Godinton Primary School.

SIZE: 5,143 sq. ft (approximately)

LOCATION: Godinton is a suburb of Ashford in Kent. It lies 61 miles southeast of central London and 15 miles northwest of Folkstone.

NURSERY: The purpose-built nursery has bright and spacious rooms and benefits from a recently renovated garden area. Providing care from three months to five years of age.

OFSTED RATING: Good

TITLE NUMBER: TT23046

[GOOGLE MAP LINK](#)

EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£299,034	£264,543	£357,698	£307,092



BASINGSTOKE HOSPITAL

The Crescent, Aldermaston Road, Basingstoke, RG24 9NJ

PROPERTY: The property is a single-storey, purpose-built nursery with a large designated car park and garden space. Situated in the grounds of Basingstoke North Hampshire Hospital

SIZE: 5,457 sq. ft (approximately)

LOCATION: Basingstoke is the largest town in Hampshire, south central England. It lies circa 55 miles from London and benefits from excellent transport links. North Hampshire Hospital has circa 450 NHS beds and employs circa 3,000 members of staff.

NURSERY: The nursery has five bright and spacious rooms catering for babies and children aged between eight weeks and five years. The property underwent a full interior and exterior refurb in 2020. The nursery offers early drop-offs for NHS staff.

OFSTED RATING: Good

TITLE NUMBER: HP567193

[GOOGLE MAP LINK](#)

EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£287,787	£285,949	£398,409	£324,048



BEDFORD GREAT DENHAM

90 Saxon Way, Great Denham, Bedford, Bedfordshire, MK40 4GP

PROPERTY: A detached purpose-built nursery situated within a relatively new build residential development. The property has ancillary residential accommodation on the first floor and dedicated car parking spaces. The nursery was built in 2012/2013

SIZE: 4,316 sq. ft (approximately)

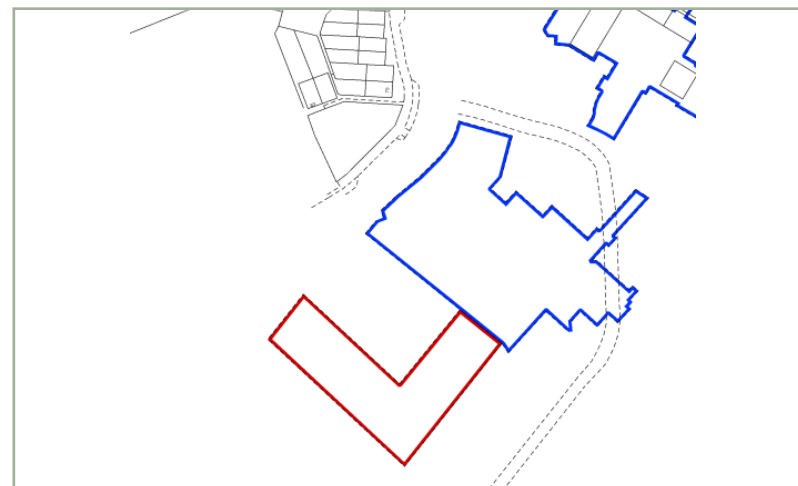
LOCATION: Bedford is a large market town in Bedfordshire. Bedford is on the Midland Main Line with frequent services to London and the East Midlands. The nursery itself is located in the village of Great Denham, close to Kempson, Wootton and Biddenham.

NURSERY: A well-established, high-quality, nursery. The setting serves the west of the Bedford community and is easily accessible. Providing care from eight weeks to five years of age.

OFSTED RATING: Outstanding

TITLE NUMBER: BD285201

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£482,189	£488,338	£589,495	£520,007

BISHOPS STORTFORD

St Michaels Mead, Turners Crescent, Bishops Stortford, CM23 4FZ

PROPERTY: A stand-alone, purpose-built nursery located next to St Michaels Community Centre. The property benefits from a non-exclusive right to use shared car parking spaces.

