

HOMECARE & SUPPORTED LIVING MARKET REPORT

JANUARY 2026

Reflecting on 2025: Challenge, Change and Opportunity

by PAUL J. MILLER
Chairman



We would like to begin by wishing all our clients and business colleagues Happy New Year and a warm welcome to our January 2026 Homecare & Supported Living Market Report.

Businesses across the healthcare industry have faced a challenging and pressurised 2025 characterised by rising operational and workforce costs. Yet despite these challenges, the sector continues to demonstrate remarkable resilience whilst continuing to deliver excellent care to our communities. M&A activity has remained robust throughout the year with further consolidation of the market, as larger operators aim to achieve scale and geographical expansion, optimise overheads and investment, and enhance market positioning.

Demand for specialist care providers and complex needs provisions has continued to rise. These businesses are attracting strong investor interest, driven by demographic changes, evolving care standards, and a sustained preference for quality, trusted person-centred services.

Throughout 2025, RDK completed a series of high-quality homecare transactions. Key sales included Care Service 24 in Bournemouth to Torbridge Capital, Beryl Evelyn Homecare Ltd in Melton Mowbray to Glimmer of Hope Care Services Ltd, and Trusting Hands in Ebbw Vale,

reflecting strong demand for trusted, high-quality providers.

We have many highlights and other notable completions included Tayside Home Care Ltd in Crieff, Norton Nurses in Northampton, Carltonima Care Ltd in Poole, and Kestrel Homecare Ltd in Heathfield. These sales demonstrate the appeal of well-established agencies with loyal client bases, strong reputations, and growth potential, with RDK ensuring smooth transitions and continuity of care under new ownership.

Across the wider UK M&A landscape, Altius Group continues to demonstrate strong market penetration. The latest Experian League Table data places Altius 8th in the UK by deal volume. This national performance is reflected with Altius Group top ten positions across Scotland, Wales and key regions of England.

RDK successfully completed 62 healthcare transactions during 2025, highlighting the brand's ongoing strength within one of the most resilient and in-demand sectors.

Economic Outlook 2026: Stability Amid Shifting Conditions

As we enter 2026, the economic outlook remains steady, although shaped by ongoing complexity. The UK economy is projected to

experience modest growth, with GDP expected around 1.1% and inflation easing as wage growth slows and labour market conditions soften. Unemployment has risen modestly to 5% in November and is forecast to stay elevated in H1 2026.

Despite subdued growth, business investment and government spending are expected to support economic activity, though risks persist from global uncertainty. The Chancellor may need to implement more fiscal savings in the future to meet targets, while the Bank of England balances inflation control with growth support. These macro factors make operational planning, workforce strategy, and technology investment increasingly important for both buyers and sellers in the homecare sector.

Fiscal and monetary policy constraints will continue to influence care operations and transactions throughout 2026. However, structural reforms and targeted investment could provide longer-term benefits, creating opportunities for well-prepared businesses to thrive in an evolving market.

Positioning for Success in the Year Ahead

For business owners, 2026 presents a crucial time for strategic planning focused on operational and financial sustainability. The higher taxation and operational cost environment continues to shape transactional activity, with rising input costs, labour pressures and increasing

regulation encouraging some owners to consider exit planning now.

Despite these challenges, buyer appetite remains strong. Predictable and recurring income streams continue to be highly valued, particularly in sectors offering quality care, consistent demand and essential services. Many smaller businesses are being acquired by larger operators seeking to achieve scale, improve efficiencies, and consolidate their market position.

Successful transactions in 2026 will be achieved by owners and buyers who combine strategic foresight, operational excellence, and professional guidance. Sellers who prepare operationally and strategically, demonstrating workforce stability, regulatory compliance, and robust financial performance, are best positioned to secure premium valuations, whilst buyers benefit from acquiring resilient, scalable businesses capable of thriving in a competitive market.

The sector remains one of the most resilient and forward-looking of those in the UK. At RDK, we remain committed to providing you with the insights and resources to make informed decisions in this evolving market. We look forward to working alongside business owners to assist them with their exit and acquisition goals during this window of opportunity.

As we turn the page on a challenging 2025, we extend our best wishes for a prosperous year ahead.

RDK Announces Latest Homecare Insights Data

by ANDREW K. STEEN
Managing Director



Redwoods Dowling Kerr is pleased to share the latest insights from our proprietary business intelligence team, Altius BI, focusing on the homecare and supported living sector, which continues to evolve.

