



Student
Accommodation
Investment
Opportunity

Let to a
Leading
International
Education
Institution

Annual
RPI-linked
Rental
Increases

ERSHAM LODGE, 12 New Dover Road, Canterbury, CT1 3AP



Investment Summary

- A 2019 redevelopment of student accommodation with a 1930's facade providing 37 beds.
- Canterbury is a historical and affluent city as well as being a major educational hub.
- Ersham Lodge is situated close to Canterbury city centre as well as the main campus for Worthgate School, Canterbury College, the University of the Creative Arts and Canterbury Christ Church University.
- Let to Cambridge Arts & Sciences Limited with Cambridge Education Group Limited acting as guarantor, for a term of 15 years expiring 27th February 2034.
- The lease is drawn on an internal repairing and insuring basis.
- Current rental of £223,266 per annum, with annual rent reviews on the 28th February, RPI linked, collared and capped at 2%-5%.
- Strong ESG credentials (EPC B).
- Freehold.
- Offers are sought in excess of **£3,000,000 (Three Million Pounds)** subject to contract and exclusive of VAT. A purchase at this level would provide a purchaser with **a net initial yield of 6.99%** assuming purchaser's costs of 6.46%.

University of Kent
0.5 miles north

ERSHAM LODGE

1

1

Worthgate School

2

Canterbury East Train Station

3

Palamon Court

4

Augustine House Library,
Canterbury Christ Church University

2

3

4

5

6

5

Stafford House International School

6

University for the Creative
Arts Canterbury

7

Whitefriars Shopping Centre

8

Girne American University

7

8

9

9

Canterbury College

10

Canterbury Christ Church
University College

11

Canterbury Cathedral

12

Canterbury West Train Station

12

11

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.

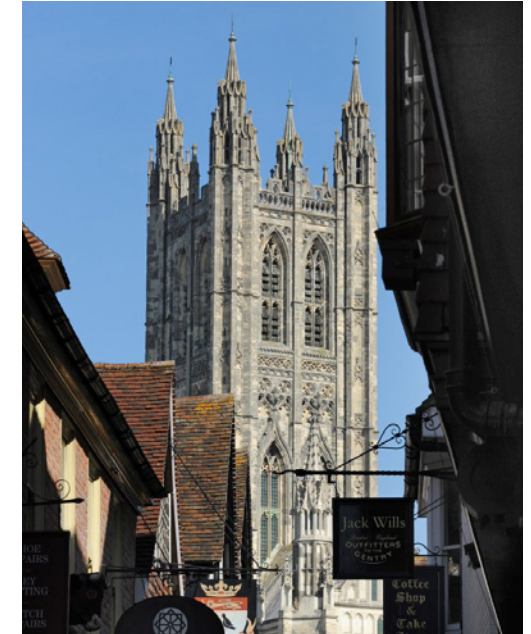
The University of Kent and Canterbury Christ Church University have partnered up to invest in and create a new medical school for Kent and Medway. This aims to attract and retain highly skilled medical professionals, further increasing the student population and overall attractiveness of the city for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



