HEALTH PROPERTY PARTNERS

INVESTOR GUIDE

Specialist Supported Living

Understanding the housing, care and investment model behind a sector driven by long-term structural demand.

Bridging the gap between care need and property delivery

SPECIALIST SUPPORTED LIVING ACROSS THE NORTH WEST OF ENGLAND

CONTENTS

What this guide covers

UNDERSTANDING THE MODEL

THE INVESTMENT MECHANICS

INTRODUCTION

Why investors are looking at specialist supported living

The UK faces a significant shortage of specialist housing for people with learning disabilities, mental health needs, acquired brain injuries and other complex support requirements.

Three pressures are converging.

- Local authorities are under growing pressure to reduce reliance on residential care and inpatient settings.
- NHS bodies continue to back community-based living models.
- Commissioners are seeking own front door homes for independent living.

PHOTOGRAPHY

Own front door, natural light. A real home, not a clinical setting.

EVIDENCE SNAPSHOT

23–25%

of eligible people currently live in supported housing

27,000–34,500

additional supported living homes England needs by 2037

Source: Housing LIN / LDAHN research

THE OPPORTUNITY IN CONTEXT

How specialist supported living compares

Many investors arrive from buy-to-let, HMOs, serviced accommodation or commercial property. It differs in several important ways.

	Buy-to-let	HMO	Specialist supported living
Typical tenancy	6–12 months	6–12 months	Long-term lease structures
Occupancy risk	Individual tenant	Multiple tenants	Demand-led requirements
Management intensity	Medium	High	Lower once stabilised
Specialist demand	Low	Low	High
Barriers to entry	Low	Medium	High
Competition	Significant	Significant	Relatively limited
Funding source	Tenant income	Tenant income	Housing and care funding

The difference is structural. Demand is evidenced, leases run long, and competition stays relatively limited.

> IMPORTANT
>
> Specialist supported living is not a direct replacement for traditional residential investment. It is a specialist operational property sector with its own opportunities, risks and requirements.

CHAPTER ONE

What is supported living?

Supported living lets people with care and support needs live in their own homes while receiving tailored support. Unlike residential care, housing and care are separated.

RESIDENTIAL CARE

- Housing and care provided together
- Residents live within a care service
- Limited housing choice

SUPPORTED LIVING

- The individual occupies their own home
- Housing and care are contracted separately
- Greater independence
- More personal choice and control

“This own front door model is increasingly the option commissioners prefer.”

WHY COMMISSIONERS PREFER IT

Greater independence. Better long-term outcomes. Flexible care provision that can adjust as needs change. And less reliance on institutional settings, with better value across the wider system.

PHOTOGRAPHY

A self-contained kitchen. Independence, dignity and choice.

CHAPTER TWO

Why demand is growing

Four forces are driving sustained, structural demand for specialist supported living.

01 DEMOGRAPHIC PRESSURE

Many adults still live with ageing parents, in unsuitable housing, or in settings that do not match their needs.

02 POLICY DIRECTION

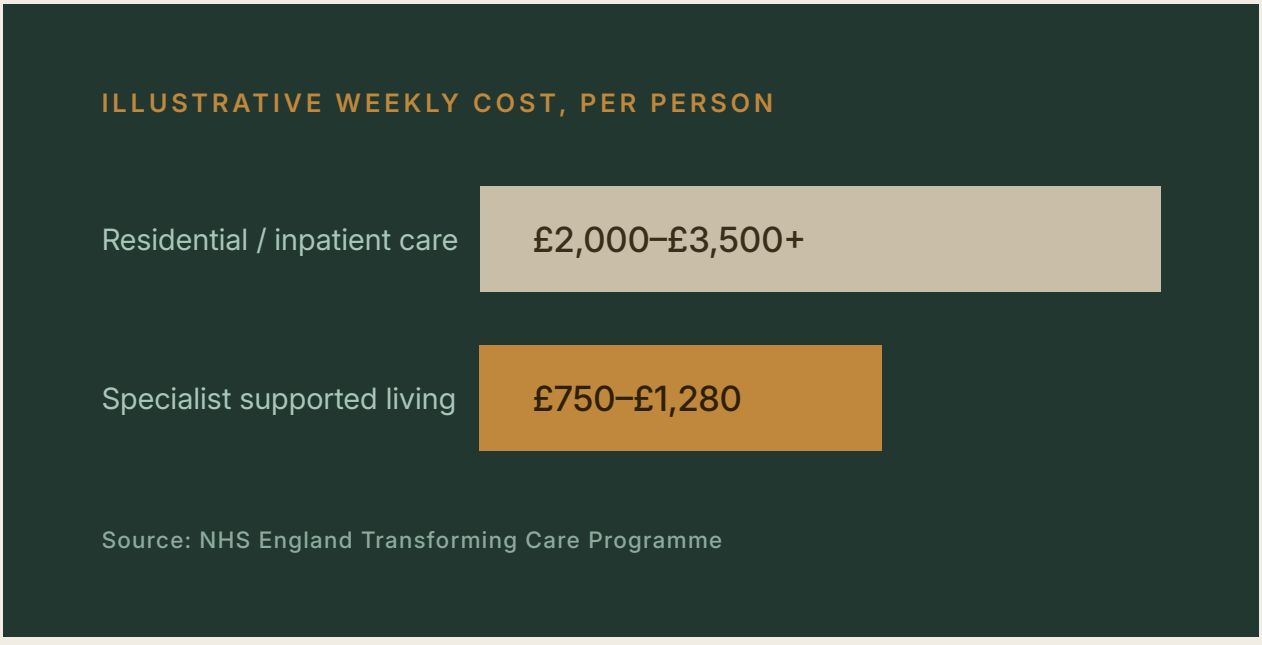
Successive governments have backed community-based support, reduced institutionalisation and greater housing choice.