The market is being shaped by multiple factors, including shifting consumer expectations, growing technology adoption, and ongoing consolidation. Year on year, homecare registrations have increased in volume across the UK. This can be seen in the jump from 2024 to 2025. Although many new registrations never fully progress into a fully operational business, it reflects a strong interest in the sector. These converging forces are creating an active investment landscape with clear momentum as the sector heads into 2026, offering opportunities for strategic exits, long-term investment and growth in a market that is becoming increasingly resilient and structured.

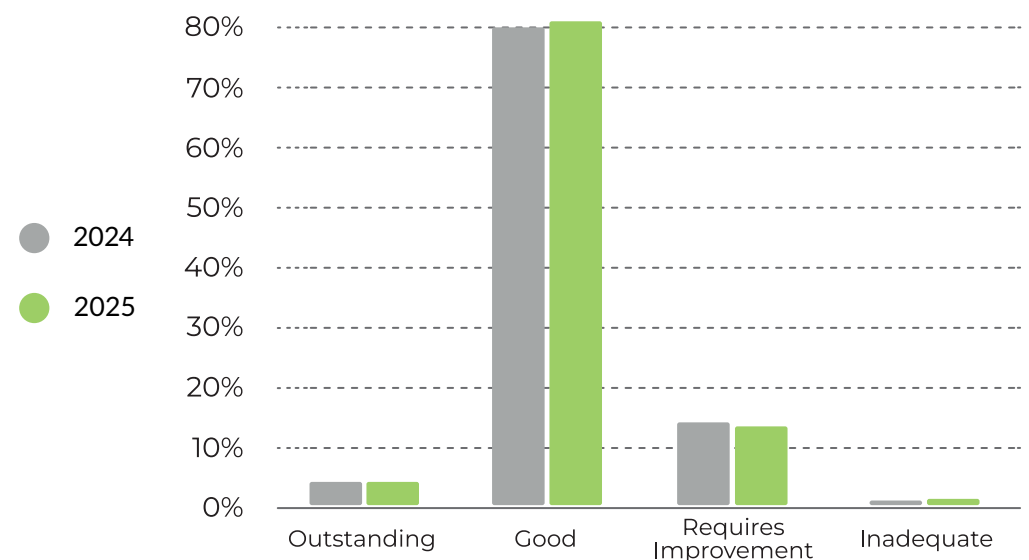
CQC Ratings: The 'Good' Core Increases

Recent CQC rating data for the homecare sector highlights steady improvement in quality. The proportion of services rated 'Good' remains the dominant standard, accounting for 81.5% of the market in 2025. Such a high baseline reflects the sector's success in establishing widespread compliance and reliable care provision.

The most significant improvement year-on-year is in the 'Requires Improvement' category, which declined from 14.7% to 13.3%. For investors, this transition is important, as it enhances the overall quality profile of the sector and reduces operational risk across the market.

The 'Outstanding' rating remains scarce at 4.3%, continuing to represent a premium designation. Thus overall, 'Good' and 'Outstanding' account for 85.8%, reflecting well on the sector. Conversely, the 'Inadequate' segment grew only slightly, from 0.5% to 0.7%.

CQC RATINGS



Market Structure: Homecare Consolidation Gains Momentum

The homecare and supported living market is undergoing structural change, shifting from a fragmented landscape to one dominated by more organised and scaled operations. While the sector is still largely composed of single-service providers, the most significant growth is now occurring among small to mid-sized groups.

