Completed Acquisitions by Welltower Inc. of multiple care homes managed by Barchester Healthcare, HC-One, Aria Care (including Asprey) and Danforth Care

NOTICE UNDER PARAGRAPH 2(1) OF SCHEDULE 10 TO THE ENTERPRISE ACT 2002 (THE ACT) – CONSULTATION ON PROPOSED UNDERTAKINGS IN LIEU OF REFERENCE PURSUANT TO SECTION 73 OF THE ACT

ME/7137/25

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1. INTRODUCTION

1. On 23 and 24 October 2025, Welltower Inc. (**Welltower**) completed its acquisition of the real estate interests in four targets consisting of the following portfolios of care homes in the UK (each a **Target** and together, the **Targets**):

   (a) 275 care homes managed by Barchester Healthcare (**Barchester**) (the **Barchester Merger**);

   (b) 279 care homes managed by HC-One (**HC-One**) (the **HC-One Merger**);

   (c) 68 care homes managed by Aria Care (**Aria**) and two care homes managed by Asprey Healthcare (**Asprey**) (together, the **Aria Merger**); and

   (d) 25 care homes managed by Danforth Care (**Danforth**) (the **Danforth Merger**),

   (together the **Mergers**, each considered as a separate relevant merger situation).

2. Each of these Mergers has also involved (or will further involve) an operator owned management company (including entities directly or indirectly owned by, or affiliated with, Apex Healthcare Properties LLC (**Apex**) and Care UK Care Services Limited (**Care UK**)) acquiring certain operational parts of the Targets. Through these management companies the appointed or retained operators manage on a day-to-day basis the care homes acquired by Welltower.

3. On 7 May 2026, the Competition and Markets Authority (**CMA**) decided under section 22(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that (i) four relevant merger situations[1] have been created, and (ii) the creation of each of those situations has resulted, or may be expected to result, in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**). Unless otherwise stated, all defined terms are as defined in the SLC Decision and the text of the SLC Decision is available on the CMA webpages.[2]

4. On 14 May 2026, Welltower and Apex offered undertakings in lieu of reference to the CMA for the purposes of section 73(2) of the Act.

5. On 21 May 2026, the CMA gave notice to Welltower and Apex, pursuant to section 73A(2)(b) of the Act, that it considers that there are reasonable grounds for believing that the undertakings offered, or a modified version of them, might be

[1] Pursuant to section 25(4) of the Act the four-month period mentioned in section 24 of the Act is extended while the CMA is seeking undertakings in lieu of reference.
[2] See Welltower / multiple care homes merger inquiries - GOV.UK.

accepted by the CMA under section 73(2) of the Act and that it is considering Welltower and Apex's offer (the **UIL Provisional Acceptance Decision**).

2. THE UNDERTAKINGS OFFERED

6. In its investigation of the Mergers, the CMA considered the following theories of harm:

(a) Horizontal unilateral effects arising from a loss of local competition in the supply of residential care services for the elderly and, separately the supply of nursing care services for the elderly (**TOH1**); and

(b) Horizontal unilateral effects arising from a loss of local operator competition in the supply of residential care services for the elderly and, separately, the supply of nursing care services for the elderly (**TOH2**).

7. As set out in the SLC Decision, the CMA found that:

(a) For TOH1: (i) in the supply of residential care services for the elderly there is a realistic prospect of an SLC in the seven local areas in England and Scotland listed in Table 3 and Table 4 of the SLC Decision, arising from the Mergers; and (ii) in the supply of nursing care services for the elderly there is a realistic prospect of an SLC in the 21 local areas in England and Scotland listed in Table 2 in the SLC Decision, arising from the Barchester, HC-One and Aria Mergers; and

(b) For TOH2: (i) in the supply of residential care services for the elderly there is a realistic prospect of an SLC in the two local areas in England listed in Table 6 of the SLC Decision, arising from the HC-One Merger; and (ii) in the supply of nursing care services for the elderly there is a realistic prospect of an SLC in the eight local areas in England and Scotland listed in Table 5 of the SLC Decision, arising from the HC-One Merger.

