



Healthcare Real Estate: the case for a defensive asset class in uncertain times

18 March 2026

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Welcome

Rebecca Moore

CMS

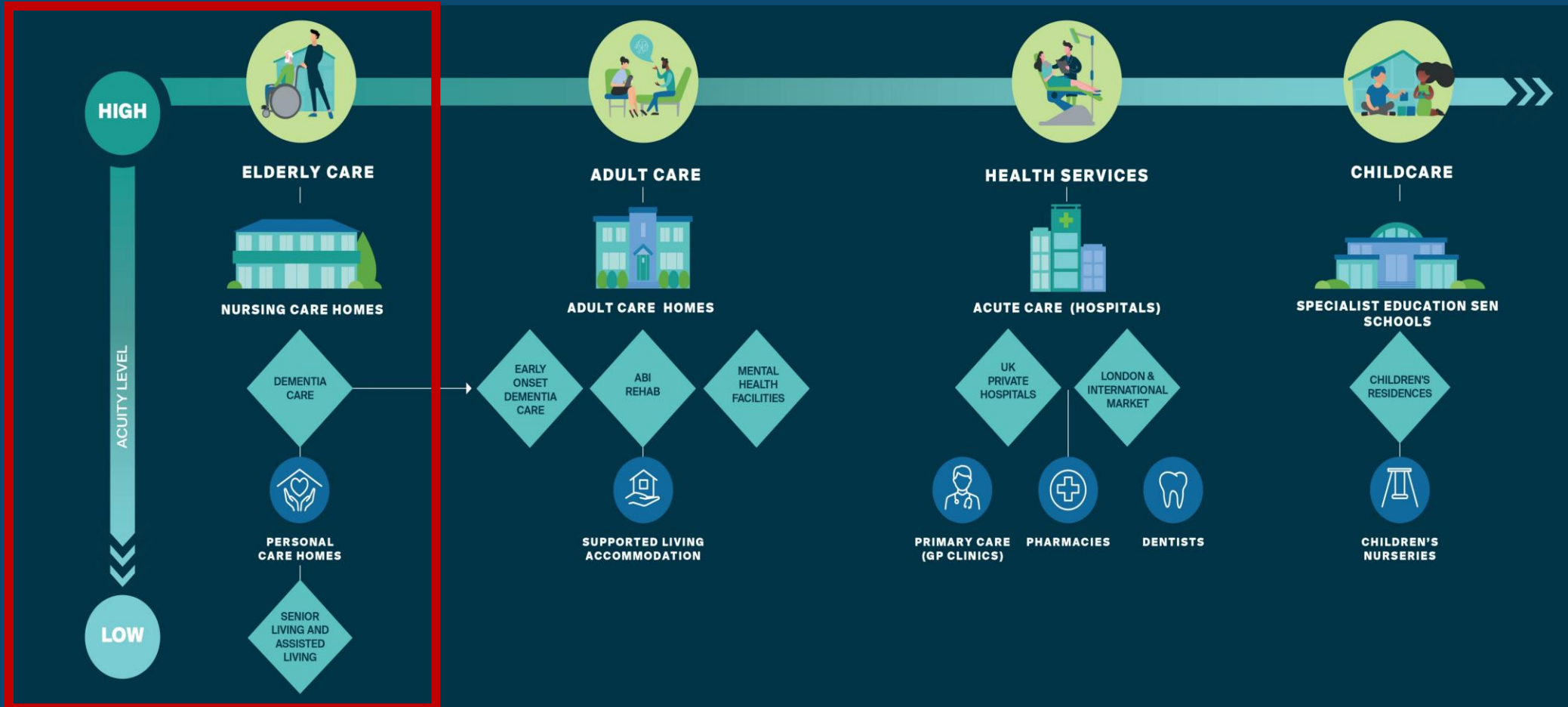
Agenda

- 09:00** Welcome - Rebecca Moore, CMS
- 09:05** Presentation – Ryan Richards, Knight Frank
- 09:15** Panel discussion with Q&A
- 10:00** Networking
- 10:30** Close

