UK Seniors Housing Market Update

Q2 2025

Knight Frank's review of the key investment and development themes in the UK Seniors Housing market.

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Affordable Housing Development Focus

2,911

new affordable seniors housing units expected to complete in 2025, up 9% year-on-year

43

new affordable seniors housing schemes scheduled to open in 2025

67%

of existing affordable seniors housing stock was built pre-1985

1,514

affordable retirement units are expected to be delivered in 2025

69/45

average scheme size last 5 years (IRC/ retirement housing)

88%

of existing affordable seniors housing units are retirement indicating an opportunity for more IRC development

35%

increase in affordable IRC units over the last ten years

"Some 2,911 new affordable seniors housing homes are expected to be built in 2025, across 43 schemes, representing a 9% increase in delivery year-on-year."

Delivery picking up

Some 2,911 new affordable seniors housing homes are expected to be built in 2025, across 43 schemes. This represents a 9% increase in delivery year-on-year.

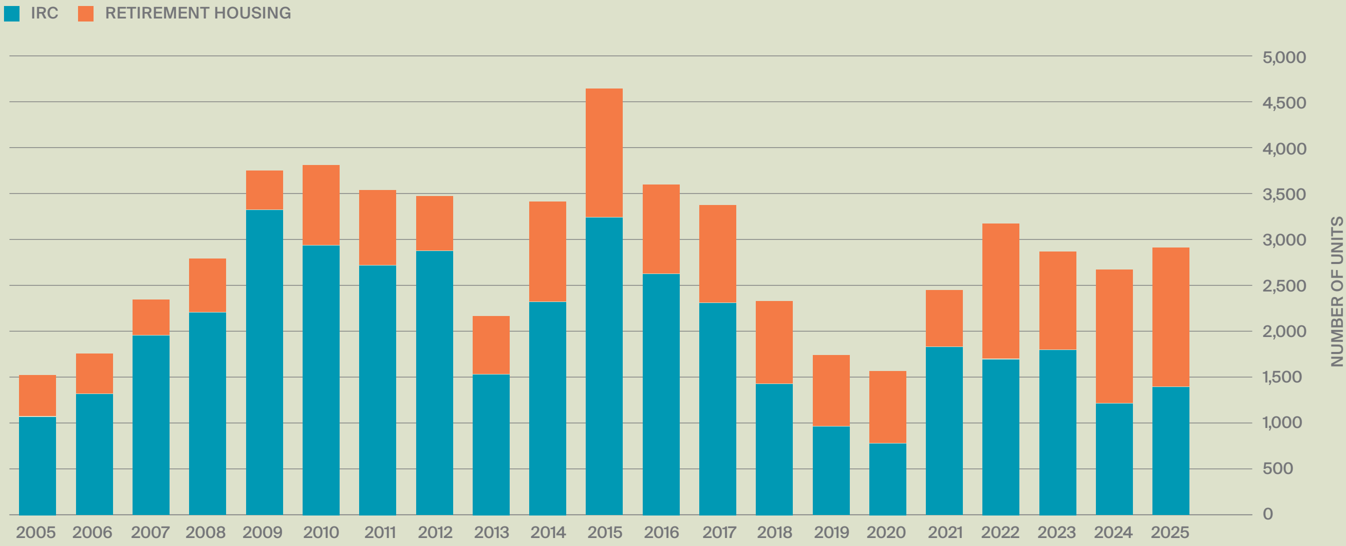
The data suggests that both the number of affordable IRC units and retirement units delivered will increase by 15% and 4% respectively, though in total number terms overall delivery is expected to be evenly weighted between the two.

That in itself represents the continuation of a longer-term trend, with a higher proportion of affordable IRC units being developed compared to retirement units reflecting their growing importance in the market. The total supply of affordable IRC units has increased by 35% over the last decade, which compares to 2% growth for affordable retirement homes.

The data shows that, as well as an increase in schemes being delivered, the average size of those schemes is also growing. This trend is being led by the IRC segment of the market which, over the last five years, has averaged 69 units per scheme, up 13% compared with the previous five-year period. A move towards larger IRC schemes reflects a desire for scale, as well as being a means to drive operational efficiency.