8. In total, given that nursing registered sites can provide both residential and nursing care for the elderly, the Mergers give rise to a realistic prospect of an SLC in 30 local areas across both TOH1 and TOH2 (the **SLC Areas**). The SLC Areas are listed in Annex 1.

9. As set out in the UIL Provisional Acceptance Decision, to address the SLCs identified by the CMA, Welltower has offered to give the following undertakings in lieu of a reference:

(a) To address TOH1: Welltower will divest its freehold or leasehold (as applicable) interests in, and the operations of, certain care homes currently operated under a RIDEA structure, listed in Annex 1, Tables 1 and 2 (the **Freehold and Leasehold Divestments**);[3] and

(b) To address TOH2: Welltower will change operators at certain care homes listed in Annex 1, Tables 3 and 4 (the **Reallocated Homes**) (the **Operator Reallocations**).

Each care home under the Freehold and Leasehold Divestments and the Operator Reallocations is considered a **Divestment Business**, and together, the **Divestment Businesses**.

10. Apex has also offered to give undertakings in lieu of a reference that it will not re-enter into any operator contracts in relation to the Reallocated Homes (including with any new owner where such homes are part of the Freehold and Leasehold Divestments) (the **Apex Undertaking**).

11. The Freehold and Leasehold Divestments, the Operator Reallocations and the Apex Undertaking are together referred to as the **Proposed Undertakings**, the text of which is available on the CMA webpages.[4]

12. Under both the Freehold and Leasehold Divestments and the Operator Reallocations, Welltower has also offered (for each divestment) to enter into a purchase agreement with a buyer approved by the CMA before the CMA finally accepts the Proposed Undertakings (**the Upfront Buyer Condition**). In particular, Welltower has proposed:

(a) CGEN Care Group Limited (**CGEN**) as the upfront buyer of Albany Lodge Nursing Home, Kentford Manor, Fieldway Care Home, Orchard Care Centre and Drummohr Nursing Home. CGEN is active in the supply of residential care and/or nursing care services for the elderly in the UK via Stow Healthcare.

(b) Healthcare Ireland Group[5] (**Healthcare Ireland**) as the upfront buyer of Annfield House, Charters Court Nursing and Residential Home and Forthbank Nursing Home under the Freehold and Leasehold Divestments. In addition, under the Operator Reallocations, Healthcare Ireland will take over the operation of Tranent Care Home, Cairnie Lodge, Fosse Way View and Mossdale Residence.

(c) Care UK as the upfront buyer of Highmarket House.

[3] Welltower has identified alternative freehold assets should any landlord consent issues arise in practice with regard to the leasehold interests indicated in Annex 1, Tables 1 and 2.
[4] See [Welltower / multiple care homes merger inquiries - GOV.UK](#).
[5] The acquiring entity for Healthcare Ireland is intended to be HCI Care Services UK Limited.

(d) Orders of St John Care Trust as the upfront buyer of Kings Court.

13. Each of these agreements will be conditional on acceptance by the CMA of the Proposed Undertakings, including approval of the upfront buyers listed above (each a **Proposed Purchaser,** and together the **Proposed Purchasers**) as the buyers of the relevant Divestment Businesses.

