

Policy: report

# A better fit?

Creating housing choices for an ageing population



# Shelter



# Foreword



The ageing society is one of the most well-documented and universally accepted facts of our time, so it is surprising that the housing system – both public and private – has been so slow to adapt to the changing needs of this important group. After all, the cohort of baby boomers now entering older age are both numerous and politically influential. Many of them have accumulated wealth, much of it in the form of housing equity. There is clearly a market opportunity to offer more and better housing options tailored to the needs and aspirations of older people.

At the same time, the over 55s group includes some of our most vulnerable and excluded households. Poor health, social isolation and fuel poverty are all more common among older people. There have been many attempts to respond to these problems with public policies and new initiatives – but few have sought to tackle the fundamental housing questions at the heart of many of these issues. As the work of Lord Best and the HAPPI project have highlighted, older people are a very diverse group and no one housing solution will work for everyone. However, there is clearly more that could be done to ensure everyone can live in a comfortable home suited to their needs as they get older.

In this context, Shelter wanted to explore the opportunities for better housing options designed to meet the needs of an ageing society. Older people's housing does not exist in a vacuum: it is a terrible irony of our housing crisis that single older people struggling to maintain or heat homes that are too big for them coexist with appalling overcrowding. Every under occupier enabled and supported to downsize into a better home for them frees up a larger home that could house a family in need of space – whether in the market or the social sector.

In this report, we demonstrate that there is both a need and a real opportunity to improve the lives of millions in our society – old and young alike – by giving greater focus and drive to our efforts to build quality homes for our older people.

A handwritten signature in black ink that reads "Campbell Robb". The signature is written in a cursive, slightly slanted style.

**Campbell Robb**  
Chief Executive, Shelter

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April 2012

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Cover photograph Kate Stanworth

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Shelter's work is independent and the views expressed in this publication are those of Shelter.

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# Summary: A better fit?

England's population is ageing, and fast. By 2030 one in three people are projected to be aged 55 and over. Older people will be a diverse group, ranging from economically powerful 'baby boomers' to over-85s with high care and support needs. How will the housing market respond to this demographic change? Do we have the right kinds of accommodation for older people, in the right places?

## Older people and housing today

There are approximately 14.7 million older people and 7.3 million 'older households' in England today. These are households where everyone is aged 55 or over. Most are couples or single people living alone; in particular there are many single women aged 75 or over.

Most older people are owner-occupiers and have already paid off their mortgages. Older people, in particular older owner-occupiers, tend to live in larger homes than other households. Sixty-eight per cent of older homeowners live in a home that has at least two spare bedrooms, technically known as 'under-occupation'. This measure is controversial, not least because most older people think that their home is about the right size for them. However, there is also a growing problem of intergenerational housing inequality with younger households unable to buy their first home without over-leveraging on debt.

## Older people's attitudes to housing

Many older people want to stay in their current home for as long as possible and have strong emotional ties to their home, possessions, or neighbourhood. Moving house can be a very daunting and stressful experience for some older people, and they are often unaware of their housing options, or simply perceive that there are no suitable homes available for them.

While some older people plan a move, or move for lifestyle reasons, many only move later in life or at a time of crisis, for example when care needs or health problems become unmanageable. Tailored support and practical help can assist older people with their housing needs.

Although a minority, a significant number of older people we surveyed felt that their home was difficult to manage, or would become difficult in the next ten

years. The need for social interaction, and for a safe, warm and accessible home often becomes more important with age. Older people want housing that is attractive, in a safe, well-connected neighbourhood. They typically value homes that are well insulated, have some outdoor space, and have a spare bedroom. Over a third of older people are interested in the idea of retirement housing either now or in the future, suggesting a latent demand for this market.

## The current market for older people's housing

Specialist housing – that is available only to older people – makes up a small proportion of the market and the majority of older people live in general, mainstream housing. There are approximately 533,000 specialist homes in England, mainly in the social-rented sector with some support facilities to give residents practical day-to-day help.

There is very little specialist housing available to buy or rent privately, and very little mid-range specialist housing for older people who are not wealthy but do not rent socially. In the mainstream housing sector there is an under supply of bungalows relative to demand, and not all homes are easily accessible to those with limited mobility.

Few developers are active in building for the older people's market and they are constrained by complex planning regulations, financial viability and a lack of strategic vision at local authority level. We need a much greater supply of specialist housing for older people. If demand for specialist housing remained constant, the supply would need to grow by 70 per cent just to accommodate the growth in the number of older households over the next twenty years, some of which may be met through turnover in the existing stock but some of which must come from new builds.

## The benefits of expanding options for older people

Evaluations of retirement housing schemes have largely shown positive outcomes for older people. Residents' health, safety and well-being tends to improve and there are increased opportunities for social interaction. Moving to smaller, more energy efficient accommodation can help older people to stay warm and save money on energy bills. Economic benefits can include employment opportunities for the local community and cost savings to the NHS through improved health and the reduced likelihood of accidents and falls. However, service charges and reductions in on-site care facilities are contentious issues for some older people living in specialist accommodation.

When older people downsize to smaller accommodation, there is a market chain effect and larger properties become available to other households. This is a complex picture however, as new buyers may themselves 'under-occupy'.

## How to increase housing options for older people

England has a rapidly growing population of older people, but few strategies exist to ensure that they will all be able to live somewhere decent and affordable that meets their changing needs. There is also very little recognition among policy makers of the wider socio-economic benefits of such provision. For older people themselves, the fear of the unknown and the lack of suitable and attractive options present further barriers to more widespread downsizing.

## Recommendations

- We need a significant increase in the supply and range of suitable housing for older people, including private-rented and owner-occupied specialist housing.
- Developers should build attractive and well-designed homes for older people and specialist providers must be upfront about their services and charges.

- The planning system must support the development of housing for older people. The introduction of the National Planning Policy Framework provides an opportunity to give housing for older people a higher priority and to clarify the guidance on how housing for older people should be classified.
- Older people need to be better informed about their housing options at an early stage and to plan ahead accordingly. Many need practical help and support with their housing and with planning their later life.
- Local government can do more to facilitate schemes that help older people move to accommodation that's more suited to their needs.
- Local planning authorities must factor older people's housing into local plans, strategies and housing market assessments, while integrating these with health and social care strategies.

## Methodology

This report was informed by:

- A market assessment of housing options for older people carried out by the New Policy Institute (NPI) on behalf of Shelter and the Joseph Rowntree Foundation. The full analysis can be downloaded from NPI's website at [www.npi.org.uk](http://www.npi.org.uk)
- A survey of respondents aged 55 and over carried out by YouGov Plc on behalf of Shelter in February 2012. This survey has been weighted and is representative of GB adults aged 55 and over.
- Secondary analysis of existing literature and data sources, as well as informal consultation with sector stakeholders.

# Introduction

The demographic shape of England is changing profoundly and this shift will have major impacts on the way that we live. As life expectancy in England has improved over the last 25 years, there has been an increase of some 2.3 million people aged 55 and over to 14.7 million people. The over 55s now account for 28 per cent of the total population (up from 26 per cent in 1985)<sup>1</sup>, and these trends are set to continue – by 2030 one in three people are projected to be aged 55 and over.