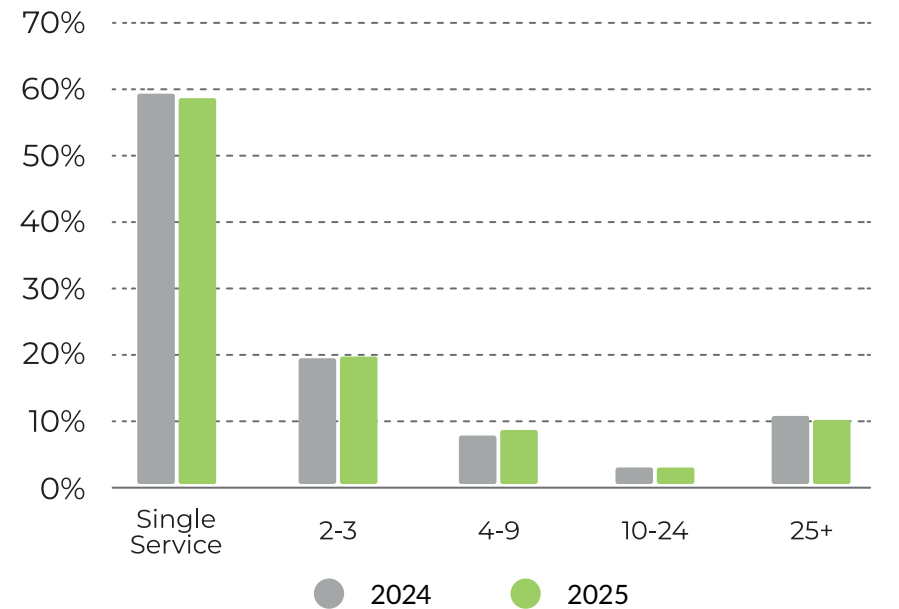
Single-service operators remain the foundation of the market, representing 58% of all providers in 2025, down from 59% in 2024. This gradual contraction reflects mounting operational pressures, as independent operation becomes increasingly challenging. These pressures include regulatory requirements, staffing demands, and the need for technology-enabled efficiency, all of which are driving the sector toward consolidation.

The strongest growth has been seen in the 4-9 services segment, which rose from 7% to 8%. The 2-3 services group also expanded, albeit marginally, from 19% to 19.8%.

Larger operators have maintained stability at the top. Groups with 25 or more services dropped slightly to a 10.3% share (from 10.6%), while the 10-24 services segment saw a slight increase. This combination of stable large operators and growing mid-sized groups indicates a multi-

layered acquisition environment in which mid-sized businesses are both expanding to compete with larger players and becoming attractive targets themselves.

GROUP SIZES



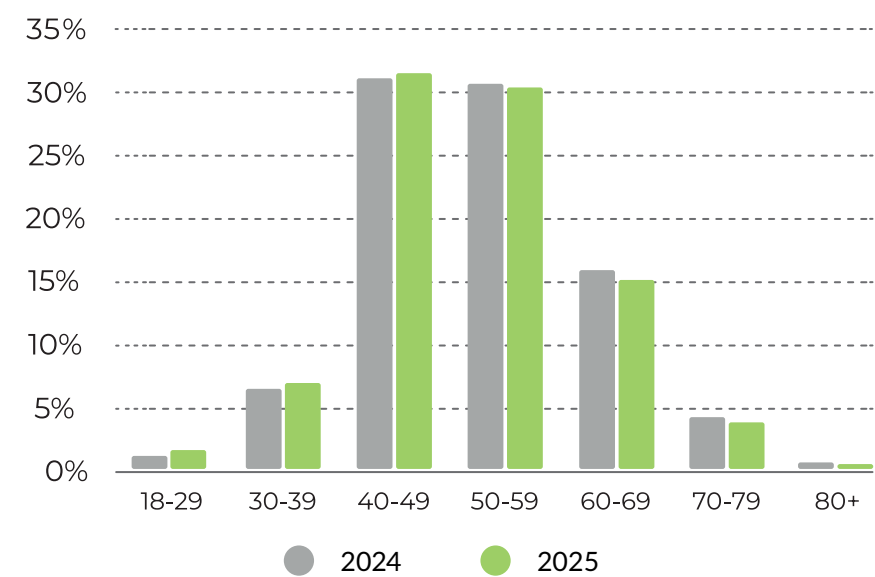
Within the market, it is increasingly common for providers to operate across both the Care Homes and Homecare subsectors. This dual operation allows providers to diversify revenue streams, build operational resilience, and create integrated care pathways, further reinforcing consolidation and the strategic value of multi-service operators.

Ownership Ages: A Younger Generation of Operators Emerging

The demographic profile of homecare and supported living business owners differs markedly from the wider care sector. This sector is characterised by a younger ownership base and an influx of new entrepreneurs, indicating accessible entry points for new operators.

Data shows that established, mid-career operators dominate the market. The 40–49 age group is the largest cohort, representing 32.8% of owners in 2025, with the 30–39 segment accounting for 14.1%. By comparison, care home ownership skews older, with the largest cohort aged 50–59. This difference reflects lower barriers to entry and less capital-intensive operational requirements in home care.

