

# THIRD AGE CITY: HOUSING FOR OLDER LONDONERS

*Erica Belcher, Claire Harding and Nikita Quarshie*



# **THIRD AGE CITY: HOUSING FOR OLDER LONDONERS**

*Erica Belcher, Claire Harding and Nikita Quarshie*

## About the authors

### Erica Belcher

Erica is a Researcher at Centre for London and has co-authored reports on sustainable development, urban planning, and the management of public spaces. Erica's research interests chiefly include urban mobility and demography. She has an MSc in Comparative Politics.

### Claire Harding

Claire is Research Director at Centre for London. Before joining Centre for London she was the Head of Research at Coram Family and Childcare, where she led on the annual Childcare Surveys. She previously worked in research and development at digital mental health provider Big White Wall, and in public sector research consultancy. Her research interests include education and opportunity, wellbeing, equalities and gender.

### Nikita Quarshie

Nikita is a Researcher at Centre for London. Her research interests include gender, social and environmental justice and care as an organising principle. Prior to joining the Centre in 2020, Nikita was a Research and Policy Intern for the Strength through Diversity team at the OECD, and a Research and Project Management Intern for NETRIGHT, a network of women's rights organisations in Ghana.

## Acknowledgements

This report would not have been possible without the support of our Major Sponsors, British Land and Riverstone; and our Supporting Sponsors, Enfield Council, the London Borough of Barnet, the London Borough of Sutton, Populo Living, the Royal Borough of Greenwich, and the Royal Borough of Kingston upon Thames. We are grateful to all those who have given us their expert advice and feedback on the project, and in particular to our project Advisory Group: Wale Adetoro (Assistant Director – Housing, The Royal Borough of Kingston upon Thames), Kaveed Ai (Project Lead – Dementia Friendly London, Alzheimer’s Society), Alex Bonnett (Development Manager, Populo Living), Stephen Burke (Director, United for all ages), Emma Cariaga (Joint Head of Canada Water, British Land), Victoria Hill (Chief Executive & Clerk to the Trustees, Hammersmith United Charities), Simon Hodson (Head of UK Healthcare, JLL), Nazeya Hussain (Director – Growth, The Royal Borough of Kingston upon Thames), Roland Karthaus (Director, Matter Architecture), George Lee (Founding Director, The Common Land), John McGeachy (Campaigns Officer, Age UK London), Titi Ogunwuyi (Director – Valuation Advisory – Affordable Housing, JLL), Carsten Swift (Client Advisory Manager, Riverstone Kensington and Fulham).

We would also like to thank all the anonymous interviewees for generously giving their time and openly sharing their experiences with us, and our colleagues at Centre for London, particularly to Richard Brown, for making this project possible and to Joe Wills.

The views in this report are nevertheless solely those of the authors, and all errors and omissions remain our own.

<b>Summary and recommendations</b>	8
<b>1. London's older population</b>	14
<b>2. What makes good housing for older people</b>	18
<b>3. Communicating the options</b>	23
<b>4. Using general housing stock for older people</b>	27
<b>5. Specialist housing for older people</b>	31
<b>Conclusion</b>	35
<b>Endnotes</b>	37

# **Summary and recommendations**

### The need and the opportunity for older people's housing in London

London's older population is expected to rise by 29 per cent over the next decade. In many ways this is a cause for celebration: older Londoners contribute hugely to the economic, social and family life of our city. Yet too many of them are unable to access the housing they need – and the gap between what they need and what is available will likely continue to grow.

In some cases, people struggle on in their homes with increasing difficulty as their abilities change. They may not be able to get the adaptations they need, or perhaps the home is impossible to adapt. Some are forced to accept a move to a home that does not provide what they want: perhaps there is not enough privacy, they don't have access to green space, or they don't feel safe walking to the shops. And some move out of London – even though they would have liked to stay.

The housing market is complex, but in general there are four main options for older people:

1. Remaining in their current home (perhaps with adaptations).
2. Sharing a home with younger members of the family (or, less commonly, sharing a home in a co-housing community).
3. Specialist older people's housing.
4. Care homes.

There is no single “correct” type of housing for older people: the right choice will depend on the person. Further information on these options is available in the data report accompanying this policy paper, [\*London: A place for older people to call home\*](#).

In London, there is a particular gap in the availability of specialist housing. The city is developing less than half of the older people's specialist housing it needs, and the problem is most acute in inner London. This includes housing for sale and rent, at market level and at prices designated as affordable. Specialist housing – which includes retirement communities – is important because it provides older people with a middle option between remaining in their current home and moving into a care home. It can make it easier for people to live in their own home for longer, maintain an active social and community life, and access increasing levels of care as needs change. For older Londoners who prefer to stay in their current home, it is also important to make the adaptation of living spaces to their changing needs easier.

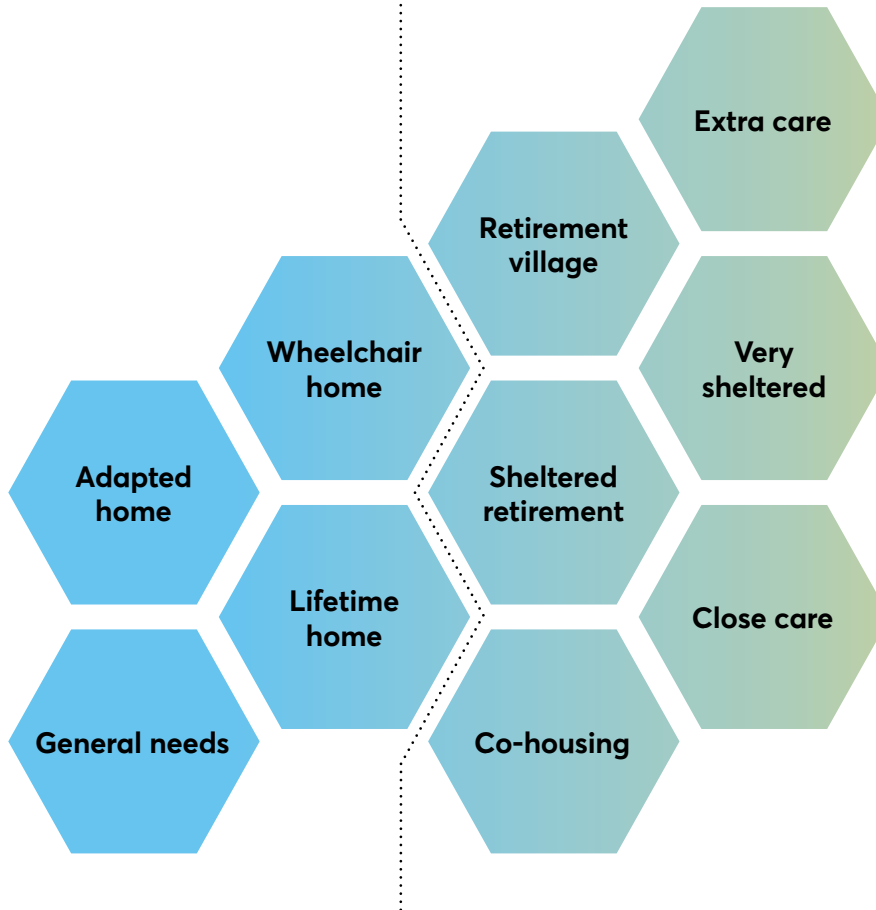
Of course, building new homes will not be enough to address this problem if older people don't know they are available. It's vital that “rising” older people – those in their fifties, sixties and seventies – have access to trusted information on the types of housing and care available to them as they age, so they can plan for the future.

Providing the right homes in the right places for older people benefits us all. It means that children can see their grandparents more easily, and that those grandparents can help with childcare if they so choose. It means that local high streets have more customers during the day, and that communities have more potential volunteers. In some cases it also means that larger homes may be freed up for families, and that people have less need of health and social care services. Nonetheless, the main focus of this report is older people's own needs and choices, rather than these indirect benefits to wider society.

