

First-Time Buyers: Experience and Finance

A Competitive Market for New Buyers

The day nursery market is currently very busy, with a growing number of new buyers entering the sector. Many see it as a market with long-term potential, where values are expected to continue increasing over the coming years.

As a result, buyers are under greater pressure to present themselves as the strongest possible candidate for the nursery they want to purchase.

Why Experience and Finance Matter Most for First-Time Buyers

For first-time buyers with no prior experience in the sector, the two areas where they often struggle most are experience and finance.

This is particularly true where buyers are looking at smaller settings – the type of nurseries individual buyers are more likely to pursue, often because larger settings with established management teams are priced out of reach.

In smaller nurseries, it is common for the seller to take an active role in the day-to-day running of the business. An incoming owner must either be able to step into that role themselves or put suitable cover in place elsewhere.





The Seller's Perspective

From a seller's point of view, this can work against an inexperienced buyer when multiple similar offers are received.

For many sellers, the decision to sell is as much emotional as it is financial. Concerns that an inexperienced buyer may struggle to fulfil the operational role – potentially affecting the business, staff, or quality of care – can influence their final decision, even where the headline offer is strong.

The Lender's Perspective

These concerns are often echoed by lenders within the sector.

Banks are particularly cautious with smaller settings, where profit margins can already be tight. Where a buyer has no experience, they are more likely to rely heavily on existing or

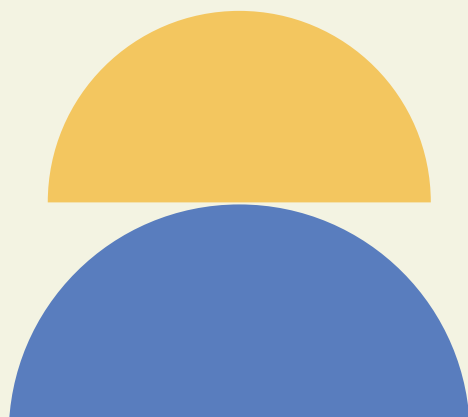
newly appointed staff to cover key roles such as being in ratio or managing regulatory matters, including Ofsted.

This can leave both the buyer and the business vulnerable if a key staff member leaves or seeks higher pay, putting further pressure on margins.

For this reason:

Some lenders will not lend to first-time buyers with no sector experience

Others may require a higher level of personal contribution or additional security



Gaining Experience as a First-Time Buyer

While gaining experience can feel challenging, it is far from impossible – and even limited experience can significantly improve how buyers are viewed by both sellers and lenders.

Ideally, this experience would include:

- Time working within a nursery setting
- An early years qualification
- An understanding of ratios, Ofsted, and regulatory requirements

Some buyers gain this experience through paid roles, apprenticeships, or by volunteering within a setting while funding their own qualifications.

Securing Finance as a First-Time Buyer

As fewer lenders are willing to support first-time buyers, available lending options are often more limited and less competitive.

This may result in:

- Higher required deposits
- Shorter loan terms
- Additional security requirements

While contribution levels vary, even experienced buyers are often expected to contribute around 30%. First-time buyers should therefore be prepared to contribute more than this to support lending and reduce perceived risk.





The Importance of Being Prepared

On average, first-time buyers can take over two years to secure the right nursery. However, success often comes down to being in the right place at the right time – and the perfect opportunity may arise far sooner than expected.

Being prepared allows buyers to move quickly and confidently when the right setting becomes available.

Buyers can strengthen their position by:

- Gaining experience and qualifications while searching
- Exploring lending options early
- Understanding their financial position and borrowing capacity