3. CMA ASSESSMENT

14. The CMA currently considers that, subject to responses to the consultation required by Schedule 10 of the Act, the Proposed Undertakings will resolve the SLCs identified in the SLC Decision in a clear-cut manner, ie the CMA currently does not have material doubts about the overall effectiveness of the Proposed Undertakings or concerns about their implementation.[6] This is because (i) the Freehold and Leasehold Divestments will reduce Welltower's combined share of bed capacity below the 35% decision rule threshold set out in the SLC Decision in the SLC Areas identified under TOH1; (ii) the Operator Reallocations will reduce the relevant operators' combined share of bed capacity below the 35% decision rule threshold set out in the SLC Decision in the SLC Areas identified under TOH2; and (iii) the Apex Undertaking will ensure the Operator Reallocations remain effective following the Freehold and Leasehold Divestments. As such, the Proposed Undertakings, whilst not removing the entire increments caused by the Mergers, may nevertheless be effective in resolving the SLCs and its adverse effects and, in turn, be sufficient to address local competition concerns.[7]

15. The CMA also considers that the Proposed Undertakings would be capable of ready implementation within the Phase 1 timetable (as extended), taking into account the following submissions and evidence from Welltower:

(a) For each Freehold and Leasehold Divestment home, Welltower will (i) sell the freehold to a third party or obtain landlord/freeholder consent to sell or assign Welltower's leasehold interest (as applicable) and (ii) sell the care home's operating business to the relevant operator (which will take place by way of asset sales and comprise the transfer of all relevant goodwill, fixed assets, moveable assets, contracts, stock, records and employees required to run the care home's operations).

(b) Changing the operator of a care home is not atypical in the sector and Welltower has provided evidence of its experience in transferring care home operations from one operator to another.

[6] Merger remedies guidance (**CMA87**), December 2025, paragraph 4.4.
[7] CMA87, paragraphs 3.8 and 6.16.

Based on information received in the course of the Phase 1 investigation, the CMA believes that the divestment sites are stand-alone businesses and Welltower has provided evidence that care homes are highly attractive assets for real estate investors and operators (as shown by a number of recent acquisitions of care homes).

16. The risks associated with the Freehold and Leasehold Divestments and the Operator Reallocations are mitigated by the inclusion of the Upfront Buyer Condition.[8] The Upfront Buyer Condition means that the CMA would only accept the Proposed Undertakings after Welltower has entered into an agreement with a nominated buyer that the CMA considers to be suitable. The CMA considers that an Upfront Buyer Condition is necessary as it ensures that the CMA will only accept the Proposed Undertakings where the viability and attractiveness to purchasers of the Divestment Businesses has been demonstrated through the divestiture process. The evidence available to the CMA indicates that the Proposed Purchasers have sufficient resources and expertise to provide the necessary management support to enable the Divestment Businesses to operate as a competitor to Welltower and Apex (as relevant).

Suitability of the Proposed Purchasers of the Divestment Businesses

17. In approving a purchaser, the CMA's starting position is that it must be confident without undertaking a detailed investigation that the proposed purchaser will restore pre-merger levels of competition:

    (a) The acquisition by the proposed purchaser must remedy, mitigate or prevent the SLC concerned and any adverse effect resulting from it, achieving as comprehensive a solution as is reasonable and practicable.

    (b) The proposed purchaser should be independent from and have no significant connection to the merger parties that may compromise the purchaser's incentives to compete with the merged entity (eg an equity interest, common significant shareholders, shared directors, reciprocal trading relationships or continuing financial assistance). It may also be appropriate to consider links between the purchaser and other market players.

    (c) The purchaser must have sufficient capability, including access to appropriate financial resources, expertise (including managerial, operational and technical capability) and assets to enable the divested business to be an effective competitor in the market. This access should be sufficient to enable the divestiture package to continue to develop as an effective competitor.

[8] CMA87, paragraphs 6.62-6.67.

(d) The CMA will wish to satisfy itself that the purchaser has an appropriate business plan and objectives for competing in the relevant market(s), and that the purchaser has the incentive and intention to maintain and operate the divested business as part of a viable and active business in competition with the merged entity and other competitors in the relevant market.

