



Student  
Accommodation  
Investment  
Opportunity

Let to a  
Leading  
International  
Education  
Institution

Annual  
RPI-linked  
Rental  
Increases

FRANKLIN HOUSE, 66 New Dover Road, Canterbury, CT1 3DT



## Investment Summary

- New-build student accommodation (2019) providing 66 beds.
- Canterbury is a historical and affluent city as well as being a major educational hub.
- Close proximity to Canterbury city centre as well as various local universities. Adjacent to Worthgate School main campus (Lessee).
- Let to Cambridge Arts & Sciences Ltd, guaranteed by Bright Scholar Education Holdings Ltd for a 25-year term expiring 21st October 2044, with tenants break option on 21st October 2039.
- The lease is drawn on a full repairing and insuring basis.
- Pre-agreed rental increase to £408,087 per annum effective from 22nd October 2024, with subsequent to annual rent reviews on the lease anniversary, RPI Linked, collared and capped at 2%-5%.
- Strong ESG credentials (EPC B).
- Offers are sought in excess of **£6,375,000** subject to contract. A purchase at this level would provide a purchaser with a **net initial yield of 6.00%** assuming purchaser's costs of 6.64%.



FRANKLIN HOUSE

2

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1

Worthgate School

2

Canterbury East Train Station

3

Palamon Court

4

Augustine House Library,  
Canterbury Christ Church University

5

Stafford House International School

6

University for the Creative  
Arts Canterbury

7

Whitefriars Shopping Centre

8

Girne American University

9

Canterbury College

10

Canterbury Christ Church  
University College

11

Canterbury Cathedral

# Canterbury

Canterbury is a historic and affluent cathedral city located 60 miles south east of Central London, 28 miles east of Maidstone and 18 miles north west of Dover.

Total population is 159,900, as reported mid-2023 (ONS) - the second largest population in Kent behind Maidstone.

## Education

Canterbury is well known as a centre for knowledge and education and is home to the University of Kent, Canterbury Christ Church University and the University of the Creative Arts.

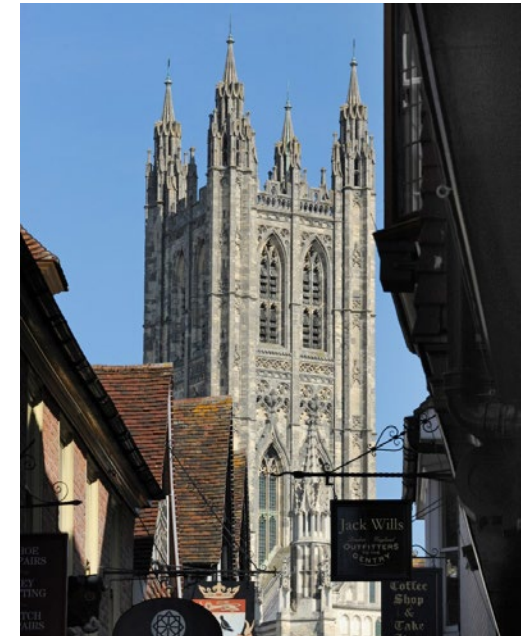
The University of Kent and Canterbury Christ Church University have partnered up to invest in and create a new medical school for Kent and Medway. This aims to attract and retain highly skilled medical professionals, further increasing the student population and overall attractiveness of the city for students.

Canterbury has a high student/permanent resident ratio, with universities being central to the local economy with an estimated economic impact of circa £1 billion per annum.

## Tourism and Retail

Canterbury has approximately 7.2 million visitors per year, spending a combined annual average of £45 million.

In addition, Canterbury is the largest retail centre in east Kent with major retailers such as M&S, Next, H&M and an extensive range of bars and restaurants.



