CHILDCARE & EDUCATION

MARKET INSIGHT REPORT 2024

CHRISTIE & CO

Regulated by RICS

Contents

Introduction

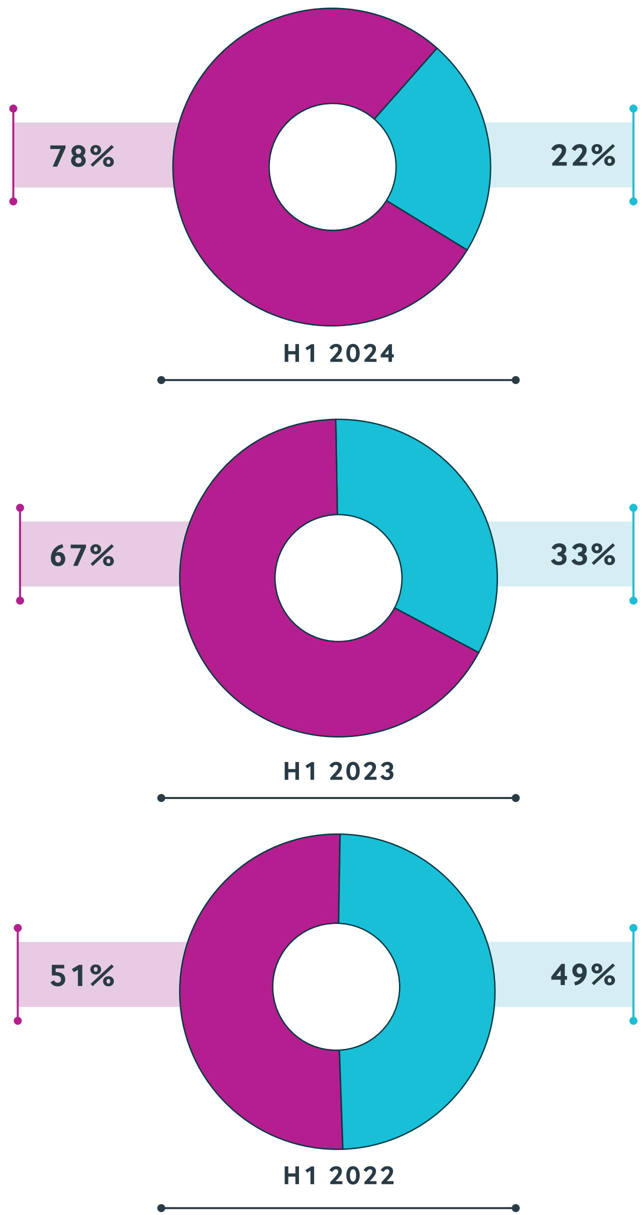
Welcome to our Childcare & Education Market Insight report, which captures key events, sentiments and activity that shaped the children's day nursery, independent school, SEND education, and children's social care sectors in the first six months of 2024.

The first six months of 2024 saw a further increase in leasehold sales compared with freehold sales. There are a number of factors which contributed to this. We have seen an increase in sellers choosing to retain their properties and grant a lease to the buyer with a commercial rent, which enables the seller, now landlord, to enjoy the rental income stream. With the cost of capital having increased, some buyers prefer to take on a new lease rather than acquiring the underlying freehold interest in the property which in some locations would command a substantial expense. Choosing to take on a lease rather than a freehold means that they can acquire more nursery businesses rather than having large amounts of capital deployed in bricks and mortar. That said, there is still an appetite for freeholds, in part because ownership awards absolute control, and the asset can be used to leverage from, more so than leasehold because of the greater suitability for secured lending purposes. For a buyer, the cost of buying a leasehold nursery is lower because they are essentially buying a right to occupy the property, rather than the physical property itself, thus for new entrants and small groups wanting to expand, leasehold settings can be more financially attainable.

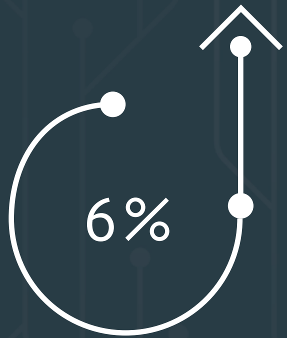
On 4 July 2024, at the cusp of mid-year, the Labour party won a historic landslide election. The former Prime Minister and former Children's Minister, Liz Truss, and many other Conservative cabinet ministers, lost their seats. In the run up to the election, the Conservative Party highly criticised Labour for not having a 'plan', however elements of a plan - including the party's intention to open 3,000 new nursery classes across England in schools to open up access to childcare for families, and tax breaks for private schools to be removed - have been known about for some time now - indeed, Labour's intention to charge VAT on school fees was first announced in 2017.

Labour secured its first win of the night with Bridget Phillipson holding on to Houghton and Sunderland South, following which, on 5th July, she was appointed as the Minister for Education. At the Labour Party conference in Autumn 2023, she made it clear to delegates that, the Party, if elected, will work tirelessly to end profiteering across the children's social care sector. Writing this in the very early days following the outcome of the General Election, whatever changes a Labour government brings, rest assured that Christie & Co will continue to work on your behalf to address the issues affecting the childcare and education sectors.