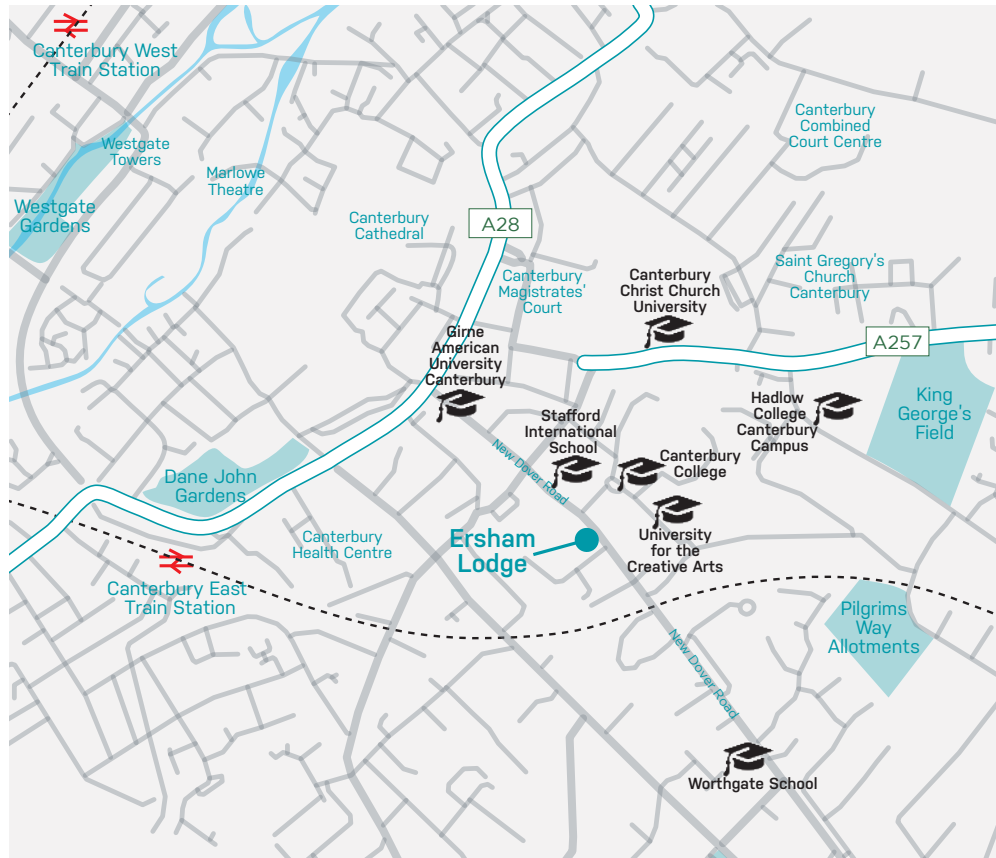
The city's universities contribute £1.1 billion per annum to the local economy

Location and Situation

12 New Dover Road is situated approximately 0.4 miles from the city and is on the west side of the road and is adjacent to the New Dover Road Surgery.

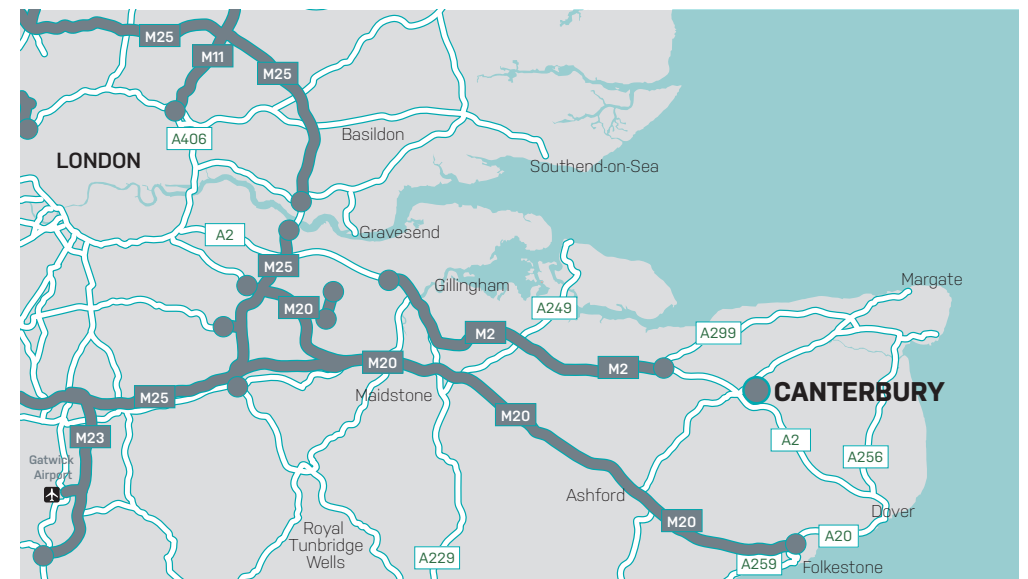
New Dover Road comprises a mix of residential and student accommodation together with educational facilities, with this accommodation associated with Worthgate School campus.