**Figure 1: Housing options for older people**

### Mainstream housing

Individual homes to buy or rent - not designated for any specific user group though Lifetime Homes includes age-friendly features and wheelchair housing is specially designed. Personal care, support other services and amenities available within the community.



### Specialised housing

Groups of homes (usually flats) to buy or rent - designated for older people (typically 55+). Personal care and support usually arranged or provided within the development together with shared facilities and activities.

### Care homes

Residential care rather than independent living.



### Why the need for specialist housing is not being met

Our report finds that the need for specialist housing development in London is not being met because:

- Local authorities, developers and policymakers don't always recognise the benefits that older people bring to their communities – or indeed the ongoing care costs if their needs are not met. The result is that they don't prioritise their needs. Local authorities in particular face significant and competing pressures for their time and money, and the housing needs of other groups often seem more urgent.
- There is a huge disconnect between the targets for specialist housing in the London Plan and the number of completions, partly because many boroughs do not have detailed plans for creating the older people's housing they need.
- The price of land and development in London means that it can be hard to make older people's housing financially viable – and that it is often more profitable to build for working-age people or students.
- Many people in their fifties, sixties or seventies have limited information about the housing options available to them as they age, or are worried that they will be badly served by the options that are available. This includes both moving to a new property and making changes to an existing one. There may be a particular lack of awareness around the difference between specialist retirement housing and care homes.

We believe that London needs two cultural shifts: one which places a higher value on older people as citizens of our city, and one which normalises talking about and planning for our changing needs as we age. These shifts go well beyond housing provision, but they underpin all our recommendations.

### Recommendations

Our recommendations largely concern specialist housing and adaptations to existing housing rather than care homes. This is because care home capacity currently appears to be meeting demand. This demand may decrease if other types of housing and care provision for older people get better at meeting their needs. Alternatively, if there is not enough suitable housing, or people are not able to access the care they need in their homes, demand will increase. We recommend that the Greater London Authority (GLA) and the boroughs continue to review capacity and demand for social care.

In this report, we take “specialist housing” to mean housing developed specifically for older people, which they own or rent, and which is not a care home. Various types of specialist housing exist, more information on which can be found in [\*London: A place for older people to call home\*](#).

We have chosen not to make detailed recommendations for the planning system in this report. At the time of writing, debates about the 2020 Planning White Paper are ongoing, though many of the recommendations below would be applicable in either the current or any new system.

#### **London boroughs should:**

- Include specific targets that meet or exceed their London Plan benchmark figures for older people's specialist housing in their local plan. These should specify how many units per annum will be built, and where they will be built.
- Proactively shape the range of older people's housing available, including through their own directly delivered housing supply.

- Work with housing associations, as well as local community and voluntary groups, to reach “rising” older people (those in their fifties, sixties or seventies) with information about future housing choices – including both home moves and adaptations.

**The GLA should:**

- Create an older people's specialist housing target for large sites, operating in a similar way to the affordable housing targets. Based on borough targets for specialist and general needs housing, we believe this should start at five per cent, rising to 10 per cent if completions are still below target after five years. As is currently the case, older people's specialist housing should be subject to affordability requirements.
- Consider whether the GLA can play a role as a trusted provider of information on housing options for older Londoners, or support a third party to play this role. This includes exploring the possibility of establishing a specialist service to provide information about suitable properties available for sale or rent, adaptation services and other support.
- Continue to promote accessible design principles – such as the Lifetime Homes Standards and beyond – which ensure that housing can be adapted to people's needs as they age.

**Central government should:**

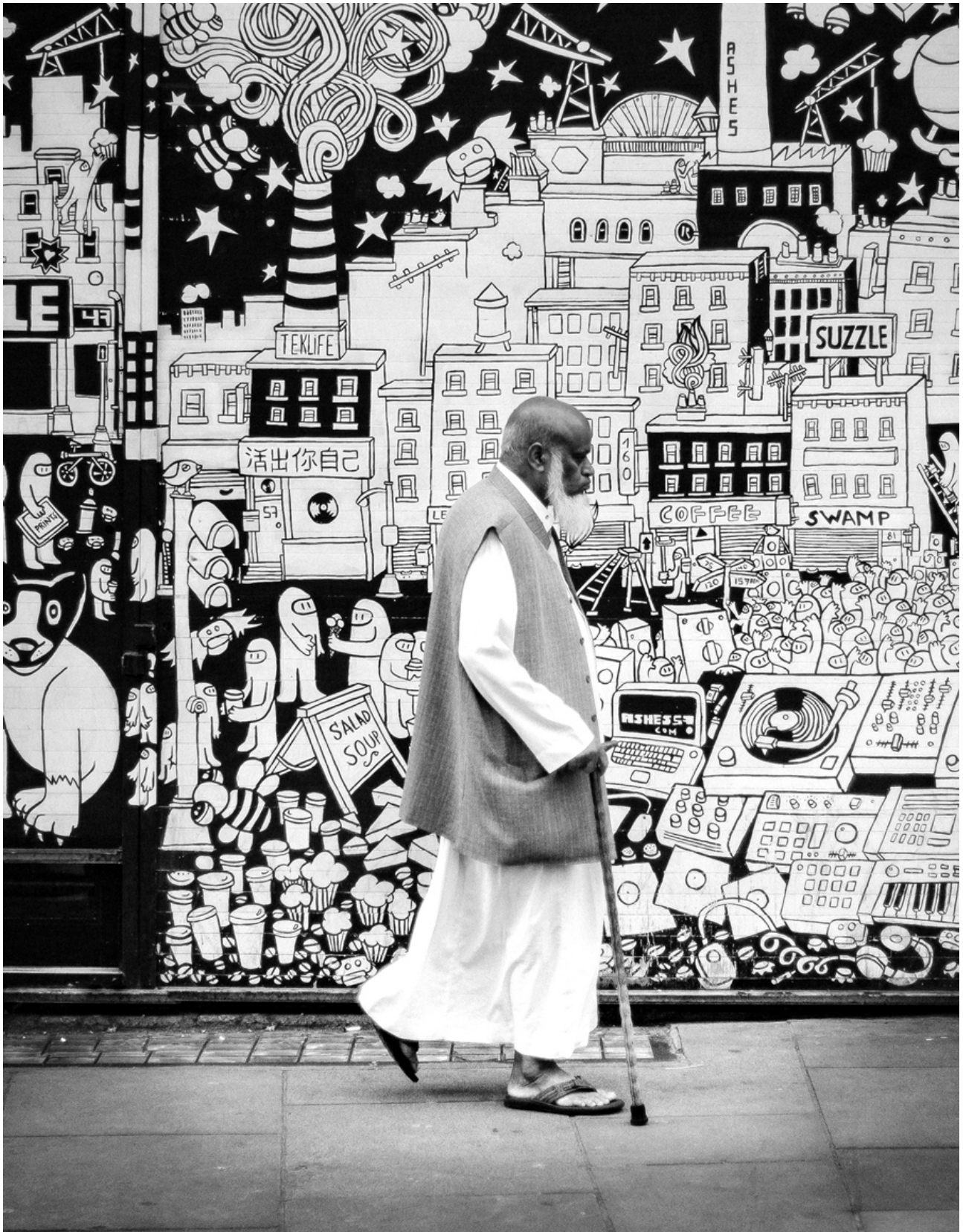
- Create statutory definitions and consistent minimum standards for the different types of older people's specialist housing. This will give older people a more secure basis for making decisions about moving into specialist housing to meet their needs. Proposals from Associated Retirement Community Operators offer a good starting point.<sup>1</sup>
- Provide dedicated funding to local authorities for older people's housing advice and support services. We believe this will create savings in the medium term, as living in more suitable housing reduces the need for health and social care.
- Develop a second-generation New Homes Bonus that specifically rewards councils for delivering older people's housing, either through enabling measures or direct delivery.

