INVESTOR GUIDE · ONTARIO

Senior Care Investor Guide

Ontario.

Home care · Retirement homes · Long-term care homes

By Alex Kouba – Partner, Business Noir Advisory

What's inside

01 · Home care

The simplest senior care business: you basically hire workers, and send them to a senior's house to help with things like bathing, getting dressed, cooking, and reminding them to take pills. The family pays you directly. It's so close to a house cleaning service.

The good part is that Ontario does not have a special "home care licence." But since July 2024, agencies that place workers with clients need a licence from the Ministry of Labour. You also have to put down a $25,000 bond, which is money the government holds in case you break the rules. It is also against the law for a family to hire an unlicensed agency on purpose.

Whether your business needs this licence depends on how you run it. The government decides case by case, but you almost certainly need a licence if you just match a worker to a family and step away. If you manage the care yourself and the workers are your own employees, maybe not.

The revenue

In Toronto, families pay about $25 to $35 per hour, and workers get paid about $17.60 to $28 per hour. On top of the wage, you pay about 15–18% more for things like vacation pay and government programs.

So if you charge $32 and pay $23, you don't keep $9. After all the extra costs, you keep maybe $8, then you pay for office staff, software, and insurance. In the end, most agencies keep only about 8 to 15 cents of every dollar.

$2M
annual revenue of a typical home care agency

$160K–$300K
resulting annual profit – 8 to 15 cents per dollar

That means a home care business making $2 million a year in revenue only makes about $160,000 to $300,000 in profit, so basically you are buying yourself a job.

Three things make it better: longer shifts (a 12-hour shift is easier to schedule than three 4-hour ones), harder care like dementia care (you can charge more), and keeping clients close together (one worker helping three people on the same street beats driving across the city).

It is easier to start, with not too much capital. You have to set up the corporation, pay for the onboarding of workers and their initial wages, insurance, a licence if needed, and the 25k bond if needed, software licence (although you can use free ones when you start), and maybe a marketing budget.

Another option is you could buy a big company franchise instead, to use their name and system. A notable one includes Nurse Next Door, which costs $137,500 to $188,700 in Canada, with a $90,000 fee up front, plus 5% of everything you sell every year. Home Instead costs $98,000 to $125,000, with a $54,000 fee, and takes 7% at first, dropping to 4% as you grow.

Profit will be pretty much shared: if you only keep 10 cents per dollar and give away 5 cents to the franchise. (I would say that alone needs a full analysis, which road to pick.)

Valuation

When people buy these businesses, they pay based on profit or SDE (Seller Discretionary Earnings). Small owner-run agencies usually sell for about 2.5 to 4 times their yearly profit in Toronto, but bigger and better-run ones sell for 3 to 5 times.

Simple example: if the business makes $200,000 a year in profit, it might sell for $500,000 to $800,000.

What goes wrong

Watch for these:

Workers being called "contractors" when they're really employees. The government can make you pay years of back taxes and benefits.

One source sending most of the clients. If one hospital worker sends 40% of your business and she retires, you're in trouble.

Fake growth. In senior care, clients pass away. Losing clients is normal. So "we signed 40 new clients" means nothing unless you know how many they lost.

The government-subsidized side

It's the same business, but the government pays instead of the family. The agency in charge is called Ontario Health atHome. In 2024–25, they helped over 680,000 people – that was 44.4 million hours of personal support and 11.1 million nursing visits, according to them. They work with more than 100 companies under about 400 contracts.

You have to be approved before you're even allowed to bid on government work, and the new applications are currently suspended. The last time they took applications was June 2025, and that window is closed. The companies that got approved keep that status until December 31, 2027, and the list of who's on it is public (check the link in the reference section).

So right now, the only way in is to buy a company that's already approved.

The approved list includes names like Bayshore, Calian, VON, NHI Nursing & Homemakers, St. Joseph's Home Care, Mount Sinai Home Healthcare, and Nightingale.

One thing I noted: Ontario Health atHome has written rules for what happens when one of these companies is sold, so it's important to check the agreements properly in regard to the licences.

If you go the government-approved provider way, the government sets the price, so you can't charge more than their cap, similar to the CWELCC program for daycare. You have a lower risk of losing money, but your profits are capped.

