



# CARE HOMES



## Financing Care Homes



**“Let’s state the obvious, the UK has an ageing population. Demand for social care is set to rise dramatically, which will require a significant improvement in elderly residential capacity.**

**For a number of reasons capacity of both nursing care homes and residential care homes for older people has fallen, driven largely by a number of factors, including difficulties in recruiting and retaining staff which is compounded by the UK’s withdrawal from the EU and COVID-19.**

**The other reason is that the SME care home market has been drastically underserved by lenders for too long, so we are going to change that” Dave Farmer**

## Better Options

**Previously, most lenders would want at least two years’ trading experience within the care sector. That is no longer the case with more lending available to operators with **less or no experience** in the sector.**

**We have some new terms from a specialist care lender, to give a flavour of the terms available:**

- **Maximum of 70% LTV (fees can be added on top)**
- **Must be a Good/Outstanding CQC-rated home**
- **A strong, experienced existing management team must remain in position post-purchase**
- **Average occupancy must have been 90% or more over last six months**
- **Personal Guarantee must be minimum of 10%**
- **Care home must be located within three hours travel time or less of the applicant’s home address (if they do not plan to relocate)**

**This opens the door to **new entrants** or those looking to **acquire or grow**.**

**For a quote, details or anything else please get in touch.**