The nearby Worthgate School campus provides the main teaching facility of the school and comprises of laboratory space, classrooms as well as staff room, library and administrative office space.



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

Ersham Lodge was previously used as an B&B Guesthouse and has undergone a comprehensive redevelopment to provide modern student accommodation.

The property is arranged over the ground, first and second floors and extends to an approximate total of 8,966 sq ft.

Accommodation

Floor	Area Sq Ft (GIA)	Area Sq M (GIA)	No. of beds	Ancillary areas
Ground	4,402	409	15	1 x warden's flat (equivalent of 3 beds), 1 x large common room, 1 x breakfast room, 1 x large laundry room
First	3,843	357	18	
Second	721	67	4	
Total	8,966	833	37	



Tenancy

Let on assignment to Cambridge Arts & Sciences Limited with Cambridge Education Group Limited acting as guarantor, for a term of 15 years expiring 27th February 2034. The current rent is £223,266 per annum, which is reviewed annually on the 28th February, based on the RPI index, with a collar and cap of 2%-5%. The lease is drawn on an internal and insuring basis.

Planning

We understand that Ersham Lodge has planning consent for Use Class C1 and has previously been operated as a Bed and Breakfast.

These photos were taken prior to the first occupation

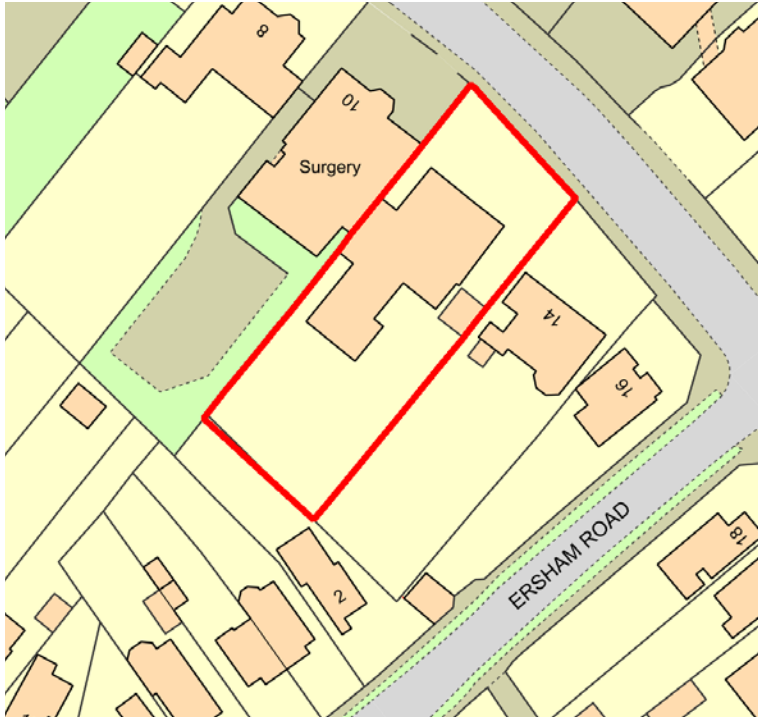
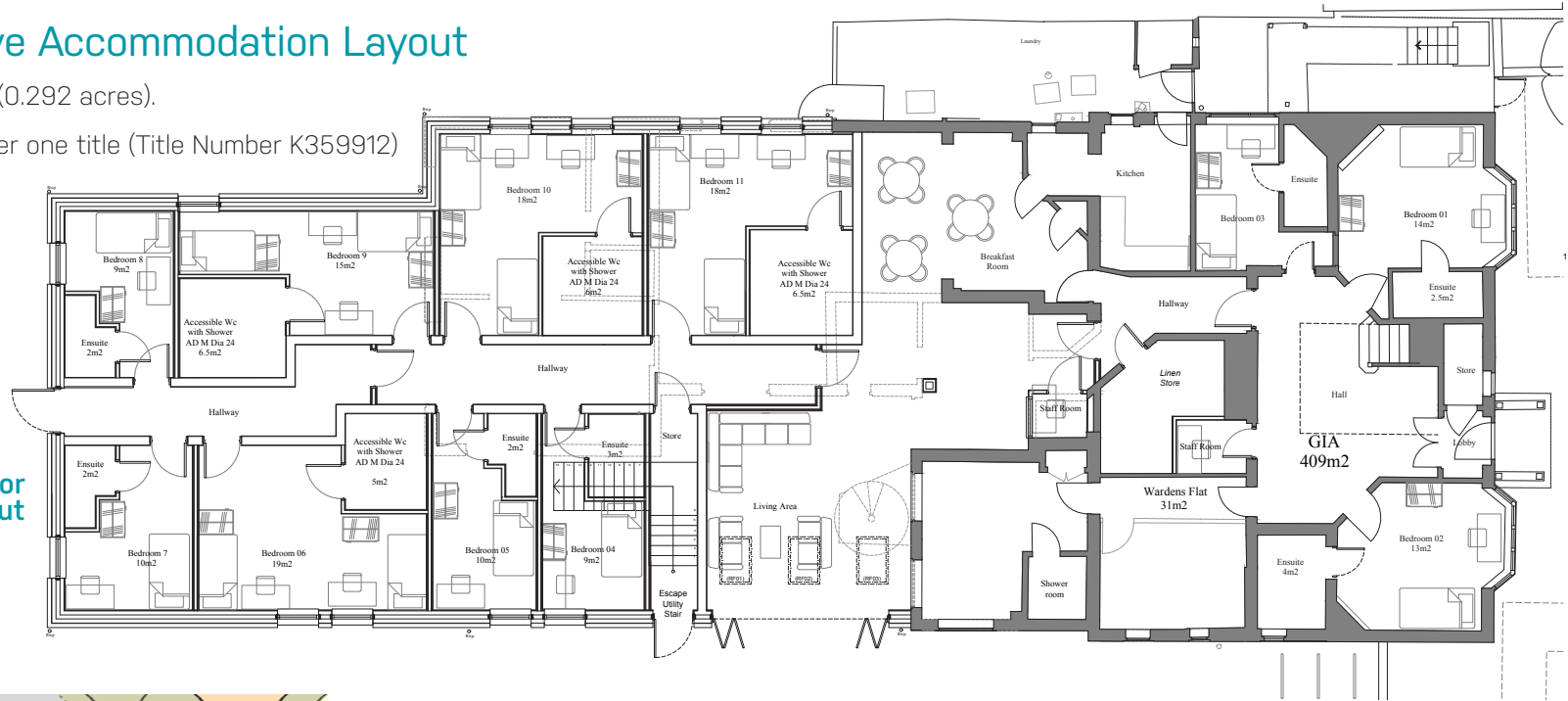


