

PROPERTY MATTERS – FAQs



We develop, invest and manage primary care properties enabling the delivery of patient care at the **heart of the community.**

As the leading property investor and developer in the health care sector, Assura has the knowledge and experience to guide and support General Practitioners and NHS professionals with any premises requirements they may have.

Those considering choosing Assura as their preferred partner will invariably have a number of questions for us and we have therefore listed below some of the more frequently asked questions along with our responses.

Q: What does Assura offer?

A: Whether you are exploring a new build or looking to release the equity from your existing premises, we have the funding and expertise to support all of your property needs and pride ourselves upon the following values:

Experience: Since Assura started in 2003, we have established ourselves as a market leader in primary care premises and with a growing portfolio of over 250 healthcare properties, we have the depth of knowledge and expertise to meet your aspirations and vision.

Scale: Assura is fully listed on the London Stock Market and has solid financial backing, giving our NHS partners the comfort that Assura is a safe and secure partner.

Long term: We aim to create long term, lasting and fulfilling relationships with our occupiers and are dedicated to meeting your premises requirements in the immediate and long term.

Flexible: We pride ourselves on offering bespoke solutions to meet the user's requirements; no two are the same.

Commitment: We believe patients and health professionals deserve modern primary care premises from which they can receive and provide high quality care.

PLANNING A NEW BUILD?

Why should we work with a development partner and not do it ourselves?

Finances: In the past many new GP premises were funded by the practice themselves, often borrowing from banks. Today, the size, complexity and cost of modern primary care premises requires considerable investment which often makes this a non-viable option.

Risk mitigation: Property development can be a risky business and the financial and legal consequences of delays can be significant. A project will also require considerable up front expenditure to cover consultants' fees and surveys. Assura's scale and financial standing makes us better placed to absorb this risk than a GP practice and we are therefore able to remove this worry from the practice entirely.

Time: The amount of time and effort involved in a development project should never be underestimated and it can be very difficult for GPs to take on such a responsibility whilst also trying to run a practice. Property is our sole activity; we will do the hard work for you whilst allowing you to retain input and control.

Experience: Health care development is very much a specialist sector and guidance around design, sustainability and planning tends to be onerous and subject to frequent change. As we operate solely within the health sector, we are always on the pulse when it comes to understanding the rules and regulations governing healthcare development, so you can take confidence in our ability to deliver you a fully compliant building.

Succession planning: In modern primary care practices, GP partners tend to come and go throughout their working lives. Having to buy into the equity of the premises is nowadays often too daunting for many newly qualified GPs, so signing a lease makes the process of partners coming and going far simpler.



Business case support: Not only are we property experts, but we understand the issues facing today's NHS and the complex processes that need to be followed. With our experience and track record we can provide full business case support to help you secure the necessary NHS approvals.

The diagram below should help give you an idea of what the development process entails:

Q: How much say do we have in the design?

A: Each building we provide is designed to meet the individual needs of the practice and we therefore actively encourage detailed input and ideas to ensure that the end result meets the vision, needs and aspirations of the end occupiers and users. We also encourage site visits to some of our completed projects to help you consider what may or may not suit your practice, as well as the opportunity to talk to practices who have been through the process.

Q: How long does the development process take?

A: Depending on the size of the building, the construction process itself usually takes around twelve months. The majority of the hard work takes place prior to construction and we usually estimate an initial period of approximately eighteen months to undertake the NHS approval process, design, planning, site acquisition, legal negotiations etc. You can be assured that Assura and our team of professional consults maintain a highly proactive and diligent approach to keep the project running as smoothly and as quickly as possible.

KEY STAGES OF THE



Q: What is the cost to the practice?

A: We absorb all the risk and costs associated with the site acquisition and development process, which includes all professional fees such as planning, ground investigation, architects and other consultants. We can also help provide funding solutions to any tenant specific costs such as legal fees and relocation costs, should reimbursement not be forthcoming from the relevant NHS body.

Q: What do Assura get in return?