18. Divestiture to the purchaser should not create a realistic prospect of further competition or regulatory concerns.[9]

19. Subject to the responses to this consultation, and having regard in particular to the criteria set out in paragraph 17 above, the CMA currently considers each Proposed Purchaser to be a suitable purchaser of the Divestment Business(es) for the following reasons:

(a) The CMA currently considers that the acquisition by each of the Proposed Purchasers of the relevant Divestment Business(es) would, in each case, remedy mitigate or prevent the SLC(s) concerned and any adverse effect resulting from them, achieving as comprehensive solution as is reasonable and practicable. This is because each of the acquisitions would allow the relevant Divestment Business(es) to continue competing against Welltower and/or Apex in the same way they did before the Mergers;

(b) The evidence available to the CMA indicates that each of the Proposed Purchasers and other related entities are independent of Welltower and the relevant Targets, and do not appear to have any significant connection to Welltower and the relevant Targets that may compromise its incentives to compete with Welltower and the relevant Targets if it were to acquire the relevant Divestment Business(es);

(c) The evidence available to the CMA indicates that each of the Proposed Purchasers have the necessary financial resources, expertise, incentive and intention to maintain and operate the divested business as an effective competitor in the marketplace. In particular, each Proposed Purchaser has past experience in operating care homes in the UK, and the evidence available to the CMA indicates that the Proposed Purchasers have the necessary understanding of the operational dynamics of the relevant Divestment Business(es), and the commitment to operating the relevant Divestment Business(es) as a viable competitor.

(d) Notwithstanding that the Care Quality Commission and Care Inspectorate approval would be sought following any acceptance of the Proposed Undertakings, and there is a risk that such approval may not be granted, each Proposed Purchaser is reasonably expected to obtain all necessary

[9] CMA87, paragraph 6.35.

approvals, licences and consents from any regulatory or other authority; and

(e) The evidence available to the CMA indicates that the acquisition of the Divestment Businesses by the Proposed Purchasers should not, in each case, create a realistic prospect of further competition concerns.

4. PROPOSED DECISION AND NEXT STEPS

20. For the reasons set out above, the CMA currently considers that the Proposed Undertakings and the purchase of the Divestment Business by each Proposed Purchasers are, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision and form as comprehensive a solution to these concerns as is reasonable and practicable.

21. The CMA therefore gives notice that it proposes to accept the Proposed Undertakings in lieu of a reference of the Mergers for a phase 2 investigation. The text of the proposed undertaking is available on the CMA web pages.[10]

22. Before reaching a decision as to whether to accept the Proposed Undertakings in relation to any or all of the Mergers, the CMA invites interested parties to make their views known to it. The CMA will have regard to any representations made in response to this consultation and may make modifications to the Proposed Undertakings as a result. If the CMA considers that any representation necessitates any material change to any of the Proposed Undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.[11]

23. Representations should be made in writing to the CMA, preferably by email, and be addressed to:

Kapileshen Kiritharan

Email: Kapileshen.Kiritharan@cma.gov.uk (cc' welltower.various@cma.gov.uk)

Deadline for comments: Friday 14 August 2026

[10] See Welltower / multiple care homes merger inquiries - GOV.UK.
[11] Under paragraph 2(4) of Schedule 10 to the Act.

