A note from the CEO

Top 5 mistakes Care Home owners make when selling (& how to avoid them)

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Article:

Selling your **Care Home**, **Nursing Home** and **Assisted Living** is one of the most significant decisions you'll ever make, yet many owners enter the process unprepared. According to STEP (Society of Trust and Estate Practitioners) research, more than two thirds **69%** of UK family businesses lack formal succession planning, placing their future at serious risk. The **first** major mistake owners make is delaying preparation until they are forced by ill-health or burnout. Such last-minute sales or exits significantly weaken negotiating power. Another critical error (**second**) is failing to maintain clear and transparent financial records. Buyers rely heavily on consistent EBITDA figures; unclear accounts can lead to significant valuation reductions. Staff retention is another overlooked issue (**third**). A stable and committed workforce reassures buyers and boosts valuations, while high turnover is a red flag, especially with increasingly stringent Care Quality Commission (CQC) inspections. Currently, 23% of care homes face closure due to inadequate ratings under CQC's rigorous new standards. Poor tax planning also significantly impacts sale outcomes (**fourth**). Recent restrictions in Business Property Relief (BPR) mean owners must act early to avoid substantial inheritance tax and capital gains liabilities. Lastly (**fifth**), many sellers prioritise the highest financial offer without considering the buyer's reputation, values, and operational philosophy, potentially damaging their legacy post-sale.

How to avoid these mistakes?

Careful planning, professional advice, and strategic decision-making can mitigate these common pitfalls, ensuring owners achieve the best financial and personal outcomes when selling their care home.

Is there a viable and practical solution?

At Florence Legacy, we take pride in having successfully formulated **37 strategic exits** for Care Home, Nursing Home and Assisted Living facilities, each tailored precisely to meet the unique needs of each individual owner. Whether you're considering a straightforward sale, planning for retirement, transitioning your responsibilities, or seeking a smooth, stress-free exit, we are happy to help. We counsel our partners to begin planning **their strategic exit at least 3 years in advance**, but the more ideal timeframe is **5 to 7 years prior to retirement or stepping away**. Please reach out to us for a completely confidential conversation to discuss how we can support your next steps.

Keywords**:** *selling care home, exiting care, preserving legacy, correct timing, exit strategy, Succession*

