Image: Green Tree Court, Exeter

SOUTH WEST HEALTHCARE MARKET INSIGHT 2025

A review of the need for new build development/refurbishment across the South West of England

CHRISTIE & CO

Regulated by RICS

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Welcome to our South West Healthcare Market Insight. This report highlights key demands across the region, examining the current stock of elderly care home bed and the opportunity for new development.

Our report covers the counties of Cornwall, Devon, Somerset, and West Dorset; areas which have a higher-than-average elderly population and significant pockets of affluence.

We are confident that the South West region presents a prime opportunity for high-quality care home developments, addressing the growing need for future-proof beds.

REPORT HIGHLIGHTS

The population aged **over 85** is **38% higher** than the national average

Average house prices in the South West are **10% higher** than the national average

There has been a net gain of only **101 bed spaces** since 2021

Only 24% of the current stock is purpose-built

Only 26% of the current stock has wetroom facilities

There is a current **undersupply of 16,972** wetroom beds (full market standard) across the South West

Planning approvals **add 2,127** bed spaces, but the wetroom shortfall is projected to reach 23,056 by 2035

Christie & Co is recognised as the market-leading broker for care home development land in the UK.

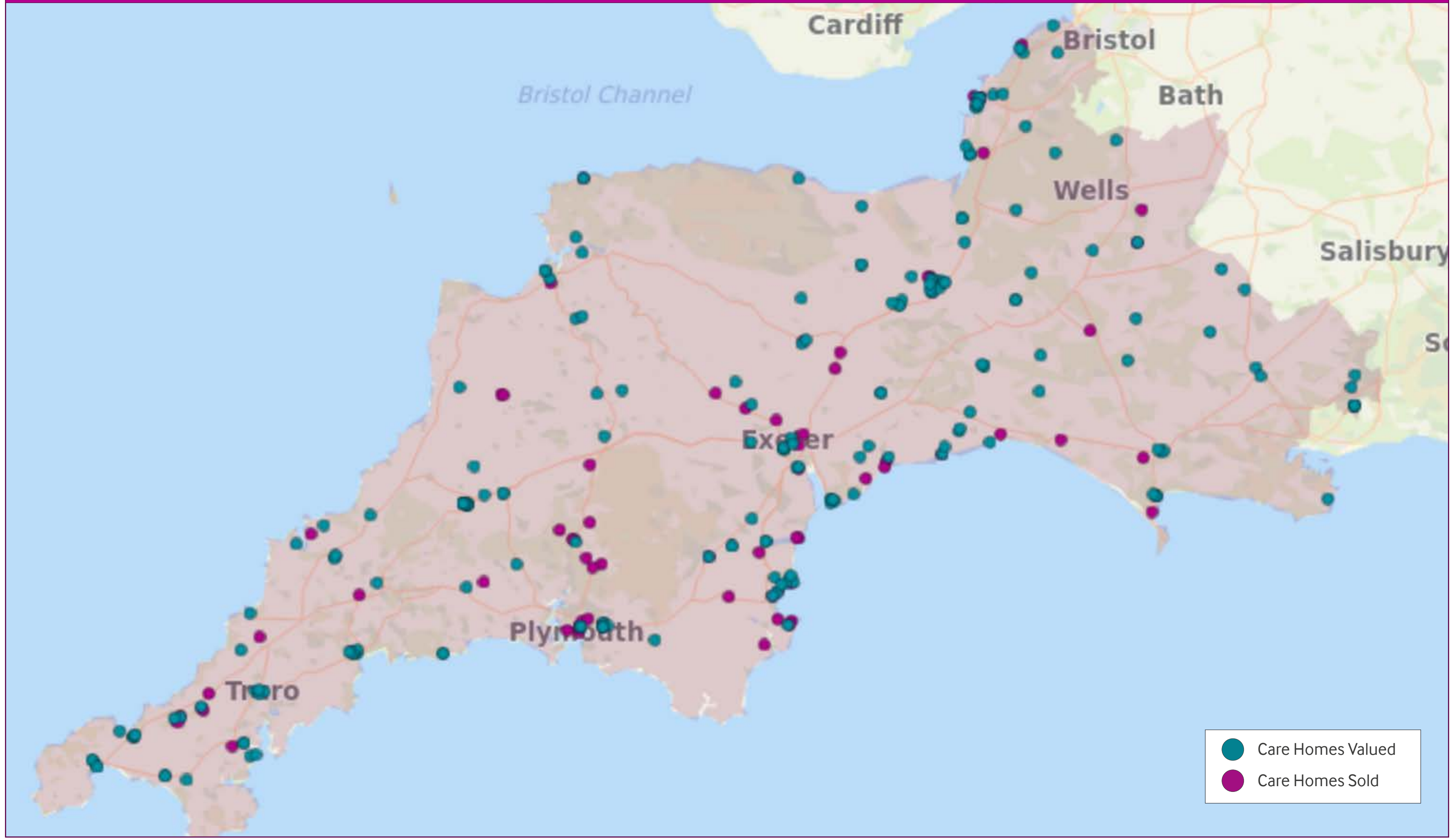
We have an unrivalled track record in the effective disposal of healthcare development opportunities, having brokered transactions with an aggregate Gross Development Value of **£3 billion since 2018**.