Ontario made a $3 per hour raise for support workers permanent, plus 75 cents more for benefits. That helps you keep staff. But it also costs you more, so the question is whether the government pays you enough to cover it.

Why people want it anyway: it's hard to get, so competitors can't copy you. It also gives your workers steady hours, which keeps them from quitting. The best businesses do both: government work for steady hours, private clients for better profit.

02 · Retirement homes

In simple terms, it's a building where seniors live and get help, where they pay rent plus extra for care, so it's a real estate business and partly a service business.

There are over 700 licensed retirement homes in Ontario, and the regulator is called the RHRA. You pay them $15.23 per suite per month.

Now here's the part that trips people up. The licence does not come with the building. If you buy a retirement home, you have to apply for your own brand new licence. In fact, when ownership changes, the old licence ends. You have to tell the RHRA in writing at least two months before the sale happens.

What this means in real life: you can't close the deal whenever you want, you are waiting on the government's approval, so basically, the purchase agreement needs to say the sale only happens if the licence comes through. Important to note that the government may inspect the property before giving you the licence.

Before you do anything else, look up the home's history on the RHRA's public record. It's free, and it will tell you if the place has a bad track record.

Revenue

In Ontario, residents pay around $2,800 to $6,500 per month. Basic independent living runs $2,800 to $4,500; places with more help cost $3,500 to $6,500. Toronto is at the top end.

Care services are charged separately on top of rent, so the setup is rent priced per city + service fees. That's where the good profit is.

93%
of rooms full at the end of 2025

95%
expected occupancy by end of 2026

15%
average profit margin, break-even around 85%

Right now the market is strong across Canada: 93% of rooms were full at the end of 2025, and that's expected to hit 95% by the end of 2026. Not many new ones are being built, and anything started today won't open until 2029 or 2030. Prices have gone up 3 to 6% a year.

However, a stronger national market doesn't mean your specific neighbourhood is strong. Chartwell shut down a home in Mississauga in 2024 because not enough rooms were full and it was losing money – about 200 residents had to move – and that happened during a good market.

The break-even is around 85% here, so the profit margin is around 15% on average, and most of the operational costs are property-related.

03 · Long-term care homes

Nursing homes for people who need serious medical care. The government pays for most of it, and residents pay about $2,129 to $3,042 per month for the room, depending on the type (these are the rates as of July 1, 2026).

As you have probably imagined, the Ontario Ministry of Long-Term Care controls everything. They get to decide on how many beds exist and where they go, and every project has to be approved by the ministry at multiple stages, including the design, the start of construction, and moving people in.

Even transferring a licence to a new owner goes on a public list. Typically, there's a comment period and public Zoom meetings before anyone decides, and from signing the deal to the first resident moving in takes about three years.

$6.4B
Ontario spend on 58,000 new or upgraded beds by 2028

30 yrs
length of new LTC licences

~3 yrs
signing the deal to first resident moving in

For context on the size of it: Ontario is spending $6.4 billion on 58,000 new or upgraded beds by 2028 – 30,000 brand new plus 28,000 rebuilt – and the new licences last 30 years.

There's also a newer program worth watching: CALTC brings nursing-home-level services to people still living at home while they wait for a bed. The government's goal is to cut seniors' visits to the hospital. It started at three homes in the Toronto and Hamilton area and is expanding in 2026.

04 · Comparing retirement homes vs. long-term care homes

P.S. It may get a little technical here, so I will highlight the key points if you want those only.

The structural difference

	Retirement home	Long-term care home
Regulator	RHRA under the Retirement Homes Act, 2010	Ministry of Long-Term Care, Fixing Long-Term Care Act, 2021
Payor	Private pay, 100%	Government per diem + capped resident co-pay
Who controls admissions	Operator	Ontario Health atHome (waitlist)
Who sets price	Operator	Ministry
Supply	Around 750+ licensed homes, open entry	Fixed bed licences, ministry-issued
What you're buying	Real estate + operating business	Real estate + a licence

The RHRA sets safety, care, and operational standards and inspects homes, but it does not set pricing or regulate service packages, so the monthly fees are established by individual operators. That single fact is why the two asset classes are valued so differently.

Revenue model

Retirement home: base accommodation rent (suite) + care packages (tiered, by ADL assessment) + à-la-carte (medication management, incontinence, escorts, second person fee).