A: A secure property investment. Our return is based purely on the rental reimbursement agreed with the District Valuer and the security of the income. Assura invest solely in the health care sector and are wholly committed to the long term future of the building.

Q: What commitment do you need from us?

A: At Assura we are confident in our approach and ability to achieve results, therefore we don't ask you to enter into any formal exclusivity agreement and require no form of commitment until the terms of the lease are agreed, the rent is approved by the District Valuer/NHS and building work is ready to commence. Only then does the practice enter into a contract to enter into the agreed form of lease at completion.

Q: What form of lease are we required to take?

A: The terms of the lease are largely dictated by the District Valuer and the NHS and the lease term will usually be a minimum of 21 years, with differing maintenance and insurance obligations depending on the specific nature of the project. Naturally, your own solicitor will advise you during the lease negotiation process and protect your interest.

Q: What happens if there are partnership changes?

A: We fully expect doctors to come and go during the life of the lease and all we ask is that there are always two GP Partners named on the lease at any one time. We simply require notification of any changes to the Partnership and outgoing partners are then released from lease obligations.

Q: What would happen to our existing premises?

A: Assura can provide you with an exit strategy from your existing building. We can offer to buy the building for an agreed sum, in order to remove any risk in disposing of the premises upon relocation. Alternatively we can provide property support and expertise to help you market and sell/ lease the property yourselves.

Q: What happens once the building is complete?

A: Assura are long term investors, so you have continuity throughout the entire development process and throughout the life of the lease. We will help you manage the relocation process and provide a supportive aftercare service. The building contractor is retained for the first twelve months to rectify any minor defects that may arise; we then have our own asset management team who will arrange maintenance contracts as necessary and ensure you settle in as smoothly as possible.



SALE AND LEASEBACK MADE SIMPLE

Q: How does it work?

A: The sale and leaseback process itself is extremely straightforward. Assura would make you an offer to buy your premises based on the investment value of the property, capitalising the notional rent and any other income (such as Pharmacy) over a term of years. Upon acquisition, a lease is then simultaneously granted back to the Partners allowing continued exclusive use and rights over the premises. Assura as the landlord do not have any control or involvement in the day to day running of the practice.

Q: What form of lease are we required to take?

A: Typically, we would grant a lease for a period of 21 years although we are flexible and can consider longer leases depending on the circumstances. The exact terms would be agreed between the parties including the district valuer at the outset and your own solicitor would of course provide legal advice in this regard.

Q: What will the rent be?

A: Your rent would be current market rent as agreed by the district valuer. The rent is reviewed at 3 year intervals upon agreement with the district valuer.

Q: What happens if I want to retire from the practice?

A: Outgoing partners are released from lease liabilities without the need for Landlord's consent. We simply require two GP Partners to be named upon the lease at any one time; these names can change as freely as you wish.

Q: What happens if my premises become unfit for occupation?

A: As a long term investor, Assura would look to work with you throughout the term of the lease and support any need or aspiration to improve, extend or redevelop the

premises. As a healthcare developer as well as investor, we have the capital resources to fund any new build and should the Practice aspire to a brand new development, the Partners would be entitled to terminate the lease and walk away from the old premises upon relocation to the new one.

Q: What is the cost to the practice?

A: We ask that each party remain responsible for their own legal fees, which is the main cost implication to the Practice, although any outstanding mortgages or redemption penalties should also be considered. The lease may be subject to Stamp Duty Land Tax payable by the Tenant, however exemptions often apply in relation to Sale and Leaseback transactions and we would help explore this with you. The cost of any formal valuations and surveys would be borne by Assura.

Q: What approvals do I need?

A: A new lease will need prior approval by NHS England and we will support you through this process.

Q: Will I be required to carry out repairs?

A: Repairing terms will be subject to agreement between the parties, however it is usual for Practices to retain responsibility for repairs and maintenance, in which case there is simply a general obligation to keep the premises in good repair.

Q: What happens at the end of my lease?

A: The lease will be contracted into the Landlord and Tenant Act 1954, meaning that you as tenant have a statutory right to renew the lease and remain in occupation at the end of the initial term.



Investing in the future of
primary care property

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