03 FINANCIAL PRESSURE

Supported living can cost significantly less than institutional alternatives, as shown below.

04 HOUSING SHORTAGE

Supply sits well below commissioner requirements, and new schemes need land, planning, care alignment, an RP and capital.



REGIONAL FOCUS

The North West market

Health Property Partners focuses on opportunities across Cheshire, Greater Manchester, Merseyside, Lancashire and the wider North West.

- Large population centres with concentrated need
- Significant, evidenced commissioner demand
- Established care infrastructure
- Relative affordability against London and the South East
- Active regeneration and development markets

PHOTOGRAPHY

North West brick and skyline. Grounding demand in place.

The North West remains one of the UK's most active regions for specialist supported living delivery, creating opportunity for investors and housing providers alike.

CHAPTER THREE

The supported living ecosystem

Successful schemes rely on four stakeholders working together. That interdependence is exactly what creates the barrier to entry.

COMMISSIONERS

Local authorities and NHS ICBs

- Assess local need
- Commission care
- Identify housing requirements

CARE PROVIDERS

CQC-regulated organisations

- Deliver support
- Provide staffing
- Own care outcomes

REGISTERED PROVIDERS

Regulated social housing

- Lease accommodation
- Housing management
- Rent and compliance

PROPERTY PROVIDERS

Developers and investors

- Deliver accommodation
- Fund development
- Manage performance

> **WHY THIS MATTERS TO INVESTORS**
>
> Supported living does not behave like buy-to-let. It needs several parties aligned at once, and that complexity helps protect well-structured schemes from direct competition.

CHAPTER FOUR

How schemes are structured

The strongest schemes align three critical components. Only when all three are in place does development proceed.

Demand

Commissioner-identified housing need

+

Care

Experienced regulated care provider

+

Housing

Registered Provider lease structure

> When demand, care and housing align, the scheme proceeds.

WHY THIS MATTERS

The model can be difficult to assemble. But once operational, demand is evidenced, care is established and the specialist accommodation is difficult to replace. That is what contributes to long-term resilience.

THE PAYOFF

- Demand is evidenced
- Care is established
- Accommodation is hard to replace

CHAPTER FIVE

Why it is difficult to replicate

Unlike conventional residential property, a specialist scheme cannot be copied by simply buying a comparable building. Several elements must come together first.

- Commissioner demand
- Care provider alignment
- Registered Provider participation
- Suitable planning consent
- Specialist design
- Long-term funding

Assembling these elements can take years. Once operational, replacement supply is slow to emerge, particularly where a scheme is designed around a specific local need.

FOR INVESTORS

This creates a meaningful barrier to entry that is rarely present in mainstream residential property.

CHAPTER SIX

How supported living is funded

One of the most misunderstood aspects of the model. Housing and care are funded through separate mechanisms.

HOUSING COSTS

- Housing Benefit
- Universal Credit housing element
- Exempt accommodation arrangements

CARE COSTS

- Local authorities
- NHS commissioners
- Personal budgets

WHY THIS MATTERS TO INVESTORS

Because housing and care are funded separately, the two can evolve independently over time. Care packages can flex as needs change without disturbing the housing arrangement, which supports operational flexibility and resilience.

CHAPTER SEVEN

Why commissioners use it

Commissioners are seeking housing solutions that improve outcomes and reduce cost across the wider system.

- Promote independence
- Reduce reliance on residential care
- Let care packages flex over time
- Improve resident outcomes
- Reduce overall system costs

> The own front door model lets people live in self-contained accommodation while support adjusts around them, so care can change without anyone having to move home.

CHAPTER EIGHT

Registered Providers and leases

Registered Providers are housing organisations regulated by the Regulator of Social Housing. They sit at the centre of the housing structure.