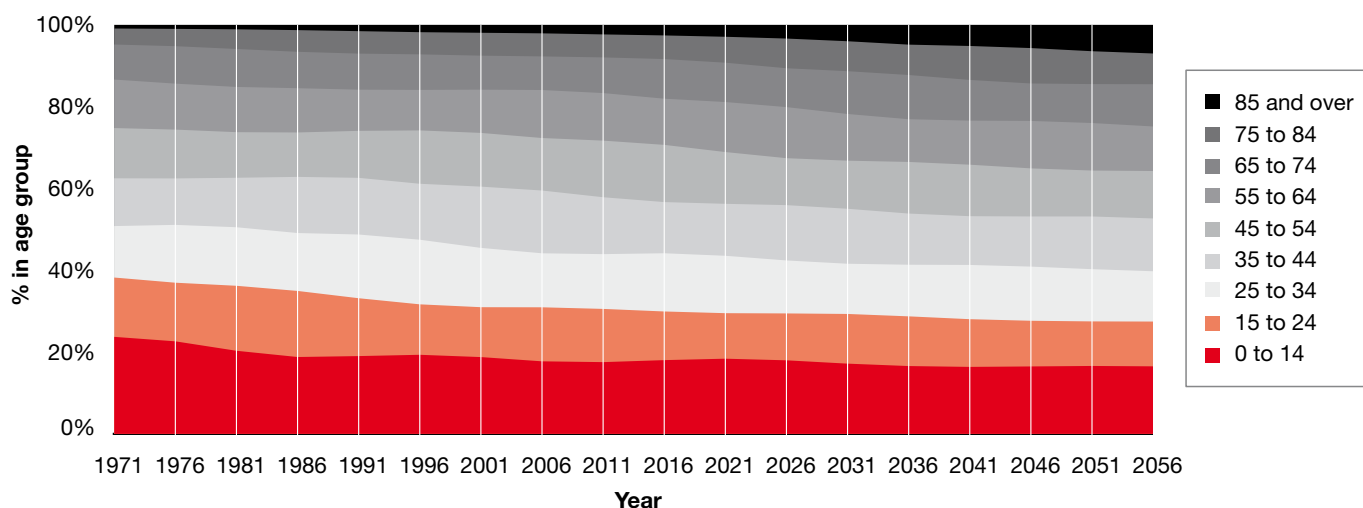
Older people are clearly not a homogenous group and the needs of over 85s (one of the fastest growing age groups) will be different from the needs of those in their 50s or 60s.

Furthermore, the future older population will not be the same as today. For example, older people will be more ethnically diverse. Continued advances in medicine and the understanding of health mean that the physical health of older people will generally be better and their life expectancy longer. Their working life patterns will be different in a flexible labour market, where retirement ages shift and freelance or portfolio working becomes more common. Their attitudes and behaviours will be different too, and we cannot predict exactly how society will adapt to

demographic change. The ‘baby-boomer’ generation for example, is often typified as economically powerful; they are demanding consumers with different social and political attitudes compared to previous generations.<sup>2</sup> What will this mean for the way older people interact with society and markets as they age? Will they demand more from housing than previous generations?

The demographic shift is nuanced, but clearly poses some significant policy challenges, in particular how tomorrow’s older people will be able to fund their care needs.<sup>3</sup> It must also make us reconsider the availability and suitability of housing for older people. Shelter believes that providing the right kinds of accommodation for older people, in the

**Figure 1: Age Profile, England – Trend Data and Projections**



Sources: 2010 Mid Year Population Estimates, England, Office for National Statistics (ONS); 2010 Principal Population Projections, England, ONS.<sup>4</sup>

1 Office for National Statistics, *2010 Mid Year Population Estimates*, England.  
 2 Huber, K & Skidmore, P, *The New Old; Why baby boomers won't be pensioned off*, Demos 2003.  
 3 A question considered by the Dilnott Commission; see Commission on Funding of Care and Support, 2011.  
 4 Accessed online at [tinyurl.com/7y8436v](http://tinyurl.com/7y8436v) (February 2012).



right places, would lead to positive well-being and health outcomes for them, and would help to create movement in the housing market by freeing up family-sized homes for those who are stuck in unsuitable or overcrowded accommodation. It is in the context of this demographic shift and at a time when there is huge pressure on the housing market that Shelter is examining housing options for older people in more detail. This report aims to:

- Set out the evidence about older people's housing at present: where older people are living, their aspirations and their attitudes about housing, particularly their attitudes to downsizing.
- Explore the social and economic benefits associated with providing more housing for older people.
- Make the case for increasing the supply of housing for older people and recommend policy changes that can support this.

It is clear from research that many older people do not want or intend to move home. Those that wish to stay in their homes should of course be supported to do so, and we welcome efforts to provide repair and refurbishment services, advice and support to these households.

In this report however, we will be focusing specifically on potential home-movers, how to promote greater supply of housing for older people and how to facilitate home moves for those who choose to move. As there is a large body of existing work that focuses on the provision of accommodation for older people

in the social sector, and given that the majority of older people are currently owner-occupiers, we will be focusing mainly on homeowners and the private housing market.

## Methodology

This report is informed by:

- A market assessment of housing options for older people carried out by the New Policy Institute (NPI) on behalf of Shelter and the Joseph Rowntree Foundation, December 2011 – February 2012. This analysis is referred to throughout and is hereafter cited as New Policy Institute (NPI), *Market Assessment of Housing Options for Older People*, 2012.<sup>5</sup> The methodology included statistical analysis, desk research and stakeholder interviews.
- An online survey of respondents aged 55 and over carried out by YouGov Plc on behalf of Shelter in February 2012.<sup>6</sup> This survey has been weighted and is representative of GB adults aged 55 and over. In order to preserve the sample size, figures have not been filtered down to England only.
- Secondary analysis of existing literature and data sources, as well as informal consultation with sector stakeholders.

There is a wide and complex spectrum of types of housing designed for older people, each with different characteristics and levels of support or care provision that are set out in more detail in Chapter 2. We will be talking about a broad range of specialist housing that is suitable for older people.<sup>7</sup>

### Throughout this report we will use the following definitions:

- **Older households** refers to households where all members of the household are aged 55 or above. This is a wide definition and households are split into different age cohorts (for example, over 65s, over 85s) where necessary. Due to the differing data used in different surveys, these cohort groups are not consistent throughout all sources. Where the age of a household is mentioned, this refers to the 'household reference person' (HRP).<sup>8</sup>
- **Older people** is also used for ease of reference to refer to the broader population of over 55s.
- **Specialist housing** is used to describe housing that is only available to older people; much of this also contains on-site facilities such as communal hubs. It can be public or private and includes retirement housing.
- **Mainstream housing** is used to describe housing, generally on the open market, that is not restricted to older people but may be accessed by them.

5 The full analysis can be downloaded from NPI's website at [www.npi.org.uk](http://www.npi.org.uk)

6 Total sample size was 897 adults. Fieldwork was undertaken between 3–6 February 2012. The figures have been weighted and are representative of all GB adults (aged 55+).

7 This excludes residential care homes, which are classed as accommodation rather than housing.

8 Household Reference Person (HRP) is a term used for data collection in the *Survey of English Housing*. It is defined as the householder with the highest income. If two or more householders have the same income, the oldest householder is selected.

# Chapter 1: Older people and housing today

Who are England's older people and where do they live now? In this chapter we outline the facts about the ageing population and consider the arguments about the nature and level of under-occupation.

## Housing and older people

There are approximately 14.7 million older people, and 7.3 million 'older households' in England today. This is equivalent to more than a third of all households.<sup>9</sup> As Figure 2 opposite shows, the region with the highest proportion of older people is the South West (40 per cent) while London has the lowest proportion of older people (22 per cent).

They are largely two-person households, often 'empty nesters' whose children have grown up and left home. Living alone is also very common among older people and particularly so among over-75s, who are more likely to be widowed. Over half of households comprised of over-85s are single women.<sup>10</sup>

## Tenure

The vast majority of older people are homeowners and most do not have any outstanding mortgage debts, particularly in the older age groups. Figure 3 opposite shows a more detailed picture of current tenure trends among the different age groups.

## What type of housing do older people live in?

Older people tend to live in houses and only a small number live in flats:

- 65 per cent live in houses (detached, semi-detached or terraced)

- 20 per cent live in bungalows
- 16 per cent live in flats.<sup>11</sup>

It is notable that a much higher proportion of older people than the wider population live in bungalows; 20 per cent of older households live in a bungalow compared to four per cent of other households.<sup>12</sup> Bungalows are easier to manage for older people who have mobility issues. Disability and illness become more common with age. More than half of older person households aged 85 and over have someone in the home with a serious illness or disability<sup>13</sup>, which means they are more likely to need step-free, accessible homes with features such as wide doors and hand rails.

Although older people own a lot of housing equity, are most likely to be satisfied with their future financial security<sup>14</sup> and are much less likely than other age groups to be living in poverty, not all older people are wealthy. Many rely on state benefits as their main source of income and savings rates are fairly low. Household wealth may have a major impact on older people's attitudes to housing and their behaviour within the housing market; people will only tend to move home if it makes financial sense for them to do so.<sup>15</sup>

9 An older household or older person household is a household that contains only over-55s. The figure for the overall number of older people is therefore much higher, as many households contain more than one older person (eg couples). Older people also includes people who do not live in an exclusively older household (eg a two person household where one person is under-55).