Canterbury has 53,400 students within higher education



Canterbury has the highest student/resident ratio in the UK



As of 2023, only 26% of students can be accommodated by current supply



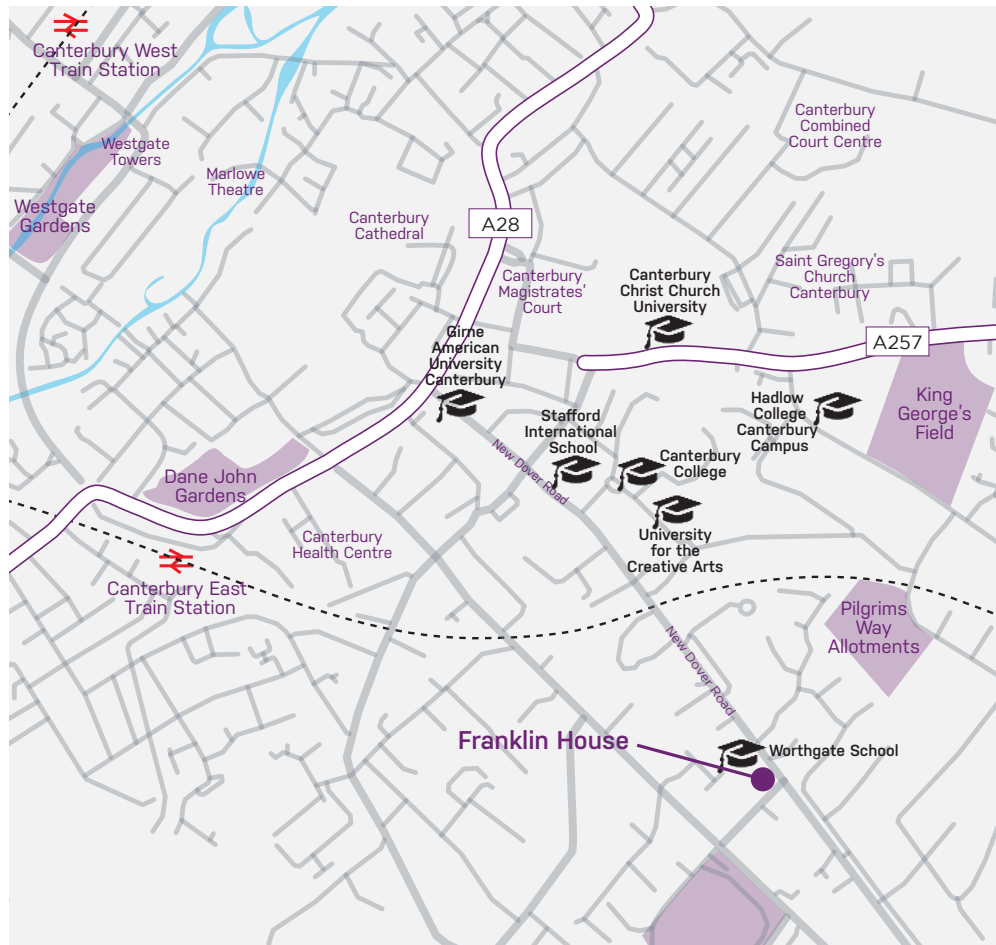
The city's universities contribute £1.1 billion per annum to the local economy

## Location and Situation

The subject property adjoins the Worthgate School main campus, on the A2050 (New Dover Road), one of the key arterial routes leading from the city centre.

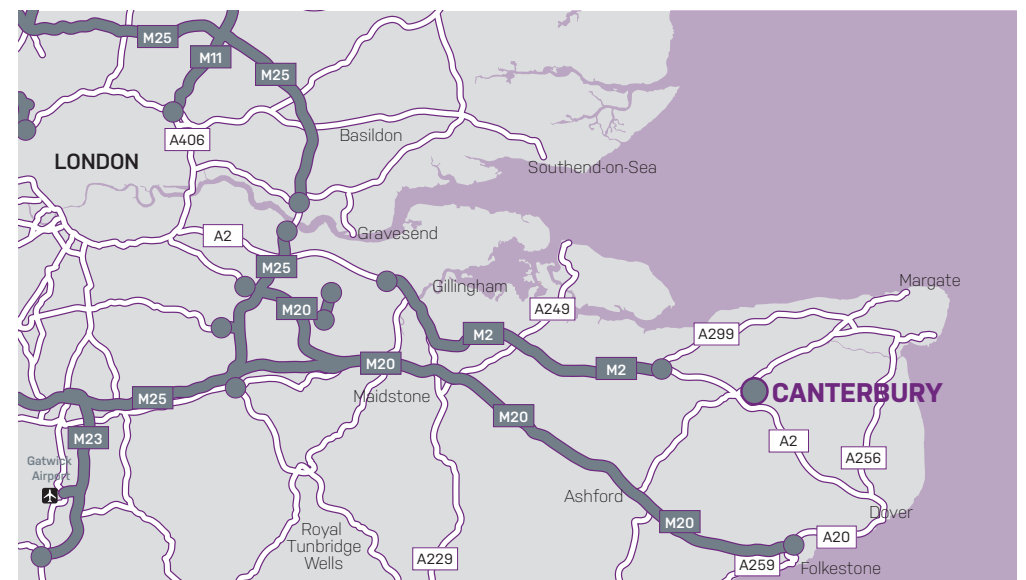
The immediate surrounding area is leafy and affluent and sits within the New Dover Road Conservation Area. New Dover Road has a range of residential, independent schools/colleges, student accommodation and hotels along it.

