



# Chandler&Co

## Newsletter 2026

2025 proved to be an exceptionally busy and exciting year for the team at Chandler & Co, as we continued to navigate and adapt to the fast-moving care home transactional market.

While celebrating our 30th Anniversary, we were proud to support both new entrants and established operators across the UK, successfully brokering finance to help providers grow, scale, and thrive.



30TH ANNIVERSARY  
CELEBRATIONS




[Read Buyacarehome's  
2025 review here](#)



## Care Home Market first impressions 2026

Early indicators are showing continued strong buyer demand in a seller's market at the start of 2026. Interacting with care home selling Agents across the UK the initial trends in 2026, carried over from 2025, look set to continue. A busy care home transactional year is anticipated subject to the availability of stock with care homes of all sizes attracting strong buyer demand.



### Demand for care continues to grow

The demand for care continues to intensify as the over-85 population grows rapidly and NHS discharge backlogs persist, increasing pressure on residential and nursing capacity. At the same time, the latest Association of Directors of Adult Social Services (ADASS) Survey highlights a sharp rise in social care packages for younger adults, driven by increasingly complex care and support needs. Higher-acuity residents, including those requiring nursing, dementia, and complex care across both under- and over-65 age groups, are placing sustained demands on care services. Reflecting this growing need, occupancy levels in many care homes have returned to pre-pandemic levels throughout 2025.

## How Care Home Providers are Adapting to Increasing Demand

At this time of year we all hear regular reports of huge demand on the NHS delayed hospital discharges. Winter is always a time of increasing enquiries for care home services, with the elderly susceptible to loneliness, falls and illness at this time of year with family and friends back in the full swing of work and struggling to cope with looking after their vulnerable individuals. Coupled with an increase in dementia diagnosis demand for care home and care at home services is only going to continue.

Care fee sustainability remains firmly in the spotlight for buyers, investors, and lenders across the care home sector. Close attention is being paid to the scope for fee uplifts and the level of support from self-funding residents, as services that rely heavily on local authority fees face increasing financial pressure unless they operate at a viable scale.

As a result, new-build development is increasingly targeting areas with a clear undersupply of beds, typically focusing on larger schemes of 70+ beds. These developments are often complemented by later-living or retirement communities offering on-site care and support. However, despite strong demand, challenges around planning, construction costs, and workforce availability continue to constrain delivery.

The Local authority fee uplifts for 2025/26 have been reported as averaging 5.3%, with NHS-funded nursing care rates increasing by 7.7%, offering some support towards the true cost of care. [Market Sustainability and Improvement Fund \(MSIF\): provider fee reporting 2025 to 2026 - GOV.UK](https://www.gov.uk/government/news/market-sustainability-and-improvement-fund-msif-provider-fee-reporting-2025-to-2026)

## Regulation and Quality

Regulatory expectations continue to rise as the CQC administration evolves the Single Assessment Framework:

<https://www.cqc.org.uk/about-us/how-we-involve-you/consultations/improving-how-we-assess-and-rate-providers/part-1>

Emphasis on governance, safety, data, and leadership no doubt will remain key areas of focus in 2026 inspections.

As an example, Regulation 12 “for safe care and treatment” (CQC) expects care providers to evidence practice and outcomes ensuring risks relating to the environment, infection control and medicines are well managed.

A hand is shown placing a red wooden beam onto the top of a wooden frame. The frame has the word 'care' written on it in a stylized, lowercase font. The background is a soft, light blue and white gradient.

