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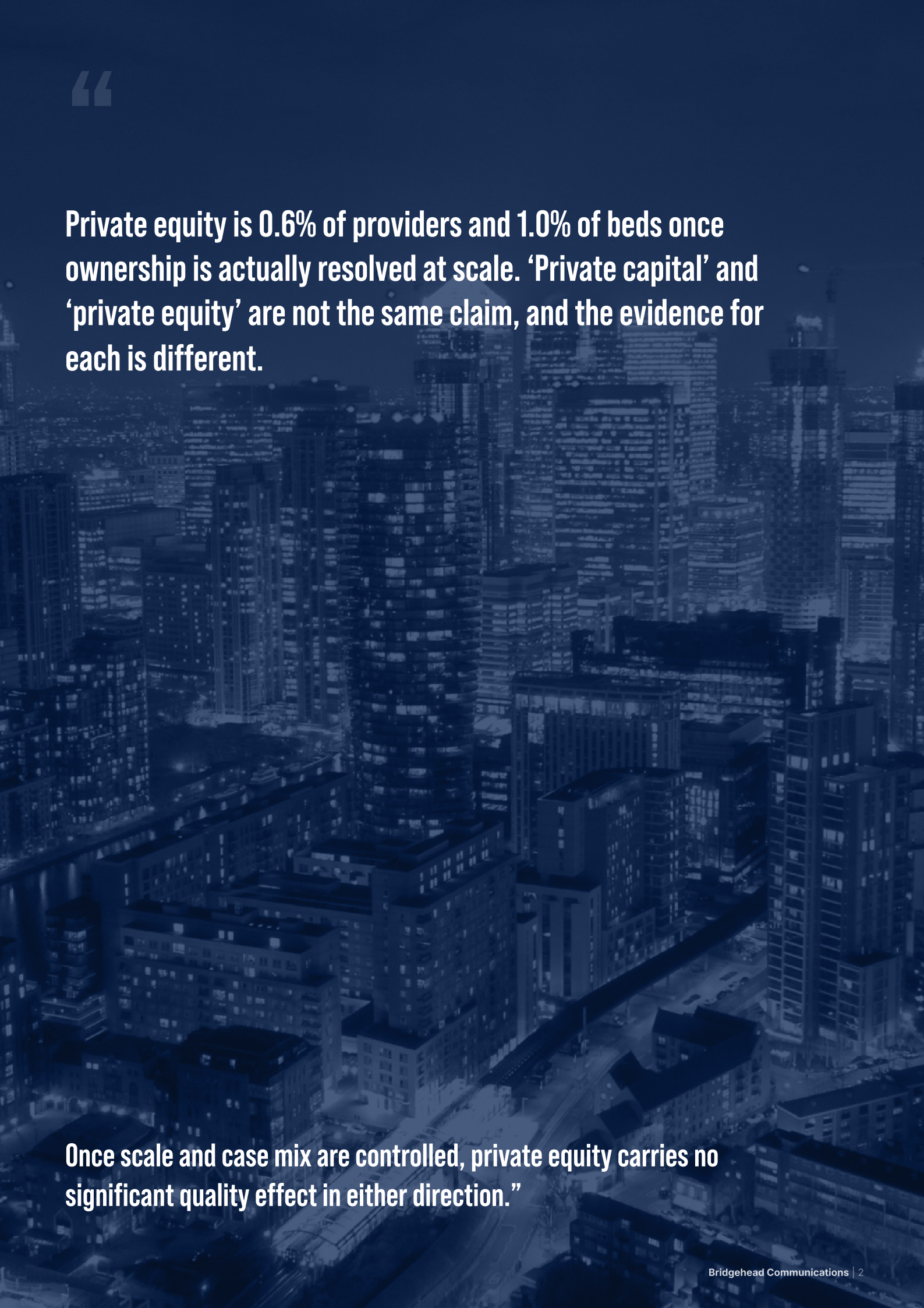
RESEARCH REPORT · SEPTEMBER 2026

Can a Credible Case Be Made for Private Equity in Adult Social Care?

Original analysis of every CQC-registered care home in England, joined to Companies House on the number CQC itself publishes, resolved to a named investor type for 92.3% of providers — and rejoined to quality outcomes.



Sourced from CQC, Companies House and published literature
Bridgehead Communications Ltd



“

Private equity is 0.6% of providers and 1.0% of beds once ownership is actually resolved at scale. ‘Private capital’ and ‘private equity’ are not the same claim, and the evidence for each is different.