SIZE: 4,068 sq. ft (approximately)

LOCATION: Bishops Stortford is an affluent market town in Hertfordshire, just west of the M11 motorway. The town is four miles from Stanstead airport and 27 miles north-east of central London. The nursery itself is located in the peaceful community of St Michaels Mead – a large residential neighbourhood on 107 acres of land.

NURSERY: The nursery has 6 base rooms and a large wrap around outdoor area, the nursery caters for children up to 5 years of age. The garden and kitchen areas have recently been refurbished.

OFSTED RATING: Good

TITLE NUMBER: HD380725

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£325,336	£408,307	£438,331	£390,658

BRAINTREE

Great Notley, Notley Green, Great Notley, Braintree CM77 7US

PROPERTY: A large, stand-alone, purpose-built nursery benefitting from secure car parking and an outdoor play area.

SIZE: 5,125 sq. ft (approximately)

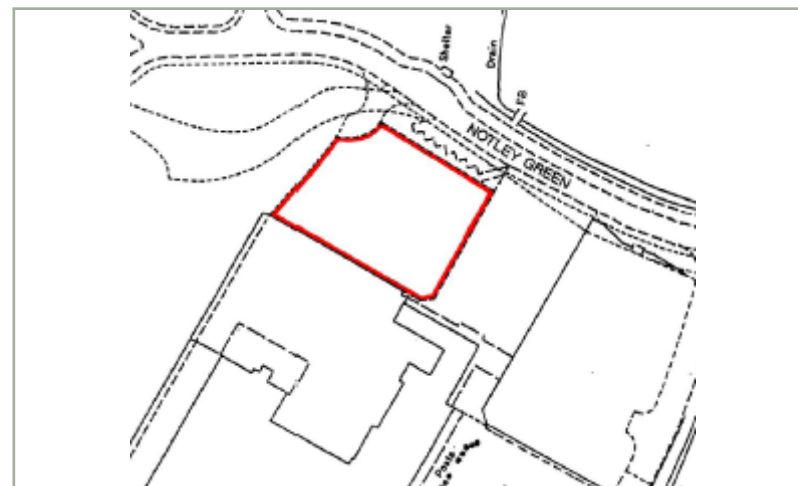
LOCATION: Braintree is a town in Essex, located 10 miles northeast of Chelmsford and 15 miles west of Colchester. Great Notley is a village centered around a six-acre village green. The nursery is close to all major roads and is located 50 miles from London.

NURSERY: The nursery is located in a quaint square in the heart of Great Notley village. Providing care for babies and children aged from three months to five years. The property benefited from a full refurbishment in 2019.

OFSTED RATING: Outstanding

TITLE NUMBER: EX574217

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£432,483	£442,544	£528,324	£467,784

DERBY OAKWOOD

382 Bishops Drive, Oakwood, DE21 2DF

PROPERTY: A purpose built two-storey nursery, situated on the Oakwood District Centre estate. The property benefits from the use of a shared car park, in common with other occupiers of the Centre. The property is long-leasehold (999 year lease from 1990)

SIZE: 5,499 sq. ft (approximately)

LOCATION: Oakwood is a modern housing estate in Derby, built in the 1980's and 1990's. At the time of construction, it was one of the largest new housing estates in Europe. Derby is a city in Derbyshire in the East Midlands of England. Derby has a population of circa 250,000.

NURSERY: The nursery is situated next to a GP surgery and shopping precinct, it is easily accessible and is close to the A38 and A52 roads. The nursery cares for children up to five years of age.

OFSTED RATING: Outstanding

TITLE NUMBER: DY214466

[GOOGLE MAP LINK](#)

EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£251,851	£148,895	£210,169	£203,638



DUNDEE WEST

Thomas Wise Place, Dundee

PROPERTY: A purpose-built, single-storey nursery set in an attractive landscape with mature trees and enclosed gardens. The property benefits from ample parking spaces.

SIZE: 6,863 sq. ft (approximately)

LOCATION: Dundee is a coastal city on the Firth of Tay estuary in eastern Scotland. Dundee West is on the western edge of Dundee. The nursery is situated within the grounds of Ninewells Hospital – a large teaching hospital.