LEASEHOLD VS FREEHOLD SALES



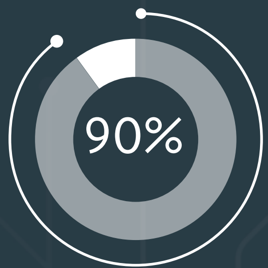
UK CHILDREN'S DAY NURSERIES



Increase in the number of inspections

Increase in the number of offers

Increase in volume of day nurseries available for sale

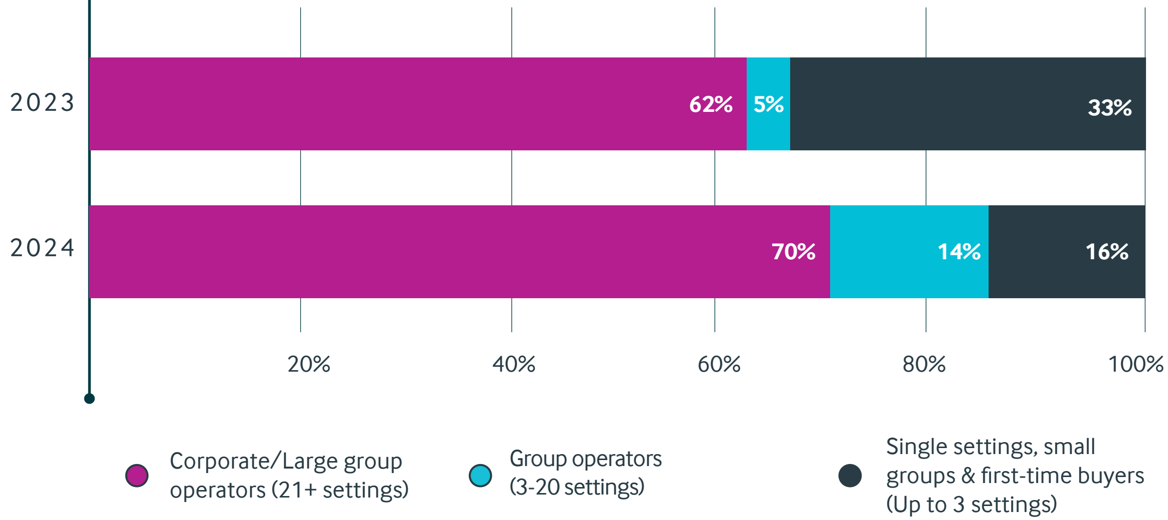


of asking price achieved on children's day nurseries

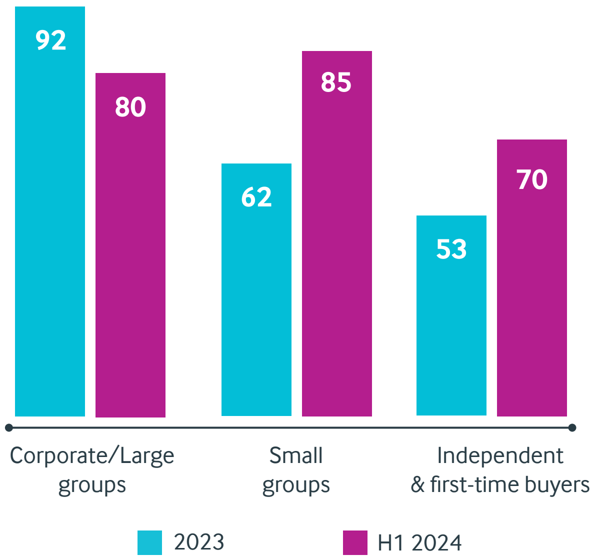
Comparing the first half of 2024 with the first half of 2023, we saw a 9% increase in acquisitions by group operators and a reduction in acquisitions by single settings, small groups and first-time buyers.In the first six months of 2024, following the trend seen across corporate group acquisitions in 2023, there was a rise in larger capacity settings being acquired by smaller operators, as we saw a 32% increase in the size of settings acquired by independent and first-time buyers (from 53 places to 70 places), and a 37% increase in those acquired by small group operators (from 62 places to 85 places).

NICK BROWN
Director & Head of Brokerage

BUYER TYPES



AVERAGE SIZE OF DAY NURSERIES SOLD



CASE STUDY

PIPPA POP-INS NURSERY SCHOOLS, LONDON

This established, highly respected family-owned portfolio comprises four prestigious nursery schools on the borders of Kensington, Notting Hill, Holland Park, and Chelsea and Fulham in London. Following a confidential sales process, the business was purchased in January 2024 by Dukes Education in what is considered to be the highest-value indepen-dent small nursery group OpCo transaction to have been completed in the UK.

MARKET OVERVIEW

2024 began positively, with our specialist Childcare & Education team brokering a number of high-profile nursery completions across the country, including the sale of Pippa Pop-ins Nursery Schools in London, Kingfisher Nursery Group in the Midlands, and Muddy Boots Nurseries in Devon, to name a few. This activity was coupled with the ongoing demand from buyers keen to seek out exciting new opportunities.