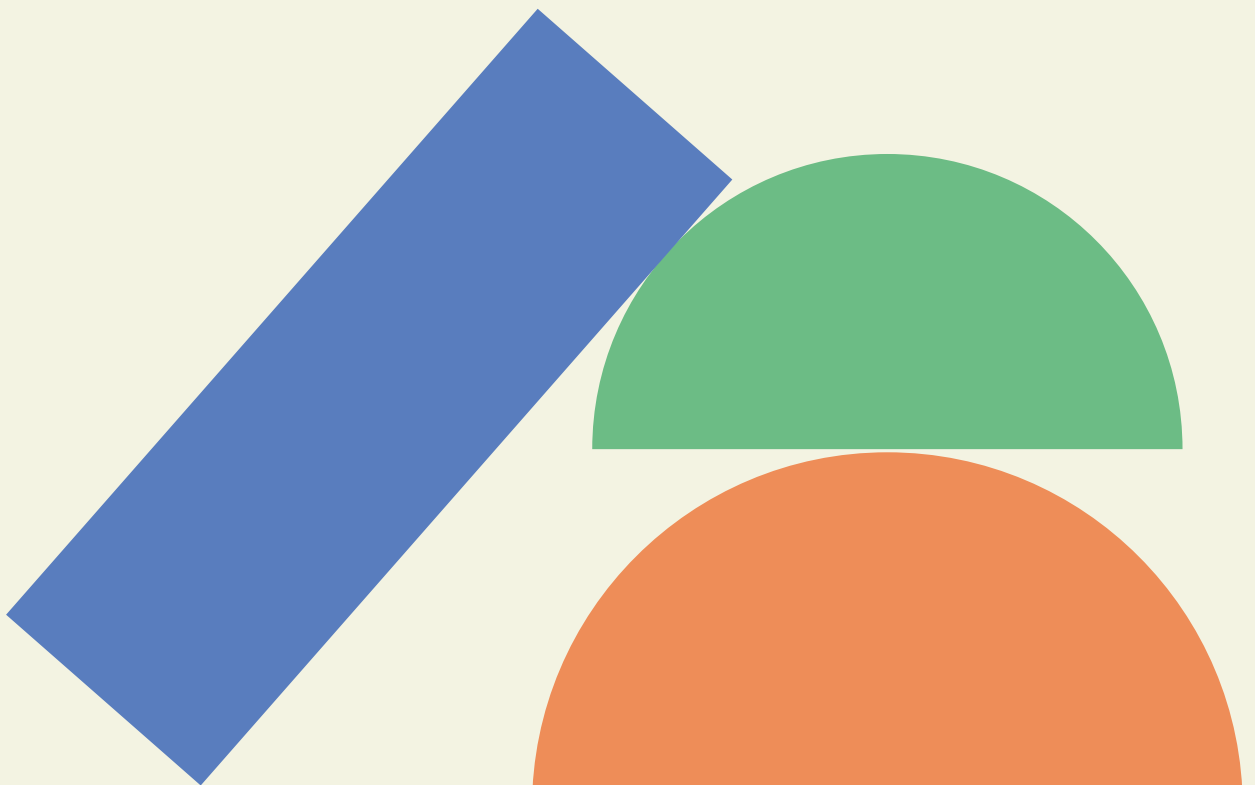
This preparation helps buyers present themselves as credible, committed, and well-organised to both sellers and lenders.

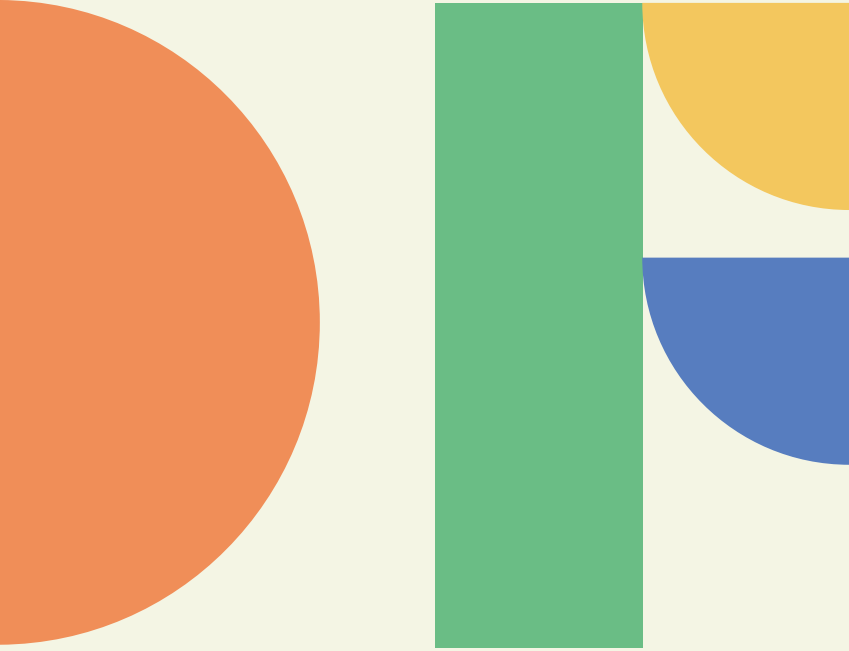


Buying your first nursery is about more than finding the right setting — it's about being ready when the opportunity arises.

If you're a first-time buyer and would like guidance on experience, finance, or preparing for your first purchase, our team is here to help.

[Speak to Owen Froebel about your nursery purchase](#)





Whether you're new to the early years sector or looking to expand your existing portfolio, the dedicated team at Owen Froebel can help you find, assess and acquire the right nursery for you.

To access our full list of nurseries for sale and be the first to hear about new opportunities, you'll need to register on our website. It's quick, free and puts you first in line.

**Register today at
owenfroebel.co.uk**

Looking to acquire your next nursery?

We'll help you find the right opportunity

Contact Leah Turner – Co-Founder

hello@owenfroebel.co.uk | 02476 013929

Company Number 13971855