New Dover Road is a favoured location for students, given proximity to nearby university and college campuses. In addition to Worthgate School, University for the Creative Arts (UCA), Canterbury Christ Church University (CCCU), Hadlow College, Canterbury College and Gith American University have campuses directly off or close to New Dover Road.



## Transport

Canterbury has good connections with the A28 and A2 dual carriages providing direct access to the M20 and M2 motorways respectively. The city is served by two mainline railway stations; Canterbury East and Canterbury West with routes providing direct access to London. The quickest journey times are 1 hour 15 minutes to St Pancras International and 43 minutes to Stratford International.



## Description

A detached purpose-built five storey student accommodation property constructed in 2019. Arranged over basement and four upper floors, of traditional construction, with brick and block walls beneath a pitched tiled roof.

It was designed with internal fire compartmental walls and four individual risers to allow future alternative uses.

The property has direct pedestrian access to the adjoining Worthgate School campus, as well as being integral to the secure comms/data services across the campus. As such, Franklin House serves as a core accommodation facility for Worthgate School.

The internal specification comprises modern fittings throughout, as shown. The building also has a passenger lift.

## Accommodation

66 bed student accommodation arranged in 48 bedrooms (including two wardens flats), together with a Common Room.

Floor	Area Sq Ft (NIA)	Area Sq M (NIA)
Basement	1,937	180
Ground	1,335	124
First	1,981	184
Second	2,077	193
Third	1,464	136
Total	8,794	817

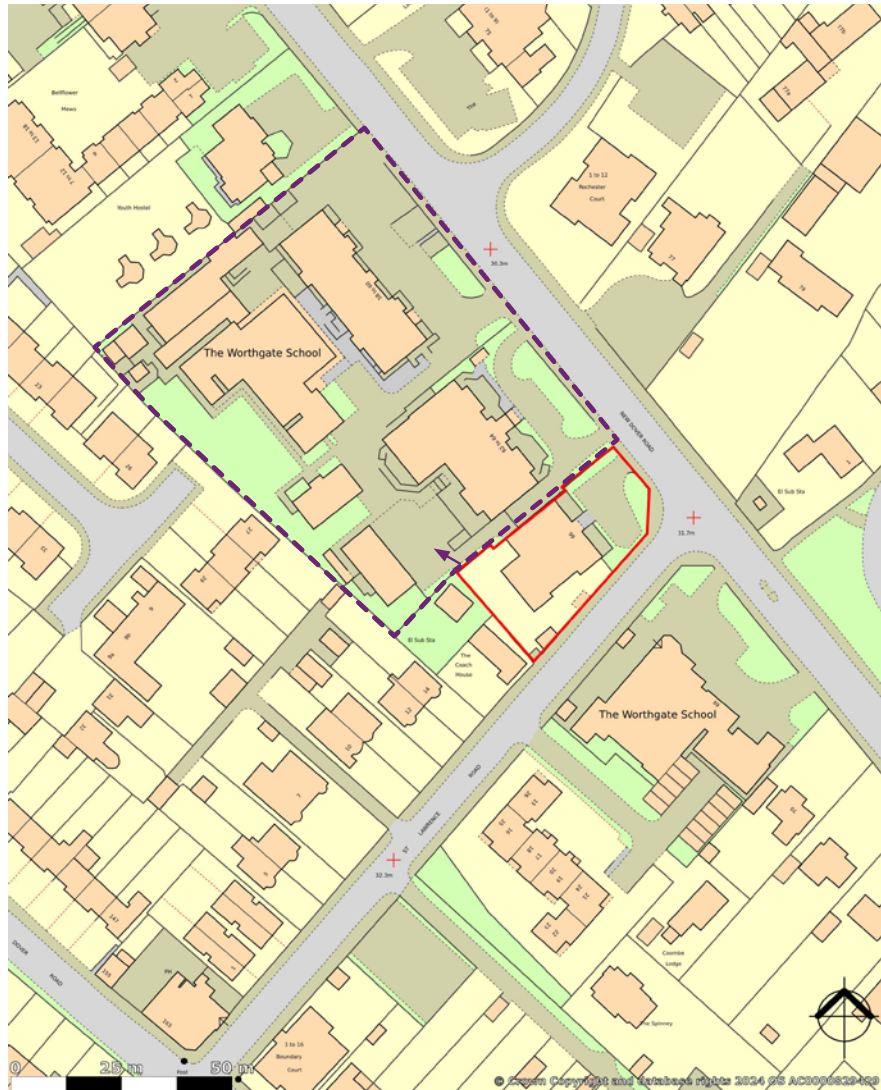
Floor	Area Sq Ft (GIA)	Area Sq M (GIA)
Total	14,456	1,343