Our specialist healthcare brokerage team regularly sells over **60% of the individually sold care homes every year**, giving us unrivalled insight into the social care markets. We also have the largest, most experienced healthcare team in the sector, covering brokerage, valuation, consultancy, investment, and development, with over 500 years of collective experience in our national team.

The map on this page illustrates our brokerage and bank valuation assignments since 2020, demonstrating the depth of our experience and knowledge across the South West.

If you would like to know more about our services, you'll find our contact details on page 17.

Christie & Co Activity in South West (2020-2025)



DEMOGRAPHICS: POPULATION & DEMAND TRENDS

POPULATION

UK: 68,167,929 people

65+	85+
19.5%	2.6%

South West: 2,875,681 people

65+	85+
26.3%	3.6%

Cornwall: 591,696 people

65+	85+
26.5%	3.3%

Devon: 1,246,464 people

65+	85+
25.6%	3.5%

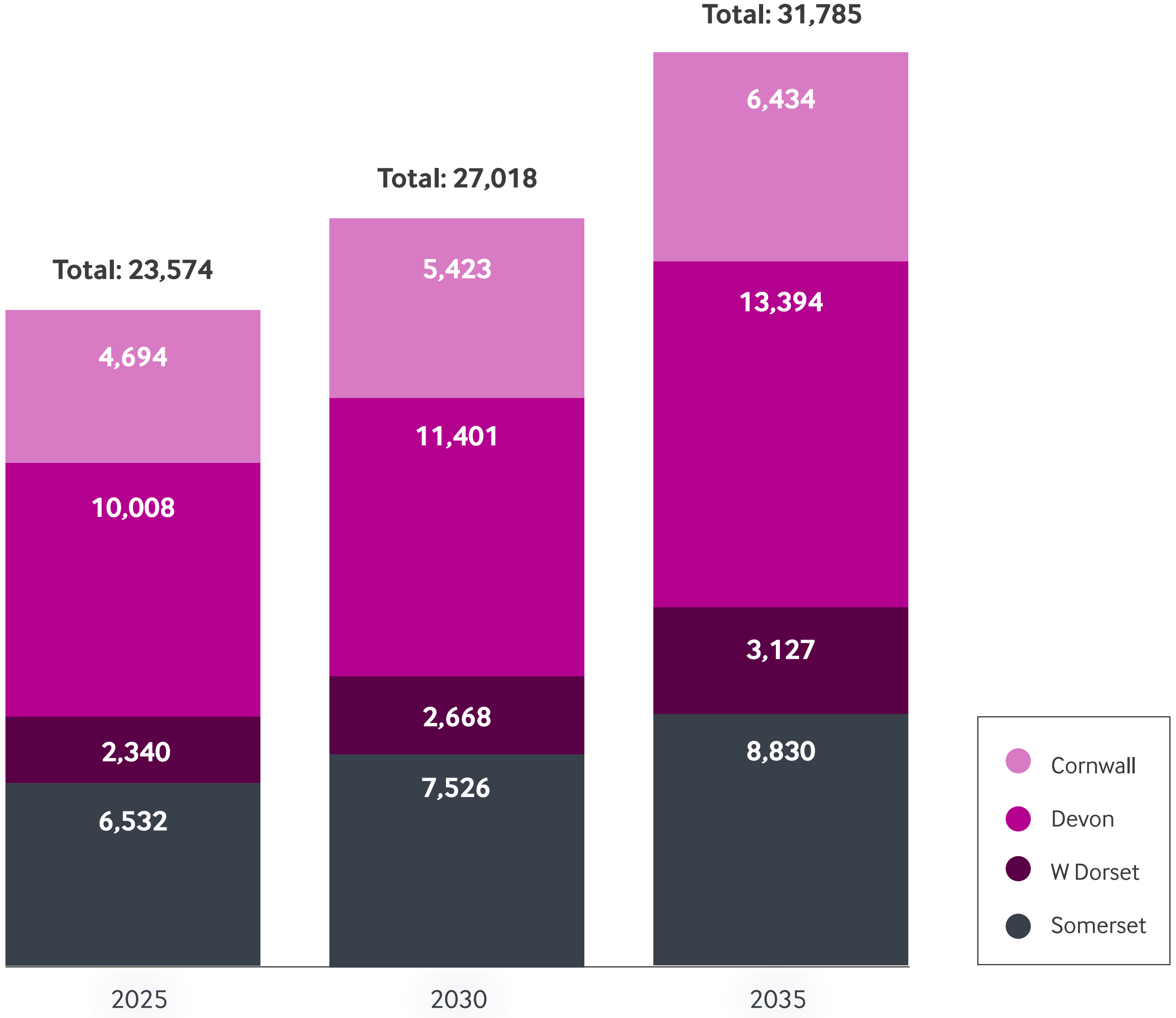
W Dorset: 239,572 people

65+	85+
30.8%	4.3%

Somerset: 797,949 people

65+	85+
25.8%	3.6%

SOUTH WEST - FORECASTED BED DEMAND BY AUTHORITY

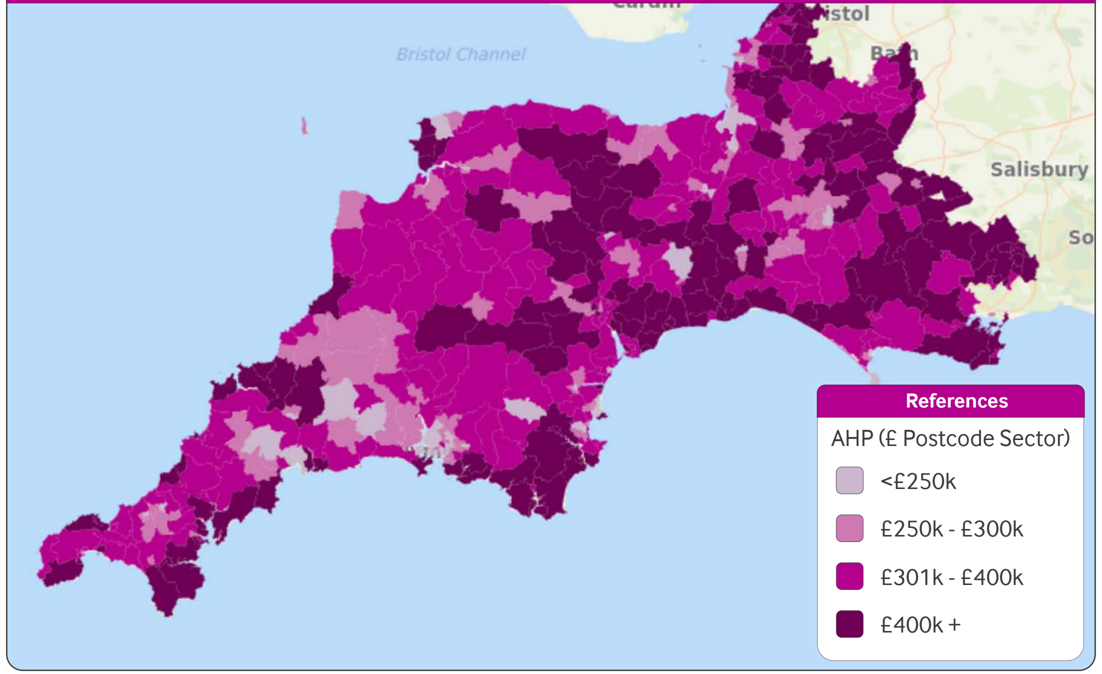


KEY TAKEAWAYS

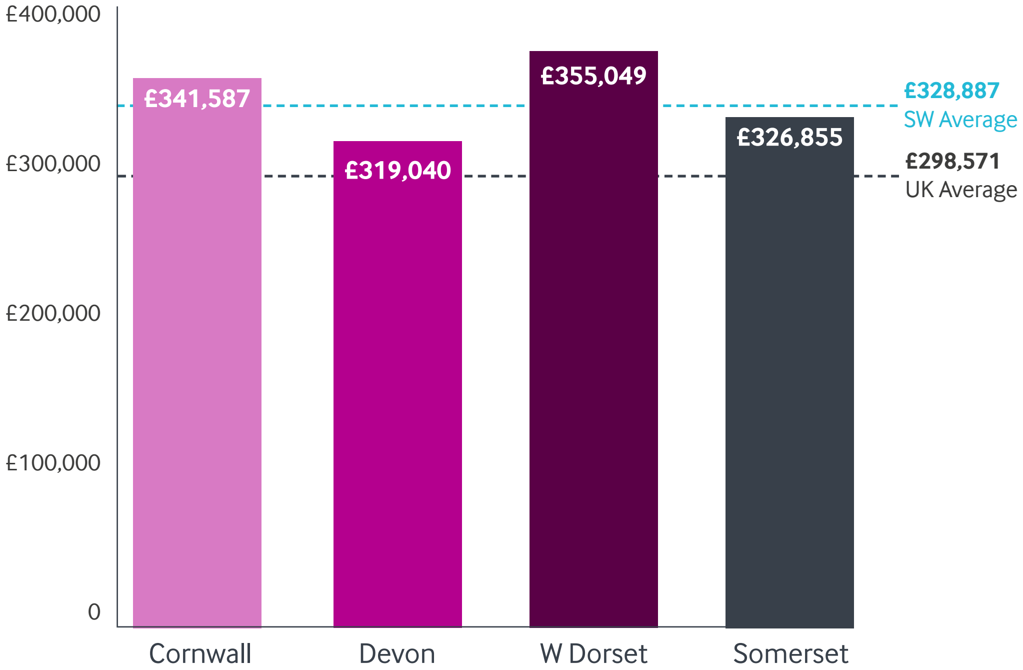
- The proportion of the population over 65 is 35% higher across the region compared with the UK average
- The proportion of the population over 85 is 38% higher than the wider UK
- The demand for elderly care home beds is forecasted to increase by 15% by 2030 and a huge 35% by 2035

