

Q&A: Riverstone boss on later-living outlook

Jason Leek assesses the challenges and the opportunities for the growing sector

Sebastian McCarthy

Last month, London-based later-living developer Riverstone launched two luxury schemes in Kensington and Fulham, the first of at least 10 it expects to deliver in the capital.

Riverstone chief executive Jason Leek, who is set to speak at *Property Week's* Later Living conference on 24 June, talks about demand for the schemes so far and how investor appetite is holding up.

How has demand been for your Kensington and Fulham schemes?

Kensington and Fulham are our first two developments. Kensington is opening in spring next year and Fulham will open towards the end of next summer.

We've been selling properly for the past two or three months. We're pleased with the early momentum. We've already got a handful of reservations in both locations. Our model is central London focused, letting people stay in areas they love but with great facilities and amenities. We're really pleased with the early interest.

How strong is investor appetite for the later-living sector?

Barriers to entry are really high, which is a good thing for us because we're already five years in. One thing from an investor perspective is that there are very few platforms to really



Show home: a kitchen and living space at Riverstone Kensington

invest in. Goldman Sachs, as our major backer, is very committed to the business.

There remains significant ambition. We've publicly said we want to build a £3bn portfolio and that will take five to seven years to scale up, but we've already done the first two and the pipeline is super-interesting. We'd like to do three deals this year if we can. There is a lot of investment appetite.

What would you want government to do to help aid the growth of the later-living sector?

Multiple commentators have made the point that the UK lags a long way behind more mature markets such as Australia, New Zealand and the US in terms of the percentage of over-65s in age-specific schemes. Without a doubt, there are two or three critical things government could do to help support the delivery of more age-appropriate

housing. That includes making planning easier, but as a minimum, it's also about councils being willing to approve schemes.

The single biggest thing is about having it on the radar. There is a huge appetite among investors in the industry, so it'd be good to see government support to continue developing these things, with all the benefits they bring.

What is the biggest challenge you face?

Making future residents and consumers appreciate that this is something that hasn't existed in this form before and doing away with the perceptions about care.

If you look at what we're building, it could not be further from a care home. The environment, the service level, the culture and the focus on wellbeing - it's completely different from what has existed before. ■



This week's vital stats

£261,743

▲ The average cost of a home in May, hitting a record high (source: Halifax)



▲ The rise in house prices in prime central London in the year to May, marking the first rise in five years (source: Knight Frank)



▲ The takeover offer made by private equity firm PineBridge Benson Elliot for Sigma Capital Group last week

21%

▲ The net balance of RICS respondents in the UK who say supply cannot keep up with the current increase in demand



▲ The average number of reservations per week from 1 February to 6 June 2021 at Bellway - up 51.3% on the same period in the previous year