10 NPI analysis of the *English Housing Survey*, 2008–09 to 2009–10.

11 New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012.

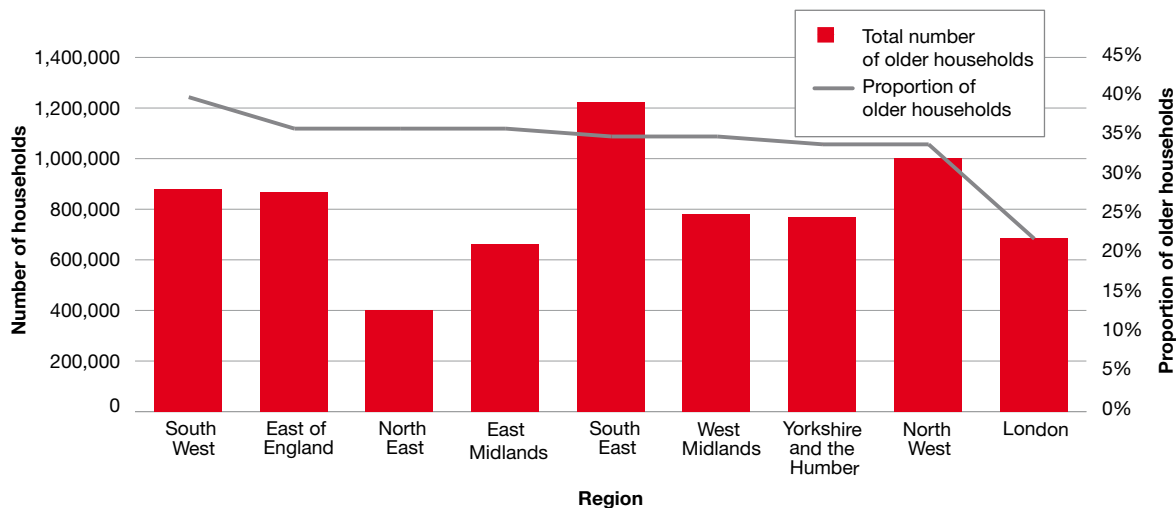
12 *ibid.*

13 *ibid.*

14 72 per cent of over-65s said they were satisfied with their future financial security, higher than any other age group. Department for Environment, Food and Rural Affairs, *Survey of public attitudes and behaviours towards the environment*, 2011.

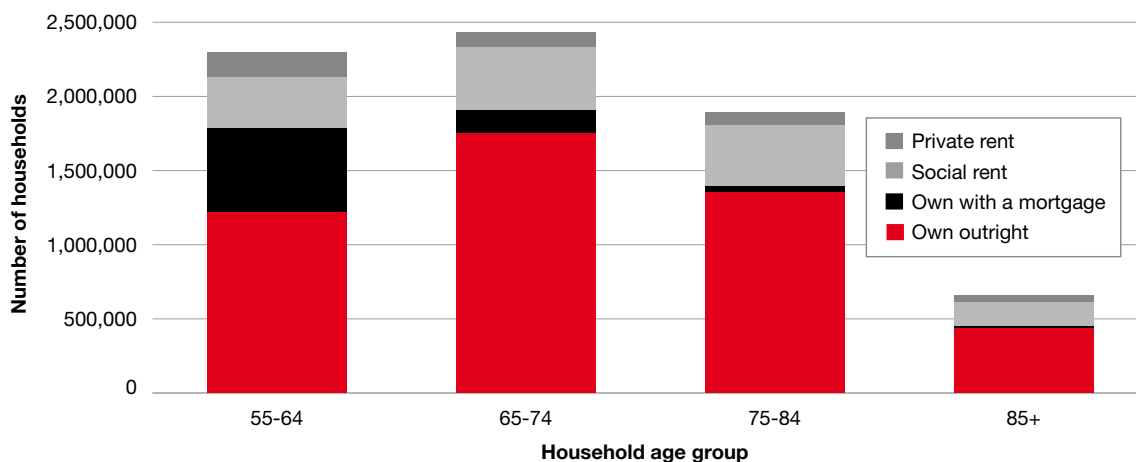
15 Other reasons why older people do and do not move home are discussed further in the report.

**Figure 2: Number and proportion of older households in the English regions**



Source: NPI analysis of *English Housing Survey* household data. Average for 2008–09 to 2009–10.

**Figure 3: Tenure of older households (England)**



Source: NPI analysis of the *English Housing Survey*. Average for 2008–09 to 2009–10.

### Under-occupation

The size of homes that older people currently occupy is a contentious subject. Under-occupation is very common in England; nearly half of all owner-occupiers (of any age) have two or more bedrooms above the bedroom standard<sup>16</sup>, a government standard used to approximate the use of rooms compared to the numbers within the household.<sup>17</sup> In this context, under-occupation usually means that people have at least two unused bedrooms. Empty nesters are those most likely to under-occupy, particularly couples over 60 with no dependent children.<sup>18</sup>

According to the bedroom standard, approximately 57 per cent of over-55 households are under-occupying, which is more than any other household age group. As Figure 4 overleaf shows, under-occupation is more common among the ‘younger old’, while over-85s are more likely to live without spare bedrooms. Renters are far less likely to have spare bedrooms than owner-occupiers, indeed very few social renters under-occupy. Although the bedroom standard is a useful proxy for determining whether a home might be considered too small or too large for its occupants, it is a simplistic measure.

16 *English Housing Survey*, 2009–10.

17 The bedroom standard calculates the size of a property a household needs so that no one has to share a bedroom unless they are a couple; both aged under 10, or aged between 10 and 21 and of the same sex. A different measure is used in the Census 2001. In this report we refer to under-occupation based on the *English Housing Survey*.

18 Shelter, *Taking Stock: Making the most from housing – an assessment of under utilisation of the housing stock in England, 2011*, see [shelter.org.uk/policylibrary](http://shelter.org.uk/policylibrary)

It does not reflect house size in terms of square footage, it is based on survey evidence<sup>19</sup> and does not account for other uses of bedrooms.<sup>20</sup> It can also be a value-laden term, implying that the home is larger than the household needs. Occupiers rarely consider themselves to be under-using their home; people tend to enjoy having lots of space and are entitled to do so in a free market economy, regardless of how this fits with a pre-defined government standard. Most older people who are able to, choose to live in a three bedroom home. Around three

quarters of over-55s believe that their home is 'about the right size' for them. The trend in Figure 6 shows that those with three or more bedrooms are more likely to say that they consider their home to be 'too big' than those with one or two bedrooms.

### Why does under-occupation matter?

Despite these issues with defining under-occupation, it is clear that housing space is not evenly distributed between different income brackets and between

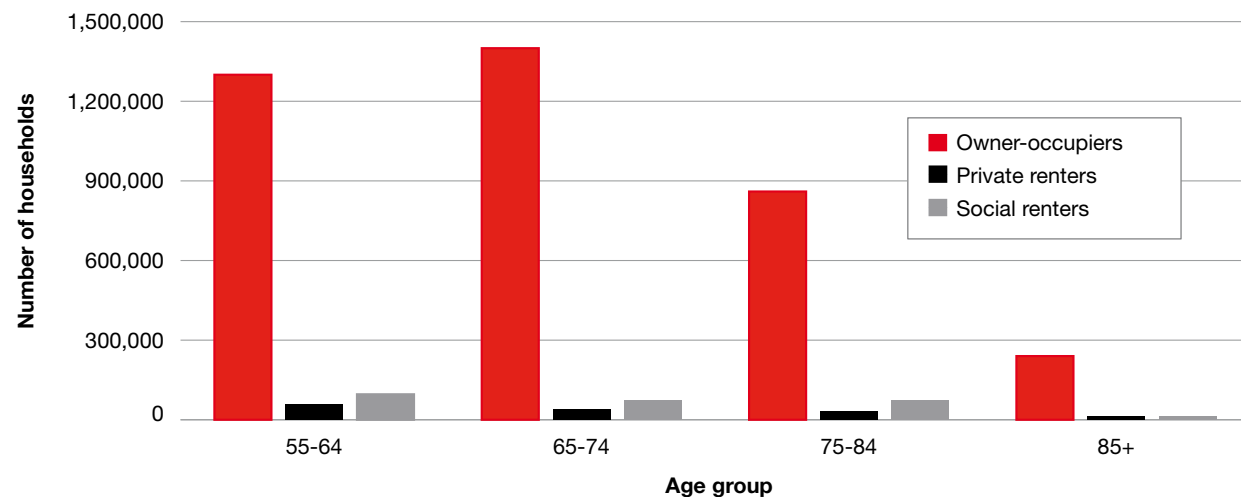
**Figure 4: Number and proportion of under-occupying older households by household age group and tenure\***