Healthcare Real Estate

Sector Update

Healthcare Sub-Sectors



State of the Sector



2.4

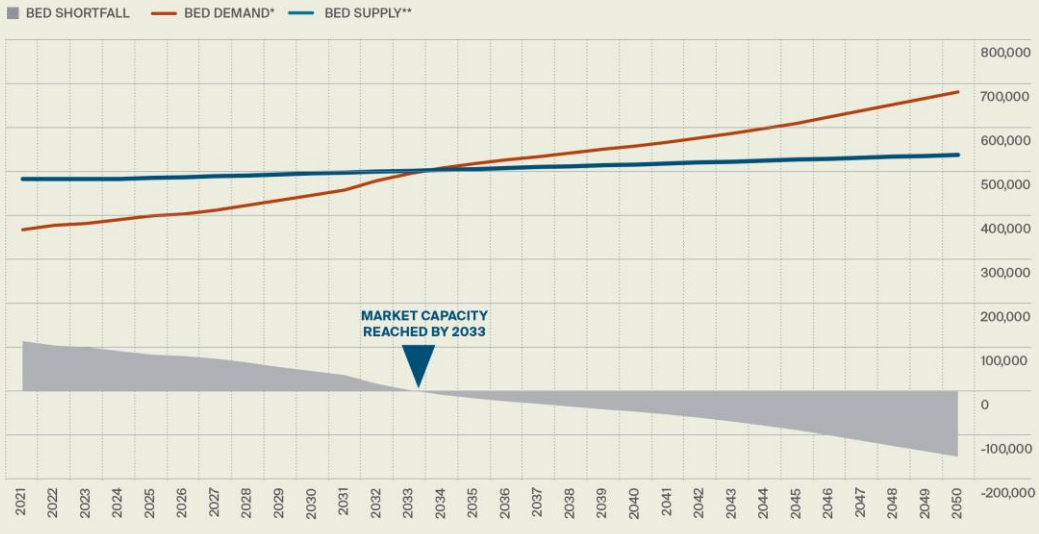
200,000

70

Supply & Demand

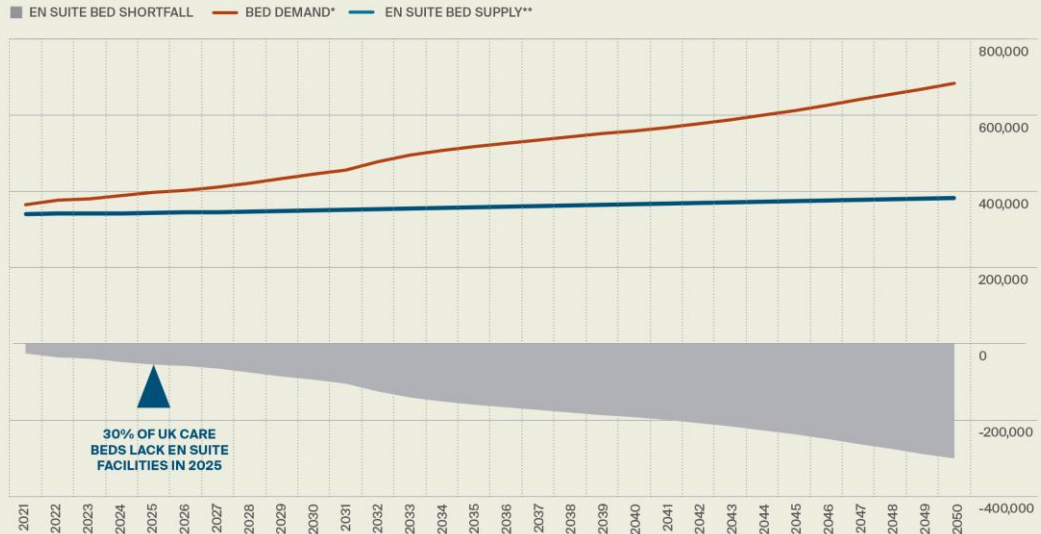


Future shortfall of elderly care beds



Sources: Knight Frank Insight, Laing Buisson, Tomorrow's Guides, ONS, BMJ.
 * Bed demand calculated by applying ONS population projections to Knight Frank care usage multipliers. We have also subtracted 80,000 excess deaths in 2020 that resulted from the pandemic. ** Bed supply calculated by applying the Compound Annual Growth Rate between 2011-2022 (0.5%) to 2022 care home supply

