

Education

Property services
for the education sector

GeraldEve

"The great aim of education is not knowledge, but action."

(Herbert Spencer 1820-1903)

The limitations of space and quality of property are often at the heart of the challenges facing operators. Transforming property from a problem into a solution requires a sound property strategy — incorporating critical issues ranging from keeping costs to a minimum, to negotiating the planning system, finding or building new premises and even introducing new tenants, potential investors, funders or joint venture partners.

Our dedicated team acts for schools, colleges and universities, as well as investors and lenders who are paying increasing attention to education as a viable commercial opportunity.

"I myself have dealt with Gerald Eve for some 20 years and have always been impressed by their expertise and professional approach."

D R Sladdin, Director of Estates, University of Leeds

What we do

Our education team is almost unique in the UK in advising on a wide range of property matters across the sector:

- **agency** – acquiring and disposing of education property
- **investment & funding advice** – introducing investors, funders and operators, and structuring agreements to build good working relationships
- **strategic advice** – providing incisive advice on the bigger picture
- **valuations** – for operators, banks and investors for all purposes
- **planning & development** – getting through the planning system and advising on development
- **lease negotiations** – rent reviews, lease renewals or surrenders, granting or restructuring leases, negotiating restrictive covenants
- **rates advice** – reducing your rates burden to a minimum
- **client project management** – co-ordinating construction projects to agreed time, quality and cost
- **building surveying & dilapidations** – minimising your costs and advising you on your rights and responsibilities
- **charities** – understanding their needs and legal obligations



Our track record

Our professional advice and understanding of the dynamics of the sector is underpinned by our strong agency involvement in all parts of the market. These pages show some examples of where our specialist skills have achieved real results for our clients.

Active in the market

Our knowledge of the education market was one of the main reasons we achieved successful disposals of two large campuses in south west London for the University of Arts. The sites were subject to restrictive planning policies for certain community uses, but our strong involvement with clients in the buoyant independent school's market enabled the University to achieve high value sales, releasing the funds it needed quickly.

Selling a major site

Faced with the increasing costs of maintaining a leading public school, the Benedictine monks at Douai Abbey in Berkshire decided the time had come to sell the property. In addition to ensuring the monastery would have specific protection into the future, we advised on the obligations under charity law and overcoming onerous planning restrictions to achieve a 100,000 sq ft residential scheme. Elsewhere, our specialist charity advice has assisted in the transfer of numerous trading schools.

Space for new education services

We advise on the acquisition and disposal of space to accommodate new faculties, departments and services, so that our clients can make the most effective use of their space.

One recent example involved advising a leading single campus university on its disposal of an office building to its new medical faculty set up in joint venture. We negotiated terms that were commercially robust, reflected market value and were compatible with the new academic relationship.

Generating investment in education

Many universities have large property portfolios, which can be a tremendous asset but are often coupled with high operating costs. As a result, property assets need to be carefully managed to achieve the best results.

Liverpool Hope University College was keen to retain a 188-room hall of residence as part of their campus but to pass ownership of the building to another party. The sale would release funds, which would be re-invested into education services.

£25m of education property sold in by our team 2004/05

£25m

The result? We negotiated the sale on behalf of the University to a specialist investor and successfully secured a sale price in excess of £5m. In addition, the new owners pay the University an annual contribution towards site security and maintenance. Such specialist investors are taking an increasing interest in the schools and university sectors.

“Gerald Eve was recommended to us by a leading valuation barrister as a firm who offered exactly what we needed — crisp and constructive advice, an expert knowledge of the market, tenacious and consistent negotiating skills, and pleasant people with whom to do business. The result we achieved speaks for itself.”

Steve Pavey, Finance & Business Director, University of Sussex

Understanding the bigger picture

Our innovative advice to Aspect Education, an international language school operator, has allowed it to release capital from its freehold property assets in order to support the growth of its business.

We suggested a sale and leaseback solution that would give long term secure occupation of the property whilst releasing value. We marketed the investment opportunity, identified the investor, structured the agreement and handled the sale to deliver a successful result for our client.

Our detailed understanding of the education sector has also proved invaluable to clients when seeking to raise loan finance for commercial development.