**Examples of areas to look at include:**

- Medication checks and audits
- Team competencies
- Risk assessments
- Maintenance logs
- Maintaining training records
- Evidencing continuous improvements
- Hand hygiene audits
- An embed safety culture across the team
- Reporting and learning from incidents
- Evidence of an open and transparent culture
- Source extraction from CQC reports

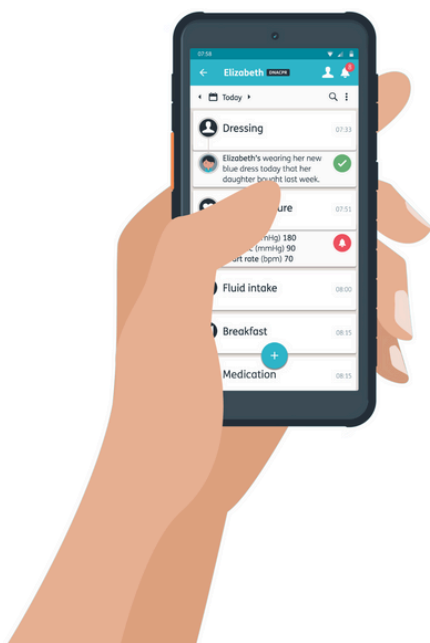
Our featured care consultant [Fulcrum Care](#) “carry out detailed, CQC-focused inspections to identify strengths, gaps, and compliance risks,” providing “full reports, recommendations, and mentoring to prepare care provisions” for Regulator inspections.



During due diligence, finance brokers, lenders, buyers, and investors place strong emphasis on governance and data capability when assessing the sustainability, performance, and long-term vision of a care home business. Reviews typically include mock inspections, along with Local Authority and regulatory reports, all of which play a key role in evaluating a potential acquisition.

In a fast-moving transactional market, care home vendors are therefore encouraged to proactively review and strengthen their provision before going to market. Doing so can significantly enhance sale readiness, optimise buyer confidence, and ultimately maximise [EBITDA](#) value.

## Technology and Innovation adoption continue in 2026



As observed in 2025 digital care planning software suppliers continue to expand their offerings with integrated partners.

As the year progresses many care providers will be reviewing digital tools that support their care provision and operational efficiencies with rostering, care planning, and medication management technologies gaining traction where they clearly reduce cost or risk.

## Market Structure and Investment Outlook 2026

We anticipate ongoing opportunities and consolidation within the care home sector with appeal to a range of buyers and investors. Financially stressed single-home operators remain vulnerable, while well-capitalised groups are anticipated to selectively acquire. Observations to date are seeing a mix of care home asset opportunities of all sizes, whether operational, performing well, vacant or re-rated resulting in turnarounds for experienced providers albeit fragmented vendor opportunities across the UK.

- Investor selectivity is anticipated to continue with capital favouring quality conversions, modern, purpose-built homes with strong ESG and workforce credentials, however, it will be interesting to see if there are more opportunities in this asset group coming to market this year.
- Vacant care home stock will no doubt continue for repurposing of older stock with legacy buildings facing rising capex requirements or obsolescence. Care homes with mainly Local Authority funding rely on operational efficiencies and larger units with the April 2026 payroll increases anticipated to impact the bottom line even further.

Scale, asset quality, and balance sheet strength will increasingly determine long-term sustainability of a care home provision especially as acuity of care is anticipated to increase the demands on a care service from an ageing society.

## Focus on Staff Continuous Training & Development

Continuous training and development is a core driver of sustainability in a care home provision because it strengthens people, performance, and long-term resilience at the same time.

Workforce strategy is now a core strategic function, with staffing and management structures a key area of buyer due diligence with well-trained staff supporting the sustainability of a care provision helping to maintain or secure a higher regulator rating, enabling the release of equity in an existing care home for scaling up.

The business impact of focussing on the training, development and well-being of your care team can result in:

- Lower recruitment and agency staff costs
- Less disruption to continuity of care
- Stronger and more stable teams
- Supporting leadership succession planning
- Continuity of leadership during change or growth
- Stronger internal cultures and values
- Greater organisational resilience
- More predictable payroll costs
- Stronger long-term financial planning



**“As we project the need for around 470,000 new posts by 2040, building a sustainable workforce with the skills and confidence to meet the current and future needs of our communities must be prioritised.”**

(Victoria Collier, head of national workforce development)

<https://www.skillsforcare.org.uk/Funding/Learning-and-development-funding-for-adult-social-care.aspx>

# What Does the Autumn Budget 2025 Mean for the Care Home Sector?

The Autumn Budget 2025 brings both opportunity and challenge for the care home sector. A rise in the National Living Wage will add further cost pressures for providers, compounded over time by evolving employee rights. At the same time, progress continues on the proposed Fair Pay Agreement for adult social care, with implementation now firmly on the horizon.