**About this report**

This report is based on data analysis, a literature and policy review, discussions with people who are involved in older people's housing - including developers, architects, local authorities, and third sector organisations - and most importantly on interviews with older Londoners themselves.

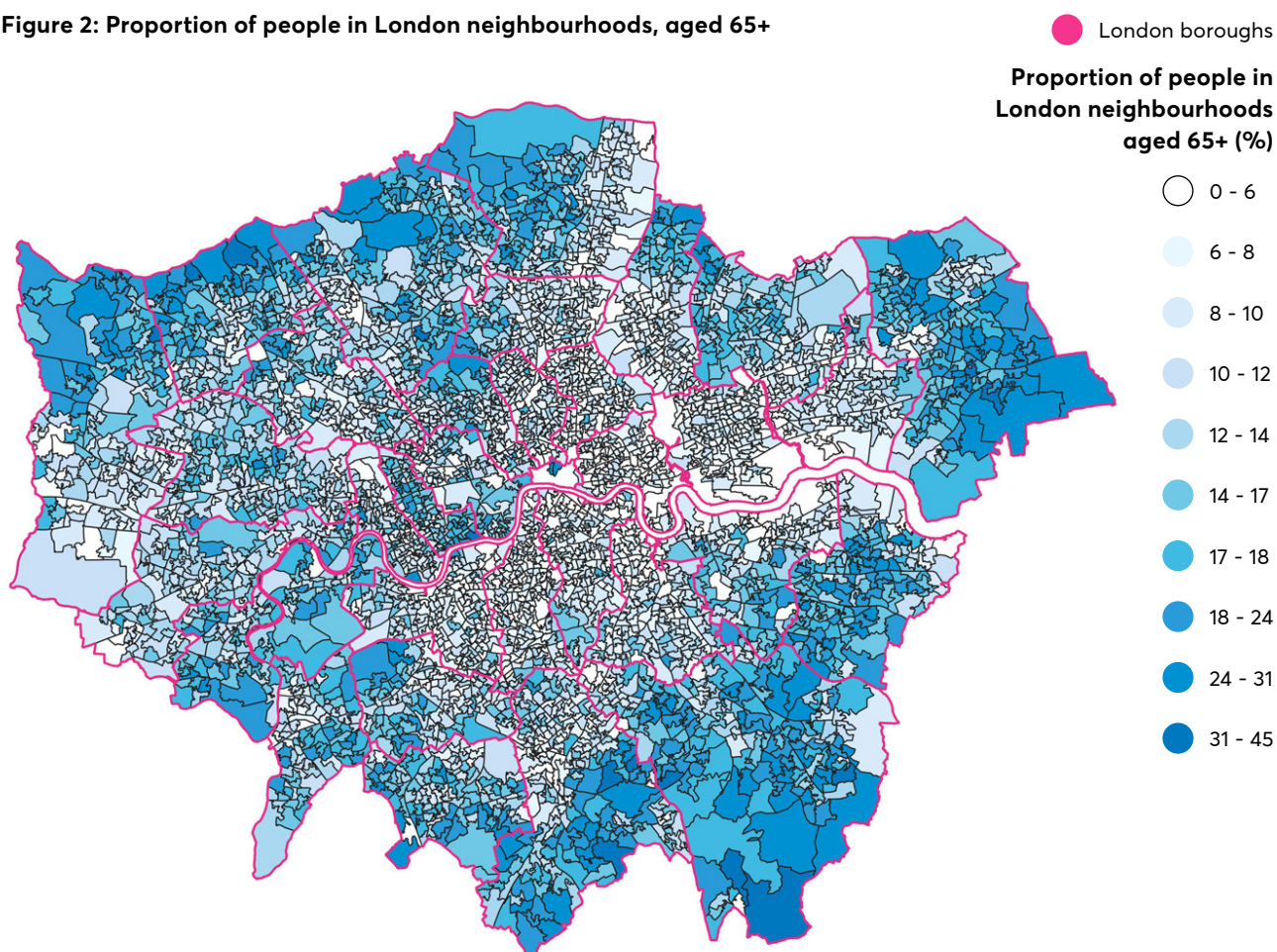
We have chosen not to address older people's care funding and over-occupancy in detail in this report, although some of our findings are relevant to these discussions.

# 1. London's older population



Housing is a key determinant of quality of life for older people living in London. If housing conditions deteriorate, so too does health. By 2030 there are projected to be over 1.4 million people aged over 65 living in London, 400,000 aged over 80, and 80,000 aged over 90.<sup>2</sup> Together, these age groups will make up 14 per cent of London's total population. Most older people currently live in outer London, but the population increase is projected to be the highest in inner London – where provision of specialist housing is currently the lowest.

**Figure 2: Proportion of people in London neighbourhoods, aged 65+**



Source: ONS, MYE2: Population estimates: by single year of age and sex for local authorities in the UK, mid-2018 Lower Super Output Area (LSOA)

Against this backdrop, there are three key trends shaping the housing trajectory of older people living in London.

### **1. Increased life expectancy and care needs**

While the coronavirus pandemic will have implications for mortality trends in the capital, up until last year Londoners aged over 65 experienced a long-term rise in life expectancy.<sup>3</sup> However, healthy life expectancy did not keep pace with the increase in overall life expectancy, so more years are being spent in poor health. Londoners living in affluent areas live significantly longer than people living in deprived areas. The boroughs with the shortest healthy life expectancy for women and men respectively are Tower Hamlets (57 years for women) and Newham (58 years for men), whereas the longest healthy life expectancy for both sexes is found in Richmond upon Thames (70 years for women and 72 years for men). Poverty is a major driver of poor health in older age, and reducing poverty among working-age and older adults would reduce these geographic inequalities.



An increase in the number of years that older Londoners spend in poor health has resulted in increased demand for social care provision across the capital. While adult social care budgets have been better protected than other local authority functions, they have not escaped cuts: total expenditure on adult social care was reduced by almost 15 per cent in the decade to 2018/19.

## **2. Renting into retirement**

Renting is likely to become more widespread for older Londoners in coming years than it was for previous generations. People in their mid-30s to mid-40s are three times more likely to rent than 20 years ago, and this trend looks likely to persist.<sup>4</sup> Across the capital, 35 per cent of people aged over 65 do not own their own home compared to an average of 27 per cent across the country.

Yet renting in London is costly. London has the highest rents of all UK regions, with the average cost of a 2-bed property in inner London £1,600 per month, and in outer London £1,200-£1,300.<sup>5</sup> However, the change in demand driven by the coronavirus crisis has caused some short-term changes to the market, pushing prices down in inner London and up in outer London. Rents in Zone 1 fell 25 per cent in the third quarter of 2020 compared to the previous year, whereas Zones 5-6 saw a 7.4 per cent increase over the same period.<sup>6</sup> It is uncertain whether these changes will last.

While some enjoy the flexibility that living in private rented accommodation offers, renting can mean insecurity and limited choice. This is particularly the case for older Londoners who are claiming Universal Credit. According to the National Landlords Association (NLA), only 18 per cent of landlords nationally accept tenants in receipt of government support, and this falls to 11 per cent in London.<sup>7</sup>

Many also live in rental properties that are in poor condition. The proportion of homes meeting the Decent Homes standard in London is lowest for privately rented properties. Twenty per cent of private rented homes were below standard in 2017, compared to 12 per cent of social rented homes and 17 per cent of owner-occupied homes.<sup>8</sup> Energy efficiency is a particular issue as many older people are concerned about heating costs. Renting into retirement also raises the risk of eviction when a landlord ends a tenancy – some London boroughs are seeing an increase in older people presenting as homeless for this reason.