We advised the University of Sussex on complex restrictive covenants on its 999-year leasehold property. We led detailed negotiations with the freeholder — Brighton & Hove City Council — to resolve the valuation and compensation issues that arose and successfully concluded the negotiations. Our advice helped the University to avoid lengthy and potentially expensive litigation and the University is now moving its estates strategy forward.

Valuations to unlock opportunities...

Our valuations support traditional secured lending from most major banks on all types of education property. Most notably, they have also acted as a basis for innovative funding, such as underpinning the first bond issue in the university sector by Lancaster University. We have also played a part in PFI/PPP initiatives. We advised Lloyds TSB on the refurbishment and partial redevelopment of one of Kingston University's student residences together with lease and leaseback to a developer and operator.

...and understand your estate

Valuations are required for accounts and estate strategy purposes. Drawing on our extensive knowledge of market transactions, we undertake existing use valuations on a wide range of education properties from nurseries to major universities.

Planning for new development

Our award-winning planning team has been instrumental in resolving issues for education operators seeking commercial development, new facilities and residential accommodation.

On behalf of Imperial College, we are dealing with an education site in central London at Prince's Gardens. We are advising on the complex issues arising out of the need for the demolition of a listed student residence building along with the demolition of a second hall of residence located within a conservation area. New replacement buildings will provide accommodation for more than 900 students and along with the overall restoration of Prince's Gardens, the development will help to maintain the College's international reputation as a centre of excellence for higher education.

At the other end of the education spectrum, we secured planning permission for additional development on behalf of Arnold House, a London preparatory school. Our advice overcame major obstacles including the location of the development on its sports ground in metropolitan open land, a conservation area and an archaeological priority area — plus additional issues relating to trees and disturbance.

Strong relationships

90% of our clients have been with us more than five years

90%

Seasoned specialists

We have a dedicated education team led by six partners and associates. Some are or have been governors of schools and colleges. It means that we understand our clients' need for confidentiality, reliability and a value-for-money professional service.

Improving lease value, raising income

We have been involved in a large number of rent reviews in the education sector. Our leadership in the education market is of huge practical value during landlord and tenant negotiations.

That is why we are instructed on rent reviews ranging from probably one of the largest in recent years involving a Grade I Listed university campus with over 125,000 sq ft of buildings to a day nursery of 1,000 sq ft. We also act for a number of universities in Scotland to maximise the value of their campus retail units where, in the past two years, we have achieved an average increase of 123%.

Saving money through rate reductions

We have a proven track record of achieving significant savings for all our education clients. For our university clients alone, we have delivered more than £10m worth of rates savings to date in the 2000 Revaluation.

Our education team has an eye for detail, a talent for spotting opportunities and the technical expertise to obtain real savings. For instance, when the University of Southampton asked us to reduce its rates burden, we agreed a significant reduction in the assessment of its main campus by using our knowledge of their buildings and the operational difficulties the University faced.

The results we achieve for independent schools reflect the fact that we liaise closely with our clients to identify all relevant issues. For the City of London School, we delivered a saving of £375,000 by arguing successfully that the assessment should be further reduced because of disturbance from the construction of the Millennium Bridge.

Identifying the extent of your liabilities

Our building surveying team manage and save millions of pounds for our clients by applying a wide range of technical expertise to their property assets and liabilities.

One recent example has been on behalf of a girls' school that had leased its sports pitch to a neighbouring club. Following a change in club ownership, the tenant allowed the pitch to fall into disrepair. The tenant offered the school £40,000 in compensation. Our building surveyors costed the works significantly higher, negotiating a £478,000 settlement.

Client project management

We support education clients with project management skills on unique and unfamiliar construction projects. We act as the single point of contact for the design and construction professionals enabling clients to focus on their core activities.

Our involvement on a £2.5m school project in Loughborough for Our Lady's Convent School has helped our client to focus on its objectives and identify procurement strategies that suit its needs and deliver VAT savings.



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About Gerald Eve

We are one of the UK's top 20 property consultants, with 11 offices spread across the country.

We offer a range of consultancy, corporate asset management and transaction-related services and currently act for one-third of the FTSE100.

Simon Chalwin, Richard Moir and Keith Gibbs are members of our national education team of more than 20 chartered surveyors, each specialising in a specific area of expertise.

For more information, please visit our website at www.geraldeve.com or contact one of our team.

UK office network:

London (West End)

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