NURSERY: The nursery is set in an attractive natural landscape with well maintained gardens. The property benefits from two drop off zones. Providing care for for children up to 5 years of age.

OFSTED RATING: Graded 5 by Care Inspectorate.

TITLE NUMBER: ANG2197

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£172,985	£94,141	£142,149	£136,425

GRAVESEND

Windsor Road, Gravesend, DA12 5BW

PROPERTY: A stand-alone, purpose-built nursery with ample carparking provision and a large outdoor play area. The nursery is located on the outskirts of a large residential area and is adjacent to a school.

SIZE: 5,737 sq. ft (approximately)

LOCATION: Gravesend is a town in the north-west of Kent, situated 21 miles south-east of London. The town benefits from excellent transport links including a high-speed rail service to London.

NURSERY: The nursery is located in a convenient location, close to the major A2 road. The nursery provides care for children aged from three months to five years.

OFSTED RATING: Good

TITLE NUMBER: K869396

[GOOGLE MAP LINK](#)

EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£717,822	£879,613	£925,531	£840,989



INVERNESS

Claremont Nursery, Stratherrick Road, Inverness IV2 4JY

PROPERTY: A striking, two-three storey, Victorian building together set within substantial leafy grounds.

SIZE: 5,667 sq. ft (approximately)

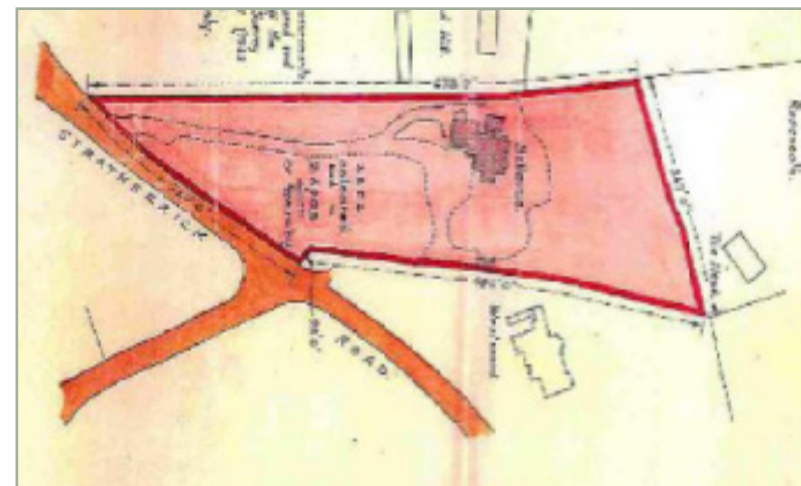
LOCATION: Inverness is a city on Scotland's North East coast and is known as the capital of the Scottish Highlands. The nursery is situated in Lochardil which is an attractive, leafy residential suburb to the West of Inverness. The centre of Inverness is just under 2 miles away and is easily accessible.

NURSERY: The nursery is well-established and trades as the Claremont Nursery. Provides childcare for babies and children aged between 6 weeks and 5 years of age. The property was fully refurbished in 2019/2020.

OFSTED RATING: Graded 5 by Care Inspectorate.

TITLE NUMBER: INV45886

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£274,331	£235,523	£267,067	£258,974

IPSWICH PINWOOD

Marbles White Drive, Pinewood, Ipswich IP8 3TL

PROPERTY: A single-storey purpose-built nursery with a large dedicated car park. Located within an established residential neighbourhood.

SIZE: 5,489 sq. ft (approximately)

LOCATION: Ipswich is located within the county of Suffolk in the East of England. Situated on the estuary of the River Orwell, the town benefits from excellent transport links. The town is popular amongst commuters – London can be reached in just over an hour.

NURSERY: The nursery is on the outskirts of a large residential area and is close to a local primary school. The nursery provides care from eight weeks to five years of age. A full internal refurbishment of the property was carried out 2019/2020.

OFSTED RATING: Good.

TITLE NUMBER: SK207907

[GOOGLE MAP LINK](#)

EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£291,296	£181,398	£201,885	£224,860



NOTTINGHAM DAYBROOK

Sir John Robinson Way, Mansfield Road, Daybrook, Nottingham, NG5 6BN

PROPERTY: A large two-storey standalone building together with car parking spaces and a substantial outdoor play area.

