

Business Research: Investment Due Diligence

UK Care Homes Sector

The Client

A UK-based real estate fund manager with a mandate to invest in healthcare assets in the UK.

The Background

The client was looking to make a number of acquisitions of care home properties in the UK and wanted to get a high-level view of the industry, focusing on business models, macroeconomic, demographic and regional trends, transaction comparables, competitive landscape and the general outlook of the sector.

Alchemy Approach and Solution

Alchemy adopted a top-down approach to analyse the industry. Starting off with broad demographic patterns and forecasts, and their comparison with other ageing and developed economies, we drilled down to regional supply demand trends. The market structure was then analysed to identify major segments, followed by a detailed competitive landscape. Recent transaction comparables were analysed to provide a sense of prevailing price points. Recent developments, especially from the funding perspective were analysed to highlight the type of market entrants that the sector was attracting.

Benefits

The report enabled the client to identify the key levers for the care homes industry. It formed a basis to evaluate various acquisition options and also to open up a dialogue with major stakeholders within the industry that the client was planning to partner with.

Illustrations