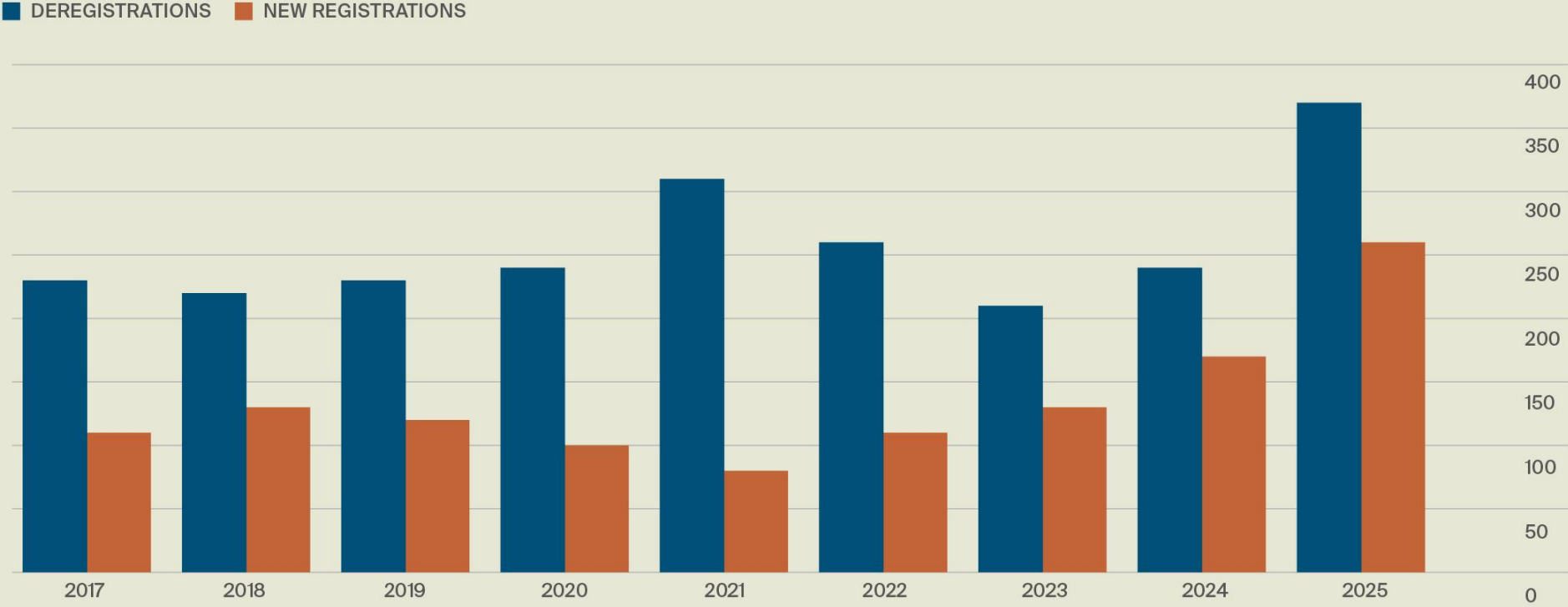
Future shortfall of en suite elderly care beds



Sources: Knight Frank Insight, Laing Buisson, Tomorrow's Guides, ONS, BMJ.
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New vs Closed Homes

De-registered homes vs new-registered homes, 2017 - 2025



Source: Knight Frank Insight

Supply Composition

AGE



Approximately 79% of homes are older than 20 years.

BUILD TYPE



Approximately 38% of homes are converted from other use and many will be outdated.

EN SUITE



of beds lack en suite bathroom facilities. 70% lack full wet room.