## **3. Housing wealth and pensioner poverty**

Some older Londoners have accumulated significant housing wealth as house prices in London have increased. In Brent, an average semi-detached house bought in 1995 for £95,000 would now be worth £750,000. Some older Londoners have been able to use this housing wealth to support younger relatives in buying their own properties, or to move to much larger properties outside London.

However, this increase in aggregate property wealth does not always translate into an improved standard of living in older age. Even those who are lucky enough to own valuable property may not have much money to either maintain their homes or otherwise live on – while a large and growing minority of older Londoners don't own their homes at all.

Despite high aggregate levels of housing wealth between 2014/15 and 2018/19, Londoners aged over 65 experienced the largest increase in poverty rates of any demographic group. The poverty rate for couples aged over 65 rose by six percentage points (from 15 per cent to 21 per cent), and it also rose by six percentage points for single people aged over 65 (from 22 per cent to 28 per cent).<sup>9</sup>

## 2. What makes good housing for older people?



Older Londoners are diverse in their identities, cultures, tastes and aspirations. They do not all want the same type of home, but there are consistent themes: enough room inside, green space outside, access to services and shops. Some of this can be regulated – for example through space standards – but many aspects of quality homes are about good design rather than the application of rules.

### Space and bedrooms

London needs to build 66,000 new homes each year by 2030 to meet its needs, but quantity should not come at the expense of quality. Older Londoners require room for their evolving needs, new customs, and a lifetime of possessions and relationships. The Housing our Ageing Population Panel for Innovation (HAPPI) design framework emphasises the need for space as people get older and become more likely to spend time indoors.<sup>10</sup> In particular, having enough space inside makes it possible to exercise without leaving the home, perhaps by trying an online class.

The older Londoners we interviewed emphasised how the COVID-19 pandemic had made extra space more important for those unable to leave their homes. Balconies, gardens and private bedrooms or workspaces became a source of relief. Those living alone with extra space often told us that they did not want to give up bedrooms that could be used by visiting children or other family guests. These can additionally be useful for live-in carers, either paid or informal.

*“When you’re older and live alone you don’t want a home you can’t look after.”*

Too much space or the wrong kind of space can also be a problem. Some of the people we spoke to told us that conditions such as arthritis could make it difficult to look after their homes, especially when they are spread across different floors with stairs. For older Londoners with low incomes, and those living in older and poorly insulated homes, the likelihood of fuel poverty and health risks increases. Disrepair and poor heating – two symptoms of a non-decent home – can worsen health or force people to move.

Yet moving is rarely easy, for both practical and emotional reasons. Homes are not just physical structures and storage spaces. For older people in particular, they hold memories and create a link to past or present relationships. Single interviewees, for example, told us that they didn’t want to leave homes they had shared with deceased partners or children who had since moved away.

### The wider environment: active travel and safe streets

The right location is just as important as the right home. To be effective in meeting older people’s needs, housing must be integrated into their community. Strategic planning for older people’s housing also needs to take public realm, transport, and other services into account. An inclusive and well-designed built environment allows older Londoners to lead healthy, independent and creative lives outside their homes. For example, having pavements with dropped kerbs, traffic lights with phases long enough for slower walkers to cross, and benches to rest on the way can make the difference between being able to get to a shop or social group and being stuck at home. Clean, accessible public toilets are also essential for many older people to feel confident making journeys outside the home. Of course, these design elements benefit other groups as well: inclusive design is good for everyone.

Proximity to supermarkets, hospitals, GP practices and other essential services means that older people can avoid long, often tiring journeys. Many older people place particularly high value on interesting and lively high streets, and Centre for London is exploring this area in more detail through our research on [Community Town Centres](#).

When people live at a distance from these crucial amenities, affordable and quality public transport links are especially important. Initiatives such as the Freedom Pass and 60+ Oyster card, which provide free travel on buses, trams and trains, are a great help to many older people living on low incomes. Yet London still has a long way to go to ensure that these transport links are as accessible as they are affordable. One interviewee stated that though they lived close to the High Barnet Underground station, they had trouble getting to and from the station as it was located at the bottom of a hill. Overground and Tube stations without lifts, step-free access or user-friendly ticket machines are more common – and fixable – barriers to accessibility. The transport network has made progress on accessibility in recent years, but it is still too slow for many older people.

Not all safety can be improved with physical interventions. One Londoner told us that the fear of prejudice against herself and her wife influenced their choice of location when looking for a new home. A majority of interviewees brought up the anxiety associated with navigating hazardous neighbourhoods and streets designed for cars rather than people. Wider pavements, benches, better lighting and cleaner streets can increase older people's confidence in moving around their area. Likewise, they create space for the encounters and interactions that help people feel included and secure in their community. An inclusive and accessible environment must also offer older people safety and security.

### **Choice of location – close to home, or newer and greener?**

When their current home becomes inadequate for their needs, older people – or at least those who can afford to choose – must decide whether to stay local or move elsewhere. This is rarely a straightforward decision. Many interviewees said they were reluctant to search for a new home in a new location because they wanted to retain support networks that had taken years to establish.

Nonetheless, some people will choose to move. Congestion, busy streets and air pollution in the more urbanised areas all make open and greener spaces more attractive. One interviewee who had moved to an outer London borough told us that at first, they had been wary of leaving their more central location. However, one of the key advantages of their new area was its proximity to open green spaces. Indeed, many people we spoke to highlighted the value of living within walking distance of woods or fields, while still having access to good transport links that could easily take them into central London. Outer boroughs also have lower population churn rates, enabling greater security as well as the opportunity for more stable and long-lasting community ties among neighbours.

*"I had good neighbours where I used to live, but they were ever-changing and always very busy – as is the case in London. I decided to move somewhere I could have a supportive and stronger sense of community."*

Although outer London has more green space overall, it is still plentiful in parts of inner London. Planning for older people's housing should aim to make this open space accessible – both by choosing locations with this in mind, and by ensuring that routes to such spaces are also accessible and safe.

### **Loneliness and participation**

Older Londoners contribute £6.3 billion annually to London's economy through paid work, volunteering, being carers and looking after grandchildren.<sup>11</sup> As people live and work longer, they are able to make significant economic and social contributions that allow the city to thrive.



Many of the Londoners we spoke with participated in local activities and said that they valued feeling like part of the community. Those involved in local political organisations also had access to information and contacts that allowed them to have a say in shaping their neighbourhoods.

Regrettably, despite its place as a culturally diverse and global city, London is ranked amongst the loneliest cities in the world.<sup>12</sup> Analysis by Age UK estimated that in 2018, 198,000 older people in London could go for a month without meeting up with a friend.<sup>13</sup> This number will have increased due to coronavirus lockdowns, as older Londoners are particularly likely to have been shielding – and because some will have found it harder to connect with family and friends online.

Modern housing developments pay particular attention to placemaking, and often aim to provide a range of activities for residents that help them make new contacts or friends. For example, they might encourage chatting by providing a place to sit down and get a hot drink – or by having flexible, inviting rooms which can be used for group exercise, art or dance classes.

Given the diversity of London's population, we should particularly consider the intersectional barriers to participation that older people may face. The GLA's recent Survey of Londoners highlighted that loneliness and social isolation are more common amongst Londoners facing social disadvantage or exclusion.<sup>14</sup> While informal volunteering among older Londoners remains high, those without qualifications or lacking proficiency in English are less likely to volunteer, and may be missing out on the mental health and social benefits of doing so.

### 3. Communicating the options



Older people need accurate and relevant information to make good decisions. Good quality of life and access to good housing are not only dependent on economic security, but also rely on people's knowledge about the range of options available to them as they get older. Targeted and tailored communication that takes into account the diversity of older Londoners can lead to increased engagement of those actively planning for future housing.