Household age group	Owner-occupiers		Private renters		Social renters		All tenures	
	Number (000s)	%	Number (000s)	%	Number (000s)	%	Number (000s)	%
55-64	1,300	73%	58	35%	96	28%	1,500	64%
65-74	1,400	71%	41	40%	74	17%	1,500	61%
75-84	860	62%	33	37%	74	18%	970	51%
85+	240	52%	13	30%	12	7%	260	40%
<b>All older households</b>	<b>3,800</b>	<b>68%</b>	<b>150</b>	<b>36%</b>	<b>260</b>	<b>19%</b>	<b>4,200</b>	<b>57%</b>
Other households	3,300	36%	410	14%	140	6%	3,800	27%

\*Numbers may not add up to 100% due to rounding.

Source: NPI analysis of the *English Housing Survey*. Average for 2008-09 to 2009-10.

**Figure 5: Number of under-occupying older households by age group and tenure**



Source: NPI analysis of English Housing Survey. Average for 2008-09 to 2009-10.

19 The data is gathered by interviews, and as 'bedrooms converted to other uses are not counted as available unless they have been denoted as bedrooms by the informants', people may respond to the question in different ways.

20 Such as using rooms to occasionally accommodate family or friends.

**Figure 6: Attitudes to size of home, by number of bedrooms\***

Do you think the size of your home is too big, too small or about the right size for the number of people in your household?	1 bedrooms	2 bedrooms	3 bedrooms	4 bedrooms	More than 4 bedrooms	all
Too big	–	2%	11%	28%	39%	13%
About the right size	51%	80%	79%	68%	55%	74%
Too small	49%	18%	10%	4%	4%	12%

\*Numbers may not add up to 100% due to rounding.

Source: YouGov, 2012. Base: 897. GB 55+ weighted. 'Don't know' responses are not shown in the table.

different age groups. There are 25 million 'empty' bedrooms in under-occupied homes<sup>21</sup>, and there are technically enough bedrooms in England for every adult and child to have at least one, even if all couples slept separately.<sup>22</sup>

This matters because housing in England is a scarce resource and some families have to over-crowd or live in highly unsuitable accommodation. It also relates to intergenerational opportunities and asset building: while younger households have taken on large debts to get a foot on the housing ladder, or remained in the private rented sector rather than buying a home, many older households have benefitted from the boom in house prices over the last thirty years and hold substantial housing assets.<sup>23</sup> Some £1 trillion of un-mortgaged equity is owned by the over-60s.<sup>24</sup>

In the absence of greater housing supply for everyone, policy makers need to consider how effectively existing housing stock is used. This is a controversial and sensitive subject – a recent report encouraging more downsizing attracted significant criticism in the media.<sup>25</sup> Nobody should be forced to move home and there is nothing intrinsically wrong with small households occupying a large property. The potential capital gains and the extra space for friends and families or hobbies are attractive features of a larger home.

Nonetheless, the scale of the housing crisis is such that a sensible discussion on the merits of downsizing is required. Better options for older households could deliver a range of benefits and these should be discussed openly without attaching value judgements or blame to different generations. It is likely that downsizing would be viewed more positively if attractive options were available to older people and less emotive and negative language was used.

Downsizing is more common in other countries including the United States and Australia where there is a greater tradition of retirement communities.<sup>26</sup> Other European countries also have a good track record of supplying more attractive and well-designed housing for older people, including co-operative and quasi-public housing.<sup>27</sup>

In this chapter we have seen that the vast majority of older people are owner-occupiers. Many have at least two spare bedrooms and enjoy the benefits of extra space. Some commentators have argued that the older generation have unfair advantages in housing, but the debate around under-occupation is extremely sensitive and measures to tackle it court controversy.

21 Griffith, M, *Hoarding of Housing: the intergenerational crisis in the housing market*, Intergenerational Foundation, 2011.

22 There were around 52 million people living in England in 2010. In 2010/11 there were over 60 million bedrooms in England – which is more than one per person. The *English Housing Survey Headline Report 2010–11*.

23 Willetts, D, *The Pinch: How the Baby Boomers Took Their Children's Future – And How They Can Give it Back*, Atlantic Books, 2010; Howker, E, Malik, S, *Jilted Generation: How Britain Has Bankrupted Its Youth*, Icon Books Ltd, 2010.

24 Bailey, L, *2010 Retirement Housing Report*, Knight Frank, 2010.

25 Griffith, M, *Hoarding of Housing: the intergenerational crisis in the housing market*, Intergenerational Foundation, 2011.

26 Only one per cent of over-60s in the UK are estimated to live in retirement homes compared to 17 per cent in the United States and 13 per cent in Australia; Sutherland, J, *Viewpoint on Downsizing for older people into specialist accommodation*, Housing Learning and Improvement Network, 2011.

27 HAPPI, *Housing our Ageing Population: Panel for Innovation*, Homes and Communities Agency, 2009.

# Chapter 2: Older people's attitudes towards housing

It is important that housing policies for older people are based on what older people themselves aspire to or need. In this chapter we consider older people's attitudes towards housing in general, towards their home in particular, and towards the idea of moving home.

## To stay or to go?

A big decision facing older people, particularly as they become less mobile and their care needs may increase, is whether to stay in their current home or to consider a move to smaller home that is better suited to their needs.

A number of qualitative studies have shown that the incentives to stay, the 'pull' factors that compel people to remain living in their current home for as long as possible, are strong. For example, even where there are clear problems with the home – it has become too difficult to get up stairs or heat the whole home – many people prefer to cope rather than move.<sup>28</sup> Some of the factors that bind people to their homes are emotional and powerful, and are largely outside of the control of policy makers. Older people have often invested in their homes over the long term and often feel a strong sense of attachment to their space and possessions, or to their neighbourhood and local community. The sense of having built up a family home and the fear of the unknown can make the prospect of moving an extremely daunting one.<sup>29</sup>

There are also deterrents to moving; transaction costs, removals costs, an inability to sell and a poor choice of suitable, affordable housing to move to. Cultural attachment to home-ownership and the status of having a large property mean that older owner-occupiers may associate downsizing with negative connotations and a loss of importance or status<sup>30</sup>, not to mention equity in what has, up until recently, been a well performing investment vehicle.

**Figure 7: Staying in the home – competing pressures**



28 Croucher, K, *Housing Choices and Aspirations of Older People Research from the New Horizons Programme*, Communities and Local Government (CLG), 2008.

29 *ibid.*

30 New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012; Griffith, M, *Hoarding of Housing: the intergenerational crisis in the housing market*, Intergenerational Foundation, 2011.

A recent think-tank report noted the cultural attachment to equity and argued that:

‘It may sound strange to say, but we need to encourage in society a more consumerist attitude towards later life. It is tragic that many older people have to live out the last years of their lives in houses falling around them solely because they are trying to preserve the inheritance they pass on to their children.’<sup>31</sup>

By contrast, the ‘push’ factors can be unexpected or sudden and can often force a move. Loss of income, bereavement, or severe health problems may prompt older people to move into a smaller home or into accommodation that has support or care services.

Ironically it is at these times of crisis that moving home is likely to be the most difficult and stressful. These crisis movers are often older (75 or over), but in one study, older focus group participants who had moved home expressed that they should have done it sooner, when they were younger, more able and more in control of their decisions.<sup>32</sup> Once they have moved, older people generally report satisfaction with their decision and their new home<sup>33</sup>, but making the decision to do so in the first place is a major barrier.