Fig 1: Seniors housing: Annual affordable delivery

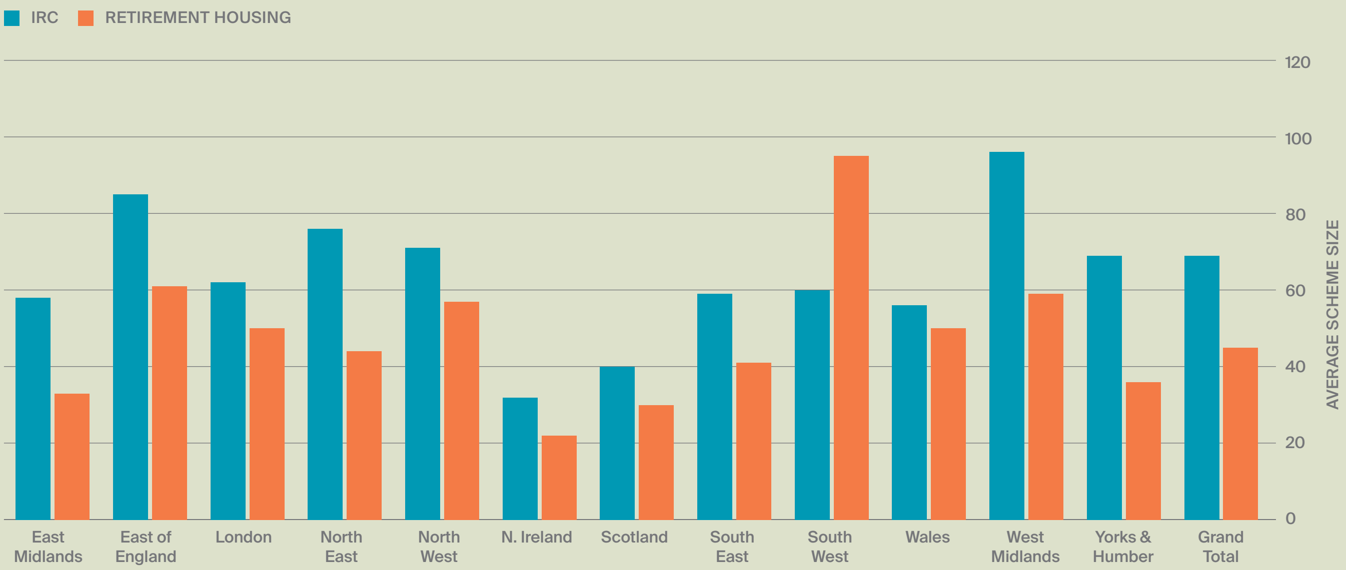
Number of new social rent homes by year and type



Source: Knight Frank Research, EAC

Fig 2: Growth in affordable IRCs leading to larger schemes

Average scheme size (number of units) last five years, affordable only



Source: Knight Frank Research, EAC

North West leads for new delivery

The region that is expected to deliver the largest number of affordable IRC units in 2025 is the North West, followed by the South West, East of England and the South East, broadly mirroring the trends seen in current affordable provision.

Need for more new stock

The total number of complete and operational affordable seniors homes across the UK stands at just over 500,000, though the market mainly consists of older stock with more than two thirds of existing stock built before 1985 and requiring modernisation.