Once scale and case mix are controlled, private equity carries no significant quality effect in either direction.”

EXECUTIVE SUMMARY

A narrower case than either side argues

Private capital — REITs, pension and infrastructure funds, developers and private-equity funds together — is the only material source of new adult social-care capacity in England, and will remain so under any realistic fiscal scenario. That is a claim about who funds beds, not about which owner, and it is not in dispute.

What is in dispute is whether private equity specifically improves, worsens, or is neutral to care quality, and whether it is even a meaningful share of the market it is blamed for reshaping. This report tests both questions against real CQC and Companies House data, rather than asserting an answer either side would prefer.

The method: join every active CQC-registered care home to its provider's Companies House record on the company number CQC itself publishes (99.5% match), then walk the Persons-with-Significant-Control filings upward past the single layer the free bulk data can see, to resolve a granular investor type for each provider.

Why it matters

A debate conducted at the level of "private equity: good or bad" cannot be resolved, because neither side is measuring the same thing. This report replaces the label with a taxonomy and tests it.

75.2%

OF PROVIDERS ARE FAMILY OR FOUNDER OWNED

The modal English care-home owner at every scale this taxonomy can resolve — 60.3% of beds.

1.0%

OF BEDS ARE PRIVATE-EQUITY OWNED

46 providers of 7,221 resolved. A sliver of what "private capital" implies.

13,638

RATED HOMES ANALYSED

Every active English care home joined to Companies House on the number CQC itself publishes.

THE GRANULAR TAXONOMY, 7,221 PROVIDERS

Investor type	Providers	% of providers	Beds	% of beds
Family or founder	5,433	75.2%	292,991	60.3%
All institutional capital combined	594	8.2%	85,046	17.5%
of which private equity	46	0.6%	4,905	1.0%
Ownership unresolved	555	7.7%	37,185	7.7%

EXECUTIVE SUMMARY

Eight findings from the data

- **Ownership class does not predict quality, once controlled**
  Adjusted for scale, chain size and case mix, for-profit versus third sector is not statistically significant in this project's own pilot analysis (n=13,638 rated homes).

- **Scale and company age are what actually predicts it**
  Chain size falls monotonically against poor ratings (major chains OR 0.68, p<0.001) and older companies rate better (20+ years OR 0.70, p<0.001). Neither is an ownership story.

- **The granular taxonomy resolves 92.3% of all providers**
  7,221 active provider companies walked via Companies House PSC filings to a named investor type: family/founder, charity, mutual, EOT, REIT, private equity, or pension/infrastructure fund. Up from 76.5% after pipeline revisions on 5 and 7 September 2026 using CQC's own registration fields, a Companies House name-search fallback, and a natures_of_control-based test that separates equity control from lending or advisory influence.

- **Private equity is a small fraction of the market**
  0.6% of providers and 1.0% of beds, once ownership is resolved at scale rather than assumed from the size of the debate about it.

- **Mutual, charitable, REIT and local-authority ownership all survive controls**
  Mutual (OR 0.62, p<0.001), charity/third-sector (OR 0.77, p=0.008), REIT (OR 0.69, p=0.003) and local authority (OR 0.60, p=0.017) are all significant against family-or-founder once scale and case mix are held constant, and all point the protective direction. Private equity is not (OR 0.78, p=0.25).

- **The consolidation wave is REIT, not private equity**
  Welltower, a US-listed healthcare REIT, has now completed four UK acquisitions covering 649 care homes: HC-One (279 homes, Oct 2024), Care UK (Oct 2024), Barchester (275 homes, Oct 2025) and Aria/Asprey plus Danforth Care (95 homes, Oct 2025) — the UK's Competition and Markets Authority found competition concerns in 30 local areas (7 May 2026). At most one of CHPI's original five PE-tagged 'Big 5' operators is confidently still PE-owned in 2026.

- **This method sees the operating company, not the real estate**
  The Barchester/Welltower deal was a sale-and-leaseback of the buildings; the operating company's own ownership was unchanged. Real-estate-only financialisation is therefore undercounted here, not overcounted.

- **The documented harms are real, but attach to structure, not the label**
  US Medicare data associates PE ownership with 10-11% higher short-term mortality; the five largest PE-backed UK providers had borrowed £35,072 per bed as of 2017. Neither finding is contradicted here — but the 'PE' category they were measured against has since largely dissolved into REIT and other institutional ownership.

THE THROUGH-LINE

The debate is about a label. The evidence is about structure and scale.

