



CASE STUDY

# Securing Sale of an Australian Retirement Village Portfolio

FTI Consulting was appointed Receivers and Managers over a portfolio of five retirement village assets across Australia after the operator had fallen into financial difficulty.

## SITUATION

An Australian retirement village operator had fallen into financial difficulty after defaulting on security agreements with its lender. This followed Queensland legislation changes requiring retirement village operators to buy back unsold units from residents after 18 months.<sup>1</sup>

One of the villages did not have the liquidity to fund the buybacks triggering an insolvency event, ultimately leading to the operator going into administration.

<sup>1</sup> [Queensland buy back rules behind retirement village group collapse](#), Australian Financial Review (29 Aug 2019)

## OUR ROLE

In the absence of a third-party village manager after the incumbent manager was terminated shortly before appointment, FTI Consulting took operational control of the villages. We led the day-to-day trading and operations, marketing and sale of the individual living units and continued business-as-usual while conducting a sale campaign for the group.

We immediately set about realising the portfolio in a market facing significant structural change, procuring detailed due diligence information required by the prospective purchasers to evaluate the opportunity and formulate their levels of interest.

Throughout the sale process, we kept residents fully informed to provide reassurance and ensure they understood the nature of our role as Receivers and Managers.

## OUR IMPACT



From the marketing campaign, we identified two genuine interested parties. We ensured a successful outcome for the secured lender, concluding a sale of the portfolio to an operator aligned to the future successful running of the retirement village assets and associated business.



By working collaboratively with all stakeholders, we ensured there was no interruption to the villages' residents and the operator's delivery of services.

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