

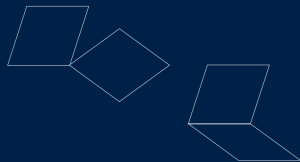
Financialization of housing with care: how we got here and why it matters

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Funded by the Nuffield Foundation

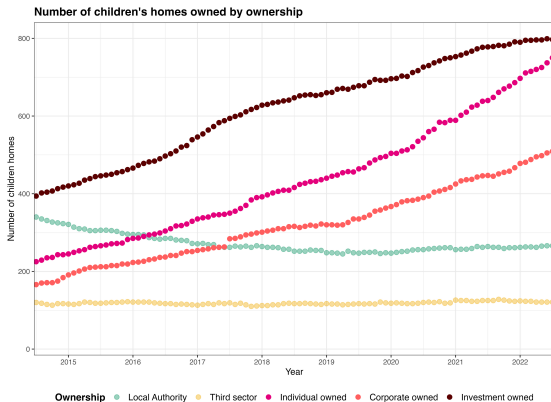
March 2026



- ▶ Residential care has been "outsourced" dramatically since the 70's;
- ▶ Now most residential care is run for-profit:
 - ▶ 79% of children's homes;
 - ▶ 79% of care homes for working age adults;
 - ▶ 89% of care homes for people aged over 65;
 - ▶ Sources: CQC and Ofsted registration data
- ▶ This shift to primarily for-profit provision has resulted in worse quality, less equal, and less accessible services...

Increasing for-profit delivery

Example:



Source: Goodair, B., Schoenberger, F., & Bach-Mortensen, A. (2026). Commercialisation and care sufficiency: the privatisation of children's homes in England. *The Lancet Public Health*.

Children's Homes

- ▶ FP providers violate 0.380 more legal requirements than LA-run providers, on average;

Source: Bach-Mortensen, A., Goodair, B., Barlow, J. (2022). Outsourcing and children's social care: A longitudinal analysis of inspection outcomes among English children's homes and local authorities. *Social Science & Medicine*.

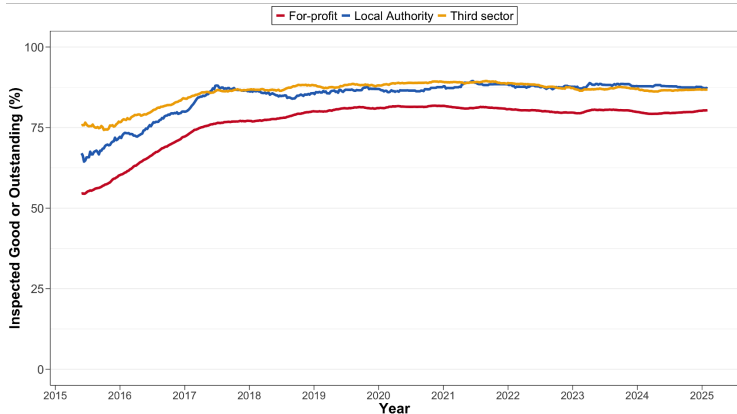
Adult Care Homes

- ▶ Almost all forced closures of care homes happen to FP locations (804/816).

Source: Bach-Mortensen, A., Goodair, B., Degli Esposti, M. (2024). Involuntary closures of for-profit care homes in England by the Care Quality Commission *Lancet Healthy Longevity*.

Worse quality care

Example:

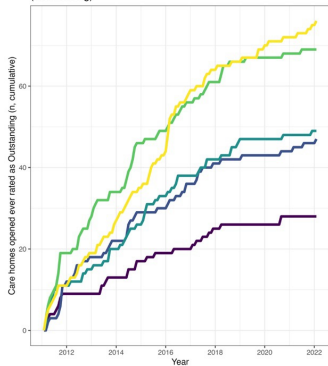


Adapted from: A Bach-Mortensen, B Goodair, M Degli Esposti, C Corlet Walker, J Barlow. (2024). Evidencing the outsourcing of social care provision in England. *Nuffield Foundation Report*.

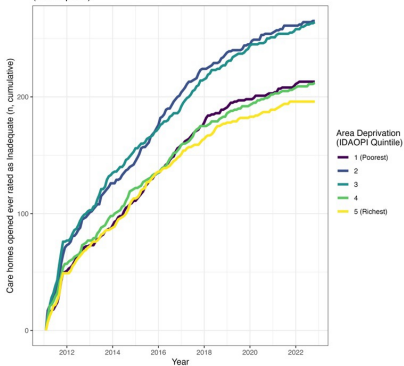
Less equal care: adult social care

Outstanding and inadequate ratings by area deprivation

A Cumulative number of new care homes (Outstanding)