AGE PROFILE

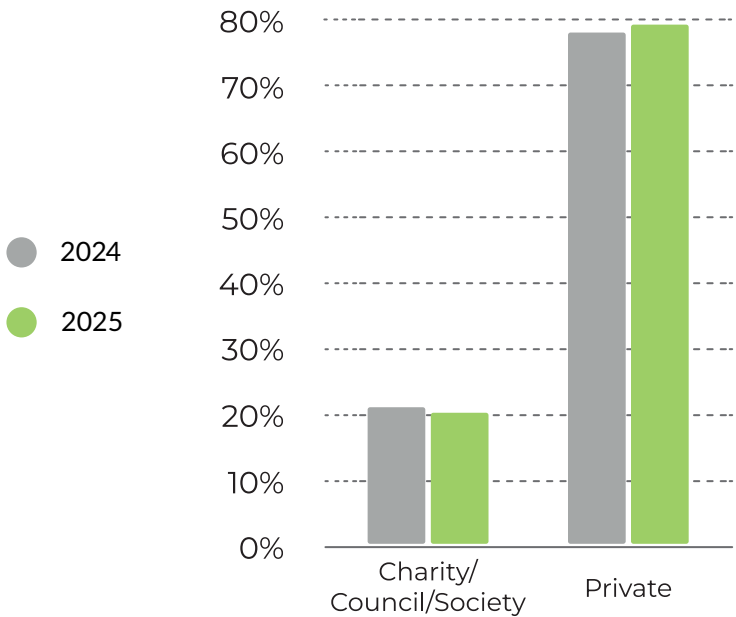


Notably, the under 40 cohort grew from 15% in 2024 to 16.9% in 2025, a trend demonstrating the sector’s appeal to younger entrepreneurs. At the same time, owners aged 50 and over make up 50.5% of the sector, providing a consistent flow of retirement-driven exit opportunities.

Private Sector Strengthens its Grip

Analysis of the homecare and supported living ownership landscape shows slight structural change, with private operators consolidating at the expense of other ownership models, deepening the pool of assets available for corporate M&A.

OWNERSHIP TYPE



Privately-owned homecare businesses in England rose from 12,777 to 13,425, with similar expansion in Scotland and Wales. The private sector's market share increased from 78.6% to 79% from 2024 to 2025, underlining its central role in investment and consolidation activity.

Other ownership models have contracted. Charities, councils, and societies saw their share fall from 21.1% to 20.7%, reflecting financial pressures and asset rationalisation in the public and third sectors.

The reduction of charitable providers provides a predictable pipeline of acquisition targets. This trend positions the care home market as a predominantly private, commercial sector, ensuring that M&A will continue to shape its structure in the years ahead.

However, although the overall trend points towards private sector dominance, there are clear regional differences. In England, Charity, Council, and Society providers represent only 12.3% of the market in 2025, while in Scotland the figure stands at 63.5%. This highlights the distinct structural profiles of the two nations.

A Prime Environment for Strategic Exits

The homecare sector remains a compelling investment opportunity for 2026. Strong demand, the ongoing shift from residential care, and a fragmented market continue to drive consolidation.

Owner exits are well supported by consolidators, national groups, and financial investors, creating competitive tension and attractive valuations. The prevalence of independent operators presents significant integration potential for acquiring groups and offers the opportunity to create more efficient and scalable operations.

Redwoods Dowling Kerr's specialist healthcare team provides owners with end-to-end guidance throughout the sale process, from market preparation to buyer engagement. By leveraging market intelligence and sector expertise, we ensure that owners achieve the best possible outcomes in a dynamic and evolving marketplace.

Whether considering your business sale or needing support on your growth journey, our team will work with you to achieve your goals.

TO SELL

Call 01772 418 518

BusinessSale@redwoodsdk.com

TO BUY

Call 01772 418 519

Acquisitions@redwoodsdk.com

*This data is a result of a blended analysis of data published by CQC, SCI, WCI and Companies House, which has been developed for MI by Altius BI. Figures do not include NI.

CASE STUDY

Trusting Hands

Homecare Agency in Ebbw Vale, Monmouthshire, Wales

- ✓ Sold to established operator **Perfect Pal Healthcare Ltd**
- ✓ Homecare agency providing care to approximately **100 service users**, with 95% local authority funded, 5% private
- ✓ Winner of Employer of the Year awards & finalist in VQ Employer of the Year awards
- ✓ Turnover of **£1.12m** for y/e 2024, with EBITDA of **£222k**

Founded in 2002, Trusting Hands built a strong reputation for delivering high-quality care across Blaenau Gwent, operating from freehold premises in Ebbw Vale. Our negotiator identified the ideal buyer in Perfect Pal Healthcare Ltd, an established operator who saw genuine potential to grow the operation and overall service provision. Through targeted buyer engagement and sector expertise, we matched this award-winning agency with a buyer ready to invest and innovate.