Buyers have been excited to see both leasehold and freehold opportunities, and are more open to a spread of locations, which contrasts historic activity where there has been a notable concentration of buyers for settings located in London and the South East.

POLICY, FUNDING & REGULATION

Ahead of the General Election, announcements by the Conservative Government on the expansion of early years entitlements being extended to children from nine months of age, and the subsequently announced funding rate changes were, on the whole, received in a positive manner by early years providers, albeit, for many, funding shortfalls remained.

Whilst some see the funding being offered as inadequate, the consensus is that if the new rates are delivered then this will filter through to the providers and be beneficial.

Writing this insight report with the General Election having taken place last week, clarification is yet to be provided by the Labour Party as to their full intentions around the Conservative Party's prior announcements, and it could be that conditionality provisions will be introduced - the potential detail of which is yet to be known.

Many questions remain, not least, will Labour confirm that early years funding rates will be adequately increased going forward, and in line with inflation?

Whilst we are seeing signs that inflation and interest rates are heading downwards, there is no doubt that financing has been more challenging for some as we move away from an era of ultra-low rates which have historically impacted buyers looking to expand or enter the sector. Some regional and larger groups have continued to be active, acquiring or consolidating in areas where they have an existing presence. This has meant that, even with some of the challenges in the sector, there have been healthy levels of competitive tension for the most sought-after opportunities across the UK.

While the market for operational businesses has remained positive, during the first six months of this year, we continued to see some nurseries having to close their doors and cease trading, often cited as being due to financial challenges. Where nursery closures have occurred, there has been no shortage of other providers offering employment opportunities to experienced, well-trained staff, and local settings have, in many cases, been able to enrol children from closed settings, thus enabling them to improve their occupancy where provision has allowed.

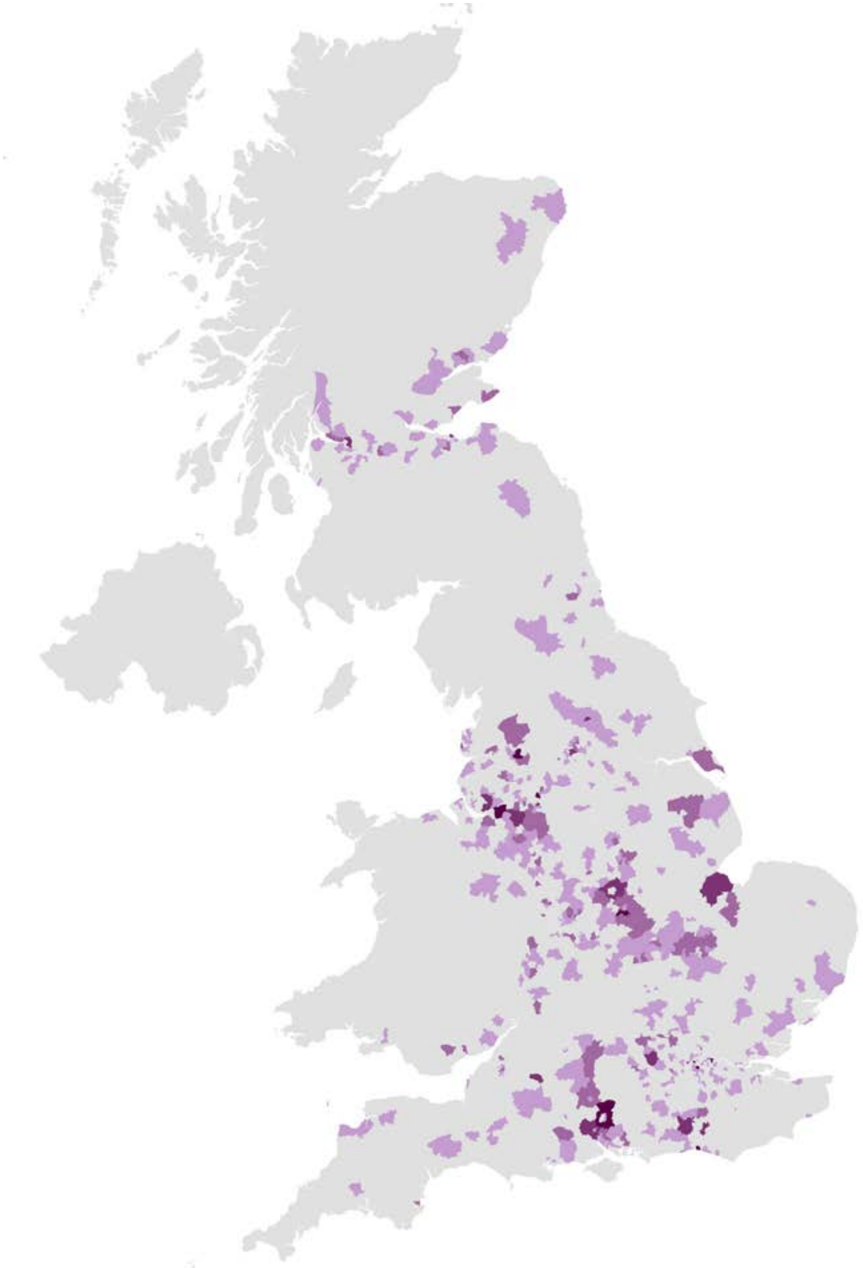
The recent change in Government brings a level of uncertainty, and having to sift through the vote-winning rhetoric and get down to what is going to be delivered can sometimes be hard for operators.