DEMOGRAPHICS: AFFLUENCE & AVERAGE HOUSE PRICE METRICS

Average House Price Heat Map – South West



AVERAGE HOUSE PRICES



KEY TAKEAWAYS

- House prices across the region are 10% higher than the national average
- House prices in W Dorset are 19% above the national average
- 41% of the population own their home outright, 24% ahead of the national average

HOUSEHOLD OWNERSHIP

	UK	South West	Cornwall	Devon	W Dorset	Somerset
Owns Outright	33%	41%	42%	39%	46%	40%
Owns Mortgage or Loan	30%	26%	24%	26%	25%	29%

Below UK Average | Above UK Average

SUPPLY OF ELDERLY CARE HOMES IN THE SOUTH WEST

ELDERLY CARE HOMES

	South West	Cornwall	Devon	W Dorset	Somerset
Homes	722	130	319	98	175
Registered Beds	25,606	4,132	10,462	3,596	7,416
Average Size of Home	35	32	33	37	42
En Suite	19,315	2,489	7,640	3,100	6,086
Wetroom	6,602	379	1,841	1,562	2,820
En Suite %	75%	60%	73%	86%	82%
Wetroom %	26%	9%	18%	43%	38%

PROPERTY SPECIFICATIONS

	UK	South West	Cornwall	Devon	W Dorset	Somerset
Homes with 40+ beds (%)	47%	32%	26%	11%	35%	19%
Purpose-Built (%)	44%	24%	15%	19%	37%	33%
En Suite %	74%	75%	60%	73%	86%	82%
Wetroom %	34%	26%	9%	18%	43%	38%

Below UK Average	Above UK Average

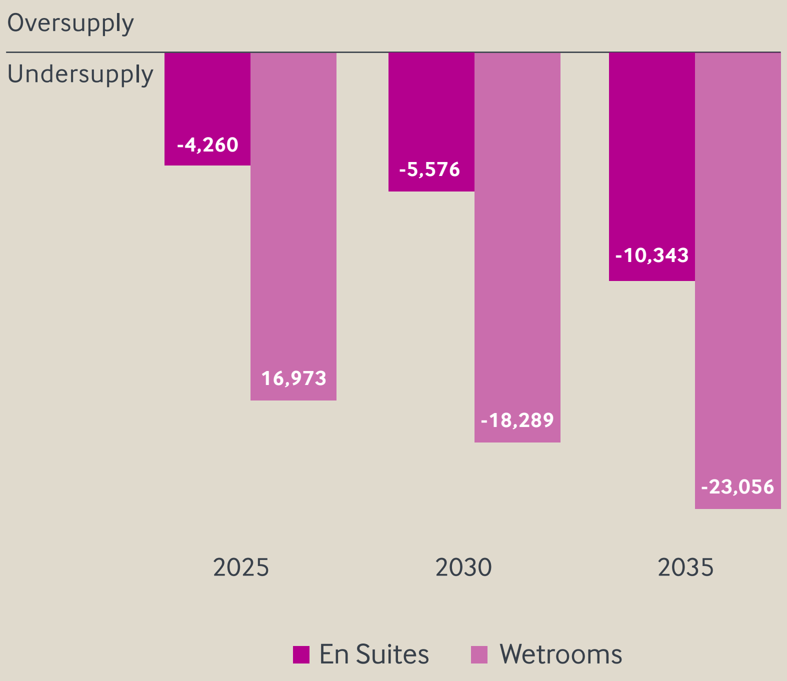
KEY TAKEAWAYS

- Only 24% of the care home stock is purpose-built versus the national average of 44%
- The average size of a care home across the region is 35 bed spaces, versus the national average of 42
- Only 26% of the stock has wetroom facilities, compared with 34% nationally
- Cornwall has the lowest proportion of purpose-built stock across the region, at only 15% of the total
- Devon has the smallest proportion of stock over 40 bed spaces, at only 11%
- Strong occupancy levels across the region, broadly in line with the national average