Replacing "private equity: good or bad" with a resolved investor type, joined to outcomes at the location level, is the only way either side's claim becomes testable rather than tribal.

01

PART ONE · THE MARKET

The state has stopped providing care

Public provision has collapsed and bed supply cannot keep pace with an ageing population. This is the backdrop the ownership debate happens against.

THIS SECTION COVERS

Public provision, bed supply and the capital gap

AND SETS OUT

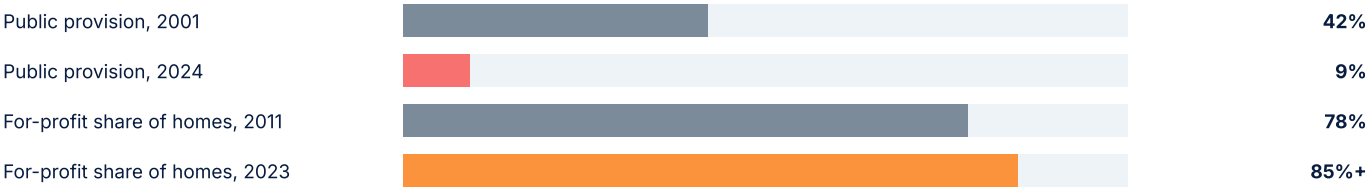
Where the case for private capital in aggregate is strong



THE MARKET

The state has largely stopped providing care

Public provision of adult social care fell from 42% to 9% in a single generation (Goodair & Bach-Mortensen, BMJ, Nov 2024). Bed supply has grown 2.4% over a decade against a 16.2% rise in the over-65 population, and Knight Frank puts capacity exhaustion at 2033 with a shortfall of roughly 200,000 beds by 2050.



CAPACITY AND CAPITAL, AT A GLANCE

Metric	Value
UK care bed supply growth, 2015-2025	+2.4%
Over-65 population growth, 2015-2025	+16.2%
Beds added in the most recent year	136
Market capacity exhaustion, on current trajectory	2033
Projected bed shortfall by 2050	~200,000 beds
Private capital into UK healthcare property, 2025	£11.3bn
Entire DHSC capital budget, 2025/26	£13.2bn
Dedicated DHSC line for the residential care estate	None

This is not a claim about private equity

Private capital in the broad sense — REITs, institutional and pension money, developers and private-equity funds together — is the only material source of new capacity. The policy question is on what terms, and by whom, not whether private capital participates at all.

The physical stock is old

79% of homes are over 20 years old, 38% were converted from other use, 30% of beds lack an en-suite bathroom and 70% lack a full wet room (Knight Frank, Healthcare Development Opportunities 2026).

02



PART TWO · THE LITERATURE

What the published evidence already shows

Existing UK and US studies document real quality and leverage problems associated with the PE label as it stood when those studies were run.

THIS SECTION COVERS

Quality by ownership type; leverage at the largest PE-backed providers

AND SETS OUT

Why the balance-sheet facts outlive the labels attached to them

WHAT THE LITERATURE ALREADY SHOWS

The quality penalty is not distinctively a PE problem

In the largest English study (Patwardhan, Sutton & Morciano, Age and Ageing 2022, n=10,803), private-equity-backed chains and independent single-site for-profit homes perform about the same. Both are worse than not-for-profit; non-PE for-profit chains do best of the three for-profit categories. US Medicare data (Gupta et al., Review of Financial Studies 2024, 7m+ patients) separately associates PE ownership with 10-11% higher short-term mortality and 19% higher spending.

PROBABILITY OF A POOR CQC RATING, BY OWNERSHIP TYPE

Ownership type	vs not-for-profit (pp)	95% CI
Not-for-profit / public	baseline	—
For-profit chain, no PE	+2.5	0.1–4.9
For-profit, PE-backed	+6.6	2.9–10.2
For-profit, independent single site	+6.8	4.7–8.9

If a small independent home and a PE chain score the same

The problem is not the ownership label. Regulate the financial structure, and the argument becomes empirical rather than tribal.

LEVERAGE AT THE LARGEST PE-BACKED PROVIDERS (CHPI, 2017 DATA)

Leverage metric (5 largest PE-backed providers, 2017)	Value
Borrowed per bed	£35,072
Interest cost per bed, per week	£102
Share of average weekly fee spent servicing debt	16%
Of 26 largest providers' debt payments, paid to related companies	45% (£117m)

The balance-sheet fact stands; the label often does not

By 2026 the ownership behind these five has moved. Two have been sold to the same buyer — a US-listed healthcare REIT — within twelve months of each other; a third no longer exists as an operating group. At most one of the five is confidently still PE-owned.