REGULATION

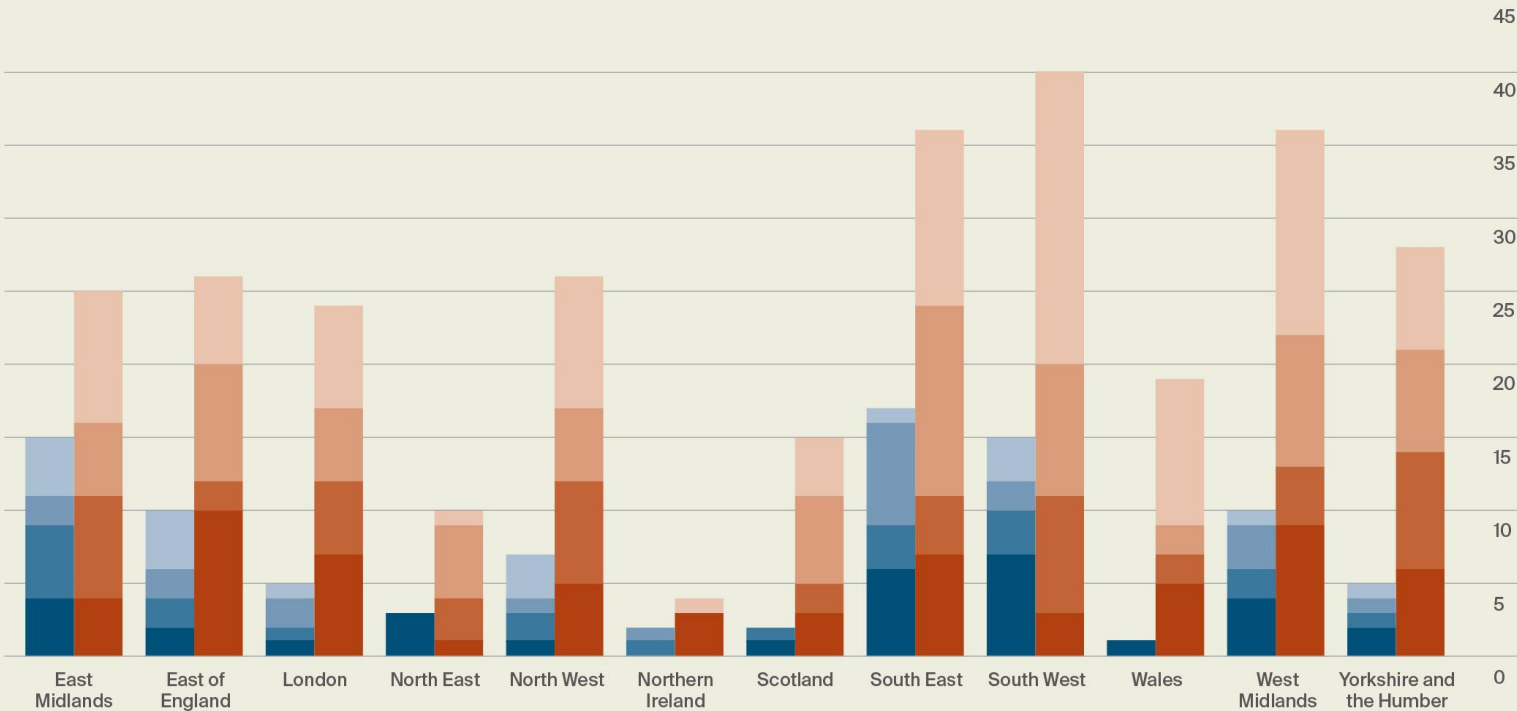


of homes are currently rated by the CQC as “requires improvement” or “inadequate”.

Opportunity in Obsolescence

Schemes with granted planning permission

- NEW HOMES Q1
- NEW HOMES Q2
- NEW HOMES Q3
- NEW HOMES Q4
- REFURB OR EXTENSION Q1
- REFURB OR EXTENSION Q2
- REFURB OR EXTENSION Q3
- REFURB OR EXTENSION Q4



Source: Knight Frank Insight, Glenigan

Operational Highlights

Occupancy (%)



ALL CARE

88.7% ▲

PRIVATE PAY
85.1% ▲

LOCAL AUTHORITY
90.3% ▲

Average Weekly Fee (£)



ALL CARE

£1,298 ▲

PRIVATE PAY
£1,461 ▲

LOCAL AUTHORITY
£1,096 ▲

Staff Costs (%)



ALL CARE

55.3% ▼

PRIVATE PAY
46.3% ▼

LOCAL AUTHORITY
63.5% ▼

EBITDARM (%)



ALL CARE

30.1% ▲

PRIVATE PAY
39.4% ▼

LOCAL AUTHORITY
19.7% ▲

The case for healthcare as an investment



Demographic shift

UK over 85 population is set to increase from 1.7 million to 3.7 million in 2050.

An ageing population means increasing demand for residential care, primary care and acute hospital services.



Investment performance

Total returns measured 5.8% in 2024, higher than many core property sectors.

Returns are historically stable, offering investors protection and diversification.



Demand for safe havens

Broader UK real estate offers security and liquidity in a global downturn.

UK healthcare's long-term and often government-supported income offers further defence.



Long-term income

Weighted average unexpired lease terms (WAULT) average 25-30 years in the residential care and hospital sectors.

Leases are commonly indexed-linked to inflation.



Secure income

Operator revenue is reinforced by a healthy mix of self-funded care and publicly-funded care.

Income is supported by high occupancy and patient demand across the healthcare arena.