The demand for high-quality homecare in South Wales continues to grow, and businesses like Trusting Hands are perfectly positioned to meet that need. This successful completion demonstrates not only the strength of established agencies but also the ongoing opportunities in the local care market for committed operators.



Multiple viewings & offers | **Short completion time** | **Trade buyer**

CASE STUDY

Gozone Care Limited

Homecare Agency in West Sussex

- ✓ Sold to expanding care group **Priory Alliance Group Ltd**
- ✓ Homecare agency established in 2000 with strong regional reputation, that **provides 1,200 to 1,500 hours of care per week** to 45 service users
- ✓ Long-standing relationships with local councils and NHS providers
- ✓ Turnover of **£1.34m** for y/e 2023, with adjusted EBITDA of **£267k**

Established in 2000, Gozone Care Ltd built a strong reputation for delivering high-quality, person-centred care across West Sussex. Covering affluent areas of West Sussex, the agency benefits from two established block contracts and maintains long-standing relationships with both local councils and NHS providers. Our Senior Sales Negotiator identified the ideal buyer in Priory Alliance Group Ltd, an expanding care group seeking to strengthen its presence in the South of England.

The business represents a robust and scalable operation with further growth potential. With its long-standing reputation for quality and compassion, strong client relationships, and established contract base, the agency was well-positioned for continued success under new ownership.

Highly competitive bidding | **Established operator buyer**



A SELECTION OF RDK HOMECARE **Sold Businesses in 2025**

- | | |
|--------------------------------------|----------------------------------|
| 01 Carltonima Care Ltd | 11 J.O.T Limited t/a Care Select |
| 02 A & R Care Limited | 12 Agacia Care |
| 03 Kestrel Homecare Ltd | 13 Homelife Care Ltd |
| 04 Lomack Health Company Ltd | 14 Care Service 24 |
| 05 Caroline Cares For You Ltd | 15 Beryl Evelyn Homecare Ltd |
| 06 KPR Care Services Ltd | 16 Trusting Hands Ltd |
| 07 Cornwall Health Care Services Ltd | 17 Tayside Home Care Ltd |
| 08 SJW The Wright Care Ltd | 18 Norton Nurses Ltd |
| 09 Falcon House Care Ltd | 19 GJ Care and Training Ltd |
| 10 Angel Holistic Care Ltd | 20 Care 4 U Care Ltd |



1st Class Care Solutions Ltd

Homecare Agency in Scotland

- 200 service users
- 2,800-3,000 care hours per week
- 'Good' Care Inspectorate Scotland rating
- Turnover of £2.6m for y/e 2024

Caring Hearts and Hands Ltd

Homecare Agency in Shropshire

- 32 service users
- 1250 hours of care per week
- 'Good' CQC rating
- Turnover of £1.5m for y/e 2023

Care Service 24

Homecare Agency in Hampshire

- 90 service users
- 1000 hours of care per week
- 'Good' CQC rating
- Turnover of £1.4m for y/e 2024

Trusting Hands Ltd

Homecare Agency in Monmouthshire

- 100 service users
- 1000 hours of care per week
- Operated since 2002 by the current owner
- Turnover of £1.4m for y/e 2024

KPR Care Services Ltd

Supported Living in Devon

- Registered for 9 residents
- 3 well-presented freehold properties
- 24 hours care 7 day a week support
- Turnover of £1.3m for y/e 2024

Cornwall Health Care Services Ltd

Homecare Agency in Cornwall

- 9 service users
- 563 hours of care per week
- 80% local authority & 20% private clients
- Projected turnover of £754k for y/e 2025

GJ Care and Training Ltd

Homecare Agency in Glamorgan

- 47 service users
- 520 hours of care per week
- Established in 2006
- Turnover of £657k for y/e 2024

Kestrel Homecare Lts

Homecare Agency in Sussex

- 21 service users
- 380 hours of care per week
- 'Good' CQC rating
- Turnover of £600k for y/e 2024

Norton Nurses Ltd

Homecare Agency in Northamptonshire

- 32 service users
- 500 hours of care per week
- 'Good' CQC rating
- Turnover of £563k for y/e 2025