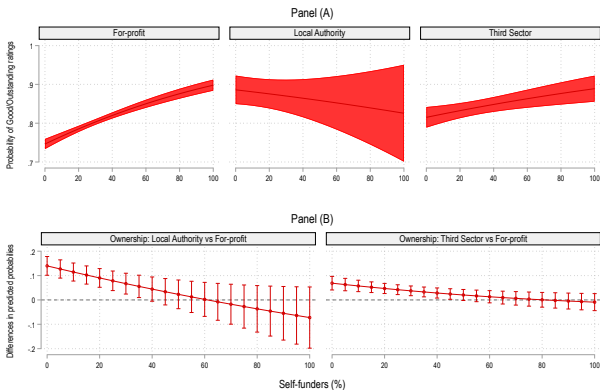
B (Inadequate)



Source: Bach-Mortensen, A., Goodair, B., Degli Esposti, M., & Needham, C. (2025). England's two tier care system deepens social care inequalities. *BMJ*.

Less equal care: adult social care

Resident funding mix and care home quality ratings



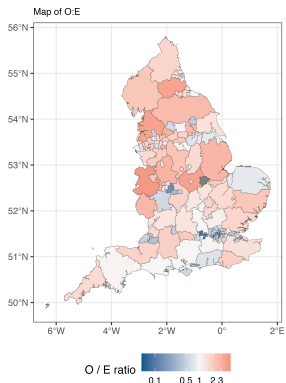
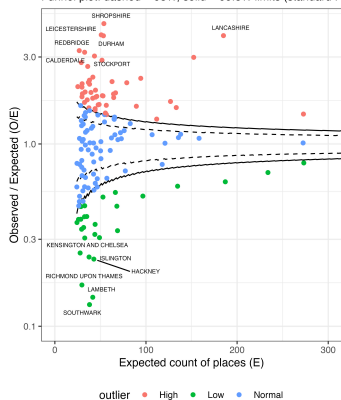
Source: Bach-Mortensen, A., Goodair, B., Degli Esposti, M., & Corlet Walker, C. (2025). Resident funding and care home quality: a retrospective observational analysis of the impact of the two-tier care system in England. *Age & Ageing*.

Less accessible care: children's social care

Increase in commercial ownership of children's homes

Local Authority observed to expected ratios

Funnel plot: dashed = 95%, solid = 99.8% limits (standard Poisson limits).



Expected calculated from Bayesian Poisson model
Assumes that all areas need the same number of places per child
See supplement for London-only map and funnel plot including outlier, Birmingham.

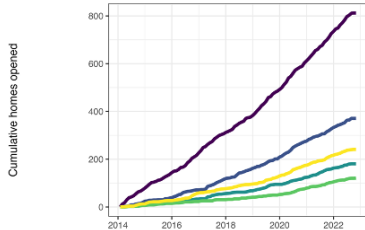
Source: Godair, B., Schoenberger, F., & Bach-Mortensen, A. (2026). Commercialisation and care sufficiency: the privatisation of children's homes in England. *The Lancet Public Health*.

Less accessible care: children's social care

Does commercial ownership respond to need?

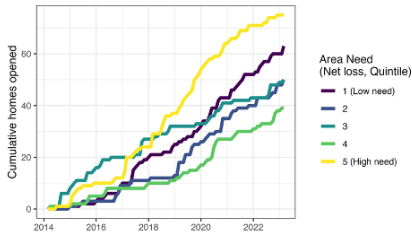
C) Commercial homes opened by area need

Commercial = Individual, Corporate and Investment owned



D) Non-commercial homes opened by area need

Non-commercial = Local Authority and Third sector



Source: Goodair, B., Schoenberger, F., & Bach-Mortensen, A. (2026). Commercialisation and care sufficiency: the privatisation of children's homes in England. *The Lancet Public Health*.

Less accessible care: children's social care

Why does this matter?



Source: Bach-Mortensen, A., Goodair, B., & Barlow, J. (2023). For-profit outsourcing and its effects on placement stability and locality for children in care in England, 2011–2022: A longitudinal ecological analysis. *Child Abuse & Neglect*.

- ▶ Are there 'a few bad apples', or not?
- ▶ Are for-profit providers failing us, or is the state failing for-profit providers by creating impossible conditions for care?
- ▶ In an era in which everything gets worse, how much does ownership really matter, is it a distraction?

Why does this happen?

The failings of economic theory in care markets

Common issues in outsourced markets:

- ▶ Information asymmetries; transaction costs; value alignment ('trust')

What makes social care outsourcing unique:

- ▶ Quality is hard to define and standardise; users have varying needs
- ▶ High switching costs — users often can't vote with their feet
- ▶ Market exits are potentially more costly (financially and in terms of human costs) than in regular markets
- ▶ Markets are regulated using information collected by industry regulators (CQC and Ofsted), which were not designed to supply such information