Structural change in real estate

Real estate investors already de-risking from traditional sectors such as retail into alternatives like healthcare.



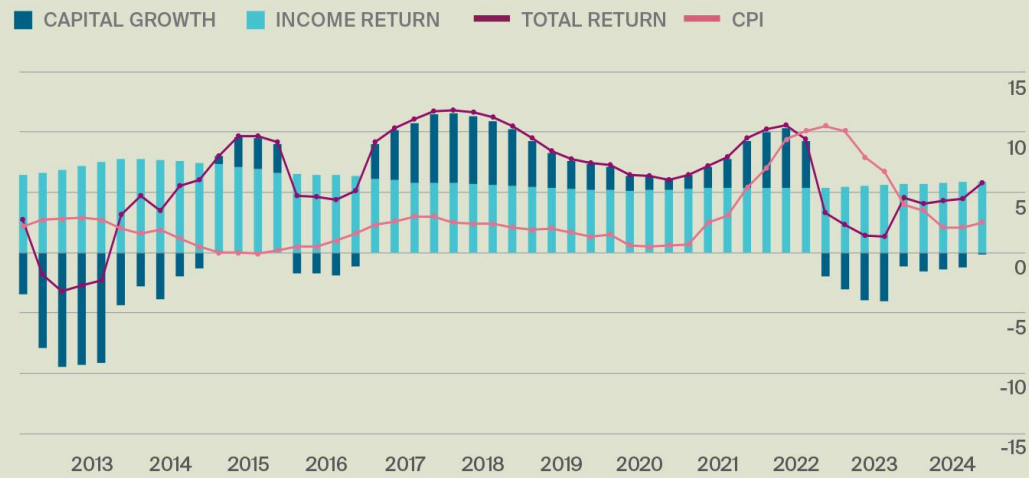
Social impact

The influence of impact or ESG investing in real estate is growing at a faster pace than ever.

A range of investors are now focusing on social infrastructure investments, and healthcare is part of this.

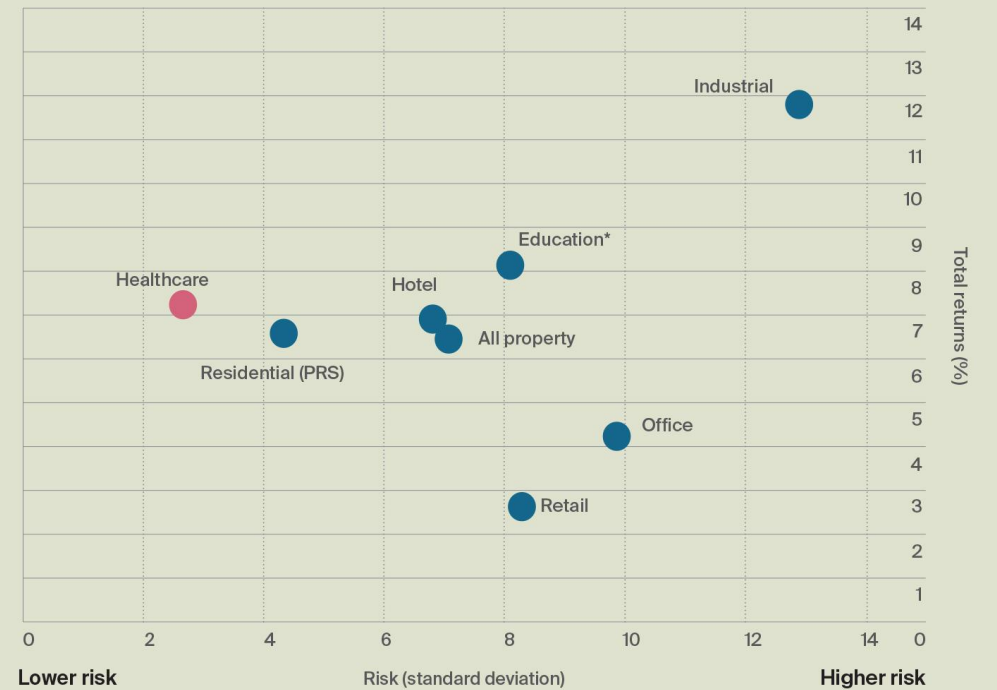
Returns

Inflation vs healthcare returns



Source: Knight Frank

Risk vs returns (10-year history)