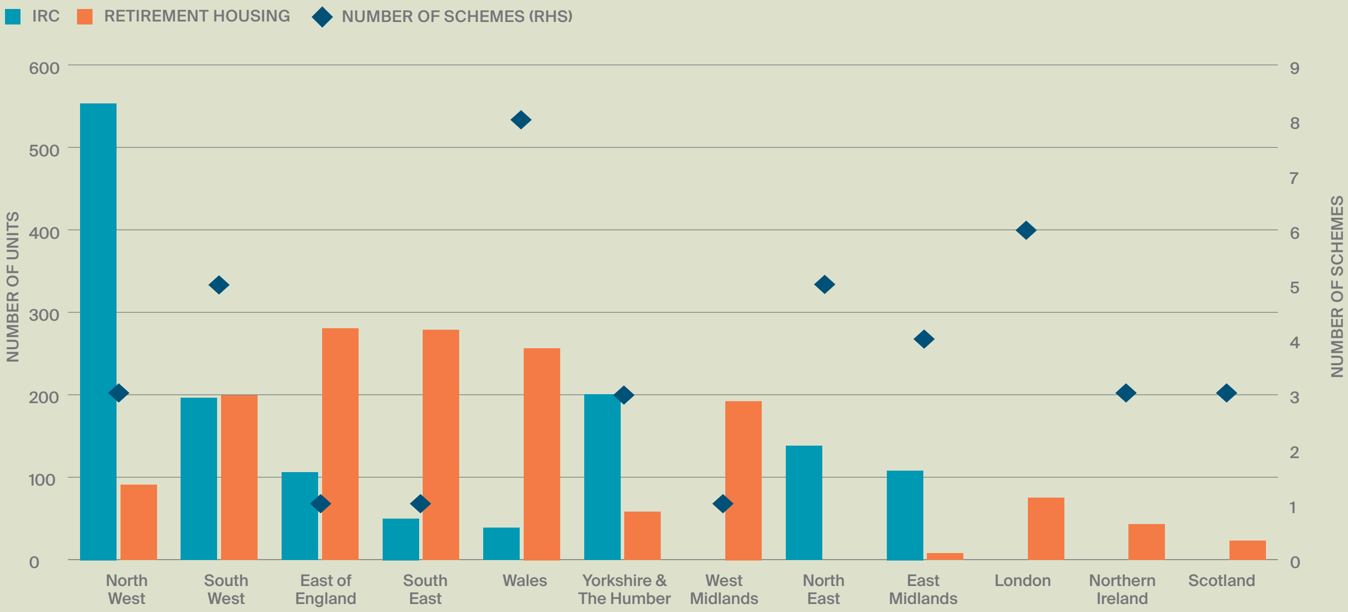
This dynamic has created a clear two-tier market in terms of age and quality of stock.

The government has set a target to build 1.5 million homes over the next five years. Seniors Housing has an important role to play, particularly given the role newer, high-quality purpose built homes can play both in improving quality of life for seniors, as well as relieving pressure on the NHS and social care system.

With this in mind, as well as developing new stock, an opportunity exists for those willing to repurpose and reposition current supply.

Fig 3: Expected seniors housing affordable delivery by region

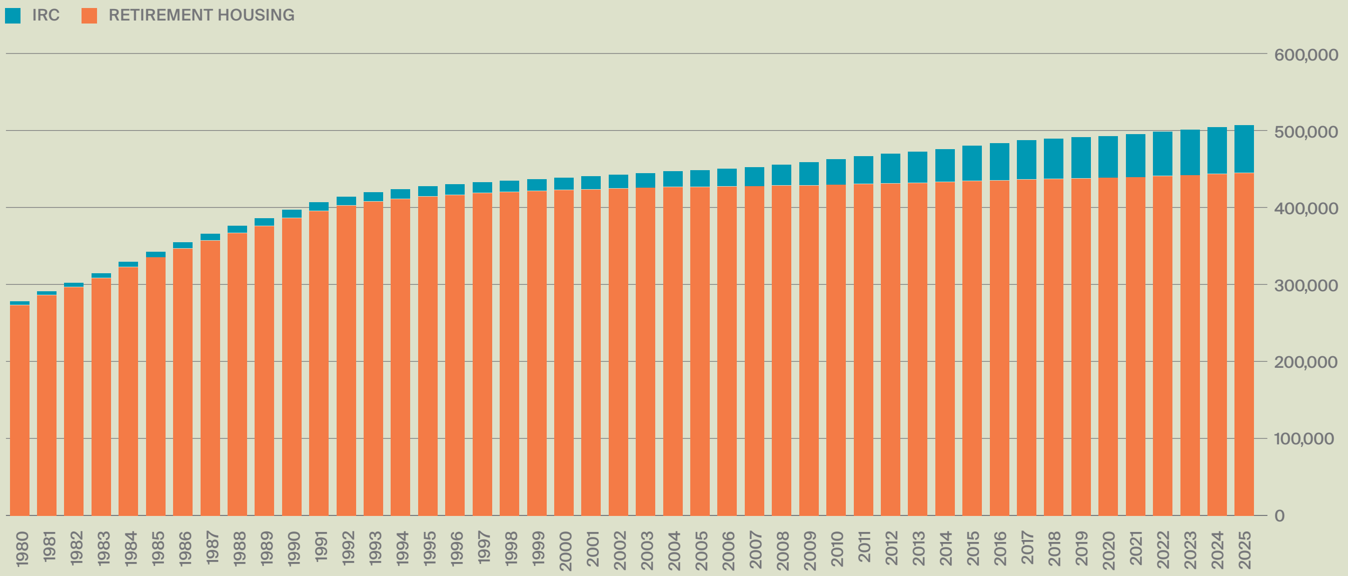
Schemes delivered/expected in 2025 only, by type