The Site and Illustrative Accommodation Layout

The site extends to 0.118 hectares (0.292 acres).

Ersham Lodge is held freehold, under one title (Title Number K359912) illustrated on the site plan below.

Ground Floor Indicative Layout



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 part of this business, along with 12 other 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.

Bright Scholar is a global premier education service company, and as of 31st May 2024, has reported a revenue of RMB 1,648m (circa US\$227.6m). It also operates additional education facilities across China and the US.

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



CATS
GLOBAL SCHOOLS

The Guarantor – Cambridge Education Group Limited

Following the sale of CATs Colleges to Bright Scholar in 2019, Cambridge Education Group Limited is focusing on growing two brands:

ONCampus, offering pathway programmes on a university campus for undergraduate and postgraduate degree study.

CEG Digital, which partners with UK universities to deliver online or blended courses to a global market on a part-time, flexible basis.

Cambridge Education Group Limited is a holding company for trading subsidiaries and is ultimately owned by Bridgepoint Capital.

The following table outlines the past three years of trading performance.

	YE 31 August 2023	YE 31 August 2022	YE 31 August 2021
Net worth	£25,652,000	£25,524,000	£25,657,000



Cambridge
Education Group



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 47.

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

This property is held on one freehold title.

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 **£3,000,000 (Three Million Pounds)** subject to contract and exclusive of VAT. A purchase at this level would provide a purchaser with **a net initial yield of 6.99%** assuming purchaser's costs of 6.46%.



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