SUPPLY VERSUS DEMAND

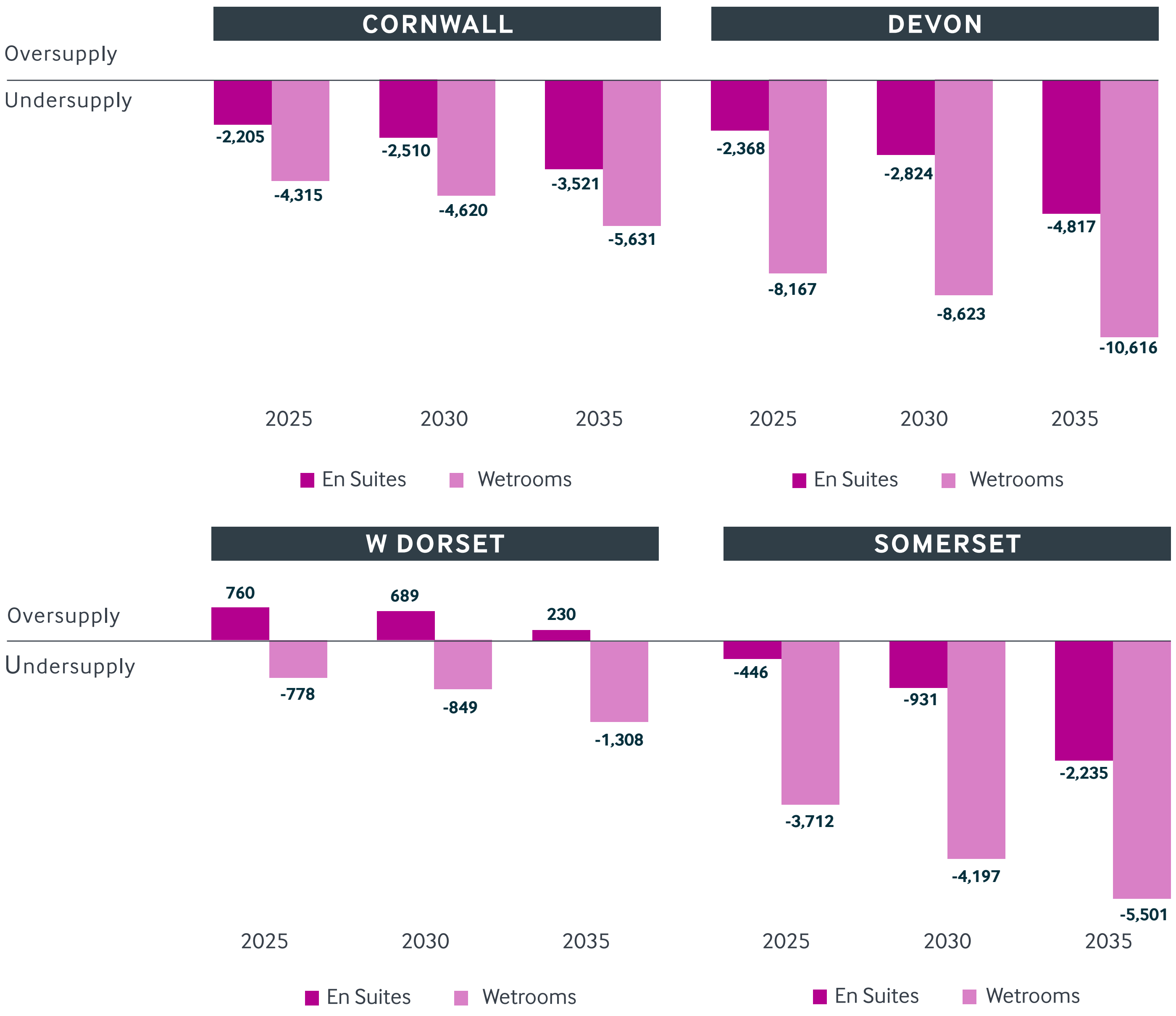
This analysis considers key factors, including the current and projected growth of the elderly population, existing care home capacity, and planned bed developments to provide a thorough assessment of present and future bed requirements. We have assessed the bed requirements based on the number of en suite beds (minimum market standard) and the need for wetroom provision (full market standard beds).