SJW The Wright Care Ltd

Homecare Agency in Nottinghamshire

- 35 service users
- 2300-2500 hours of care per month
- 'Outstanding' CQC rating
- Turnover of £567k for y/e 2024

Care 4 U Care Ltd

Homecare Agency in Yorkshire

- 36 service users
- 490 hours of care per week
- 'Good' CQC rating
- Turnover of £502k for y/e 2024

Homelife Care Ltd

Homecare Agency in East Essex

- 40 service users
- 300 hours of care per week
- 'Good' CQC rating
- Turnover of £451k for y/e 2024

Carltonlima Care Ltd

Homecare Agency in Dorset

- Excellent local reputation
- Provides overnight care & live-in support
- Responsive and highly trained team
- Projected turnover of £360k for y/e 2025

Integrated Care and Support Services Ltd

Homecare Agency & Day Care Centre in Lancashire

- 3 service users
- 43 hours of care per week
- 'Good' CQC rating
- Fee income of £338k for y/e 2024

Caroline Cares For You Ltd

Homecare Agency in Northamptonshire

- 28 service users
- 250 hours of care per week
- 'Outstanding' CQC rating
- Turnover of £258k for y/e 2024

Best At Home Adult Care Private Ltd

Homecare Agency in Cheshire

- 18 service users
- 330 hours of care per week
- 'Good' CQC rating
- Turnover of £277k for y/e 2024

Tayside Home Care Ltd

Homecare Agency in Perthshire

- Preferred provider for local authorities
- Founded by the current owner in 2020
- 'Good' CQC rating
- Fee income of £248k for y/e 2024

Beryl Evelyn Homecare Ltd

Homecare Agency in Leicestershire

- Very good reputation within the region
- 115 hours of care per week
- Established in 2023 by the current owner
- Turnover of £149k for y/e 2024

Altius Group News

High Five to Latest Donation!

Altius Chairman's Charity has continued to support good causes throughout 2025 with a series of donations to charities chosen by staff.

With a £4,000 donation, the latest organisation to benefit is High Five, a Lancashire charity supporting children with severe disabilities and their families.

High Five Founding Trustee, Sarah Kiley, commented: *"This donation from Altius will allow us to keep creating events, bringing families together. We are so thankful, not just for such a generous donation, but also the belief in what we do."*

Other charities benefiting in 2025 include Unique Kidz Morecambe and Derian House Children's Hospice.

With £17,600 donated over the last season, Group Chairman, Paul Miller, commented: *"I'm delighted to see our charity initiative raising so much for good causes. Here at Altius we are proud of our commitment to give back to the community."*



Experian MarketIQ: UK M&A Review



Altius Group is delighted to rank as a Top 10 adviser in the UK for M&A. The latest Q3 ranking is based on the volume of activity YTD 2025:

CURRENT RANK	ADVISOR	VOLUME
6	RSM	72
7	PwC	62
8	Altius Group	62
9	Cooper Parry	54
10	PKF	49
11	Cavendish	45
12	EY	42



Rated 5 Stars

RDK OVER 570 REVIEWS

94% 5 STAR REVIEWS

Outstanding Experience

Working with Asif and the team at Redwoods was an outstanding experience. From the initial viewing to the final handover, Asif was more than just a broker; he was a trusted advisor. He took the time to understand our goals and provided insightful counsel that was crucial to our decision-making. His professionalism and dedication made a potentially stressful process remarkably straightforward. I am delighted with the outcome and would confidently recommend their services to fellow professionals.

Highly Recommend

Bradley took responsibility for the sale of our domiciliary care company. He walked us through what was expected of us and the prospect purchaser. He was very helpful and constantly kept us informed every step of the way and kept in touch daily. We successfully sold our business and would highly recommend Redwoods.

Very Happy

I am very happy to have purchased our first Residential and supported living care home from Redwoods Dowling Kerr and would certainly work with them again. I highly recommend RDK to anyone looking for a smooth, hassle-free business purchase experience.

68% of Homecare Businesses Sold with RDK

Redwoods Dowling Kerr would like to give a big thank you to homecare.co.uk for many years of collaboration.

Since 2010, **68% of all homecare businesses** listed as sold with homecare.co.uk have been sold in deals facilitated by Redwoods Dowling Kerr.



Looking to buy a homecare business?

Register today with Business Buyers to view the latest businesses for sale by scanning the QR code or visiting: **businessbuyers.co.uk**.

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