Key metrics: occupancy %, average monthly rate (AMR), RevPOR (revenue per occupied room), care revenue as % of total, average length of stay (typically 2–3 years, meaning you re-lease a third of the building annually).

Across Canada, monthly fees run roughly $1,600 to $6,275 depending on size, location, community type, care required, and amenities. GTA assisted living and memory care sit at the top of that band.

In my personal opinion, an LTC home looks like a regulated utility. Revenue is per occupied bed-day, split across four envelopes: NPC (nursing & personal care), PSS (program & support services), NS/Raw Food, and OA (other accommodation).

Here is the thing most people miss, and it's the entire profitability story: a licensee may apply surplus funds from the NPC or PSS envelope only to offset over-expenditures in the NPC, PSS or NS envelopes, and surplus is finally determined through the reconciliation process under the Reconciliation and Recovery Policy. If homes do not spend funding provided through these envelopes on staff, the funding is recovered.

NPC, PSS and NS are flow-through. You cannot make a dollar on them. The retainable margin in an Ontario LTC home comes from:

1. The OA envelope (admin, housekeeping, laundry, building, debt service)
2. Preferred accommodation premiums – the private/semi-private upcharge over basic
3. Ancillary (hairdressing, cable, guest meals)
4. Management fees, if you own the operator

Everything else is a pass-through with a clawback attached. Homes may allocate up to 32% of the global per diem increase to OA; the greater of the remaining balance or 68% must go to NPC, PSS, and NS.

Valuation

Retirement homes are valued as operating real estate:

- Cap rate on stabilized Net Operating Income (NOI) – the primary method
- Per-suite as a sanity check
- EV/EBITDA for portfolios, or where you're buying the operating platform separately from the real property

Sensitivity analysis is major: a fully fixed cost base means each occupancy point drops almost straight to NOI, because fixed costs are high; changing variables affect the profit.

Cap rate: the percentage of a building's price you earn back each year from its profits, e.g. a $1,000,000 building that makes $60,000 a year has a 6% cap rate.

General rule: higher cap rate = cheaper building (and usually riskier). Lower cap rate = pricier, safer.

LTC homes are valued differently, per bed licence, adjusted for:

- Licence term remaining (new-build licences typically run 30 years; a home with 6 years left is a fundamentally different asset than one with 28)
- Structural class A / B / C – newer being A class, older being C class. The legacy "C" beds (1970s-era ward design) can carry a redevelopment obligation, which is a capital liability, not an asset – that's why their cap is higher.
- Construction Funding Subsidy status and per diem top-up if redeveloped
- Basic Accommodation Protection: BAP funding of $2.62 per diem is paid only if 50% or more of the beds are offered as basic accommodation, a direct constraint on maximizing the private mix.

You cannot underwrite an LTC home on a revenue multiple. You underwrite it on OA-envelope NOI + preferred premium + the residual value of the licence and land.

Which is more profitable

Retirement homes: a well-run, stabilized private-pay residence can run a 30–40% NOI margin; occupancy is the whole game, and filling up the house is the opportunity.

LTC: realistically high single digits to low-mid teens as a percentage of total revenue, with almost none of it discretionary. The advantage is that occupancy is effectively guaranteed by a provincial waitlist, and the payor is the Government of Ontario – that's why LTC finances better; lenders prefer that to a RH.

Where LTC money actually gets made: development and redevelopment with construction funding subsidy, scale in procurement and management contracts, the underlying real estate, and holding the licence itself as a scarce asset. Not operations.

For your deal work specifically

The practical gate: LTC licences don't transfer freely. A change of licensee or change of control requires the Director's consent under the Fixing Long-Term Care Act. That's a months-long approval with a fitness/character review of the incoming operator. It effectively screens out first-time buyers regardless of financing capacity. Retirement homes require an RHRA licence transfer too, but it's a materially lighter process.

DILIGENCE EMPHASIS, RH

- Rate roll vs. asking rate – hunt for concessions (free months, "move-in credits", grandfathered rates) that inflate stated AMR
- Move-in/move-out velocity and ALOS trend, not just the occupancy snapshot
- Care revenue quality: are residents assessed at a level they're actually being billed for? Under-billing at acquisition is upside; over-assessment is a compliance problem
- Agency staffing as % of nursing labour – the single fastest-moving margin leak
- RHRA inspection history and any licence conditions
- Whether resident agreements comply with the care home provisions of the RTA – the accommodation portion is rent-increase-guideline-bound, care fees generally aren't. Mispricing that distinction is common.