"We started looking into the future when my partner was diagnosed with cancer and began to envision what life would look like if we didn't have one another. We wanted to make sure that if one of us died, the other would have safety, their needs in place and a community."

### The information and planning gap

Homes that accommodate the needs of older Londoners can only benefit people if they know about them. To make the right long-term decisions about where to live, before periods of crisis occur, people need accurate, impartial information – and they need to know how to find it. However, some of the people we spoke to said that they struggled to find helpful information. In fact, a number of distinct yet intersecting factors act as barriers to planning ahead.

- **Income:** 24 per cent of pensioners in London are living in poverty and, as a group, pensioners experienced the largest increase in the rate of poverty from 2014 to 2018. Vulnerability to poverty is higher for single pensioners, and those from Black and ethnic minority communities.<sup>15</sup> While 65 per cent of older Londoners are homeowners and are therefore potentially asset rich, they may nevertheless be income poor. Access to timely and reliable advice about sources of funding (and other services) is vital to ensure that financial barriers to good housing can be addressed in advance.
- **The age of over-information:** While the lack of information is a problem, too much information risks alienating people. It can make them feel overwhelmed and unsure where to start. Information on housing will only be effective if it is comprehensible and relevant. Signposts and referrals can ensure older people receive targeted assistance that reflects the diversity of their needs.
- **Digital exclusion:** The coronavirus pandemic – and the associated movement of information, resources and services online – has increased the presence of digital technology in the lives of all Londoners. Critically, it has deepened the gap between those who are digitally engaged and those without the skills, confidence and resources to get online. While Internet use among Londoners aged 65-74 increased from 52 per cent in 2011 to 83 per cent in 2018, there remains a generational gap which is widened by household income and educational levels. Many older Londoners told us that they have friends and contacts who are not online at all, and highlighted that local libraries remain key sources of information for these individuals.

- **Networks:** The World Health Organization’s Global Age-friendly Cities guide maintains that word of mouth remains the principal and preferred form of communication for older people, irrespective of how developed a city is. Indeed, the profusion of housing information, paired with the diverse needs and profiles of older Londoners, may lead to a preference for advice from personal networks that may seem more reliable. One of the Londoners we spoke to informed us that their decision to move to their current location was based on information from a LGBT+ conference for older people. Ethnic minority communities are less likely to use independent and formal advice services and may thus rely on local and community networks.<sup>16</sup>

### Learning from pensions and benefits

Recent changes in the pension regulations and benefits regime provide important lessons in how to communicate with older Londoners.

From its experience with the Pension Wise guidance service, the Department for Work and Pensions (DWP) learned that few people go out in search of guidance even as they are approaching retirement age.<sup>17</sup> The Pensions Regulator guide recommends that trustee boards of occupational pension schemes should run workshops or events where members can talk about schemes and retirement plans.<sup>18</sup> It may be possible for larger employers and community groups to provide similar information to “rising” older Londoners about their housing options.

Messages to older Londoners also need to be tailored. Not all those affected by the rising state pension age for women found out about it in time. A study by the University of Sheffield and TU Dortmund University showed that socioeconomically disadvantaged women were less aware of the changes and were therefore unable to adapt their employment and financial behaviour.<sup>19</sup> The experience of these women demonstrates that targeted awareness campaigns are needed to reach certain demographics: a “one size fits all” approach is not enough.

There are similar issues with the uptake of benefits. Four in ten older Londoners don’t claim Pension Credit even though they are eligible.<sup>20</sup> For older informal carers, the failure to claim Pension Credit risks a loss of up to £2,000 a year. Many people, and perhaps older people in particular, believe that benefits and similar support schemes are not for them – that others are worse off and need help more. Communications materials therefore need to make clear who is eligible for support, and remove the stigma that is associated with making a claim.

## 4. Using general housing stock for older people



Most older people in London live in mainstream housing. In this regard London is similar to the rest of England. Across the country, 90 per cent of people aged over 65 live in ordinary homes, while only six per cent of people aged over 65 live in specialist retirement housing, and five per cent live in residential care.<sup>21</sup>

Older people living in London are therefore just as exposed to London's housing crisis as other age groups. Any increase in overall housing affordability in the capital will also improve the accessibility of housing for older people living in London, and provide more opportunities for Londoners who want to move later in life. Rental reforms to give greater security of tenure would also benefit London's increasing population of older renters, ensuring fewer become homeless at the end of a tenancy. Such reforms would inevitably also benefit families and young people living in the capital.

For the 90 per cent of older Londoners who live in ordinary homes, there are things that can be done to improve life quality and promote healthy ageing in place. Housing development can meet the needs of current and future generations by providing age-friendly housing options within the mainstream market. Ultimately, well-designed homes and neighbourhoods – those that are energy efficient, safe, easy to get around and close to shops and transport – will help make ageing in place an attractive option for Londoners who want to live in the same local area their whole life.<sup>22</sup>

### **Making homes adaptable as people age**

Home adaptations can enable older people with health problems and disabilities to age well and live independently. According to the latest available figures, 52 per cent of Londoners over the age of 65 have a disability, compared to just nine per cent of those under 65.<sup>23</sup> Some homes are easier to adapt than others, and people may struggle both to find funds for an adaptation and to access reliable information on how to carry it out. Specialist older people's housing, such as that delivered in retirement communities, is often built to be highly adaptable so that it can meet people's needs as their health changes.

Designing new build homes to be more adaptable and flexible makes it easier for people to stay in them as they age. Examples include a step-free entrance to the house, a bathroom that is level with the entrance, and plug sockets at waist height. Many of these features are also useful to other types of resident, whether or not they have disabilities. For example, step-free access and wide hallways make life much easier for parents with pushchairs – and for cyclists who keep bikes in their outdoor space.

Adaptability was previously described in the Lifetime Homes Standards. For London, these have now been integrated into accessible housing policy within the "Intend to Publish" version of the London Plan.<sup>24</sup> Accessible housing policy requires that 90 per cent of all new build housing in London meets accessible and adaptable buildings standards, with the remaining 10 per cent required to go further by being wheelchair accessible.<sup>25</sup>

London boroughs contribute to the cost of essential home adaptations for their residents across all tenure types through Disabled Facilities Grants (DFG). The amounts people receive are dependent upon savings and income, rather than house value.<sup>26</sup> Government funding of DFGs doubled between 2014-15 and 2019-20 – reaching £500m – as they became part of the pooled health and social care budget, known as the Better Care Fund.<sup>27</sup> Though local adaptation services are becoming more user focused, older people who try to access them often find that there is a lack of independent information and advice about suitable adaptations.<sup>28</sup>

### Intergenerational housing

Intergenerational (or multigenerational) living has been increasing in London and across the UK. In London, 25 per cent of people aged over 70 are living in multigenerational households – far higher than the UK average of 15 per cent.<sup>29</sup> Older people from Black, Asian and Minority Ethnic (BAME) communities are more likely than White people to be living with younger generations.

Policymakers and housing developers alike are increasingly interested in delivering intergenerational housing – for example, homes with living space for two households and shared indoor areas and outside spaces. These homes will be a useful innovation for many families, allowing grandparents to be involved in their grandchildren’s lives and potentially to support their care. Separate living space means that older people can retain their independence, while family members remain close by to provide care and support. In some cases, this may reduce the need for professional care. However, policymakers should not try to use intergenerational housing as a way to make family members provide complex or full-time care when professional support would be appropriate. This can place an impossible burden on families – especially female “sandwich carers”, who simultaneously provide care for older and younger relatives.

It is too early to say what impact coronavirus may have on the propensity to explore this type of living. More research is needed to understand the impact of intergenerational housing on family relationships, care needs, and older people’s health.

