

Press release

HealthCare facility operators face variety of challenges

- The demographic shift is intensifying the need for care facilities with a system under pressure due to limits on the care that can be provided within the family.
- Services are not being effectively expanded due to a shortage of skilled workers and rising operating and personnel costs. This process is also being exacerbated by extensive bureaucracy.
- It is difficult to realise new-build and modernisation projects without adequate refinancing. Investors need predictable general conditions.
- Digitalisation and AI are noticeably reducing workloads at care facilities (documentation, shift scheduling) and are becoming key to efficiency and quality.

Munich, 12 December 2025 – The real estate market for care facilities is under pressure from two different directions. The demographic shift is creating growing demand while operators face a shortage of skilled workers, rising costs, and tight regulations. Maximilian Radert, Head of Product Development & Research at KINGSTONE Real Estate, Mathias Staudt, HealthCare Expert at KINGSTONE Real Estate, and Christian Nitsche, Chairman of the Board at DOMICIL Senior Residences, discussed strategies that enable growth in the webinar “Care in transition – operators between growth and reality”.

Demographic tailwind – but fragile supply

Around 5.7 million people in need of care receive benefits, and the majority of these are cared for on an outpatient basis or by relatives. Only a small number have inpatient status at a facility. According to Christian Nitsche, “The system is being supported by the family. The critical question here is what happens when people can no longer be cared for at home. That is when supply will be severely disrupted”.

In this context, Maximilian Radert emphasised that Germany's ageing population has long been more than just a social issue. It could, however, become a "systemic risk", making it a priority for society as a whole.

Christian Nitsche went on to say that operators are less limited by demand than by resources when it comes to expanding their range of services. "The bottleneck exclusively pertains to the shortage of skilled workers." This is increasingly impacting areas such as kitchen and cleaning staff. More pragmatic guidelines and less bureaucracy are needed to secure capacity without sacrificing quality standards.

The role of investors and refinancing: no new-build construction without predictable general conditions

A second key obstacle is investment activity. Christian Nitsche talked about the dilemma triggered by rising construction and operating costs, pressure to modernise, and limited refinancing options. Politicians need to recognise the realities involved in construction and renovation projects and adapt refinancing systems accordingly.

Mathias Staudt added, "There are only two German states, Baden-Württemberg and NRW, that have adequate regulation around new-builds and at least base their refinancing on the building cost index. However, the stock in many places is severely outdated. That makes private operators and institutional investors key when it comes to maintaining and expanding care capacity."

Digitalisation as an efficiency lever: more time for residents

During the webinar, the presenters repeatedly cited digitalisation as a shared strategy for the future. Mathias Staudt emphasised that streamlined processes and digital tools are essential when it comes to supporting employees and freeing up time for care.

"At DOMICIL Senior Residences, we use electronic documentation, AI-supported speech recognition, and intelligent service planning to reduce daily workloads. Our aim is to get employees out of the office and working with our residents", Christian Nitsche explained, using examples from the field.

Summary

The webinar highlighted the fact that the care sector needs to grow, but growth requires personnel, sustainable refinancing, and reliable political guidelines. Investors can boost capacity while operators provide care expertise. However, without reforms and reduced bureaucracy, there is a risk that we may see bottlenecks in a market with structurally increasing demand. Care facilities are a highly relevant asset class for institutional investors. However, the sector requires specific know-how around certain factors to be able to integrate these into a coherent, viable overall concept. These factors include regional demand, purchasing power structures, regulatory systems, and the logic behind direct participation and operator requirements. Maximilian Radert summarised the discussion. “It is crucial that we view the care sector as indispensable going forward. This is only way to reconcile supply and demand long term”.

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