We are, however, optimistic that the positivity in market conditions seen through the first six months of this year will continue throughout the second half of 2024 as the cost-of-living crisis somewhat eases, and the sector's staffing challenges continue to be addressed.

LARGE PROVIDERS IN THE UK DAY NURSERY SECTOR BY NUMBER OF SETTINGS

GROUP	NUMBER OF SETTINGS
Busy Bees Group	366
Bright Horizons Family Solutions	271
Kids Planet Day Nurseries	192
Bright Stars	112
Partou (formerly Just Childcare & AAC)	106
Family First	101
YMCA	83
Grandir UK	83
The Old Station Nursery	77
Monkey Puzzle	73
Childbase Partnership	44

Source: Nursery World Publication: Nursery Chains and Christie & Co data as at July 2024



A heatmap of Christie & Co completions, 1 January 2020 to 30 June 2024

ENGLAND

The appetite for both freehold and leasehold day nurseries across England remains strong. We have continued to see interest from a wide a range of buyer types, especially from new market entrants and existing operators looking to acquire a second or third local site. Corporate operators continue to seek out the best-performing single settings and groups, driving competitive tension in bidding processes, resulting in multiple offers in line with, and often above, asking prices for assets that fit their acquisition criteria. We are currently witnessing demand from buyers in key locations outstripping supply, largely as a result of some nursery business owners putting their exit plans on hold as they wait to see the degree to which the new funding and demand from parents of new eligible children - especially those aged nine months from September 2024 - has on their business.

SCOTLAND

In Scotland, this year has seen a particular appetite from local and regional buyers for mid-market assets - day nurseries ranging from £300,000 to £1 million that are located across the Central Belt, especially - whilst corporate operators continue to seek out higher-performing settings.

We have also seen an uptick in 'Lease to Buy' opportunities where vendors retain the freehold interest in the nursery and the buyer takes a commercial lease, thus lowering their initial capital outlay. However, the lease provides a provision enabling the buyer/tenant the opportunity to acquire the freehold interest should they wish to do so at a later point in time, as agreed between the parties.

NORTH WALES

Traditionally, market activity in North Wales has been at a slower pace than other regions in the UK. This is mainly due to the different regulatory environment of operations regulated by CIW (Care Inspectorate Wales). When opportunities come to market, ordinarily they are acquired by providers already operating in Wales however, earlier this year, Kids Planet Day Nurseries, headquartered in Cheshire, acquired Springfield Nursery group. This comprised a collection of five freehold day nurseries, including an after-school and holiday club, marking the first portfolio acquisition in North Wales by a group headquartered in England.

SOUTH WALES

In South Wales, we have seen an increase in activity marked by a rise in the number of operators looking to exit the market - from small nurseries to very large settings with operational capacity of 150+ places, comprising a mix of freehold and leasehold opportunities. Like North Wales, historically when nurseries in South Wales were presented for sale, purchasers would often be 'local' however, akin to the entry of Kids Planet in North Wales, last year Happy Days Nurseries made their entrance into Wales through the acquisition of Hollies Nursery in Cardiff, with that transaction turning the heads of other groups based in England. In 2024, we have seen an active buyer pool expand with corporate operators, regional groups and first-time operators all keen to have sight of potential opportunities.

NORTHERN IRELAND

During 2024, we have seen an increase in buyers keen to acquire nurseries in Northern Ireland led, in part, by their recognition of the chance to reach into largely untapped opportunities in the Northern Irish market, and the chance to expand into new geographies.

IRELAND

Similar to what we're seeing in Northern Ireland, corporate activity in Ireland is on the rise. Earlier this year, Bright Stars acquired six Nurture Childcare & Early Learning Centre settings located in Cork, Ennis, and Dublin. Bright Stars follows hot on the heels of Busy Bees who expanded into the region in 2019 through its acquisition of Dublin-based Giraffe Childcare. Since this acquisition, Busy Bees has grown its portfolio to encompass 30 settings and we expect to see further corporate interest as the year continues.

TRANSACTION HIGHLIGHTS FROM H1 2024

Name of business	Date of sale	Location	Capacity	Buyer
Pippa Pop-ins	Jan-24	London	Combined 293	Dukes Education
Broughton Cottage Nursery	Jan-24	Surrey	60	Toots Nurseries
Kingfisher Day Nurseries	Feb-24	Derbyshire	Combined 186	Kids Planet Day Nurseries
Anglia Sunshine Nurseries	May-24	Suffolk	142	Storal
Katey's Nursery & Pre-School	Jun-24	London	Combined 273	Chalk Nursery Group

"We are feeling positive about the sector as a whole. The introduction of the new funding is a much-needed helping hand to parents. The revised and updated EYFS will help to raise the quality bar, which we are very supportive of. Challenges around staff recruitment remain for all operators but are manageable with the right focus on training, support, and staff retention. We are expanding, and these factors help with our plans for the future."

