

## Real estate in the healthcare sector – can Labour find the cure?

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Healthcare has long been at the forefront of both the social and political agendas, with commentary on the NHS being a regular feature in the press and waiting times for access to care being a longstanding problem. With a change of government comes new ideas and strategies, and real estate can play a fundamental role in finding solutions.

Healthcare is a demand, not a choice, but the supply is consistently not available to meet it. Providers must be free to do what they do best – service delivery – and to make their contribution to reaching the ultimate goals of getting waiting lists down, creating easy access to care, and cultivating a society that seeks to support people's health in a way that is preventative rather than responsive.

To reach these goals, there needs to be a rethink as to care delivery and real estate sits at the heart of this. With the creation of new towns and large housing developments often comes frustration at lack of infrastructure. This is usually down to a misalignment between the public spending budget and the costs of delivery. If this causes a barrier to the construction of new buildings then is repurposing the buildings we already have a solution and, if so, how can this be achieved?

When it comes to headlines, the death of the high street has featured perhaps almost as often as waiting times for care. Town centres have historically been anchored by a retail offering, but as this has shown to be less sustainable, those empty units are prime fodder for repurposing into healthcare centres. Then, around those spaces providing primary care, healthy retail, food and leisure options can find a place. This neatly ties in with creating a society that deals with health issues in a preventative way. To make this work from a financial



perspective, there is an opportunity to stabilise service charges and create certainty as to the costs of these units, both presently and in the future, which suits public funders. As well as creating more spaces for healthcare provision, it puts healthcare into the market as a sustainable prospect.

This sounds like an obvious solution you may say, why has no one thought of it before? Well, it is the age-old obstacle – there's just not enough money.

Private investment offers respite to the tight budgets of the public sector, and the appetite for financial contribution from the private sector is increasing. Healthcare operators are some of the strongest when it comes to paying their rent, and working with high quality operators is a long-term prospect. The real estate itself will, more often than not, be a straightforward investment option such as a freehold building or a leasehold interest in high street premises with security of tenure. Businesses in this sector will also always be addressing ESG considerations, due to their place in the community and their regulation.

We are already seeing examples of these ideas becoming a reality, with a sense that the desire for change will prevail over frustration at the existing systems.

Cripps have been involved in the healthcare sector for decades, with our experience spanning work in the pharmacy, GP surgery, dental, care home and day nursery arenas. We are passionate about supporting primary care providers with the legal issues they face in buying and selling their businesses, dealing with their leases, navigating funding solutions and ultimately in how they best serve their patients.

## How we can help

If you would like advice on any of the issues raised in this article, please get in touch with our [real estate team](#).



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