Encouraging people to start thinking about their housing options at an earlier stage would be a positive step, encouraging them to make informed, realistic plans while they are well equipped to do so. Other households will make a lifestyle choice to move at an earlier stage, sometimes triggered by children having left home, or following retirement. As Figure 4 shows (see page 12), under-occupation is most common among the ‘younger old’, and encouraging them to move to smaller or more appropriate housing would, crudely, release the most amount of housing space (ie bedrooms) to the market.<sup>34</sup>

## Help and support

Good information and advice, and often practical support, are needed to support older people with their housing choices, particularly for the very old, isolated people who do not have family networks

available, and those with care needs. Moving home in particular is very daunting and stressful for someone who has lived in their home for a long time. Evaluations of services to help older people make decisions about their housing or to give them practical support with the moving process have been very positive.<sup>35</sup>

For example, a recent review of the publicly funded FirstStop advice service for older people tested the cost benefits of different scenarios for an older woman, ‘Mrs Jones’, living in an unfit home:

‘Scenario 3 (being supported by First Stop to move home) is the cheapest option, with the new housing reducing the need for intensive care and support, as well as reducing the risk of falling. Scenario 1 where Mrs Jones stays in her current home is the next cheapest, but unsustainable. Unsurprisingly, Scenario 2, a fall and admission into a nursing home is most expensive: over three times the cost of Scenario 3’.<sup>36</sup>

## Managing in a large home

Although a minority, a significant number of older people think that their current housing is difficult to manage, or will become so in the future:

- Twenty-seven per cent of older people say that they are currently managing to keep their home tidy and move around the house, but anticipate that it will become harder in the next ten years.
- Six per cent are already finding it difficult.
- One per cent are finding their home so unmanageable that they would like to move.<sup>37</sup>

Being able to stay comfortable, warm, safe and mobile in the home becomes increasingly important to older people. About a third of all people aged over 65 fall each year, and the resulting cost to the NHS is huge.<sup>38</sup> Winter deaths are linked to poorly heated or insulated homes, while older people, particularly over-75s, are more likely to feel lonely, isolated or trapped in their homes.<sup>39</sup> More suitable housing options could help to alleviate all these problems.

31 Centre for Social Justice, *Age of Opportunity Transforming the lives of older people in poverty*, 2011.

32 Croucher, K, *Housing Choices and Aspirations of Older People Research from the New Horizons Programme*, CLG, 2008.

33 *ibid*; Ball, M, *Housing Markets and independence in old age: expanding the opportunities*, Henley Business School, 2011.

34 It is not necessarily the case that new homebuyers would not also be under-occupiers; this is discussed in greater detail in the following chapters.

35 O’Shea, N, *Helping older people choose the right home for them*, EAC 2012; Burgess, G, et al, *Evaluation of the FirstStop Advice Initiative*, Cambridge Centre for Housing and Planning Research, 2012.

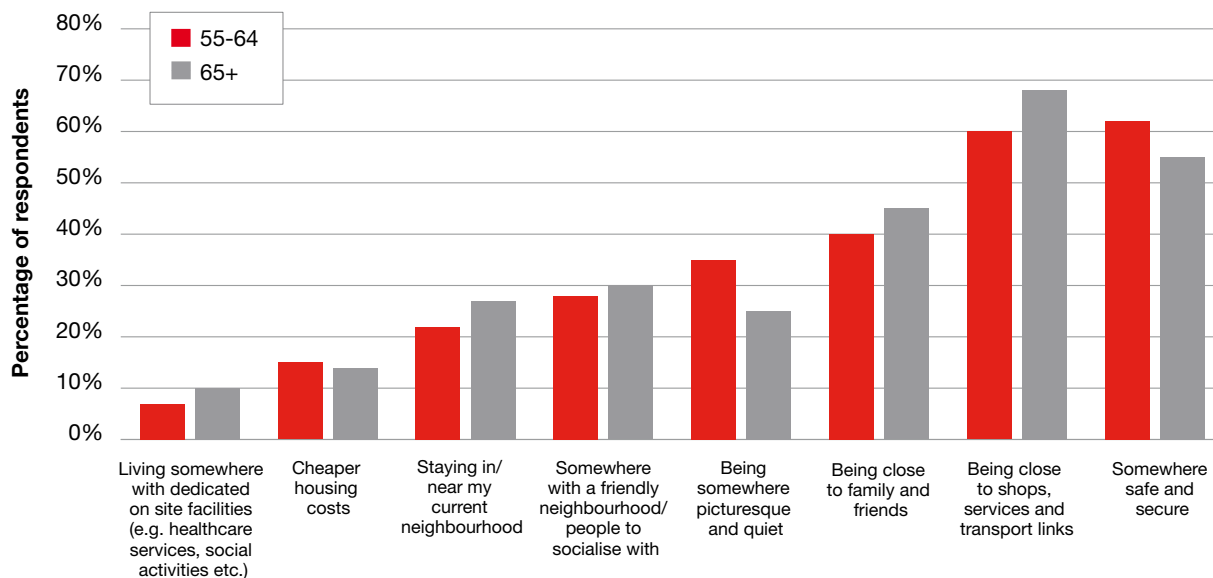
36 Estimated annual costs are as follows: Scenario 1 – staying in the home: £27,366, Scenario 2 – move to nursing home: £59,085, Scenario 3 – supported to move home: £17,826.11.

37 YouGov 2012. Base: 897. GB 55+ weighted. Participants were asked to choose one of five statements about the manageability of their home: Which ONE, if any, of the following statements BEST applies to your current home?

38 The combined cost of hospitalisation and social care for hip fractures (most of which are due to falls) is £2 billion a year – British Orthopaedic Association, *The National Hip Fracture Database National Report 2011*, 2011.

39 Age UK, *December 2011 Factsheet: Later Life in the United Kingdom*, 2011.

**Figure 8: Which three neighbourhood features would be the most attractive to older people if they were to move?**



Source: YouGov, 2012. Base: 897. GB 55+ weighted. 'Don't know' and 'none of these' responses are not included.<sup>40</sup>

### Housing aspirations

One of the factors that puts people off moving home is a concern that there is no suitable housing available for them. Like all people, older people want to live in decent, secure housing, in a place that is well suited to their needs. As Figure 8 shows, being safe and secure is something that older people would look for in a home. Proximity to shops and services, family and friends are also key features that older people would look for if they were to move, as well as living somewhere picturesque and quiet.

It is interesting to note the relative lack of attachment to their current area and a lack of concern about cheaper housing costs (although it would be expected that those on lower incomes would value cheaper housing costs more highly). The survey suggests that older people value a safe home, an attractive, welcoming area with good facilities, transport links and services, where they will be close to friends and family.

The property features that older people would look for if they were to move within the next ten years vary, suggesting that there is no 'one size fits all' property type for potential movers as Figure 9 opposite shows.

### Awareness of housing options

Another key barrier to moving is simply a lack of suitable options:

'Currently, many older people want to stay in their existing home because they have no information about other options and more people would want independent living with flexible support if they knew it existed.'<sup>41</sup>

Our YouGov survey suggested however, that over a third of older people are interested in the idea of retirement housing, or would be in the future. (See Figures 10 and 11 on page 18 for more details.)

This equates to over six million older people<sup>42</sup>, and suggests that there is latent demand for retirement housing; an opportunity which the market is yet to fully exploit. It is possible that with better awareness and more targeted marketing, demand could grow further.

Although the bases are too low in some groups to draw any meaningful conclusions, we can see that interest in retirement housing is particularly high among older outright owners.