03



PART THREE · THE PILOT

Ownership class does not predict quality

This project's own CQC-to-Companies-House analysis, testing the ownership-class and financial-structure hypotheses against real data.

THIS SECTION COVERS

The chain-size gradient and what survives adjustment

AND SETS OUT

Why financial structure points the wrong way, not the expected one

THE PILOT ANALYSIS

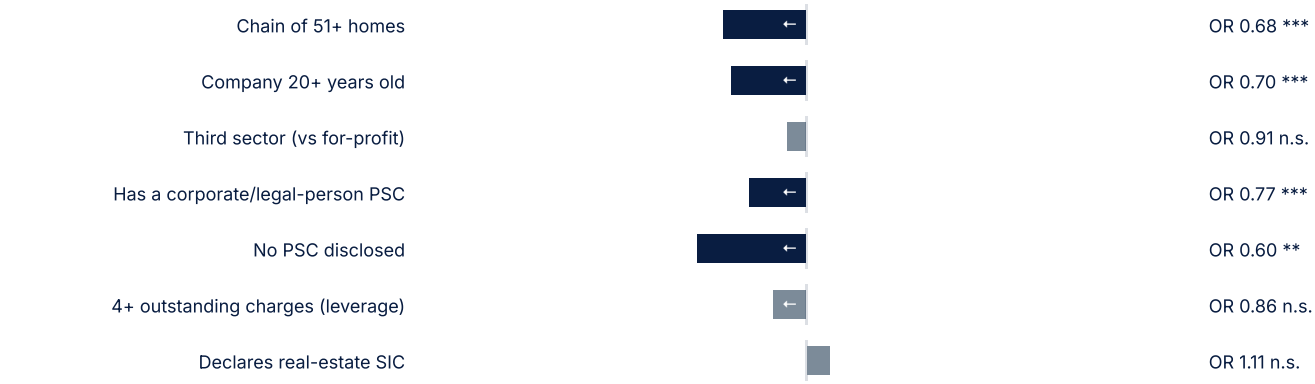
Ownership class does not predict quality. Scale does.

13,638 rated homes, 6,812 providers, 437,514 registered beds. Logit on a poor rating (Requires Improvement or Inadequate), local-authority fixed effects, clustered errors, and case mix controlled — a control the published literature did not have.

POOR-RATING RATE BY PROVIDER CHAIN SIZE (UNADJUSTED)



WHAT SURVIVES THE CONTROLS (COMPANY-OWNED HOMES, N=12,288)



The financial-structure hypothesis points the wrong way

Leverage, group consolidation and property-holding activity all stay non-significant. But having a disclosed corporate or legal-person PSC predicts a *lower* chance of a poor rating, not higher — most likely a governance-capacity effect in larger groups, not evidence that financialisation is benign.

04



PART FOUR · THE TAXONOMY

Replacing the label with a taxonomy

Every provider resolved to a named investor type via Companies House PSC filings, then rejoined to CQC ratings under the same controls as the pilot.

THIS SECTION COVERS

The full granular breakdown, raw and adjusted

AND SETS OUT

Which categories survive controls, and which do not

THE GRANULAR TAXONOMY

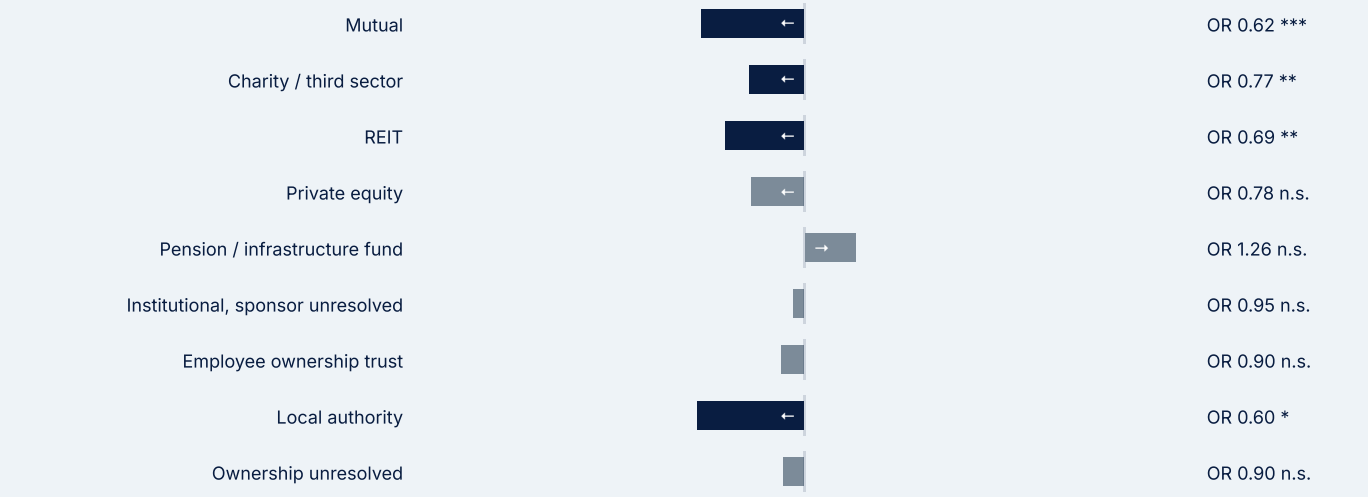
Raw quality gaps mostly do not survive controls