### Co-housing

Co-housing refers to a group of people who are not relatives yet live together under one roof – usually in individual rooms or small flatlets but with shared living facilities. In the UK, the model is usually based on owner-occupation, with a mortgage held in common if necessary, but it can also exist through other tenure types. There are over 20 built co-housing communities in the UK, including one Older Women’s Cohousing Project in Barnet for women aged over 50.<sup>30</sup>

This model is still in its infancy in the UK, but in northern European countries such as Denmark co-housing communities (“bofællesskaber”) have increased in popularity since the 1960s. In Denmark, co-housing communities account for approximately 20 per cent of homes, or 541,000 units.<sup>31</sup> Approximately 250 senior co-housing communities have been established in the country since 1987.

Co-housing can be a good option to alleviate loneliness, share some housing costs, and to manage some care needs. Setting up co-housing arrangements is complex and slow, requiring a great deal of negotiation over the use of shared spaces, how people will help each other, and what will happen when care needs increase over time. Without significant legal and regulatory change, co-housing is likely to remain a minority option in London – but one with potential for growth.



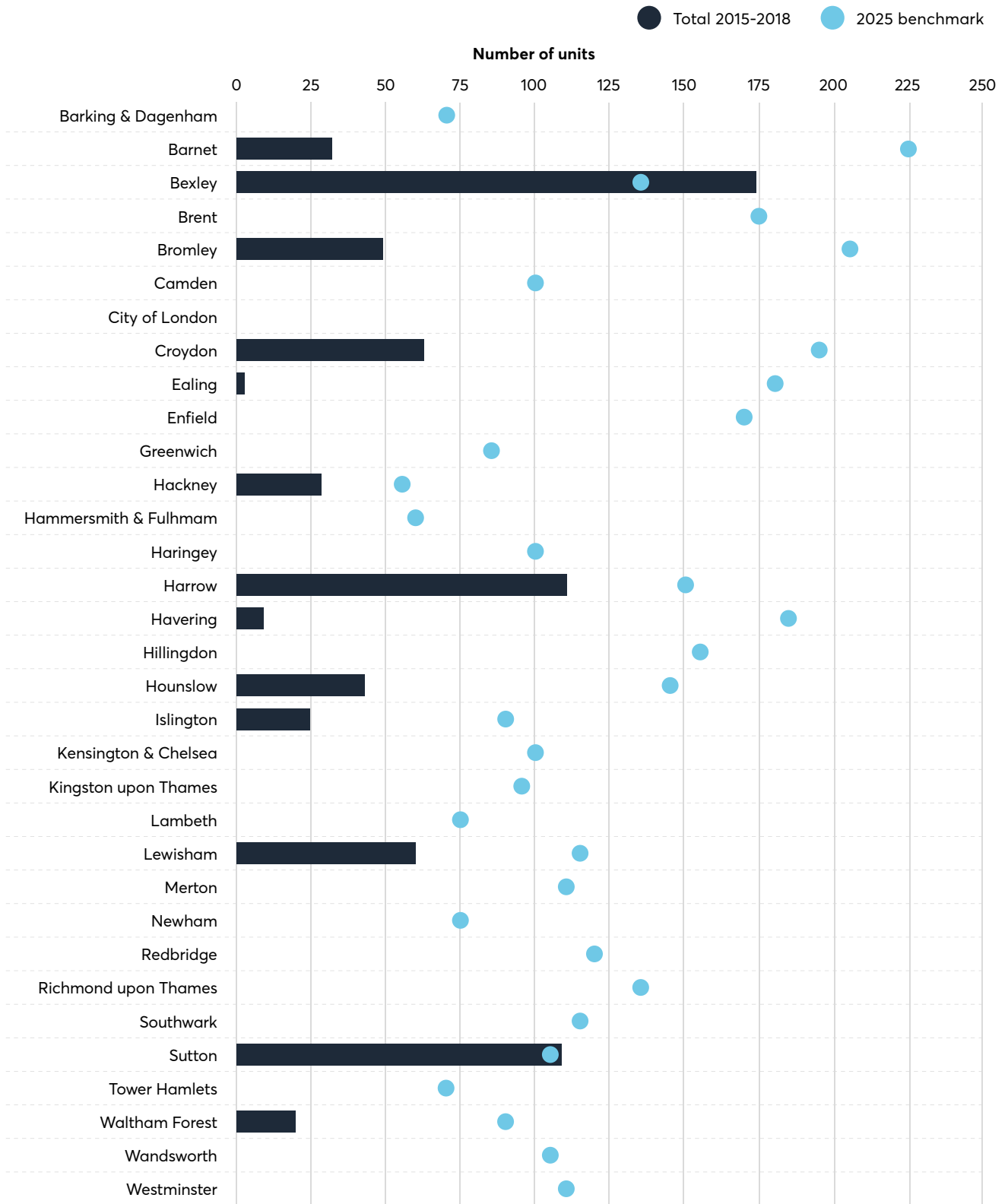
# 5. Specialist housing for older people





Any approach to older people's housing will require some specialist housing alongside ordinary homes. Yet London is some way off reaching its targets for this type of building as set out in the London Plan. In some boroughs, the number of new units completed is actually negative, as existing older people's accommodation is converted to other uses (usually student or general needs housing). More detailed information on this issue can be found in our [data paper](#).

**Figure 3: Net specialist older people's housing completions, 2015-2018**



Source: GLA, London Development Database

Currently, there is less of a shortage of care homes for older people than there is of specialist housing. However, there is a risk that demand for care homes will increase if older people cannot find housing that suits their needs. Providing specialist housing, including in retirement communities, can help mitigate this risk by helping people to live independently for longer.

There are a number of linked barriers to London getting the amount of older people's housing it needs. Some are quite specific to the city, or even to certain parts of it, whereas others apply across England.

### Commercial factors: supply of housing

London's high land prices, high staff costs, and the relative profitability of other types of development mean that, in the absence of incentives or requirements, supply coming to the market is likely to be limited.

1. **High land prices:** These make it hard to develop properties which are affordable for older people but still meet their requirements – except perhaps at the top end of the market. This problem is particularly acute in inner London, where most of the projected growth in the older population will be. High land prices also make it hard to provide green space as part of a development – something which is important to many older people, especially as their mobility declines and it becomes harder to get to the countryside or to a park. Taken together, these factors mean that older people may choose to stay in their existing home even if it is hard for them to manage, because otherwise they will lose space or garden access.
2. **Competition:** In many cases, higher returns can be generated from student and general needs housing. Retirement community housing generally requires communal spaces, single-person flats with their own facilities, and sufficient space to meet accessibility needs. Its space-intensive nature thus makes it expensive to build.
3. **Staffing:** Many retirement communities and extra care settings require staff, for which costs can be higher in London. This compounds the difficulties of making a new development financially viable. Part of the challenge lies in how older people's care is funded – a perennially important topic, but one outside the scope of this report to address.

The long-term impact of coronavirus and Brexit on London's property market remains to be seen, but it may shift the commercial balance towards providing older people's housing as the demand for (and price of) other housing types fall. Despite a perception that many older Londoners are keen to move to a less urban location, surveys since the pandemic began have shown that Londoners aged 65+ are the least likely age group to expect to move in the next year:<sup>32</sup> Therefore their housing demand is unlikely to change much in the short term. However, there may be a fall in demand for student accommodation if universities maintain online teaching as an option. There may also be lower demand from working-age adults for certain types of smaller inner London properties, as commuting patterns change and people prioritise having a garden and perhaps working space in the home.

### Commercial factors: demand for housing

Older Londoners are exacting customers when considering where and how to live. This is right and proper, given the significance of the decision. Our research suggests that some factors may be reducing the demand for specialist housing in London, including among people who might otherwise have considered it. Current supply is not enough to meet demand – and if these factors change, demand may increase further.