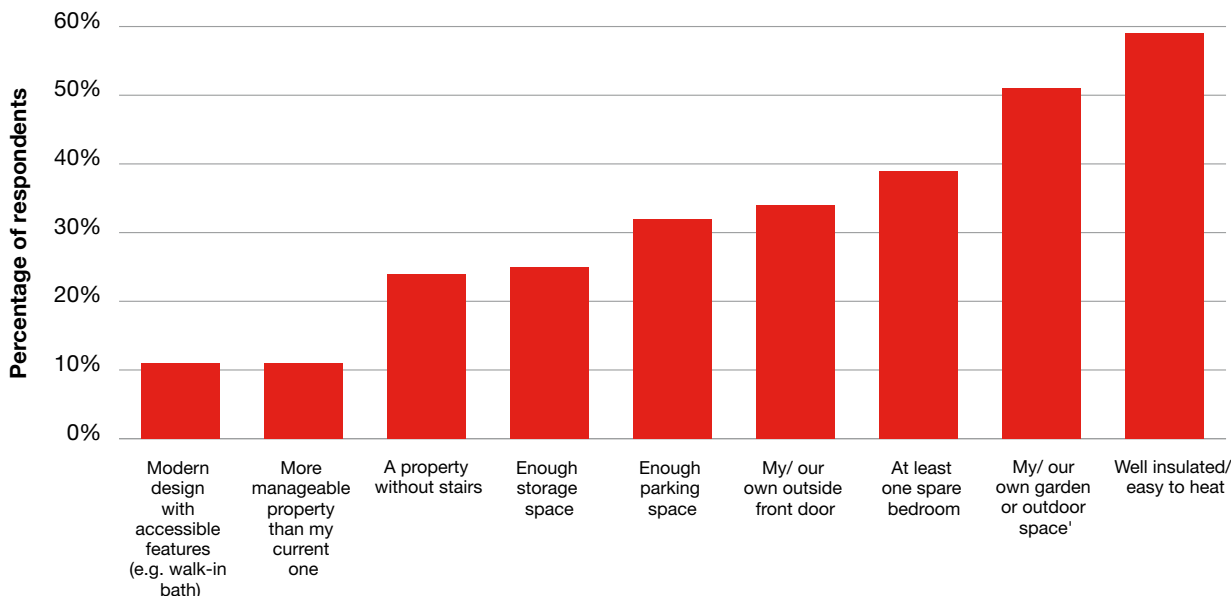
<sup>40</sup> Participants were asked: Thinking about the next ten years... Which THREE, if any, of the following neighbourhood features would be MOST important to you if you were to move house? (Please tick up to three options.)

<sup>41</sup> Sutherland, J, *Viewpoint on downsizing*, Housing Learning and Improvement Network, 2010.

<sup>42</sup> Results from the YouGov survey were grossed up to the GB population aged 55 and over (17.2m) using the ONS Mid Year Population Estimates 2010.



**Figure 9: Which three property features would be most attractive to older people if they were to move?**



Source: YouGov, 2012. Base: 897. GB 55+ weighted. 'Don't know' and 'none of these' responses are not included.<sup>43</sup>

Of those who are not interested in retirement housing now, and do not think they will be in the future, the vast majority (nearly three quarters) state that a key reason is because they want to stay in their own home or have no intention of moving now or in the future. It is unlikely that they will be moved to change their minds in the short term. It is possible that renters see themselves as more likely to move due to the flexibility of rental contracts. Other reasons older people were not interested were because of negative views about the size (30 per cent) and affordability of retirement housing (21 per cent), or because they expressed a preference for living in mainstream housing or mixed-age communities (57 per cent).

Another way of assessing older people's attitudes to moving is to look at their past behaviours. It is estimated that just three per cent of older households move every year<sup>44</sup>, and their reasons for doing so

are most often related to personal or family reasons. However, around a fifth move because they want a smaller home; older households are much more likely than other households to downsize when they move.<sup>45</sup>

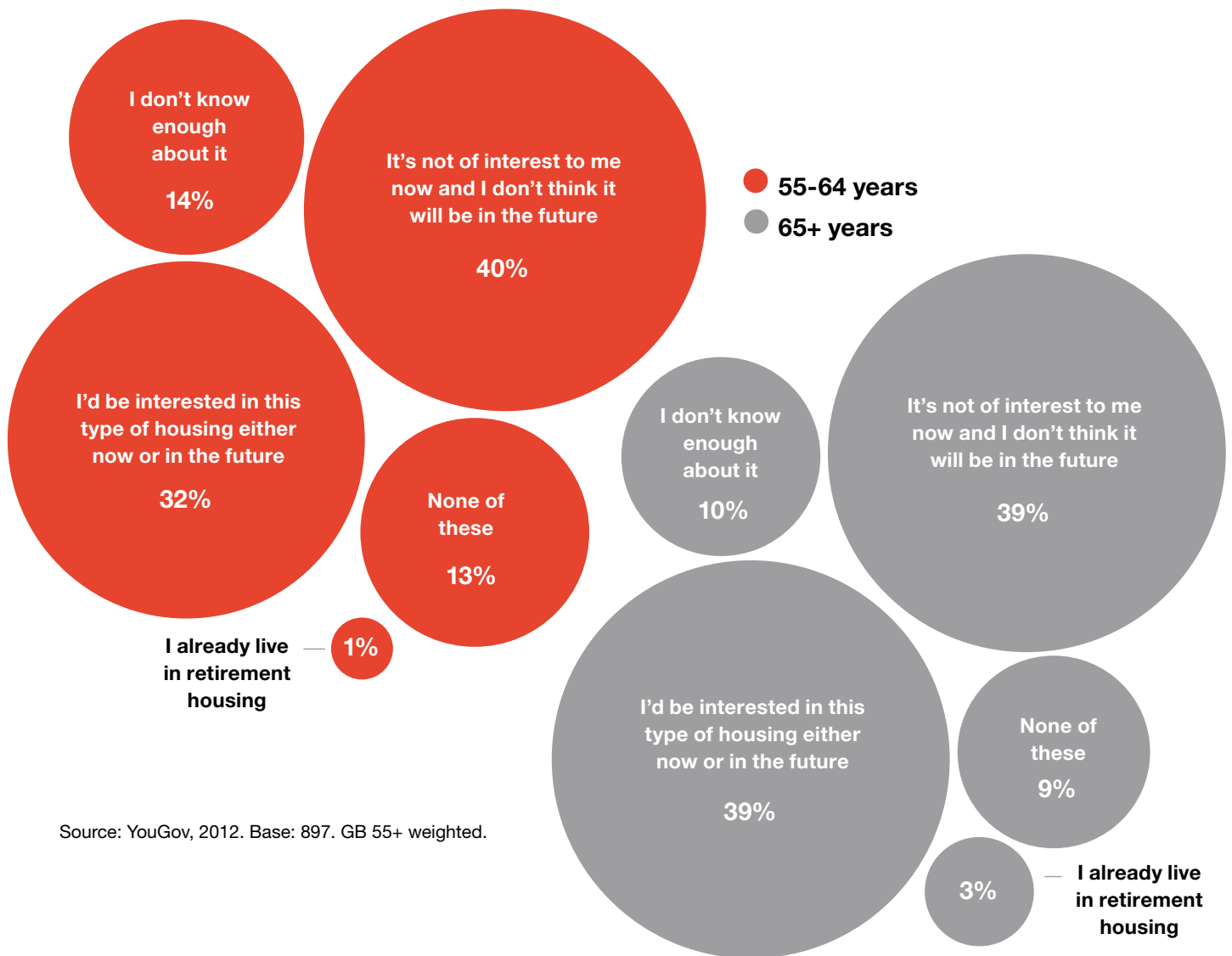
There are strong disincentives to moving to a smaller or different property but some households are interested in moving and have clear ideas about what kind of housing they would wish to move to. Older people's needs and aspirations are diverse, but there is some demand for retirement housing and a clear preference for attractive homes in good neighbourhoods. In the next chapter, we examine how well the market meets those needs.

43 Participants were asked: Still thinking about the next ten years... Which THREE, if any, of the following property features would be MOST important to you if you were to move house? (Please tick up to three options.)

44 This is lower than across other age groups – older person households are much less likely to have moved in the last ten years than other households (28% compared with 66%, NPI 2012).

45 New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012.

**Figure 10: Interest in retirement housing, by age group<sup>46</sup>**



Source: YouGov, 2012. Base: 897. GB 55+ weighted.

**Figure 11: Interest in retirement housing, by tenure**

	All	Own outright	Buying with a mortgage/loan	Rented from local authority	Rented from private landlord*	Rented from housing association*	Live rent-free (including rent-free in relative/friend's property)*	Other*
I'd be interested in this type of housing either now or in the future	36%	38%	28%	31%	54%	32%	21%	28%

Source: YouGov, 2012. Base: 322. GB 55+ weighted. \*Denotes base size under 50.