Sarah Blyth, CEO, Toots Nurseries

INTERNATIONAL ECEC MARKETS

COURTENEY DONALDSON
Managing Director

Positively, the first half of 2024 saw the Central Bank's Monetary Policy Committee (MPC) rates across global regions - including Central and Eastern Europe, the Middle East, Asia, Latin America and the USA - maintain a steady downward trend. This follows the global ascent in rate increases which commenced in mid-2021, before reaching their peak some 12 months ago.

Increased costs of capital globally, teamed with early years business earnings erosion (due to higher operating costs), led to the global pricing adjustments and recalibration. This was evidenced during the later stages of 2023, and we saw these market adjustments continuing to settle in the first half of 2024.

MARKET ACTIVITY

So far in 2024, the international ECEC market activity has been largely subdued. Over the past 12 to 18 months, many global providers chose to prioritise existing operations and adopt measures to gain further efficiencies and improvements within their businesses.

As those adaptations start to evidence positive outcomes, optimism around further prospects for growth gathers pace across domestic and international ECEC markets.

GROWTH IN THE SECTOR

In April 2024, Childbase Partnership Limited announced that it had signed an agreement to develop centres of excellence and enhance the quality of early years education and care within Sharjah, United Arab Emirates. Founded in 1999, Childbase Partnership is one of the largest employee-owned organisations in the UK, with over 2,000 employees and 44 centres across the south of England. It also has a world-class rating by Best Companies (2021) and was ranked as the second 'Best Big Company to Work For' in 2021. The development of these centres represents a historical point for the organisation as this long-established UK premium provider with measured growth in the UK spanning some 30 years takes an inaugural step into the international expansion.

NOTABLE INTERNATIONAL ECEC ACTIVITY, H1 2024

Name of business	Date of sale	Location	Summary	Buyer
Kinderzimmer	January – June 2024	London, England	7 new purpose-designed settings opened, providing 552 places overall	n/a
Magical Beginnings Learning Centres	January 2024	Boston, USA	Portfolio of 7 ECEC centres	Avathon Capital
Undisclosed	May 2024	Queensland, Australia	Portfolio of 9 ECEC centres - 917 places	Embark Early Education
Healthco HealthCare & Wellness REITEtal	June 2024	Australia	Portfolio of 7 investments aggregating capital value in excess of $50m (AUS) with one trophy asset yielding 4.29%. Various Investors inc	Chinese investors
Globaleducate	June 2024	Founded in Spain, operational across 11 countries	Portfolio of ECEC and K12, 65 bilingual and international schools, 40,000 pupils, 6,000 staff including 4,000 teachers	Wendel Group

REGULATION & SECTOR FUNDING

Against the backdrop of a turbulent and globally challenging financial landscape, many international ECEC providers have also seen changes in early years national, state, and provincial funding arrangements. An example of this can be seen through the discontinuation of subsidies and post-funding support for ECEC providers in the USA. Similarly in Canada, there has been an extensive transition to the Government's $10-day daycare initiative which has fuelled ECEC demand from parents. Increasingly, providers need to have the ability to pre-empt and adapt nimbly to regulatory and funding changes in order to maintain successful, sustainable operations.

CHANGING TRENDS & WORKFORCE

As we have seen in Canada and indeed across the UK, changes in national early years policies can lead to a shift in parents' demand, utilisation trends and a setting's occupancy levels, revenues and earnings. While such changes may result in positive outcomes in the short to medium term, during transition phases, uncertainty can prevail. If there is one thing all international ECEC buyers and investors have in common, it is their desire for certainty in both the short and medium term, as certainty creates confidence which fuels market activity.

ECEC providers continue to address a myriad of workforce challenges, however, for many these are less acute compared with a year or so ago. A notable focus of 2023/24 has been providers' initiatives around staff recruitment and retention, the enhancement of recognition, benefits packages, career progression opportunities, and other employee incentives. Throughout 2024, we have seen many organisations focussing intently on their own operations ahead of contemplating wider international expansion. For all ECEC businesses, retention and continuity of appropriately qualified staff, academic and experience-based staff, in hand with their workforce's engagement, health and wellbeing, happiness, fulfilment, fair remuneration and rewards are key to a setting's success.

INDEPENDENT SCHOOLS

INTERNATIONAL, DAY SCHOOLS & BOARDING

RICHARD GREEN
Director, Lead Valuer

MARKET OVERVIEW

During 2024, in the lead-up to the General Election and off the back of the Labour Party's pledge to end the tax breaks for private schools in the UK, as first announced in 2017, there has been a fair amount of market activity including a number of mergers and school ownership transitions.

Buyers have become increasingly selective and cautious when it comes to appraising new opportunities they wish to acquire, merge or partner with; reviewing each establishment's merits and unique selling points with regards to how well protected that school may be in relation to pupil retention and from a financial sustainability perspective.

While some schools have well-established contingency plans in place, others, for a variety of reasons, are less prepared and so could be more directly impacted by the potential tax break change. While further details are yet to fully emerge, there is an expectation that tax breaks for private schools in the UK will end in September 2025. At this stage, it is incredibly difficult to predict whether parents will keep their children in their current independent schools, or if they will need to make alternative choices. Uncertainty, similar to what we've seen over the past six months, is likely to prevail in the short to medium term.