SOUTH WEST - SUPPLY VS DEMAND



NB: Analysis has been taken for Somerset, W Dorset, Devon and Cornwall

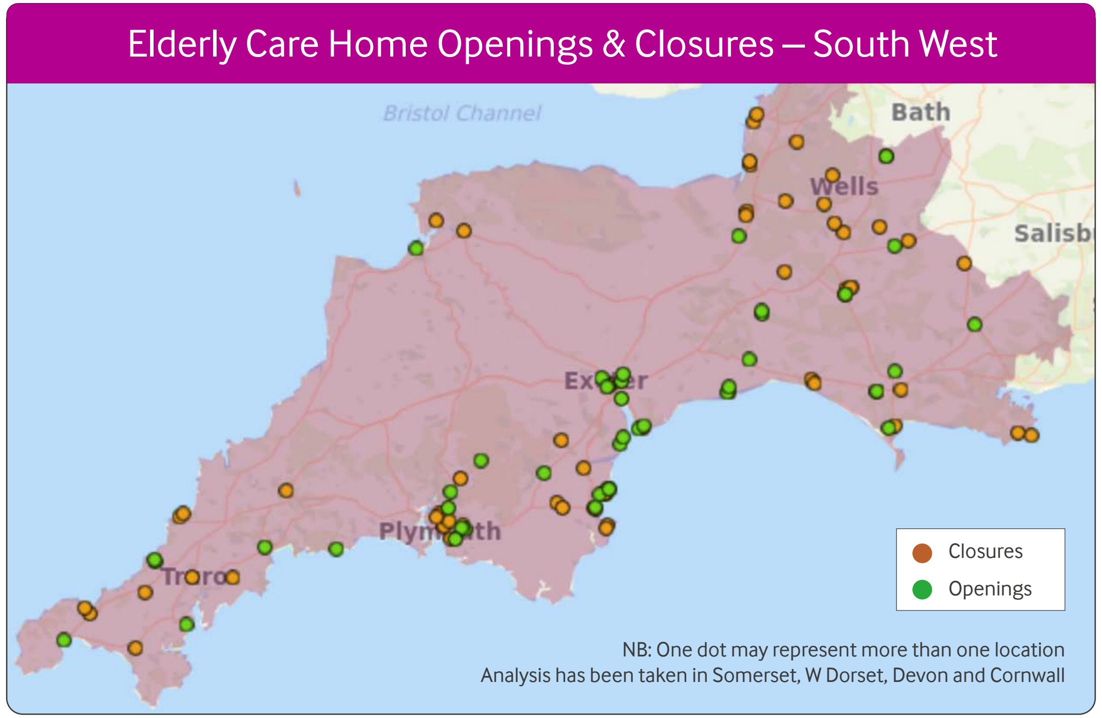
SUPPLY VS DEMAND (2025-2035), BY COUNTY



KEY TAKEAWAYS

- There is a current undersupply of 16,973 wetroom beds (full market standard beds) across the South West, which is forecasted to increase to a shortfall of 18,289 by 2030 and 23,056 by 2035
- The largest forecasted shortfall by 2035 is in Devon, with an undersupply of over 10,500 wetroom beds

CLOSURES AND OPENINGS, 2021-2025



CARE HOME NUMBERS 2021-2025

	South West	Cornwall	Devon	W Dorset	Somerset
Number of homes in 2021	738	132	319	98	189
Number of care homes in 2025	722	130	319	98	175
New Registrations	48	7	25	8	8
Deregistrations	64	9	25	8	22
% change	2% decrease	2% decrease	N/A	N/A	7% decrease

CLOSURES

	South West	Cornwall	Devon	W Dorset	Somerset
Homes Closed	64	9	25	8	22
Registered Beds	1,813	315	555	248	695
% En Suites	53%	40%	49%	64%	57%
Average Size	26	31	20	28	30

OPENINGS

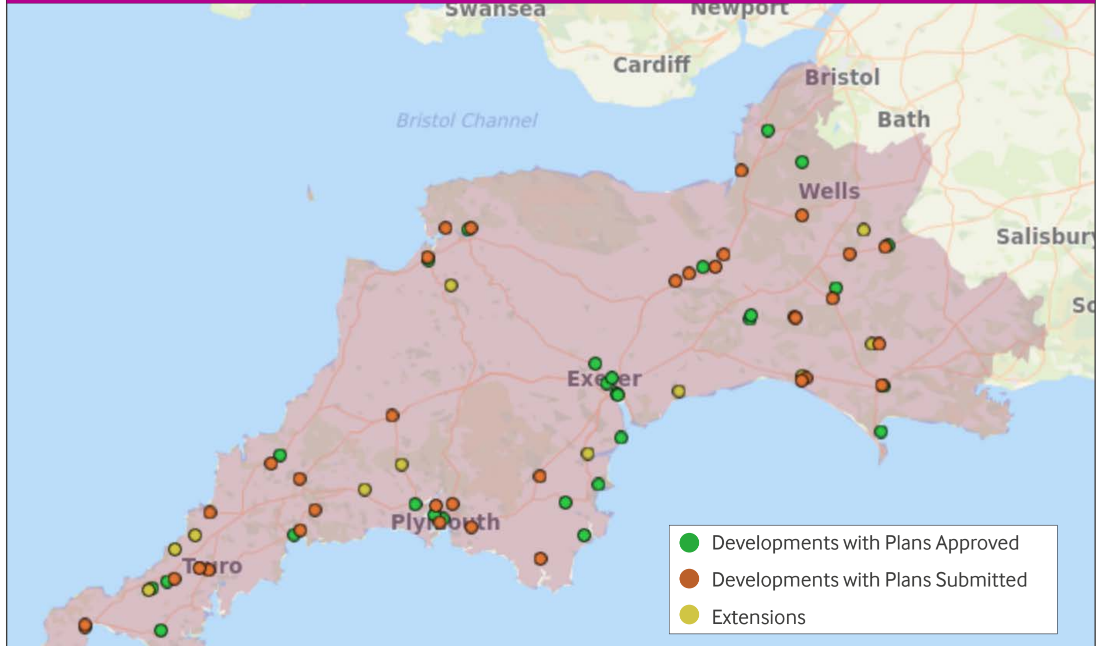
	South West	Cornwall	Devon	W Dorset	Somerset
Openings	48	7	25	8	8
Registered Beds	1,914	223	1,019	439	233
Wetrooms	1,228	66	521	431	210
% En Suites	66%	62%	47%	100%	100%
Average Size	40	27	41	55	29