1. **Lack of knowledge:** Across all tenancy types, many older people (and “rising” older people) lack knowledge of the types of housing that might be available if they moved from their current home. In particular, they may lack knowledge of the differences between specialist housing and care homes. This issue is covered in more detail in Chapter 3 above.
2. **Coronavirus fears:** There have been some suggestions in the media that fear of coronavirus infection has made people more reluctant to move into care homes. This reluctance may also be due to worries about loneliness, given that communal activities and visits have been heavily restricted during the pandemic. We do not yet know whether this will change once infection rates are under control and vaccinations rolled out. Neither is it clear whether these fears apply to other types of specialist housing as well as care homes.
3. **Transparency and competitiveness about cost:** Concerns about unclear and unfair pricing in some care homes led to a Competition and Markets Authority investigation in 2016.<sup>33</sup> While this does not affect other forms of older people’s housing, it may be affecting trust in the whole sector. There have been some concerns about leasehold older people’s flats being hard to sell because of high service charges and restrictions on who can buy them,<sup>34</sup> although this is also part of a wider issue with the English leasehold system.<sup>35</sup> These issues only affect a minority, but they may be putting off some people who would otherwise consider moving.

### Policy and regulatory factors

Changes to the planning system – at the level of both local authority plans and individual applications – have the potential to increase the supply of older people’s housing in London.

1. **Planning classes:** Under the current system of planning regulation – which may be abolished with the new White Paper – most residential housing is in use class C3, while “care” facilities, which generally include nursing homes, are in use class C2. This system does not easily deal with “extra care” housing, where people have their own flat or apartment (rather than just a bedroom and bathroom) but where personal care is provided on site. It is also complicated when a proposed development includes both supported housing without personal care and a care home. This lack of clarity can slow down and complicate the planning permission process, for both new builds and changes of use.<sup>36</sup>
2. **Delivery targets:** The London Plan sets out delivery targets for the number of older people’s homes to be built in each borough. However, these are not always reflected in borough-level policies for developing older people’s housing or care home beds. Research by Irwin Mitchell in 2019 found that 19 out of London’s 32 borough local plans had neither a clear policy on the number and type of units needed in their area over a set time frame, nor site allocations set out.<sup>37</sup>
3. **Definitions and quality standards:** Care delivered in care homes is regulated by the Care Quality Commission, which also regulates hospitals and other healthcare settings. However, there is no statutory definition for other types of older people’s housing, or agreed quality standards in planning. Proponents of standards and regulations for the sector argue that this would increase consumer confidence and reduce reputation risk, thereby making it easier to attract investment for older people’s housing.<sup>38</sup>

These systemic policy factors can make the granting of planning permission for an older people's housing development a difficult matter to predict. The process can also be rather slow, and some developers have told us that it has become slower in the last few years. Some developers and architects are concerned that the process of implementing the new planning White Paper will slow decision making even further. This adds risk to the system and makes it harder for developers to obtain financing for their projects. The problem is perhaps compounded by beliefs in some quarters that older people's or specialist housing “does not work” in London or is not wanted by communities.

Of course, planning permission should never be a given – and some proposals for older people's housing are not good enough and deserve to be turned down. Sometimes designs do not provide enough shared space, are not attractive from the inside or outside, and are not responsive to the needs of current and future residents. We need more, not less, genuine public engagement with decisions about what type of housing is built, what it looks like, and how it will be supported by local infrastructure such as public transport and NHS facilities. But a good planning process does not need to be a slow one. Greater investment in GLA and local authority planning departments, or better sharing of expertise between them, could allow for the development of a specialised cadre of planning officers who are expert in older people's and specialised housing developments – thereby increasing the rate and quality of decision making and ultimately improving supply.

## Conclusion

London's older population is growing – bringing real opportunity, but also significant challenges in providing housing which meets older people's needs and aspirations, and supports them as active citizens. This report has made the case for a stronger and more coordinated approach to providing housing that suits the needs of London's diverse older population.

It's particularly important that we increase the number of specialist homes we build in London for older people. This should be based on good public engagement - with older people and others in the local community - and underpinned by targets at a London and local level.

London also needs to improve the information we provide to Londoners about the housing options that are available to them as they age. The GLA, local authorities and third sector organisations all have a key role to play in providing this information - government funding in this area is likely to be a good investment, saving care costs later on.

We think that these changes need to be underpinned by a cultural shift: towards valuing the contribution that older people make to our communities, economies and families and away from seeing age as a problem to be overcome. Our full list of [recommendations](#) to national, London and local government can be found in the [Summary](#).



# Endnotes:

1. Associated Retirement Community Operators (2020). Coming of Age? Better housing options for older people. Retrieved from: <https://www.arcouk.org/resource/coming-of-age-better-housing-options-for-older-people>
2. POPPI, Population aged 65 and over, projected to 2035
3. The King's Fund (2020). What is happening to life expectancy in the UK? Retrieved from: <https://www.kingsfund.org.uk/publications/whats-happening-life-expectancy-uk>
4. Office for National Statistics (2020). Living longer: changes in housing tenure over time. Retrieved from: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/livinglonger/changesinhousingtenurevertime>
5. Mayor of London (2020). London Rents Map. Retrieved from: <https://www.london.gov.uk/what-we-do/housing-and-land/improving-private-rented-sector/london-rents-map#acc-i-48689>
6. See "Change in average rent by London zone" graph in Centre for London (2020). The London Intelligence, November 2020. Retrieved from: <https://www.centreforlondon.org/publication/the-london-intelligence-nov-2020/>
7. Housing and Care For Older People All-Party Parliamentary Group (2019). Rental Housing for an Ageing Population. Retrieved from: [https://www.housinglin.org.uk/assets/Resources/Housing/Support\\_materials/Other\\_reports\\_and\\_guidance/HAPPI-5-Rental-Housing.pdf](https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Other_reports_and_guidance/HAPPI-5-Rental-Housing.pdf)
8. Mayor of London (2019). Housing in London: 2019. Retrieved from: [https://www.london.gov.uk/sites/default/files/housing\\_in\\_london\\_2019.pdf](https://www.london.gov.uk/sites/default/files/housing_in_london_2019.pdf)
9. Trust for London (2020). Pensioners: Londoners aged over 65. Retrieved from: <https://www.trustforlondon.org.uk/data/populations/pensioners/#:~:text=Between%202014%2F15%20and%202018,from%2022%25%20to%2028%25>
10. Homes and Communities Agency (2009). The Housing our Ageing Population Panel for Innovation (HAPPI) Report. Retrieved from: <https://www.housinglin.org.uk/Topics/type/The-Housing-our-Ageing-Population-Panel-for-Innovation-HAPPI-Report-2009/>
11. Mayor of London (2013). The Economic Contribution of Older Londoners. Retrieved from: <https://www.london.gov.uk/what-we-do/business-and-economy/business-and-economy-publications/economic-contribution-older>
12. Lendlease (2018). The Loneliness Lab: The Story So Far. Retrieved from: <https://drive.google.com/file/d/1GTFTevcILLn7NoszVfj5ELCGiVPhrdDQ/view>
13. Age UK (2018). 198,000 older Londoners haven't met up with a friend in a month. Retrieved from: <https://www.ageuk.org.uk/london/about-us/news/articles/2018/122/198000-older-londoners-havent-met-up-with-a-friend-in-a-month/>
14. Greater London Authority (2019). Survey of Londoners Headline Findings. Retrieved from: <https://data.london.gov.uk/dataset/survey-of-londoners-headline-findings>
15. Trust for London (2020). Pensioners: Londoners aged over 65. Retrieved from: <https://www.trustforlondon.org.uk/data/populations/pensioners/#:~:text=Between%202014%2F15%20and%202018,from%2022%25%20to%2028%25>
16. 94 per cent of those using local services offered by FirstStop Advice described themselves as "White British", with only five per cent identifying as being from other ethnic groups. See Cooper, K. (2015). FirstStop Advice for Older People: An independent evaluation of local services. Retrieved from: <https://housingcare.org/downloads/kbase/3432.pdf>

