

Investec redeploys one fifth of capital into student accommodation and care homes

Investec Wealth & Investment has redeployed one fifth of its capital from conventional property investments to non-traditional property, including student accommodation, over the past 18 months.

The firm has moved £200m into “less sensitive” areas of the market by investing in GP surgeries, student accommodation, [care homes](#), hospitals and theme parks.

These “stable” asset classes are set to benefit from increased demand and rental growth in the future, according to Chris Hills, Investec’s chief investment officer.

The company has recently invested in two student accommodation funds, Empiric and GCP. The company believes that a supply-demand imbalance driven by increasing numbers of students will [continue to see the sector grow](#).

Investec has pumped money into Target Healthcare, which owns care homes in the UK. This fund, which owns over 30 freehold assets with long leases, offers a dividend yield of over 5%.

It has also invested in Secure Income REIT, which owns Thorpe Park, Warwick Castle, and a string of other healthcare properties.

Fears of post-Brexit slowdown hitting market

Hills said that fears of a slowdown in the UK economy post-Brexit vote have hit traditional real estate investments.

“Many investors are looking for a healthy level of income without taking on too much economic risk in terms of voids or tenant defaults, and these non-standard property plays are ideally suited to this objective.”

“These subsectors benefit from long and stable leases, strong cash flow provision and favourable demographics that are likely to result in increased levels of demand over the long term.

<http://www.propertyweek.com/news/investec-redeploys-one-fifth-of-capital-into-student-accommodation-and-care-homes/5084294.article>