

High-Yield Care Home Development Opportunity in Edgbaston, Birmingham



Care Home Development Opportunity: General and Dementia Care in Edgbaston, Birmingham

Executive Summary

Invest in the development of an 80-bed General Care Home located in the prestigious area of Edgbaston, Birmingham. Designed to meet growing demand for premium elderly care services, this state-of-the-art facility is strategically positioned near Edgbaston Reservoir, offering residents tranquillity and accessibility while ensuring attractive returns for investors. With an estimated breakeven by year three, strong projected profits, and multiple exit options, this venture represents a secure and high-potential investment in the care sector.



Project Overview

Location

The site spans approximately one acre, situated on Reservoir Road in Edgbaston—a prime location characterized by excellent transport links and proximity to Birmingham city centre.

Development Plan

The proposed care home will feature:

- 80 single-occupancy en-suite rooms, tailored for General Care.
- Thoughtfully designed common areas for dining, recreation, and wellness.
- Landscaped outdoor spaces offering privacy and relaxation.
- Advanced facilities to ensure compliance with Care Quality Commission (CQC) standards.

Care Home

Overview:

A premium 80-bed general care home designed for high-quality elderly care, with weekly fees set at £1,500. This configuration caters to the affluent demographic of Edgbaston and surrounding areas, ensuring steady demand and strong occupancy rates.

Financial Highlights:

- Construction Cost: $\text{£1,800 per sqm} \times 6,000 \text{ sqm} = \text{£10,800,000} + \text{contingency} = \text{£11,380,000}$.
- Land Cost: £5,000,000.
- Total Project Cost: £16,380,000.
- Projected Sale Value (at 6% yield): £20,800,000.
- Potential Exit Profit: £4,420,000.

Revenue Forecast (with inflation):

Year	Revenue (£)	Occupancy Rate (%)	Net Revenue (£)
Year 1 (2027)	£4,680,000	75%	£1,080,000
Year 2 (2028)	£5,380,000	80%	£1,672,000
Year 3 (2029)	£6,075,000	90%	£2,256,000

Grant Opportunities:

The care home development may qualify for government or local grants to support dementia care facilities, eco-friendly construction, or social housing initiatives. Potential grants could offset costs by 5–10%, increasing the project's profitability.



Example Grant Scenarios:

- **Eco-Friendly Grants:** Up to £200,000 for implementing sustainable building solutions.
- **Net Cost After Grants:** **£15,680,000** (assuming £700,000 in grants).

Market Opportunity

Growing Demand for Care Homes

The UK's aging population continues to drive demand for high-quality elderly care services. Birmingham, with its diverse demographic and substantial elderly population, is a hotspot for such facilities. Proximity to urban amenities and serene natural surroundings makes this location ideal for a General Care Home.

Revenue Potential

General Care weekly fees start at £1,500 in year one and are projected to grow by 5% annually due to inflation and market demand. Occupancy is expected to reach:

- 75% in Year 1
- 80% in Year 2
- 90% in Year 3 and beyond

Financial Highlights

Development Costs

- **Construction Costs:** £1,800 per sqm
- **Total Estimated Build Cost:** £8.64 million, including contingencies
- Potential government grants may further reduce capital outlay.

Projected Revenue

- **Year 1:** £4.68 million
- **Year 2:** £5.38 million (adjusted for fee growth and occupancy increase)
- **Year 3:** £6.075 million (90% occupancy)

Net Revenue and Profit Projections

Year 1 (2026-2027)

- Occupancy Rate: 75%
- Weekly Fee: £1,500
- Annual Revenue: £4.68 million
- Operating Costs: £3.6 million
- Net Profit: £1.08 million

Year 2 (2027-2028)

- Occupancy Rate: 80%
- Weekly Fee Growth: +5% (£1,575 average)
- Annual Revenue: £5.38 million
- Operating Costs: Adjusted for inflation at 3%: £3.708 million
- Net Profit: £1.672 million

Year 3 (2028-2029)

- Occupancy Rate: 90%
- Weekly Fee Growth: +5% (£1,653 average)
- Annual Revenue: £6.075 million
- Operating Costs: Adjusted for inflation at 3%: £3.819 million
- Net Profit: £2.256 million



Exit Options for Investors:

1. **Sell to an Operator:**
 - Target healthcare operators, REITs, or investment funds specializing in care homes.
 - Exit valuation: £20.8M (100% general care) or £23.4M (50/50 mix).
2. **Lease to an Operator:**
 - Secure a long-term lease agreement with an experienced care home operator.
 - Lease revenue: ~7% yield annually, generating stable passive income.
3. **JV with an Operator:**
 - Partner with an established operator who can co-invest in the development phase, reducing risk and upfront costs.

Why Invest in This Project?

- **Prime Location:** Located in Edgbaston, Birmingham, a prestigious and affluent area with strong demand for high-quality elderly care.
- **Flexible Models:** Options to cater to general care, dementia care, or a mix, depending on demand and market trends.
- **High Margins:** Projected returns of £4.4–7M depending on the model, with potential grant support further enhancing profitability.
- **Secure Demand:** Aging population in the West Midlands drives care home occupancy rates above 90%.
- **Low Risk, High Return:** Investors benefit from a stable asset class with options to lease, sell, or partner with leading operators.

Act Now: Secure Your Stake in a Lucrative Care Home Venture

This is your opportunity to invest in a high-demand care home development in Edgbaston—combining premium location, dual-care services (general and dementia), and a robust financial strategy. With flexible partnership options, government grants potential, and projected significant returns, this venture is primed for success.

Don't miss out on shaping the future of care while securing impressive financial rewards. Join us today, let's build success together!

Disclaimer

This document is for informational purposes only and does not constitute an offer, invitation, or solicitation to invest in any project or financial instrument. All financial projections, costs, and timelines presented are estimates based on current market data and assumptions. Actual results may vary due to unforeseen market conditions, regulatory changes, or other factors beyond our control.

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