<sup>46</sup> Participants were asked: By 'retirement housing' we mean private flats or bungalows specifically built for, or marketed to, older people. Which ONE, if any, of the following BEST applies to you?

# Chapter 3: The current market for older people's housing

There is clearly some demand for older people's housing, but is the market providing for this growing demographic? In this chapter we consider the make-up of the current market, and the challenges and benefits facing market players.

## Specialist housing

Very few older people live in 'specialist' housing, ie housing that is built or available only for older people and usually features support or care services and other communal facilities. It is estimated that 90 per cent of older people stay in mainstream or general needs housing while ten per cent move to specialist housing.<sup>47</sup>

The Elderly Accommodation Counsel, which collects the most reliable data on specialist housing, estimates that there were about 533,000 specialist housing units in England in 2010. These are largely only available for the over 55s, and the current supply is equivalent to about 73 units per 1,000 older households.<sup>48</sup> These are principally social rented homes with support facilities and much of the stock, often bedsits built in the 1960s, is difficult to let.<sup>49</sup> Housing Associations are the dominant providers.

The range of needs of older people and varying trends in funding and types of provision means that specialist accommodation can come in many and various guises, often with confusing labels:

'Over the last 20 years, the range of specialised or supported housing options has expanded from 'sheltered housing'; it now includes 'very sheltered', 'assisted living', 'retirement homes', 'retirement villages', 'extra care', 'close care',

'continuing care', and more besides... Newer typologies – often 'complexes' designed to serve a range of care needs – often feel institutional. Residential and nursing care home types have also compounded and now include specialist facilities for dementia, palliative care, and the shorter-term functionality of respite and intermediate care. The impression is one of almost bewildering choice. But when push comes to shove – especially in a crisis – there is no choice at all.'<sup>50</sup>

It is striking that the majority of specialist housing is rented when the majority of older households are owner occupiers. Only 124,000 homes – just under a quarter of the total specialist stock – are owner-occupied homes. Sixty nine per cent of people we surveyed said that they would be most likely to buy with a mortgage or buy outright if they were to move<sup>51</sup>, and it is likely that many older people will want to retain the security and equity attached to being a homeowner, or believe that they will not be eligible for social rented housing. But the market is not delivering enough specialist housing for sale.

A recent report for one provider of privately-owned retirement homes suggested that build rates need to quadruple to keep up with potential demand.<sup>52</sup> It tends to be the case that specialist housing is:

47 Sutherland, J, *Viewpoint on downsizing for older people into specialist accommodation*, Housing Learning and Improvement Network, 2011.

48 New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012.

49 'Support' refers to practical help – preparing meals or shopping for example, while 'care' is more intensive, referring to personal care such as help getting dressed or bathing. Of the current housing stock, around 78% is for rent and 22% for sale. 91% is classified as housing with support and 9% is classified as housing with care.

50 HAPPI, *Housing our Ageing Population: Panel for Innovation*, Homes and Communities Agency, 2009.

51 YouGov 2012. Base: 897. GB 55+ weighted. Participants were asked: If you were to move home in the future... Which ONE, if any, of the following types of home would you be MOST likely to move into? (If you are not sure, we'd still be interested in which type of home you think you would move into).

52 Ball, M, *Housing Markets and independence in old age: expanding the opportunities*, Henley Business School, 2011.

'Polarised between retirement villages for the affluent and subsidised sheltered housing for people on low incomes, with little in-between... there is very little on offer to the 'inbetweeners'. They represent the majority of older people living in privately-owned medium priced family homes on mid-to-low incomes with limited savings or pension arrangements.

The housing association sector has not yet addressed this in any major way and as business models of providers and builders have to alter to deal with rapid changes in funding and planning regimes, there is an opportunity for the sector to widen its appeal to large numbers of older households.<sup>53</sup>

There is also an under-supply of private-rented specialist accommodation. Girlings, the leading provider of private-rented retirement housing for the over-55s, report high demand for their products and note that the offer of secure tenancies is particularly important to older people. Moving from owner-occupation to renting can allow older households

to release capital and avoid the hassle and cost of repairs and maintenance.<sup>54</sup>

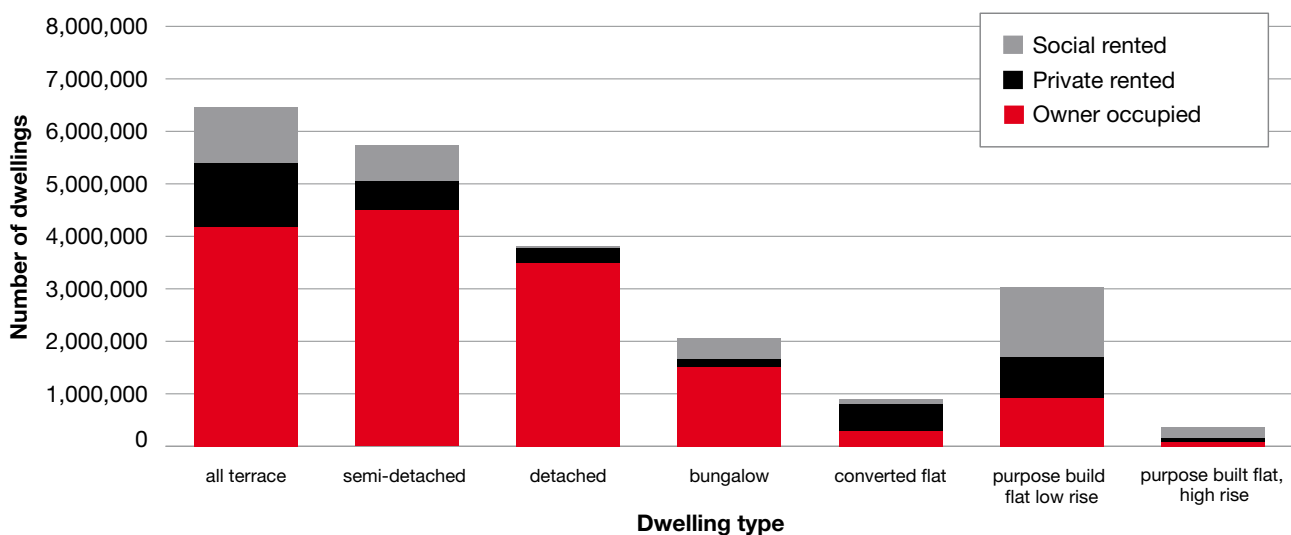
### Mainstream housing

Most older people move within the mainstream housing market, that is to say they move to non-specialist accommodation either on the open market or within the general needs social-rented sector.<sup>55</sup> Inevitably it is difficult to demonstrate what sort of mainstream housing is available for older people as it isn't any different from other types of housing. Figure 12 shows the overall housing stock profile in England, by tenure.

As a little under a tenth of older people say they would look to move somewhere without stairs<sup>56</sup>, the relatively short supply of bungalows may be a concern. Builders are more likely to build flats or houses than bungalows as bungalows take up a larger amount of land, increasing costs to the developer.

It is possible to assess how many homes in the general housing stock would be broadly suitable for older people in terms of property features, and particularly how far they meet the 'lifetime homes'

**Figure 12: Stock profile, England, 2009**



Source: *English Housing Survey summary statistics*, 2009.

53 Housing Forum/NHBC, *Everyone Needs a Home: Report of Working Groups*, 2011.

54 Housing Learning and Improvement Network, *Housing Learning and Improvement Network Factsheet no. 32 Private rented Extra Care: a new market?*, 2010.

55 Older social renters are more likely to downsize than owners or private tenants (NPI 2012).

56 See Figure 9 on page 17.

standards.<sup>57</sup> Figure 13 shows that the majority of mainstream housing stock is accessible, or could be adapted if necessary<sup>58</sup>, to meet the needs of older people with mobility problems.