## Fair Pay Agreements: What's Changing?

Fair Pay Agreements are being introduced through the Employment Rights Bill / Employment Rights Act reforms, giving the government the power to establish a sector-wide collective bargaining framework for adult social care.

### Key next stages include:

- 2026: Secondary legislation is expected to establish an Adult Social Care Negotiating Body.
- Thereafter: The negotiating body will bring together employer groups and trade unions to agree fair pay frameworks.
- 2028–29: The first Fair Pay Agreement could come into force.

## Government View

According to the government's impact assessment, higher pay and improved employment terms could help reduce staff turnover and make social care roles more attractive. In turn, this may ease pressure on the NHS and support wider labour market goals.

## Sector Response

Reaction across the care sector has been mixed:

- Many welcome the proposals as long-overdue recognition of the value and complexity of care work.
- Others caution that success will depend on adequate funding, realistic implementation, and a framework that works for providers of all sizes.

As these reforms take shape, care home operators, investors, and lenders will be watching closely—balancing the long-term benefits of workforce stability against the immediate financial and operational impact.

# Employment Rights Act Timeline

Large parts of the Employment Rights Bill will start to take effect with the U turn on the shorter unfair dismissal qualifying period. The government's revised plan to reduce the qualifying period to 6 months will be impactful for employers of all businesses. No doubt there will be greater emphasis on probation periods and early employment practices. For your up to date HR requirements Buyacarehome partner, [Citation](#), can keep you up to date.

**Organisations will be looking to review and update their policies and procedures covering a wide range of areas**

The care sector is vocal in highlighting that the success of the Employment Rights Act will also need to see reform for commissioning and purchase of care (Dr Jane Townson OBE).

## ESG 2026 strategy for care home owners

ESG strategies continued to develop in 2025, although progress remains relatively gradual. Greater adoption is expected in 2026 as buyers and investors increasingly target assets with the potential for retrofit, extension, and improved efficiency. This momentum is being supported by advancing innovations, particularly in renewable technologies and energy-efficient heating systems, such as the use of solar panels.

Improving operational efficiency remains a key priority for the long-term resilience of care home businesses. ESG strategies are also placing growing emphasis on the wellbeing of both staff and residents, taking a more holistic view of the care home environment as a whole.

Ownacarehome partner, [Advantage Buying](#), can assist you with more favourable energy contracts and energy efficient upgrades. You can contact the leading cost management company here.



## Interest Rates Anticipated Journey in 2026

With the current economic environment showing signs of easing inflation and reduced financing costs, buyer demand and investor activity within the care home sector are expected to remain resilient into 2026 subject to market conditions.

The start of a new year often prompts vendors to reflect on and reassess their exit, succession, or retirement plans, particularly in a market where buyer demand is anticipated to continue exceeding the supply of care homes available for sale.

**“Interest rate expectations currently suggest a gradual easing subject to economic conditions”**

(Financial Press)

# What are the Care Home Industry Professionals saying:



**Q: "What happens when a finance offer expires?"**

A: "If completion is not achieved by the finance offer date and is not subject to an agreed extension, updated valuations will be required, and the application will need to be re-presented to the underwriters." [Chandler&Co](#)

**Q: "On a Share Purchase Agreement what does it mean when a seller is not required to leave any Working Capital?"**

A: ["Where a Share Purchase Agreement is drafted on a Zero Net Assets basis this will leave you with no Working Capital"](#)

**Q: " What are Heads Of Terms?"**

A: "Heads of Terms are preliminary documents outlining the key commercial terms of your proposed [care home acquisition](#) and takes place before a formal contract is drafted. It provides a framework for future negotiations."