ANNEX 1: SLC AREAS

Table 1: TOH1 SLCs in the supply of nursing care services for the elderly

Relevant Merger Situation	Centroid Site Name	Proposed Undertaking Site Name (Freehold and Leasehold Divestments)[12]
Aria; HC-One	Orchard Care Centre	Orchard Care Centre (Leasehold) Forthbank Nursing Home (Leasehold) Annfield House (Leasehold)
Aria; HC-One	Fairview Nursing Home	
Aria; HC-One	Hillview Court	
Aria; HC-One	Beechwood Park	
Aria; HC-One	Annfield House	
Aria; HC-One	Forthbank Nursing Home	
Aria; HC-One	Marchglen Care Centre	
HC-One	Tranent Care Home	Drummohr Nursing Home (Leasehold)
HC-One	Drummohr Nursing Home	
Aria; HC-One	Cedar View Care Centre	Fieldway Care Home (Freehold) Albany Lodge (Freehold)
Aria; HC-One	Albany Lodge Nursing Home	
Aria; HC-One	Haling Park Care Home	
Aria; HC-One	Deer Park View Care Centre	Laurel Dene (Leasehold) Whitefarm Lodge (Leasehold) Greville House (Leasehold)
Aria; HC-One	Laurel Dene	
Barchester	Highmarket House	Highmarket House (Leasehold)
Barchester	Kentford Manor	Kentford Manor (Freehold)
Aria	Galsworthy House Nursing Home	Laurel Dene (Leasehold) Greville House (Leasehold)
Aria; HC-One	Brook House Nursing Home	Laurel Dene (Leasehold) Fieldway Care Home (Freehold)
Aria; HC-One	Belmont House Nursing Home	Fieldway Care Home (Freehold)
Aria; HC-One	Hamilton Nursing Home	Laurel Dene (Leasehold)

Table 2: TOH1 SLCs in the supply of residential care services for the elderly

Relevant Merger Situation	Centroid Site Name	Proposed Undertaking Site Name (Freehold and Leasehold Divestments)
Aria; HC-One	Orchard Care Centre	Orchard Care Centre (Leasehold) Forthbank Nursing Home (Leasehold) Annfield House (Leasehold)
Aria; HC-One	Hillview Court	
Aria; HC-One	Beechwood Park	
Aria; HC-One	Forthbank Nursing Home	
Danforth	Mildenhall Lodge	Kentford Manor (Freehold)
Barchester; HC-One	Charters Court Nursing and Residential Home	Charters Court Nursing and Residential Home (Leasehold)
Barchester; HC-One	Kings Court	Kings Court (Leasehold)

Table 3: TOH2 SLCs in the supply of nursing care services for the elderly

12 In relation to the Greville House, Laurel Dene and Whitefarm Lodge case homes (the **Richmond homes**), prior to the SLC Decision Care UK submitted that the relevant contracts will expire on 1 July 2026, at which point Welltower's interest in the properties will terminate, and that Richmond Council has appointed Agincare to manage the Richmond homes (SLC Decision, footnote 266). On 6 and 8 July 2026, Care UK provided documentary evidence to the CMA confirming that Welltower and Care UK no longer hold a legal interest in the Richmond homes. Accordingly, in relation to the Richmond homes the relevant provisions in the Proposed Undertakings are confined to ensuring their continued separation from Welltower.

Pre-Mergers operator	Centroid Site Name	Proposed Undertaking (Operator Reallocations)
HC-One	Drummohr Nursing Home	Appoint new operators for Drummohr Nursing Home and Tranent Care Home
HC-One	Tranent Care Home	
Barchester	Lancaster Grange	Appoint new operator for Fosse Way View Care Home
Barchester	Newton House	
Barchester	Fordmill Care Home	Appoint new operator for Cairnie Lodge
Barchester	Meadowbeck	Appoint new operator for Mossdale Residence
HC-One	Mossdale Residence	
Barchester	Stamford Bridge Beaumont	

Table 4: TOH2 SLCs in the supply of residential care services for the elderly

Pre-Mergers operator	Centroid Site Name	Proposed Undertaking (Operator Reallocations)
HC-One	Kings Court	Divest operating business of Kings Court to Orders of St John Care Trust[13]
Barchester	Newton House	Divest operating business of Kings Court to Orders of St John Care Trust; appoint new operator for Fosse Way View Care Home

[13] The CMA notes that on 27 March 2026 it consented to a derogation from paragraph 5(e) of the IEO under section 72(2) of the Act imposed on 3 February 2026 in relation to the completed acquisition by Welltower (through its subsidiary Horizon TopCo Limited) of HC-One Topco Limited to permit Welltower to progress with transferring the lease for this site to [✂] and selling the business of the operation of Kings Court to Orders of St John Care Trust (Derogation 27 March 2026 (HC-One)).