DILIGENCE EMPHASIS, LTC

- Licence term remaining, bed class, redevelopment obligations
- Reconciliation and recovery history – outstanding repayment liabilities to the ministry are a real, frequently unbooked balance sheet item
- Occupancy against the funding threshold
- Preferred accommodation ratio vs. the BAP constraint
- CMI trend (drives NPC allocation – affects staffing capacity and compliance exposure more than margin)
- Inspection orders and any director's orders under FLTCA

Worth saying plainly: I'm not a licensed valuator, and the numbers above are structural rules of thumb rather than current market comps. Actual per-bed and per-suite pricing needs live transaction data from someone with access to the seniors housing brokerage desks – CBRE and Cushman both run dedicated Canadian practices for exactly this.

A deeper investigation could pull actual 2025–26 Canadian transaction comps for both asset classes, the current Ontario LTC per-diem schedule with the OA breakdown, redevelopment pipeline data on remaining C beds, and the historical spread between RH and LTC cap rates through the last cycle.

05 · Market analysis

Understanding the demand is crucial – let's dive into the senior population numbers.

Ontario has roughly 3.1 million residents aged 65+, about 16% of the population – the largest absolute seniors market in Canada by a wide margin.

ONTARIO – 65+ POPULATION & SHARE OF TOTAL

1.5M	**2.5M**	**3.1M**	**4.6M**
2001	2019	2025	2051 (proj.)
12.5%	**17%**	**18.9%**	**22.7%**
2001	2019	2025	2051 (proj.)

Analysts project the 85-plus population to triple by 2073, with residents over 80 showing higher rates of chronic disease, mobility limits and dementia, shifting demand toward assisted living and memory care.

CANADA – 85+ POPULATION

~430K	**~570K**	**~790K**	**861K**	**~930K**
2001	2008	2017	2021 (census)	2026

2021 was more than twice the 2001 census figure. 2001/2008/2017/2026 are derived; 2021 is the sourced census figure.

06 · The competition

Long-term care

Ontario has 626 licensed LTC homes, of which 58% are privately owned, 24% non-profit/charitable, 16% municipal.

Extendicare: the largest private long-term care company in Canada. It owns 99 LTC homes in total: 59 wholly owned (8,147 beds) and 40 managed for third parties through Extendicare Assist (6,237 beds). Extendicare managed a $570-million acquisition of CBI Home Health, a national platform across seven provinces.

Sienna Senior Living: roughly 60% of its owned residences are LTC, with 82.6% of total suites and beds in Ontario.

Municipal: every Ontario municipality is legislatively required to operate at least one home. Ontario is the only province that legislates municipalities to operate LTC homes.

Non-profit: AdvantAge Ontario represents 213 homes, including all 70 culturally-specific homes.

Retirement homes

There are 750+ licensed retirement homes in Ontario. Ontario held 45.02% of the national senior living market in 2025.

Chartwell: Canada's largest retirement residence operator. Third-party data lists 124 locations, while their own marketing materials cite more than 175 communities in Canada. Ontario is their most active market by a wide margin.

Sienna Senior Living: headquartered in Markham, has 46 retirement residences owned in Canada, 36 in Ontario, and 12 managed residences nationally, 7 of them in Ontario.

Revera: Revera is a landlord, so they do not operate the RH – they describe themselves as senior care real estate portfolio managers. They have roughly 80 retirement residences as of the 2023 transition, more than half in Ontario. Important to note that Revera is owned by

the Public Sector Pension Investment Board (PSP Investments).

Non-profit: there are some of them, although a lot are attached to LTC instead of standalone facilities.