## Tips for making a Care Home more Profitable

1. Improve occupancy rates. Empty beds reduce your operational resilience. Strengthen referral relationships with your local community, hospitals, GPs, and local authorities, and make sure your website and social media clearly showcase what makes your home special. Fine tune your enquiry pipeline to convert to a resident's move in day.
2. Prioritise compliance and a high standard of person-centred care
3. Ensure your care service is inspection ready
4. Control staffing costs. Staffing is your biggest expense. Reduce agency reliance by improving staff retention, offering flexible rotas, and investing in wellness facilities, training and continuous development.

5. Optimise care fee pricing and funding mix. Regularly review your fee structure and ensure it reflects your quality and local market rates. A balance of private-pay and local authority-funded residents can stabilise cash flow for ongoing investment in the quality of your care home business.

6. Increase operational efficiency. Use care management software to reduce administration time, improve compliance, and minimise errors. Streamlined processes can mean managers spend less time on paperwork and more time improving performance.

7. Good bookkeeping and up to date management information can improve your forward cash planning requirements and debt servicing.

- Reconcile all sources of funding weekly/monthly
- Utilise digital bookkeeping software

8. Upsell added-value services - Offer optional paid extras like premium rooms, hairdressing, physiotherapy, private transport, or enhanced activities. These small add-ons can significantly boost revenue per resident.



---

## Chandler & Co. Highlight Funding Across the Care Home Sector

*“Our strong ethos remains providing tailored and bespoke support with efficiency, and trusted expertise to all our clients in the care home sector in order to place a successful finance application with the wider specialist care home lending market supported at the start of your journey with our Property Finder Service working with selling Agents across the UK.”*



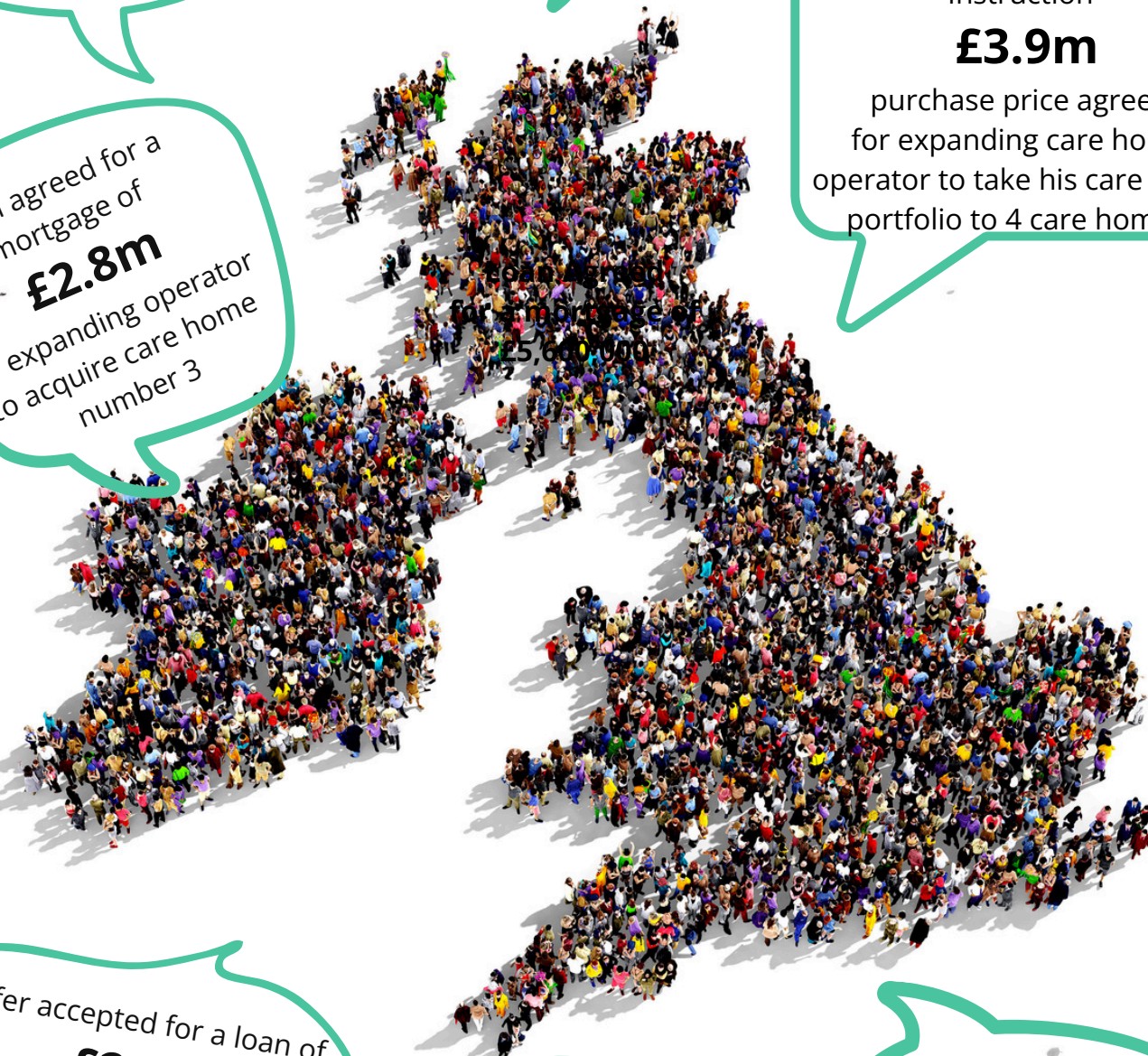
**We have started the year in a strong pipeline position showcased here with some of our recent instructions**