In recent years, the makeup of the independent school sector has changed. There are circa 2,420 independent schools in the UK, educating 7% (circa 625,000) of all children in the UK (Source: Department for Education), and the number of independent special schools has steadily increased, now making up 58% of the sector compared with 45% in 2019 (Source: Gov.uk 2023).

FEE RATES

The Independent Schools Council (ISC) continues to monitor fee increases with the results published in its annual school census, the results of which note an annual average increase of 8% in 2024, in line with inflation, with the majority of day schools charging between £3,000 and £6,000 per term.

Over a third of all ISC pupils receive some type of fee assistance. The average means-tested bursary was worth £12,909 per annum, an increase of 9.3% compared with last year, showing a continuing trend in schools to support more disadvantaged families in accessing high-quality education.

TRANSACTION HIGHLIGHTS FROM H1 2024

Name of business	Date of sale	Location	Capacity	Buyer
Dale House Independent School & Nursery	January 2024	Bradford, West Yorkshire	120 students	Polaris Community
Bruce College	February 2024	Cork, Ireland	270 full-time students	Dukes Education
Rupert House School	March 2023	Henley on Thames	260 students	Wishford Education
Shebbear College	April 2024	Shebbear, Devon	375 students	Inspired Learning Group
Avondale Preparatory School	May 2024	Salisbury, Wiltshire	180 students	David Allison

REGULATION

While schools are inspected by both the Independent Schools Inspectorate (ISI) and Ofsted, Ofsted alone judged 75% of non-associated schools as 'Good' or 'Outstanding' as of 31 August 2023. This is the same as 2022 which follows a period of consistent improvement since 2017, when they judged 68% as 'Good' or 'Outstanding'. Since 31 August 2022, 65 schools that Ofsted had previously inspected have closed or left the remit. In market terms, schools with a track record of positive regulatory outcomes, and those that evidence having 'significant strengths', as determined by the regulator, are frequently more appealing to parents and buyers alike in comparison with schools with less favourable inspection outcomes. Desirability will impact both parents' choices and the price that buyers will be willing to pay.

CASE STUDY

AVONDALE PREPARATORY SCHOOL, WILTSHIRE

Avondale Preparatory School is a non-selective, co-educational independent day school, with the capacity for 180 children. Acquired by Stuart Watson in 2013, the school has thrived under its current headteacher and improved each year to attain very high standards. Following a confidential sales process, it was purchased in May 2024 by investor, David Allison, who is looking to build on the excellent business which will add to his group.

INDEPENDENT SEND SCHOOLS

DAY & RESIDENTIAL PROVISION

RICHARD GREEN
Director, Lead Valuer

MARKET OVERVIEW

In the first six months of 2024, across the market, we continued to experience incredibly high demand from buyers for properties that would lend themselves to SEND school provision.

Across the country, while vacant former school sites are most highly desired from a planning perspective, buyers have been keen to look at a wide range of properties available to be bought with vacant possession, from former hotels and care homes, through to former community assets such as libraries. Buyers continued to comprise existing operators looking for growth and new entrants to the market, keen to set up and supply services in an attempt to aid in the acute surge in demand for suitable SEND placements and services.

The SEND schools sector continues to grow due to the increasing demand for suitable settings that support the needs of children who are unable to access mainstream education and/or suitable residential provision.

An example of a new provision opening to meet the rising demand for SEND services is Aurora Wilden View School in Kidderminster which is a newly developed 76-place school that opened on 26 February 2024 to support young people aged five to 19 who have a range of complex learning needs including social, emotional and mental health needs, speech, language and autism. Wilden View School is part of The Aurora Group, a provider of 19 specialist schools across England.

"SEND advocates hope that the new Government will prioritise needs by ending the [Safety Valve agreements] programme and injecting sufficient capital so that every child and young person has the opportunity to access the education they need."

REGULATION & SECTOR FUNDING

During 2024, local authorities in England continue to sign up to Safety Valve agreements, which sees them receive extra funding from the Government as they agree to 'manage' their high-needs SEND funding requirements in ways that the DfE requires. This can include reducing the number of "inappropriate referrals" and EHCPs awarded, along with targets to transfer children with EHCPs into mainstream schools. Some councils are facing legal challenges over these agreements, with three potential judicial reviews being commissioned.

Despite this, the rising demand for SEND services, which has fuelled heightened demand from providers for suitable properties to convert into SEND spaces, shows no sign of abating. Across the market, there are concerns that the Safety Valve agreements are putting the education and well-being of children and young people with SEND at risk. SEND advocates hope that the new Government will prioritise needs by ending the programme and injecting sufficient capital so that every child and young person has the opportunity to access the education they need.