07 · Recent transactions per company

Long-term care – Extendicare

Transaction	Detail	Price	Date
Sale of 3 Ontario LTC redevelopment projects to Axium JV	Port Stanley (128), London (192), St. Catharines (256); 576 beds; net book value $43.0M → gain $56.3M	Net proceeds (after 15% retained interest, holdbacks, costs)	Apr 2025
Crossing Bridge opened new LTC home within Axium JV	256 beds	–	Q1 2025
Acquisition of 9 Class C LTC homes from Revera (8 ON, 1 MB) + vacant land	822 LTC beds + 574 retirement beds; 133 ward-style beds out of service, reinstatable on redevelopment	$60.3M ($40.2M cash + $20.1M assumed liabilities)	Closed Jun 1, 2025
Closing the Gap acquisition, home health	–	–	2025
CBI Home Health LP and GP entities	~$478M annual revenue, $61.9M adjusted EBITDA, ~8,500 employees; creates largest home health platform in Canada	$570M	Announced Nov 19, 2025; closed Apr 1, 2026
Sale of vacated West End Villa Class C property	$10.0M pre-tax gain ($9.8M after tax)	$12.1M	Q1 2026
$450M senior unsecured notes issued	4.345%, five-year term, achieving BBB rating	–	Q1 2026
New Ontario LTC home to be sold to Axium JV, Extendicare retaining 15% managed interest	$91.5M fixed-price construction contract; opens Q1 2029, replaces 278 Class C beds	–	Sale expected Q1 2026

Sienna Senior Living – LTC transactions in Ontario only

Project / property	Location	Type	Beds	Value	Status / date
Northern Heights (replaces 148 Class C)	North Bay	Redevelopment	160	$78M dev cost (+$4.0M grant, $3.3M annual construction subsidy)	Opened Q3 2025
Oakwood Commons (replaces 122 Class C; part of Brantford campus of care with 147 retirement suites)	Brantford	Redevelopment	160	$140M dev cost, full campus (+$4.0M grant, $3.3M annual construction subsidy)	Opened Oct 21, 2025
Two vacated Class C properties (North Bay + Brantford)	–	Disposition	–	$8.5M gross combined	2025
Cawthra Gardens	Mississauga	Acquisition	192	$32.6M	Closing early 2026
Ballycliffe (newly built, opened Q3 2025, includes all rights to 25-year construction funding subsidy)	Ajax	Acquisition	224	$68.3M	Agreement May 1, 2026; closes H2 2026
Keswick redevelopment	Keswick	Redevelopment	–	–	Under construction
Glen Rouge	Toronto	Redevelopment	448	–	Construction starts H2 2026
Streetsville	Mississauga	Redevelopment	–	~$125M	Announced mid-July 2026

Retirement homes – Chartwell

Transaction	Suites	Price	Per suite	Announced	Closed
Sifton portfolio (buy) – London, Waterloo, Dorchester, Mississauga	1,024	$416.2M	~$407K	Jul 2025	Apr 2026
Seasons portfolio (buy, 30% stake via Fengate JV; implied whole-portfolio value $1.275B)	2,943	$382.5M for 30%	~$433K	Apr 2026	Jun 2, 2026
Palermo Village, Oakville (buy)	116	$43.0M	~$371K	Apr 15, 2026	Jun 3, 2026
Nine non-core Ontario properties (sell)	677	$117.9M	~$174K	Apr 25, 2026	Q2 2026 (expected)

Sienna Senior Living

Transaction	Location	Suites	Price	Per suite	Date
Wildpine Residence	Stittsville (Ottawa), ON	165	$48.0M	~$291K	Closed Apr 16, 2025
Hazeldean Gardens	Stittsville (Ottawa), ON	172	$85.25M	~$496K	Closed Jun 18, 2025
Credit River Retirement Residence	Mississauga, ON	133	$60.2M	~$350K	Announced Jun 2025
The Bartlett (independent living)	Oshawa, ON	129	part of $79M	–	Agreement Feb 13, 2026
Rockland Manor	Rockland (Greater Ottawa), ON	160	$41.0M	$256K (stated)	Agreement May 1, 2026

Notes

Welltower (a giant American REIT) entered the market strongly, with purchases covering 38 communities plus development parcels in Toronto, Vancouver and Victoria.

Sienna signed purchase agreements in early 2025 for properties in Ottawa and Mississauga, with further scale moves in Western Canada.

Chartwell is Canada's largest retirement residence operator with occupancy above 93%, and analysts see limited new supply plus improving occupancy supporting pricing power.

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NEXT STEP

Thinking about starting or buying a senior care business: Don't walk confused into a regulated industry; let's have a strategy call.

Book a call with Alex Kouba to talk through your specific plans — home care, retirement homes, or long-term care — before you commit capital.

Book a strategy call

calendly.com/alex-thealexkouba/consultation

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