Source: MSCI

REIT Performance



Healthcare REITs vs All REITs vs FTSE 250

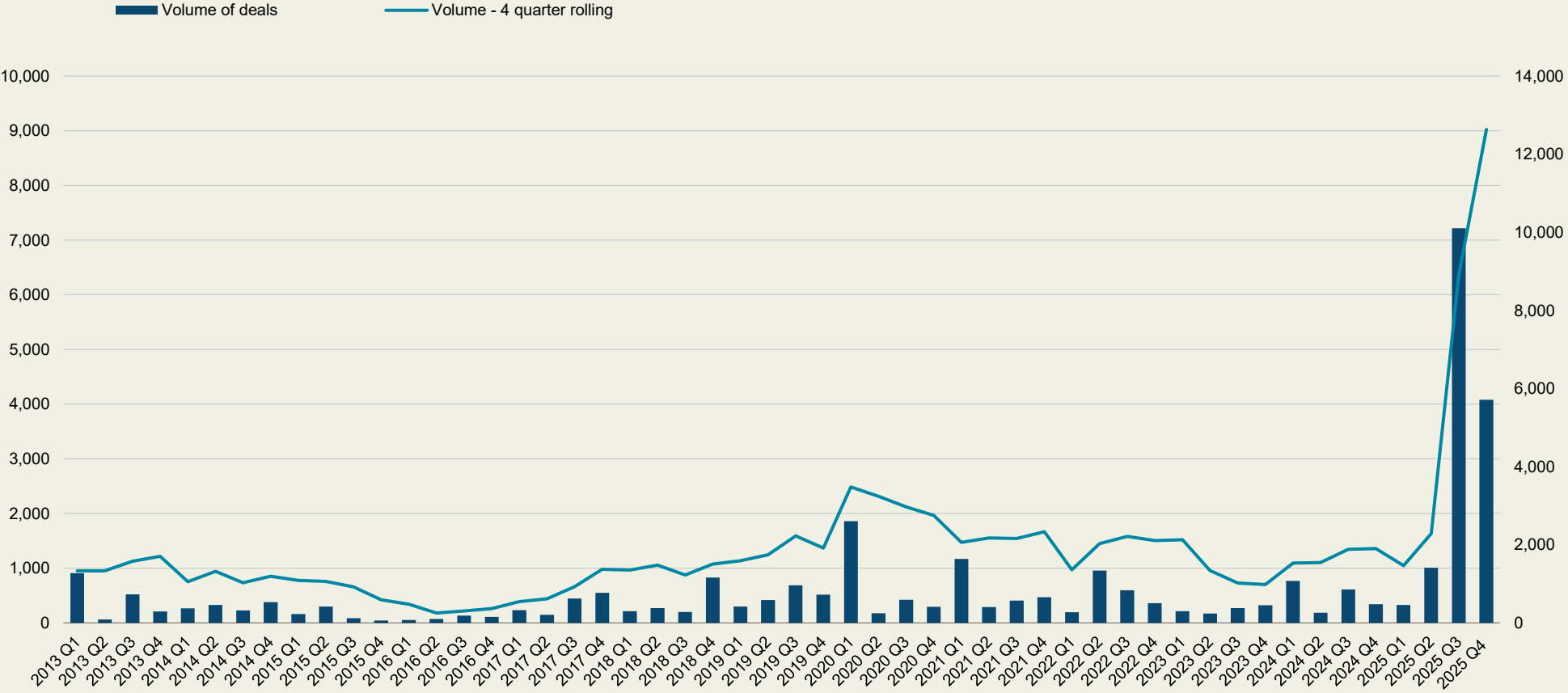
— ALL REITS [REBASE 01/01/2020=100] — HEALTHCARE [REBASE 01/01/2020=100] — FTSE 250 [REBASE 01/01/2020=100]



Source: Macrobond, Knight Frank

Recorded Healthcare Property Volumes

(£ millions)



Source: Knight Frank Research

Key Takeaways



**Stagnant
Supply**



**Demographic
-led demand**



**Available
capital & deal
structures**

Thank you
knightfrank.com/research

Moderator Welcome

John Forbes

John Forbes Consulting

Panel discussion



Moderator
John Forbes
John Forbes Consulting



Ryan Richards
Associate
Knight Frank



Rebecca Middleton
Director
DTZ Investors



Michael Toft
Co-Head, Real Estate Investment
Octopus Capital



Andrea Auteri
Managing Partner
Elevation Advisors

Q&A

Thank you for joining us

With special thanks to CMS for hosting



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