HISTORICALLY

20–25 years

Longer fixed lease terms

CURRENT MARKET

10–15 years

Often with periodic review mechanisms

WHY THIS MATTERS TO INVESTORS

The Registered Provider is often central to the structure. Understanding the quality, governance and financial standing of the RP is an important part of assessing the overall strength of a scheme.

CHAPTER NINE

Service level agreements

An SLA coordinates the working relationship between housing and care, keeping the two sides aligned in day-to-day operation.

TYPICAL AREAS COVERED

- Referral pathways
- Occupancy processes
- Communication protocols
- Service standards

> A clear SLA is what keeps housing and care delivery moving in step once a scheme is live.

CHAPTER TEN

Common scheme structures

Schemes take three broad forms, each suited to a different level of need and operational scale.

Single bungalows

ONE RESIDENT

- High-acuity support needs
- Maximum independence
- Significant privacy

Cluster developments

FOUR TO EIGHT HOMES

- Shared staff provision
- Shared infrastructure
- Efficient at small scale

Apartment schemes

EIGHT TO FOURTEEN HOMES

- Staff office or hub
- Own front door
- Economies of scale

~12 units is often regarded as the practical operational sweet spot, balancing economies of scale with a domestic feel.

CHAPTER ELEVEN

Who invests in the sector

The sector draws a broad range of capital, from private investors to institutions.

- Property investors
- High-net-worth individuals
- Family offices
- Specialist supported living investors
- Housing-focused funds
- REITs

WHAT ATTRACTS THEM

- Needs-led demand
- Long-term accommodation requirements
- Specialist assets
- Multiple exit routes

CHAPTER TWELVE

Returns and exit routes

Specialist supported living should not be judged on headline yield alone. It is assessed as a risk-adjusted proposition.

HIGHER GROSS YIELDS ELSEWHERE OFTEN CARRY

- Tenant turnover and voids
- Refurbishment costs
- Greater operational involvement

SUPPORTED LIVING IS JUDGED ON

- Long-term demand fundamentals
- Lease structures and covenant strength
- Occupancy resilience and exit liquidity

REPORTED TRANSACTION YIELDS

5.75–7.5%

Recent transactions, assessed on a risk-adjusted basis rather than yield alone.

COMMON EXIT ROUTES

- Sale to specialist investors
- Sale to REITs
- Family offices
- Institutional investors
- Refinance and hold

CHAPTER THIRTEEN

Key risks and mitigations

Every asset class carries risk. Each of the main risks here has an established route to mitigation.

RISK	MITIGATION
Development	Experienced development team
Planning	Specialist planning strategy
Registered Provider	Governance and financial due diligence
Care provider	Established provider relationships
Policy	Alignment with long-term public policy
Occupancy	Commissioner-led demand analysis

Each of the principal risks has an established, repeatable route to mitigation.

CHAPTER FOURTEEN

The development lifecycle

From identified need to operational asset, a typical scheme moves through eleven stages.

1. Commissioner need identified
2. Care provider alignment
3. Site identification
4. Feasibility assessment
5. Planning submission
6. RP engagement
7. Lease structuring
8. Construction
9. Handover
10. Stabilisation
11. Refinance or disposal

18–36 months from identified need to operational asset, depending on planning complexity and scheme scale.

CHAPTER FIFTEEN

Barriers to entry

Specialist supported living cannot be replicated by acquiring a similar building nearby. The same requirements that make schemes hard to build are what protect them once they exist.

- Evidenced commissioner demand
- Suitable care provision
- Registered Provider alignment
- Appropriate planning consent
- Specialist design
- Long-term capital

Bringing these together takes years. Replacement supply is slow to emerge. For investors, that is a meaningful barrier to entry and a source of long-term resilience.

CONCLUSION

Why Health Property Partners

Most organisations understand either care or property. Few bring both together. We sit deliberately at the intersection.

WHAT WE BRING TOGETHER

- Commissioner engagement
- Care sector expertise
- Registered Provider relationships
- Planning expertise
- Property development capability
- Construction delivery
- Investor alignment

We align verified demand, experienced care, appropriate housing structures and high-quality delivery, creating opportunities designed around real need rather than speculation.

NEXT STEPS

Let us start a conversation

We work with investors and sector partners to identify, structure and deliver specialist supported living schemes across the North West of England.

WE WOULD WELCOME A CONVERSATION WITH

- Property investors
- High-net-worth individuals
- Family offices
- Registered Providers
- Care providers
- Commissioners
- Landowners

TO LEARN MORE

- Request information on current opportunities
- Arrange a private briefing with the founders
- Discuss potential partnership opportunities

HEALTH PROPERTY PARTNERS

Bridging the gap between care need and property delivery