FUTURE DEMAND DRIVERS

There are a number of drivers for independent SEND schools and college services, which are important determinants of future demand. These are:

- Demand for suitable settings that support the needs of children who are unable to access mainstream education
- More children are being identified as having SEN as awareness grows
- An increasing prevalence of children and young adults with "high needs"
- A substantial rise in the number of children and young people with EHC plans
- Parental/student choice of educational facility (mainstream vs specialist education and public sector vs independent sector)
- Public sector commissioning and outsourcing behaviour – use of the independent sector

CASE STUDY

OUTCOMES FIRST GROUP (OFG), BOLTON

Outcomes First Group is one of the UK's leading SEN providers, operating 56 high-quality schools that serve over 3,000 students between three and 25 years of age. Stirling Square Capital Partners completed the sale of OFG in January 2024 to The Rise Fund, TPG's multi-sector global impact investing strategy, and Investcorp, a leading global alternative investment firm. Under the facilitation of the sale, we provided valuation services to Sterling Square and Outcomes First Group including a review of the individual assets and the portfolio in its entirety culminating in valuation advice.

CHILDREN'S SOCIAL CARE

JULIE KITSON
Director

MARKET OVERVIEW

In the first six months of 2024, the children's social care market in the UK was fairly stagnant, with very little stock available to buyers due to operators continuing to expand their businesses organically and build on the high placement demands.

Demand for high-acuity complex children's services, including both residential places and associated educational placements and provision, has continued to rise, with corporate and regional operators remaining incredibly keen to acquire.

Demand remains particularly strong for both closed homes with C2 use and CLD as operators look to build their portfolios and see great potential in these properties. Operational homes, single assets, and groups remain highly sought after, including operational homes with permitted multi-occupation, albeit we have seen an increasing number of such homes being operational with solo placements supporting children and young people with increasingly complex needs.

REGULATION

As of October 2023, Ofsted began registering supported accommodation providers, giving essential oversight of supported accommodation for children in care and care leavers aged 16-to-17 years. Under the new regulations, it is now an offence to provide supported accommodation without having a registration application accepted as 'complete'. As of March 2024, we understand that there are over 800 services that still need to be registered and then inspected by Ofsted, which will no doubt have a huge impact on operators and the timeliness of the services they can provide to those in need.

In Wales, the Government has established its Transformation Children's Services Programme which aims to have more children supported to remain with their families, meaning fewer children and young people entering care. The programme is set out to run until April 2026.

SECTOR FUNDING

The Labour Party's 2024 manifesto promises a £95 million investment in Young Futures Hubs. The Party has stated that "every child should have a loving, secure home" but little detail has been given regarding how the Party will handle the growing pressures in children's social care and the crisis in local government to fund increasing costs.

Advocates across the sector continue to call for greater investment in more high-quality homes in the right places to address crisis placements, as well as talks to support young people leaving care. It is yet to be confirmed whether Labour will keep the pledges made by the Chancellor in the 2024 Spring Budget, which include £45 million to create 200 more children's home placements and an additional £120 million for the refurbishment and rebuilding of secure children's homes.

9%

In the last five years, the population of looked-after children in the UK **increased by 9%**

Source: NSPCC, Statistics briefing: children in care, January 2024

12%

From 2023 to 2024, **there was a 12% increase** in the number of children in secure children's homes

Source: Department for Education, Children accommodated in secure children's homes, May 2024

CASE STUDY

PROVISION DEMAND SURGES SECURED LENDING VALUATIONS

In spring 2024, NatWest Bank plc appointed us to provide valuations for loan security on two children's home portfolios. Each portfolio had 16 homes, all registered or in the process of registering with Ofsted to care for children aged seven to 18 with emotional and behavioral difficulties. NatWest required formal RICS 'Red Book' valuations of each asset and business, portfolio valuations, individual market rent assessments, and insurance reinstatement costs.

THE FUNDING LANDSCAPE

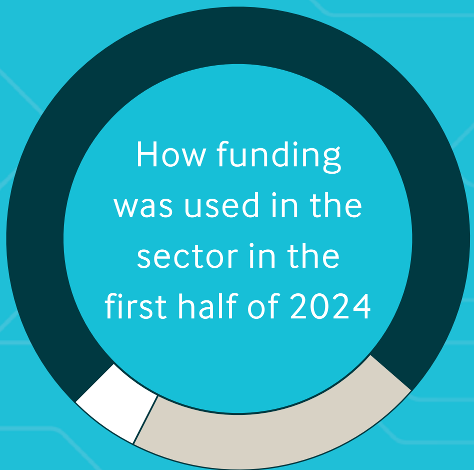
ALENA RAY
Director
Christie Finance

IN THE FIRST HALF OF 2024:

38% — Requirements for debt funding increased by 38%

53% — and the average loan size increased by 53%

A recent Christie Finance sentiment survey revealed that **86% of funders/banks surveyed have a positive outlook** for the year ahead



74% Acquisitions
21% Refinance
5% Refurbishment

Whilst many lenders view the childcare sector as a worthwhile funding opportunity, their willingness to support operators is largely dependent on factors such as occupancy levels, sustained profitability over an extended period, and a secure regulatory framework. The sector is ever evolving, and operators must formulate a strategy that allows them to maximise profitability whilst ensuring they can provide an outstanding level of care to children.