**£1.35m**  
purchase price agreed for multiple site operator acquiring a turnaround opportunity to add to their portfolio.

offer accepted for a loan of  
**£3,650,000**  
for existing operator to expand their growing care home portfolio.

Instruction  
**£3.9m**  
purchase price agreed for expanding care home operator to take his care home portfolio to 4 care homes.

Loan agreed for a mortgage of  
**£2.8m**  
for expanding operator to acquire care home number 3



offer accepted for a loan of  
**£2.5m**  
for a refinance so that our client can raise capital to acquire further assets

New instruction offer accepted for a loan of  
**£1.7m**  
for Care Operator to expand his care home portfolio

New instruction with a purchase price agreed at  
**£1.6m**  
For an experienced Care Home operator to expand his portfolio to 4 Care Homes

*"Examples shown are for illustrative purposes only. Funding is subject to lender criteria, valuation, due diligence and individual financial circumstances. There is no guarantee that similar outcomes can be achieved."*

# Chandler&Co

One of the UK's largest Independent  
**Care Sector Mortgage Brokers**

**Our bespoke finance packages cover all aspects of funding including:**

- Acquisition
- Refinance
- Development
- Expansion
- Financial Restructuring



**Access to specialist funding packages available**

Contact us for the latest interest rates

[www.chandlerandco.co.uk](http://www.chandlerandco.co.uk)

**Supporting the  
Care Sector  
since 1995**

**Chandler & Co. are founder members of the Buyacarehome group**

**buyacarehome.com**

**Important Information:** Chandler & Co is a trading name of Wateringbury (Maidstone) Ltd, registered in England No. 10877062. Registered Office: Brook House, Manor Drive, Clyst St Mary, Exeter, United Kingdom, EX5 1GD. Wateringbury (Maidstone) Ltd trading as Chandler & Co is authorised and regulated by the Financial Conduct Authority (Firm Reference Number 788501). Not all types of business we undertake are authorised and regulated by the Financial Conduct Authority. Commercial mortgages and business finance are not generally regulated by the Financial Conduct Authority. Chandler & Co works independently as a credit broker providing advice on commercial mortgages and is not a lender. We may receive remuneration from lenders. All funding is subject to status, lender criteria, due diligence, valuation and individual financial circumstances. Any case studies, funding examples or transaction summaries are provided for illustrative purposes only and do not constitute a guarantee that similar outcomes can be achieved.