SIZE: 5,392 sq. ft (approximately)

LOCATION: Daybrook is a suburb of Arnold, Nottinghamshire. The area is located just outside of the city of Nottingham, a city in central England's midlands region. Nottingham is 128 miles north of London and 45 miles north east of Birmingham.

NURSERY: The nursery is situated in the centre of Daybrook close to local supermarkets and national retailers. The property is easily accessible. The nursery caters for children aged between three months to five years.

OFSTED RATING: Good.

TITLE NUMBER: NT332434

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£235,136	£266,461	£230,954	£244,184

OXFORD LADYGROVE

Ladygrove Day Nursery 1 Lostock Place, Didcot OX11 7XT

PROPERTY: A stand-alone nursery located within Lostock place, a purpose-built neighbourhood scheme comprising of a convenience store, pharmacy and restaurant. Long leasehold (999-year lease from 1997).

SIZE: 4,650 sq. ft (approximately).

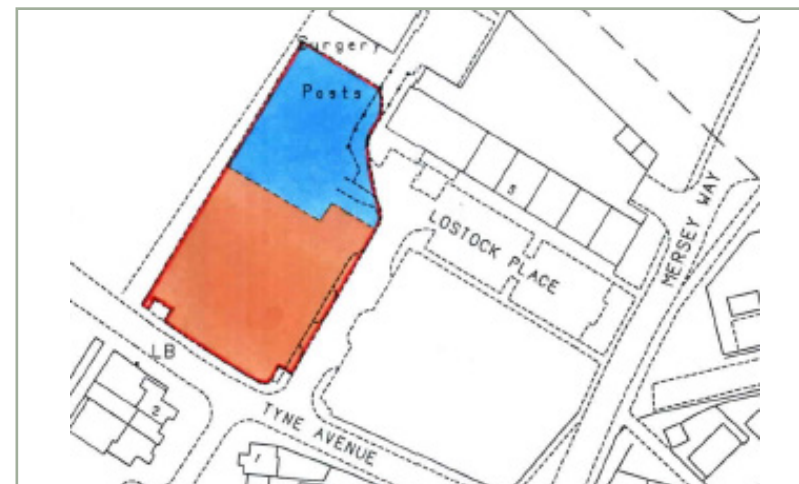
LOCATION: Didcot is a town situated 15 miles south of Oxford, 10 miles east of Wantage and 15 miles north of Reading. The nursery is situated at the heart of the Ladygrove Estate adjacent to Ladygrove Park.

NURSERY: The nursery is purpose designed and provides care for children between ages three months and five years. The kitchen and garden area were refurbished in 2019/2020.

OFSTED RATING: Good.

TITLE NUMBER: ON202279

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£279,144	£300,851	£391,740	£323,912

SHREWSBURY

Sitka Drive, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

PROPERTY: A purpose-built nursery together with private parking and garden space. The property is located within Shrewsbury Business Park which is home to over 70 businesses.

SIZE: 6,727 sq. ft (approximately)

LOCATION: Shrewsbury is the county town of Shropshire in western England. Shrewsbury Business Park is a short drive from the town centre with easy transport links available by car, train and bus.

NURSERY: The nursery provides care for babies and children aged from three months to five years with rooms purposely designed to suit early years learning objectives. The garden was refurbished in 2019.

OFSTED RATING: Good.

TITLE NUMBER: SL159087

[GOOGLE MAP LINK](#)

EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£259,941	£314,137	£332,253	£302,110



WOKING

50 Cavell Way, Knaphill, GU21 2TJ.

PROPERTY: The property is a substantial two-storey converted former hospital and social club (converted in circa 2000). The property is stand-alone with dedicated car parking. The property is located within a residential neighbourhood.