Whilst the Bank of England base rate remains stable at 5.25%* (an increase of 0.25% since June 2023), businesses have adapted to these rates, and we have seen an increase in funding enquiries from first-time buyers as well as experienced operators looking at expansion opportunities. Largely, operators have welcomed the Government funding boost announcement and are keen to expand their existing setting(s) or acquire setting(s) with scope for growth. As the sector undergoes changes, it is imperative that operators regularly monitor their occupancy numbers and forecast their business performance to ensure business efficiency.

At Christie Finance, we have witnessed a 50% increase in funding queries in the last 12 months. Enquiries related to first-time buyers looking to acquire a setting, experienced operators looking to buy additional nurseries to expand their groups, as well as businesses purchasing assets, completing refits and fulfilling their cashflow needs.

Many groups in the sector have been looking to expand rapidly across all parts of the UK. This has resulted in operators dipping into cash reserves or looking for alternative funding options.

Challenger banks and private equity funders are more specialised and will offer bespoke options to support accelerated growth in a more flexible manner. Groups with strong leadership teams supported by a good head office structure and a strong track record are ideal opportunities for these lenders.

OUR SERVICES

Christie & Co is widely recognised as the UK's leading Childcare & Education business property experts.

We offer a full range of professional services to clients selling, buying, valuing or raising finance in the sector, including:

BROKERAGE

- Sales and acquisitions
- Capital Markets/Investment
- Sale and leaseback
- Leasing

CONSULTANCY & ADVISORY

- Lease and advisory services
- Commercial Due Diligence
- Feasibility and performance benchmarking
- Holistic planning needs assessment
- Research and Market Entry Studies

VALUATIONS

- RICS-accredited valuations for loan security
- Expert witness

LANDLORD & TENANT

- Lease and rent reviews

CHRISTIE FINANCE

- Finance raising for acquisition, refinance, unsecured, and asset finance
- Corporate Debt Advisory

CHRISTIE INSURANCE

- Business & Life Insurance and Employee Benefits

ABOUT US

Our award-winning Childcare & Education team is widely recognised as the UK's leading advisors, providing a range of services from brokerage to valuation and consultancy across the day nursery, specialist childcare, children's social care and education sectors.

Whether you're looking to buy or sell your business, our specialist brokerage team is equipped with in-depth knowledge and expertise to provide professional, accurate advice and help you achieve your business goals. Our childcare valuations and consultancy specialists are known across the industry for providing bespoke, innovative and high-quality advice to our clients.

"We were extremely impressed by the knowledge and professionalism of Christie & Co when they first approached us. Their knowledge of the market was immediately apparent, and I have been delighted with the services of Christie & Co."

Peter Thompson, Children's Choice

"Christie & Co played a very valuable role in helping us to introduce a much-needed increase in the placement fees at our adult care home. Their carefully researched and detailed report not only enabled us to identify the market rate for similar provisions but also provided us with the data and information we needed to design and implement a new fee structure. We subsequently engaged the team to assist with a different project focussing on school fees rather than care home fees. We would happily recommend Christie & Co to any organisation looking to embark on a similar project."

Marcus Rowland, Novalis Trust

RECENT ACTIVITY

Our Childcare & Education team has had a very busy year so far, kicking it off with our very own webinar in January, where our Managing Director, Courteney Donaldson, and Head of Brokerage, Nick Brown, were joined by Birdi & Co Solicitors' Kush Birdi and The Harkalm Group's Daniel Goodman. The webinar focussed on the 2023 day nursery market, and each speaker shared their outlook for 2024.

Throughout the year, our team has continued to share some valuable market insights. In an article for Nursery World, we produced data on the new funding proposal in Edinburgh and highlighted the impact this is likely to have on city-based private and independent day nurseries.

We have also been busy attending and sponsoring numerous industry events including the Nursery World Business Summit in February, NMT Owners Club events in March, and the Nursery Owner's Summit in Leeds, alongside our colleagues from Christie Finance.

For another year, we attended the EducationInvestor Awards and NDNA Conference & Awards, and we were proud to sponsor the World Forum Foundation Conference 2024, which took place in Vancouver. Courteney Donaldson was in attendance alongside over 700 global ECEC educators, and where she held a session on the NDNA's Blueprint for Early Education.

Nominated by NDNA and the Department for Education in recognition of her services and as gesture of appreciation for her contribution to education, our Managing Director - Childcare & Education, Courteney Donaldson, was recently invited to attend the garden party at Buckingham Palace. She and her husband had a magical day - real a once in a lifetime experience - the memories of which they will treasure forever.

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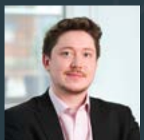

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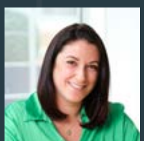

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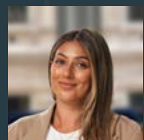

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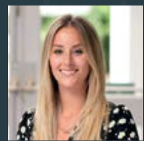

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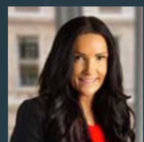

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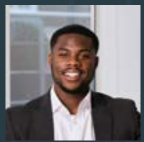

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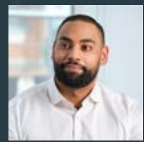

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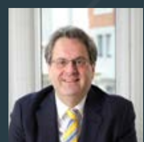

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