Assura Sides with PHP’s £1.79 Billion Offer in a Fierce Healthcare Property Takeover Battle

In a high-stakes bidding war that’s gripped the UK real estate and investment sectors, Assura, one of Britain’s biggest healthcare property landlords, has chosen its suitor and it’s not the private equity titans. Instead, the board has backed Primary Health Properties (PHP) and its freshly sweetened £1.79 billion ($2.4 billion) offer, rejecting a “best and final” proposal from KKR and Stonepeak Partners.

This is no ordinary takeover. At the heart of the deal is control over a vast network of over 600 medical centres, clinics and health hubs that serve as vital arteries of the NHS infrastructure. And in an era when healthcare demand is surging and community-based treatment is in the spotlight, this real estate turf war is about more than just property. It’s about power, strategy, and the future of UK health services.

PHP’s new offer, unveiled Monday, consists of a hybrid package: 0.3865 new PHP shares per Assura share, 12.5 pence in cash, and a special dividend of 0.84 pence. It’s a deal crafted to appeal not just to shareholders’ wallets, but to their sense of long-term value and sector continuity.

The rejected bid from KKR and Stonepeak was more straightforward 50.42 pence in cash per share, plus a mirrored dividend payout. It was clean, fast, and rich but, crucially, lacked the strategic glue that PHP brings.

Assura initially had its doubts about PHP’s earlier offers, flagging risks related to financing, execution, and asset quality. But the latest bid appears to have changed minds. On Monday, Assura’s board acknowledged that the revised terms “addressed key concerns,” shifting the tone from sceptical to supportive.

Analysts were quick to weigh in. Panmure Liberum called PHP’s proposal “clearly superior,” praising its blend of financial upside and strategic alignment. The tie-up, if approved, would create a dominant force in UK healthcare property, unlocking economies of scale and greater leverage in NHS partnerships.

However, the market response revealed some caution. PHP shares dipped nearly 3% on the news, likely a reaction to potential deal dilution while Assura ticked up just 0.5%, suggesting investors are still digesting the implications.

Behind the numbers lies a bigger narrative: the clash between long-term sector specialists and short-term private capital. With public trust, health infrastructure, and billions on the table, this isn’t just a real estate deal, it’s a signal about how the UK wants its critical services shaped.

If shareholders give the green light, this merger won’t just redraw the map of British healthcare property. It could set the tone for how public-sector-adjacent assets are managed, grown, and protected in an increasingly competitive, globalised investment world.