17. House of Commons Work and Pensions Committee (2018). Pension freedoms: Ninth Report of Session 2017-19. Retrieved from: <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/917/917.pdf>
18. The Pensions Regulator (2019). Communicating and reporting. Retrieved from: <https://www.thepensionsregulator.gov.uk/en/trustees/managing-dc-benefits/6-communicating-and-reporting>
19. The study found that "socioeconomic differences in the awareness of pension reforms therefore have the potential to increase already existing social inequalities in late-career and retirement transitions". See Holman, D., Foster, L., Hess, M. (2018). Inequalities in women's awareness of changes to the State Pension Age in England and the role of cognitive ability. Ageing and Society, 40(1), 144-161. DOI: <https://doi.org/10.1017/S0144686X1800082X> Retrieved from: <https://www.cambridge.org/core/journals/ageing-and-society/article/abs/inequalities-in-womens-awareness-of-changes-to-the-state-pension-age-in-england-and-the-role-of-cognitive-ability/295D327F000A9790C1C92903E6621B18>(private use version available at <http://eprints.whiterose.ac.uk/134774/5/Inequalities%20to%20Women%27s%20Awareness%20of%20Changes%20to%20State%20Pension%20Age%20in%20England%20R2.pdf>
20. London Data Store (2020). Poverty in London 2018/19. Retrieved from: <https://data.london.gov.uk/blog/poverty-in-london-2018-19/>
21. London Assembly (2013). Homes for older Londoners: Building healthy homes for a comfortable and independent retirement. Retrieved from: [https://www.london.gov.uk/sites/default/files/gla\\_migrate\\_files\\_destination/Final%20draft%20report%2026%20November%20%28Recovered%29\\_0.pdf](https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/Final%20draft%20report%2026%20November%20%28Recovered%29_0.pdf)
22. Tinker, A. & Ginn, J. (2015). An Age Friendly City – how far has London come? Retrieved from: <https://www.kcl.ac.uk/archive/publications/age-friendly-london-report.pdf>
23. See "LC3101EWIs- Long term health problem or disability by sex by age" Census 2011. Retrieved from: <https://www.nomisweb.co.uk/census/2011/lc3101ewls>
24. Mayor of London (2019). The London Plan (Intend-to-Publish version). Retrieved from: [https://www.london.gov.uk/sites/default/files/intend\\_to\\_publish\\_-\\_clean.pdf](https://www.london.gov.uk/sites/default/files/intend_to_publish_-_clean.pdf)
25. Mayor of London (2019). The London Plan (Intend-to-Publish version). Retrieved from: [https://www.london.gov.uk/sites/default/files/intend\\_to\\_publish\\_-\\_clean.pdf](https://www.london.gov.uk/sites/default/files/intend_to_publish_-_clean.pdf)
26. Care and Repair England (2019). Helping with home adaptations: Improving local services. Retrieved from: <http://careandrepair-england.org.uk/wp-content/uploads/2019/11/DFG-Challenge-Checklist.pdf>
27. Mackintosh, S. & Leather, P. (2016). The Disabled Facilities Grant Before and after the introduction of the Better Care Fund. Glossop: Foundations. Retrieved from: <http://careandrepair-england.org.uk/wp-content/uploads/2014/12/dfg-report-main-findings-final.pdf>
28. Care and Repair England (2019). Helping with home adaptations: Improving local services. Retrieved from: <http://careandrepair-england.org.uk/wp-content/uploads/2019/11/DFG-Challenge-Checklist.pdf>
29. Wills, J. and Belcher, E. (2020). London: a place for older people to call home. London: Centre for London. Retrieved from: <https://www.centreforlondon.org/reader/older-londoners-housing/>
30. GRIHub (2019) UK Multigenerational housing market to triple by 2040. Retrieved from: [https://www.griclub.org/news/real-estate/uk-multigenerational-housing-market-to-triple-by-2040\\_833](https://www.griclub.org/news/real-estate/uk-multigenerational-housing-market-to-triple-by-2040_833)
31. Future Distributed (2020). Social Housing in Denmark: The Tenant Democracy. Retrieved from: <https://futuredistributed.org/social-housing-denmark/>
32. Centre for London (2020). The London Intelligence, October 2020. London: Centre for London. Retrieved from: <https://www.centreforlondon.org/publication/the-london-intelligence-oct-2020/>
33. Competition and Markets Authority (2017). Care homes: consumer protection case. Retrieved from: <https://www.gov.uk/cma-cases/care-homes-consumer-protection-case>
34. See for example Collinson, P. (2019, November 16). My flat was £161,950 in 2007 – now I'm offered just £28,000. The Guardian. Retrieved from: <https://www.theguardian.com/money/2019/nov/16/flat-retirement-builder-value-mccarthy-stone>

35. Law Commission (2020). Leasehold Enfranchisement. Retrieved from: <https://www.lawcom.gov.uk/project/leasehold-enfranchisement/>
36. Housing LIN (2011). Planning Use Classes and Extra Care Housing. Retrieved from: [https://www.housinglin.org.uk/assets/Resources/Housing/Support\\_materials/Viewpoints/Viewpoint\\_20\\_Planning\\_Use\\_Classes.pdf](https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Viewpoints/Viewpoint_20_Planning_Use_Classes.pdf)
37. Irwin Mitchell (2019). 45% Of The UK's Local Authorities Still Not Planning Ahead For Elderly Persons' Housing. Retrieved from: <https://www.irwinmitchell.com/news-and-insights/newsandmedia/2019/october/45-percent-of-the-uks-local-authorities-still-not-planning-ahead-for-elderly-persons-housing>
38. Associated Retirement Community Operators (2020). Sector unites in call for taskforce to unlock growth [Press Release]. Retrieved from: <https://www.arcouk.org/press-release/sector-unites-in-call-for-taskforce-to-unlock-growth>



**Open Access. Some rights reserved.**

As the publisher of this work, Centre for London wants to encourage the circulation of our work as widely as possible while retaining the copyright. We therefore have an open access policy which enables anyone to access our content online without charge. Anyone can download, save, perform or distribute this work in any format, including translation, without written permission. This is subject to the terms of the Centre for London licence.

Its main conditions are:

- Centre for London and the author(s) are credited
- This summary and the address [centreforlondon.org](http://centreforlondon.org) are displayed
- The text is not altered and is used in full
- The work is not resold
- A copy of the work or link to its use online is sent to Centre for London.

You are welcome to ask for permission to use this work for purposes other than those covered by the licence. Centre for London gratefully acknowledges the work of Creative Commons in inspiring our approach to copyright.

To find out more go to [creativecommons.org](http://creativecommons.org)



**Published by:**

Centre for London 2021  
© Centre for London.  
Some rights reserved.  
32 - 33 Hatton Garden  
London, EC1N 8DL  
T: 020 3757 5555  
[hello@centreforlondon.org](mailto:hello@centreforlondon.org)  
[centreforlondon.org](http://centreforlondon.org)  
Company Number: 8414909  
Charity Number: 1151435

## About Centre for London

### **We are London's think tank.**

Our mission is to develop new solutions to London's critical challenges and advocate for a fair and prosperous global city.

### **We are a politically independent charity.**

We help national and London policymakers think beyond the next election and plan for the future.

### **We have ideas with impact.**

Through research, analysis and events we generate bold and creative solutions that improve the city we share.

### **We believe in the power of collaboration.**

We bring together people from different parts of the city - with a range of experience and expertise - to develop new ideas and implement them.

### **As a charity we rely on the support of our funders.**

Our work is funded by a mixture of organisations and individuals who share our vision for a better London.

Find out more at [centreforlondon.org](https://centreforlondon.org)