Raw poor-rating rate by investor type (unadjusted — confounded by scale), and the adjusted odds vs the family-or-founder reference category (largest group, 75.2% of providers), local-authority fixed effects, clustered errors, case mix and scale controlled, n = 13,637.

RAW (UNADJUSTED) POOR-RATING RATE BY INVESTOR TYPE

Investor type	Homes (n)	Beds	Poor-rating rate (raw)
Family or founder	8,052	263,468	19.6%
Charity / third sector	1,499	35,848	12.5%
Mutual	606	25,146	11.9%
Institutional, sponsor unresolved	824	25,755	17.5%
REIT	491	32,265	14.5%
Pension / infrastructure fund	457	5,243	12.5%
Private equity	281	4,659	10.3%
Employee ownership trust	55	2,446	16.4%
Local authority	308	8,125	12.3%
Unresolved	1,065	34,559	17.7%

ADJUSTED ODDS OF A POOR RATING VS FAMILY-OR-FOUNDER



WHAT SURVIVES

Mutual, charitable, REIT and local-authority ownership remain significant. Private equity does not.

Private equity remains not significant (OR 0.78, p=0.25). REIT and local authority remain significant, both protective.

05



PART FIVE · OWNERSHIP IN PRACTICE

The consolidation wave is REIT, not PE

Named operators, hand-traced to primary sources: sponsor portfolio pages, Companies House filings, Charity Commission records.

THIS SECTION COVERS

The CHPI 'Big 5' traced to 2026

AND SETS OUT

Four findings that corrected or sharpened the record

OWNERSHIP IN PRACTICE

The consolidation wave is REIT, not PE

CHPI's 2019 report named five large PE-owned or backed providers. Traced to July 2026 with individual citations: at most one of the five is confidently still PE-owned.

THE CHPI "BIG 5", OWNERSHIP TRACED TO 2026

Operator (originally PE-tagged, CHPI 2017)	2026 status
HC-One	Sold to Welltower (US REIT), Oct 2024
Care UK	Sold to Welltower (US REIT), Oct 2024, after 14yrs under Bridgepoint
Four Seasons Health Care	No longer exists as an operating group (2019 administration)
Orchard Care Homes	Unchanged — Alchemy Partners, via Cortina Race LLP
Akari Care	Management buyout by incumbent directors, 1 May 2024 — Companies House-confirmed, not press-confirmed

Net effect

Two of the five moved from PE to the same acquirer — Welltower, a listed US healthcare REIT, not a PE fund — within 12 months of each other.

FOUR FINDINGS FROM HAND-VERIFIED, PRIMARY-SOURCED RESEARCH

Finding	Detail
Achieve Together	Confirmed a clean two-way merger (Regard + CMG, both AMP Capital, 2019) with no Stirling Square connection at all — Consensus Support Services has a wholly separate lineage (Caring Homes Group, sold to Stirling Square Dec 2020). Now controlled by InfraBridge (DigitalBridge Group), Jan 2018 investment.
Voyage Care	Wren House Infrastructure (Kuwait Investment Authority's infra arm), 2022. Its own bond-investor Annual Report discloses net debt/EBITDA of 6.6x falling to 5.0x, and a 10%-interest related-party loan — real, audited leverage data, obtained free.
Signature Senior Lifestyle	PGIM Real Estate + Elevation Advisors, June 2024. Entity-level ownership confirmed one level up the chain: Holdings Ltd's own PSC changed to Prudential Financial, Inc. on 2 July 2024.
Danforth Care / Apex Healthcare Properties LLC	Welltower's fourth 2025 acquisition (25 homes); day-to-day operator is Apex Healthcare Properties LLC, a US real-estate firm new to UK care in 2025 — distinct from Care UK, which operates the HC-One and Aria/Asprey homes.
Berkley Care Group	Another opco/propco split, not a straightforward PE holding. Clariane SE sold Berkley on 10 April 2024: Elevation Healthcare Properties bought the freeholds and leased them back; Berkley's own leadership bought the operations. Elevation appears in no PSC record, officer list or charge register of the regulated entity — a false negative this method cannot see past, not a false positive it wrongly counted.

