



Press release

TERRANUS: new investment cost index for care homes

Cologne, 29 September 2017. Care home consultants TERRANUS have published the first investment cost index for care properties in Germany. The index shows the development of investment costs in the German federal state of Hamburg. Further federal states will follow in the near future.

“Investment costs are an excellent indicator for the development of rental prices of care properties,” said the Managing Director of TERRANUS Markus Bienentreu. “In contrast to other asset classes, there used to be no index for care properties, which would make this development transparent. Our TERRANUS Investment Cost Index is closing this gap.” Based on the market data of the TERRANUS Care Atlas, it is now possible to derive the historical trend of investment costs and compare it to interesting other key indicators. TERRANUS has data for all 16 federal states.

The first investment cost index was published for the northern German federal state of Hamburg. Investment costs have been rising continuously here since 2010, albeit more slowly than consumer prices. A comparison with the housing rent index is also interesting: since 2012, housing rents in Hamburg have risen more sharply than the rent level of care homes. The divide spread even further from 2015 onwards. “Investment costs are generally on the rise in Hamburg,” said Bienentreu. “The comparison also shows, however, that investment costs for care homes rise more slowly than for residential properties, and that investors should be more conservative when calculating the appreciation of care properties.”

Investment costs are the element of the general nursing charges which is exclusively used to refinance the building and its inventory. For homes that are run based on a rental model, investment costs comprise the rent as well as expenses for maintenance and repair. Cross-financing of investment costs from the two other elements of the general nursing charges (compensation for nursing, accommodation and meals) is not permitted. Because of the close correlation between the rent and the investment costs, the development of investment costs is a reliable indicator for the rental trend of care properties.

TERRANUS has based its calculation of the investment cost index on the data provided in the TERRANUS Care Atlas. As is customary for other indices, it took the values for the year 2010 as a basis (2010=100). The TERRANUS Care Atlas has been published since 2007 and provides comprehensive key figures for all care homes in Germany; and in contrast to official care home statistics, it is constantly being updated.



Since different parameters apply for each federal state in Germany, the index is adjusted for all irrelevant factors. The objective is to have a reliable and comparable index for each federal state.

About Terranus:

TERRANUS is one of the leading specialist estate agents and consultancy firms for social properties in Germany. For more than 20 years now, the company has advised investors on all issues relating to the efficient operation of social properties.

www.terranus.de

Press Contact:

Sebastian Glaser

Fon: 0221 / 80 10 87 - 80

Mail: sg@moeller-pr.de

Web: www.moeller-pr.de