KEY TAKEAWAYS

- There have been 64 care home closures across the South West since 2021, with 1,813 care home beds lost
- There have been 1,914 beds constructed over the same period, a net gain of only 104 bed spaces in four years
- The average size of the care homes that have closed is 26 beds, with 53% having en suite provision
- The average size of new registrations in the region is 40, with Cornwall having the lowest at 27 and W Dorset having the largest at 55

PROPOSED CARE HOME DEVELOPMENT ACTIVITY

South West Proposed Care Development Activity



NB: One dot may represent more than one location
Analysis has been taken in Somerset, W Dorset, Devon and Cornwall

DEVELOPMENT ACTIVITY

	South West	Cornwall	Devon	W Dorset	Somerset
Plans Approved					
Developments	34	7	15	4	8
Planned Beds	2,127	424	937	257	509
Average Size of Home	63	61	62	64	64
Extensions (Granted)					
Developments	14	5	3	5	1
Planned Beds	226	99	67	60	-
Master Plans (Granted)					
Developments	20	3	6	7	4
Planned Beds	1,035	120	259	411	245
Early Planning/Plans Submitted					
Developments	41	13	11	4	13
Planned Beds	5,058	3,330	570	191	967

KEY TAKEAWAYS

- There are only 456 beds currently under construction in the region
- Across the South West, 34 new care home schemes have been approved for new builds and extensions
- 20 new builds have been approved for an average of 52 beds
- 14 extensions have been approved for an average of an additional 16 beds
- The total number of approved beds in the region is 2,127
- There are pre-application approvals for an additional 5,058 beds

THE OPPORTUNITY

Unlike many parts of the UK, the South West region has historically been overlooked from a new build development perspective, primarily due to its remote geography and associated inability to cluster onto national providers' existing footprints.

The underlying demand from the ageing demographic in the region is, however, growing rapidly. The population over 65 years of age in the South West is 35% higher than the UK average, which rises to 38% above UK average for those over 85 years of age. Only 24% of the existing provision across the region is purpose-built, which reduces to only 15% in Cornwall.

As is the case across the rest of the country, some smaller care homes, which often lack wetroom provision, have been closing. The region has lost 1,813 care home beds since 2021, with an average size of 26 beds. Only 1,914 beds have been built during the same period, resulting in a net gain of only 101 beds in four years.

There is a current undersupply of 16,972 wetroom beds across the South West, and projections indicate that this shortage of market-standard provision will only worsen in the coming years. By 2030, the shortfall is expected to rise to 18,289 and, by 2035, it is forecast to reach 23,056. This growing deficit underscores the urgent need for strategic planning and investment to ensure that future demand can be met effectively.

A large proportion of the existing providers report strong occupancy levels in assets, which may not necessarily be future-proof, highlighting the robust demand trend in the region. Average house prices are also 10% higher than the national average, and these elevated levels of affluence provide support for a sustainable private fee-paying market.

In many instances, smaller, converted homes are well-placed to cater for their local markets, particularly in areas of lower population density, which is common in the region. Based on the undeniable increase in demand and general lack of existing modern wetroom facilities, we believe there is a significant opportunity for both regional and corporate care operators to capitalise on the early mover advantage by investing in new developments across the region. In addition, operators also have the opportunity to retrofit or reconfigure older stock that may not currently align with the latest market standards, thereby enhancing their competitiveness and future-proofing the homes.

With the sector evolving to meet growing demand, strategic investment in high-quality care facilities will not only address existing gaps but also position operators for long-term success in an increasingly competitive market.

To discuss the contents of this report in more detail, as well as the exciting opportunities that exist in the South West, please contact our team (see page 17 for details).

Christie & Co's care or later living development transactions in the South West region

Taunton, Somerset

Mercian Developments and Christie & Co worked with a growing regional not-for-profit provider, Amica, to identify and deliver a flagship scheme for the Trust in the Taunton area.

Mercian achieved planning consent for a state-of-the-art care home facility, which will comprise 68 bedrooms with en suite wetrooms and luxury resident amenities. The home will have exceptional sustainability credentials, with it being 100% electric powered and is expected to achieve a BREEAM "Very Good" accreditation. Mercian is currently delivering a turnkey scheme for Amica, funded by a UK pension fund, and it is anticipated to open in 2026/27.

Midsomer Norton, Somerset

The site was identified by our strategic land developer client as being well suited to accommodate a care home and will provide much-needed provision. Christie & Co acted for the developer and sold a site on their behalf to LNT Care Developments, with the benefit of a 66-bedroom care home.

The scheme sits within a wider residential development which also includes a new primary school. Situated to the south of Midsomer Norton's town centre, this care development is well-placed to benefit from desirable community amenities and public transport connections. LNT has now built out the scheme, and it opened to residents in 2024.

Padstow, Cornwall

Christie & Co acted for a regional residential developer in the South West and sold the C2-use land parcel to national retirement living developer, McCarthy Stone, in 2025. The scheme will provide 51 high-quality one and two-bedroom extra care apartments with shared facilities including a communal lounge and bistro restaurant, a wellbeing suite, and a hotel guest suite for residents' family and friends.