## The Site

The 0.25 acre and 0.10 hectare site is situated at the junction of, and with frontage to, New Dover Road and St Lawrence Road.

Franklin House is held on a freehold title (Title Number K708004). The Worthgate School and further accommodation has been highlighted adjacent to the asset, along with an arrow pointing to the campus to display the access route from this accommodation to the school.



## Second Floor plan



## Tenancy

Let to Cambridge Arts & Sciences Limited (company number 03454690) on a full repairing and insuring basis for a term of 25 years from 22nd October 2019 with annual reviews increasing in line with RPI (collared at 2% and capped at 5%) expiring 22nd October 2044. The rent from 22nd October 2024 will be £408,087 per annum. The annual rental increase was based on the July index. There is a tenants option to break at the 20th year. Bright Scholar Education Holdings Limited act as guarantor.

## The Tenant – Cambridge Arts & Sciences Limited

Cambridge Arts & Sciences Limited (company number 03454690) is part of CATS Global Schools. The Worthgate School in Canterbury is one of 13 schools in the UK.

The immediate parent company of Cambridge Arts and Sciences Limited, and Worthgate School Limited (the local operating business), is CEG Colleges Limited. These collectively form part of the international business which is ultimately owned by Bright Scholar Education Holdings Limited.

Below is an overview of recent financial performance of the tenant entity.

	YE 31 August 2023	YE 31 August 2022	YE 31 August 2021
Turnover	£17,646,000	£16,061,000	£15,965,000
Pre-Tax profit	£1,736,000	£1,396,000	£480,000
Net Worth	£7,682,000	£16,713,000	£15,649,000

## The Guarantor – Bright Scholar Education Holdings Ltd

Bright Scholar is a global premier education service company, which primarily provides quality international education to global students and equips them with the critical academic foundation and skillsets necessary to succeed in the pursuit of higher education. Bright Scholar also complements its international offerings with Chinese government-mandated curriculum for students who wish to maintain the option of pursuing higher education in China.

For the nine months ending 31st May 2024, the overall group reported revenues, of RMB 1,648m (circa US\$227.6m), with international (non China) schools accounting for almost 50% of revenues. Based on quarterly results to 31st May 2024, revenue increased 6.2% quarter on quarter and gross profit increased 5.0% year on year.



CATS  
GLOBAL SCHOOLS



## VAT

The property is zero rated for VAT, therefore we assume VAT will not be payable on the purchase price.

## EPC

The property has an Energy Performance Certificate rating of B 31.

## Anti-Money Laundering Policy

In accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended 2019), the Purchaser will be required to comply with Fisher German's Anti-Money Laundering policy. Further details on request.

## Capital Allowances

The vendor will retain the benefit of capital allowances.

## Tenure

Long leasehold for 999 years from the date of purchase, with an ability to purchase the freehold after circa 5 years.

## Further Information

Viewings strictly by appointment only. For further information or to arrange a viewing please contact the vendor's sole retained agent:



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## Proposal

Offers are sought in excess of **£6,375,000** subject to contract. A purchase at this level would provide a purchaser with a **net initial yield of 6.00%** assuming purchaser's costs of 6.64%



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