SIZE: 10,269 sq. ft (approximately)

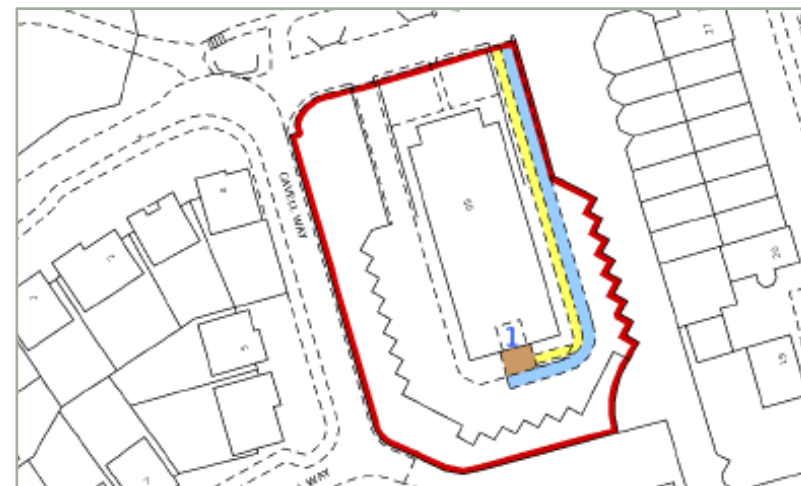
LOCATION: Knaphill is an urban village in Surrey between Woking and Aldershot in the south east of England. The nursery is easily accessible and is close to the M3 and M25.

NURSERY: The nursery has a wealth of unique features and includes four spacious rooms. The nursery caters for children aged three months to five years of age. The property was substantially refurbished in 2021/2022.

OFSTED RATING: Good.

TITLE NUMBER: SY692922

[GOOGLE MAP LINK](#)



EBITDA 2019 Actual	EBITDA 2021 Actual	EBITDA 2022 Forecast	2019 + 2021 + 2022 (forecast) Blend
£462,792	£477,488	£600,374	£513,551

Property	2019 actual EBITDA	2021 actual EBITDA	2022 forecast EBITDA	Average EBITDA (2019 actual, 2021 actual + 2022 forecast)	Rent (at 8% of average EBITDA)	Area square foot (approximately)
Apsley	£347,344	£381,309	£358,765	£362,473	£28,998	4445
Ashford Godintgon	£299,034	£264,543	£357,698	£307,092	£24,567	5134
Basingstoke Hospital	£287,787	£285,949	£398,409	£324,048	£25,924	5457
Bedford Great Denham	£482,189	£488,338	£589,495	£520,007	£41,601	4316
Bishops Stortford	£325,336	£408,307	£438,331	£390,658	£31,253	4068
Baintree	£432,483	£442,544	£528,324	£467,784	£37,423	5125
Derby Oakwood	£251,851	£148,895	£210,169	£203,638	£16,291	5499
Dundee West	£172,985	£94,141	£142,149	£136,425	£10,914	6863
Gravesend	£717,822	£879,613	£925,531	£840,989	£67,279	5737
Inverness	£274,331	£235,523	£267,067	£258,974	£20,718	5667
Ipswich Pinewood	£291,296	£181,398	£201,885	£224,860	£17,989	5489
Nottingham Daybrook	£235,136	£266,461	£230,954	£244,184	£19,535	5392
Oxford Ladygrove	£279,144	£300,851	£391,740	£323,912	£25,913	4650
Shrewsbury	£259,941	£314,137	£332,253	£302,110	£24,169	6727
Woking	£462,792	£477,488	£600,374	£513,551	£41,084	10269
				£5,420,704.63	£433,656	



VAT: It is anticipated that the sale will be treated as a transfer of a going concern (TOGC).

EPC'S: Full documents are available on request.

MONEY LAUNDERING: In accordance with Anti-Money Laundering Regulations, evidence of identity and source of funding will be required from the successful party prior to instructing solicitors.

PROPOSAL: The portfolio is offered for sale as a whole at a guide price of £14.7m (Fourteen Million Seven Hundred Thousand Pounds).

CONTACT

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IMPORTANT NOTICE MISREPRESENTATION ACT 1967

Not all properties have been fully inspected or measured. Any areas given are approximate.

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