There is a considerable shortfall of this type of accommodation locally, and, as outlined in Cornwall Council's Supported and Specialist Housing Strategy 2023-2050, there is an estimated additional need for over 1,700 homes specifically designed with older people in mind up to the period of 2033.

Christie & Co has several other care home development sites currently under offer in Devon and Cornwall, which are anticipated to receive planning permission in 2025.

CASE STUDIES

A selection of care businesses recently sold across the South West

Green Tree Court
Exeter, Devon

- Built in 2015
- Registered for 68 residents
- Sold to a not-for-profit care provider

Gorselands
Clevedon, North Somerset

- Period conversion with extensions
- Registered for 30 residents
- Sold to an existing provider from London

The Red House
Yelverton, Devon

- Period conversion with extensions
- Registered for 28 residents
- Sold to a new entrant from the Midlands

OUR SERVICES

According to data on carehome.co.uk, we sell over 60% of individually transacted care homes in the UK.

60%

Established in 1935, we are the only specialist firm of agents and RICS (Royal Institution of Chartered Surveyors) Registered Surveyors dealing with both the valuation and sale of care businesses in the UK.

Regulated by RICS

WE OFFER A FULL RANGE OF PROFESSIONAL SERVICES TO CLIENTS SELLING, BUYING, OR RAISING FINANCE IN THE CARE SECTOR, INCLUDING:

BROKERAGE

- Trading Care home disposals and acquisitions
- Capital Markets & Investment brokerage
- Care and later living development sites
- Leasing

CONSULTANCY & ADVISORY

- Lease & Investment advisory services and dispute resolution
- Commercial Due Diligence
- Feasibility Studies and performance benchmarking
- Holistic Planning Needs Assessment
- Research

VALUATIONS

- RICS-accredited valuations for loan security
- Lease and rent reviews
- Expert witness

FINANCE

- Finance raising for acquisition, refinance, unsecured, and asset finance

INSURANCE

- Business & life insurance and employee benefits across numerous sectors

OUR 90TH ANNIVERSARY

2025 marks a significant milestone for Christie & Co as we celebrate 90 years of unparalleled expertise in advising, valuing, and selling businesses across our specialist sectors.

Since 1935, we have been at the forefront of the market, providing expert advice and delivering exceptional results for our clients. We opened our first office on Baker Street in London, and have since expanded our services internationally, becoming the market-leader in our respective sectors.

Our team has expanded substantially, bringing together a talented group of professionals across 22 offices in the UK and Europe, who share a passion for achieving the best results. Over the decades, we have supported clients through some of their most important decisions and provided trusted advice on landmark transactions, becoming the partner of choice for generations of business owners.

Over the years, we have entered new sectors, expanding from our roots in hotels, pubs, retail, leisure and care, into the childcare and medical sectors, most recently with dental in 2013, quickly becoming the most active agent in these markets. We have also made important steps to grow our Capital Markets team to increase our activity within this area.

Today, we are the leading adviser in a variety of specialist operational real estate markets, driven by our long-lasting client relationships and commitment to a professional and collaborative approach. We are regulated by the Royal Institution of Chartered Surveyors (RICS) and this year we were named as the Top Contributor and Most Active Hotel & Leisure Agent in the UK in the EG Radius Awards, for the ninth year.

We were delighted to celebrate our 90th anniversary on 8th May and were joined by presenter and podcaster Jake Humphrey for the occasion, where we reflected on the importance of building strong relationships with our clients in order to deliver the best results.

EST 90 1935 YEARS

> Our 90th anniversary is a celebration of the people who have shaped our business and those who continue to drive it forward. Christie & Co's success is built on a tradition of excellence, innovation, and a relentless focus on delivering for our clients. We look forward to seeing this continue into the years ahead.

Darren Bond, Global Managing Director at Christie & Co

> 90 years after its creation, Christie & Co remains at the heart of Christie Group and its goal of helping all our clients unlock the potential that lies within their own business dreams and ambitions. As we look forward to being part of thousands more success stories in the future, we know that only comes from continuing to connect the passion, skills, knowledge, and expertise of our own people with the commitment, vision, and energy of our clients.

Dan Prickett, Chief Executive of Christie Group plc and Christie & Co Chairman

GLOSSARY OF TERMS & SOURCES

TERMS

AHP
Average House Price

CQC
Care Quality Commission

En-Suite Beds
Minimum market standard beds i.e. single occupancy bedroom with en suite

Wetroom Beds
Full market standard beds i.e. single occupancy bedroom with wetroom

GDV
Gross Development Value

ONS
Office for National Statistics

Registered Beds
This reflects the total number of registered beds provided which may include twin occupancy rooms and other rooms which have accessibility related constraints

Use Class C2
Use for the provision of residential accommodation and care to people in need of care (other than a use within a class C3 (dwelling house). Use as a hospital or nursing home. Use as a residential school, college and training centre

West Dorset
The Dorset Council area (excluding Bournemouth, Christchurch, Poole)

SOURCES

Christie & Co benchmarking data

Office for National Statistics (ONS), Census 2021

LaingBuisson 2024-25

Glenigan Database

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