Source: Knight Frank Research, EAC

Fig 4: Two-thirds of seniors affordable homes were built pre-1985

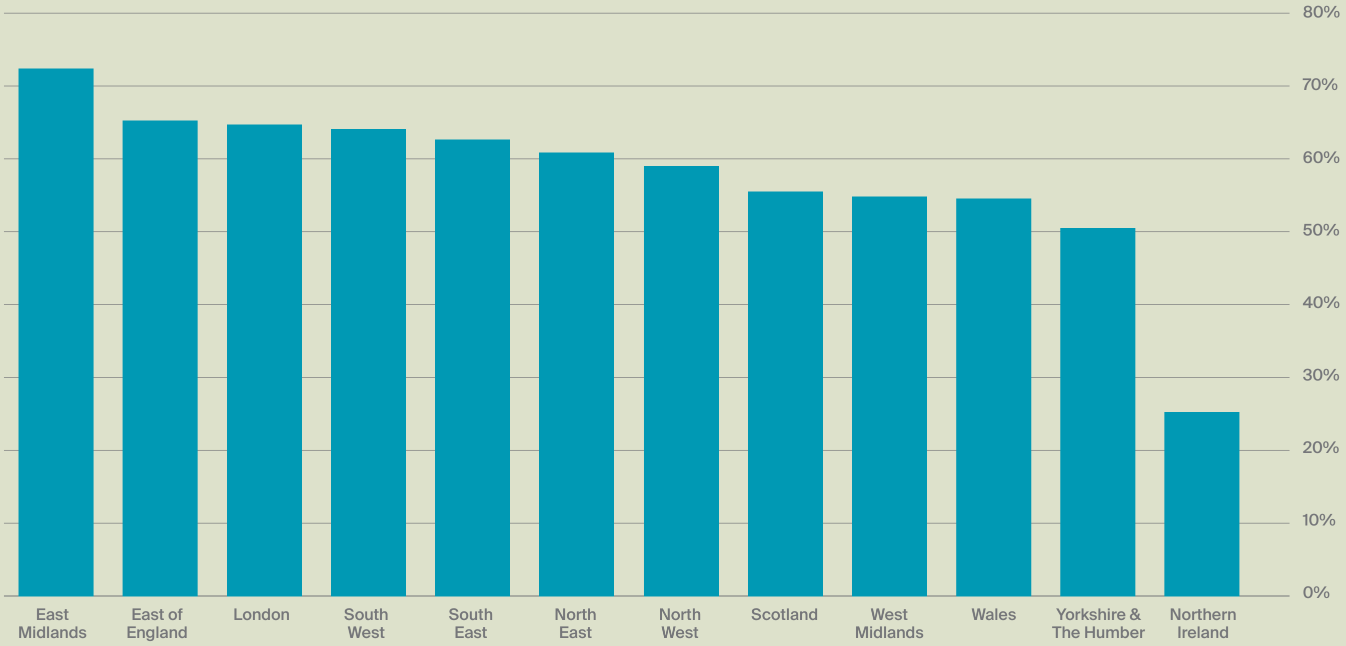
Total number of homes by completion year and type



Source: Knight Frank Research, EAC

Fig 5: % of seniors affordable stock built pre-1985

As a % of total affordable supply



Source: Knight Frank Research, EAC

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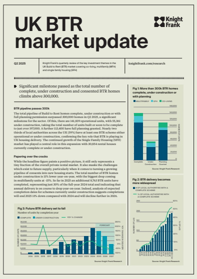

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