06



PART SIX · LIMITATIONS

What this taxonomy still cannot see

Every method has a boundary. Stating it precisely is what makes the finding usable rather than oversold.

THIS SECTION COVERS

Coverage gaps, offshore termini, the real-estate blind spot

AND SETS OUT

What would need to change to close each gap

LIMITATIONS

What this taxonomy still cannot see

1

Real-estate ownership is a separate, undercounted layer

This method resolves who controls the regulated care-providing entity, not who owns the real estate underneath it. A REIT can be a landlord to a fully independent operator (as Barchester now shows) without ever appearing here, and an opco/propco sale-and-leaseback (as at Berkley Care, 2024) can leave the institutional owner entirely absent from the operating company's PSC chain, officer list and charge register.

2

7.7% of providers have no PSC trail to follow

Mostly small, single-home operators. This is a coverage gap, not a finding about their ownership.

3

Offshore termini hide real ownership from the live register

An offshore holding company (e.g. Jersey) is often the end of what Companies House can see. Where independent research has traced further (e.g. Minster Care Group), that hand-verified finding overrides the mechanical result.

4

This is a snapshot, not a static fact

Ownership in this sector turns over on fund-cycle timescales. Three of CHPI's original five PE-tagged operators have already changed hands since 2019; this taxonomy will date the same way.

5

CQC's own registration data cannot see beneficial-ownership change

Tested directly: a 29-point quarterly panel built from CQC's historical archive (2019-2026) shows zero CQC provider changes across 6.75 years, despite this window covering the acquisitions above. Share-purchase deals leave the registered provider untouched — exactly why this report needed Companies House PSC-chain data, not CQC registration data, to see ownership change at all.

6

No causal claim is available

Everything here is cross-sectional and associational. CQC ratings are a regulatory judgement made on varying inspection dates, not a contemporaneous measure of care.

CONCLUSIONS

What the data concludes

1 **Yes, defensibly**

Private capital in aggregate is the only material source of new care capacity, and will remain so under any realistic fiscal scenario. This is not a claim about private equity specifically.

2 **Yes, with concessions**

The documented harms attach to specific financial structures — leverage, propco separation, related-party rent, offshore holding — not to private ownership as a category.

3 **No**

That private-equity ownership improves care quality. The UK and US evidence both point the other way.

4 **No**

That private equity lowers cost to the taxpayer, that leverage is benign, or that the sector is adequately transparent.

5 **Resolved by this report**

Once ownership is actually resolved at scale rather than assumed, private equity is a small fraction of the market (0.6% of providers, 1.0% of beds), and carries no significant adjusted quality effect in either direction.

WHAT WOULD STILL NEED TO BE DONE

Next step	What it requires
Join ownership to outcomes at location level (this report)	Done — see The Granular Taxonomy
Measure the capital pipeline (this report)	Done — the buyer-of-last-resort claim is tested and found untestable from CQC data at any frequency, a structural finding, not a resolution gap
Model the counterfactual	Sourced replacement cost per bed (LaingBuisson gives £110k-£150k anchors), set against committed public capital, shown as a range with method visible
Reach the real-estate layer, not just the operating company	Partially done for two named operators via bond-covenant disclosure and UK LLP group accounts (free); a paid-data trial (Endole, September 2026) found the remaining gap is mostly a free-pipeline defect, not a data-access one — 92.3% of providers now resolve without payment. The residual bottlenecks on 88 named UK topcos and a handful of foreign parents, both hand-traceable with the same free technique; a commercial licence still does not look necessary
Disclose funding on the cover	If a PE-backed operator or trade body commissions similar work

Data: CQC Active Locations, Latest Ratings and Deactivated Locations (1 July 2026, OGL); Companies House BasicCompanyData and PSC bulk snapshots; live Companies House API PSC walk (September 2026). Full source list and methodology in the companion storyboard, ~/pe-social-care-paper/build/storyboard.html.

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