There is a risk that in the future, fewer homes will be built with these features as housing policy becomes increasingly localised. The recent government housing strategy stated that:

‘...we do not intend to introduce national regulation. Future needs will vary considerably at a local level and we believe that decisions on the number of Lifetime Homes within each development should be made at a local level, in proportion to local need and aligned with other local housing support and information services.’<sup>59</sup>

Although these homes have some accessible features, it does not necessarily mean that they will be attractively designed. A major commission into the design of older people’s housing noted the need for flexible, light, spacious, well-ventilated homes with imaginative use of shared

spaces.<sup>60</sup> This contrasts against the ‘institutional’ feel of much of England’s older specialist housing stock and to mainstream stock that is not usually designed in an age-friendly way.

### New build mainstream housing

Large developers are not generally building mainstream housing with the older people’s market specifically in mind; website information from the major developers is largely aimed at new buyers, for example. New housing for sale tends to be quite small<sup>61</sup> and is often marketed at first-time buyers or investors, although this may change if mortgage availability for younger buyers continues to be scarce and developers see increasing value in targeting equity rich older people.

### Alternative housing models

Outside of the major providers of specialist housing and the larger private volume house-builders, there is some limited provision of alternative housing options for older people. Co-housing, a new model of housing provision in which a group of people

**Figure 13: Accessibility features in mainstream housing stock\***

Feature	Already has	Could with amends	Not feasible
<b>Facilities at entry level</b>		<b>moderate re-plan</b>	
Potential living space	94%	0%	3%
Potential bedroom	83%	0%	6%
WC	60%	25%	9%
Shower/bath**	23%	57%	9%
<b>Entering and leaving the home***</b>		<b>minor amends</b>	
Level access to the main entrance	16%	59%	23%
Flush threshold to the main entrance <sup>62</sup>	20%	80%	0%
Car-parking space	54%	18%	2%

Source: NPI analysis of English House Conditions Survey (report), 2007.

\*Numbers may not add up to 100% due to rounding.

\*\*Dwellings with three or more bedrooms (not required by lifetime homes for one- or two-bedroom dwellings).

\*\*\*For flats, no account was made of whether there was a lift in the block.

57 ‘Lifetime homes’ were developed in the 1990s. There are 16 Design Criteria, based on five principles: inclusivity, accessibility, adaptability, sustainability and good value for money. The aim is to make all new housing suitable for older and disabled people and to make future alterations easier and less costly. We have featured seven of the accessibility features that are most relevant to older people. More information can be found at [www.lifetimehomes.org.uk](http://www.lifetimehomes.org.uk)

58 ‘Minor amends’ means repairs costing up to £1,000 while a ‘moderate re-plan’ could cost up to £15,000.

59 Department for Communities and Local Government, *Laying the Foundations: A Housing Strategy for England*, 2011.

60 Ten design principles were set out, also including energy efficiency and adequate storage space. HAPPI, *Housing our Ageing Population: Panel for Innovation*, Homes and Communities Agency, 2009.

61 Griffith, M, *Delivering reform of the Building sector to meet the UK’s Housing and Economic challenges*, Institute for Public Policy Research, 2011.

62 This means that the threshold has no major obstructions and allows a wheelchair user to enter easily.

join together to purchase or build and manage their own housing development with communal facilities, is growing in popularity, especially among older people.<sup>63</sup> By utilising the equity held by older homeowners to provide purpose built accommodation, this approach may have potential to open up a new form of housing that older people can be directly involved with, and offer efficiencies in terms of shared facilities and services. The specialist housing association Hanover is seeking to develop more co-housing schemes for older people.

### Why aren't more developers building for older people?

There has been a general slump in house building and housing market liquidity, with the general shortage of housing causing major problems for households today.<sup>64</sup> However, looking beyond these recent causes, developers have always been slow to build specialist or mainstream houses for older people. Why have commercial developers neglected such a large and affluent generation, and why are so few now seeking to get involved in this market?

In terms of specialist housing, particularly housing with some level of communal services or care facilities, large developers are put off by the additional land requirements and costs attached. Communal facilities, for example, do not generate sales income in the way that flats for sale do. High density first-time buyer housing is generally considered to be easier to sell, to generate more 'bang for buck', and to have a greater chance of being successful at the planning application stage – a powerful combination of incentives.

Retirement properties can take longer to sell, slowing cash flows. Ongoing management and commitment is needed, and specialist housing is undoubtedly more complicated and costly to design, market, deliver and manage than other types of housing. This barrier could perhaps be overcome by greater partnership working between specialist providers and volume builders.

Developers also report that planning can be a significant barrier for them<sup>65</sup>:

- Local authorities have, to date, been fairly poor at recognising the importance of housing for their local ageing populations and planning ahead accordingly.
- There is little steer or strategy from Central Government, and older people's housing is often considered in the narrow context of care. This can mean that developers who want to build for the older people's market encounter a lack of interest and understanding from the local authorities they need to work with, and poor data on need and demand.
- High-density housing tends to be favoured by planners over the more spacious, low-density housing preferred by older people.
- Planning authorities take different approaches to classifying specialist housing; which can be seen as either a residential institution (class C2) or as dwelling houses (class C3).<sup>66</sup> This is important to developers for a number of reasons, particularly as development classed as housing (C3) can generate an obligation on the developer to build a proportion of affordable housing under Section 106 agreements, which affects the development's profitability and potentially the viability of the site.
- New housing for older people is not immune to some of the wider problems developers report in negotiating planning consents: opposition to new development or 'nimbyism', restrictions on greenfield land, slow and burdensome processes and regulatory costs.

Existing developers of housing for older people are also having to reconsider their models in light of financial pressures. Hanover housing association, who manage several 'extra care' developments, are considering ways to cut back on costs by scaling back on some 'nice to have' features in their developments, such as on-site care, certain communal facilities and free meals. But they maintain that: 'it would surely be the falsest of economies to back pedal on the size and quality of the accommodation we build.'<sup>67</sup>

63 Durrett, C, *Senior Cohousing: A Community Approach to Independent Living*, New Society, 2005.

64 Shelter, *Held Back Households – How the housing system squeezes people on low-middle incomes*, 2012; see shelter.org.uk/policylibrary

65 The planning system is currently undergoing fundamental reform – this is discussed in greater detail in Chapter 5, see page 27.

66 King, N, *Planning Use Classes and Extra Care Housing*, Housing Learning & Improvement Network, 2011.

67 Hanover, *The Future of Extra Care and Retirement Housing*, 2009.

## Future development

The supply of new housing for older people has fallen since the financial crisis and the ensuing economic downturn. There is scepticism among developers that provision of either mainstream or specialist housing for older people will increase significantly in the short-medium term due to the barriers outlined above, and the wider economic outlook means that new housing supply generally is likely to remain depressed until the market picks up.

Over the longer term, supply of both specialist and mainstream housing needs to grow. Around 6,000 new specialist homes were delivered in 2010, a slight improvement on build rates from previous years since the financial crash of 2007 when building rates plummeted.

Projecting up to 2033, when the older population will have boomed, there is a huge development challenge. To maintain a similar proportion of both public and private specialist housing stock for older people as we have currently (ie if the ratio of specialist housing: older households remained constant) we would need to build around 10,000 new specialist homes per year.<sup>68</sup>

An alternative way of projecting required stock is to look at current demand. If the same proportions of older people moved to specialist housing each year as they currently do, annual demand would be for 86,000 units per year.<sup>69</sup> In other words, if the proportion of over-55 households moving into this type of accommodation remains constant, there will be an increase in annual demand of 70 per cent.

It is possible that this could increase even further if the proportion of over-55 households who want to move into specialist housing grows over the next 20 years. Some of this demand may be met through churn in the existing specialist stock, but new building will undoubtedly be required.

If all older people were to stay within their current tenures, these 86,000 specialist homes would need to be split across owner-occupation (around 76 per cent), social-rented (18 per cent) and private-rented (six per cent). It is not projected that the tenure split among older people will have changed dramatically by 2033, although this is obviously difficult to predict.

There are, however, many variables and unknowns – while some older people will wish to stay in their current tenure, for example to preserve equity, some will choose to move to other tenures if they are available and accessible. At present, around 30 per cent of moves to specialist social-rented housing are from the private sector.<sup>70</sup>

There is a narrow range of housing available to older people. The principal model is social-rented housing with support, which will be unsuitable for many older people, particularly lifestyle movers and owner-occupiers. There is little new development at present and it is unlikely that this situation will improve without policy intervention or greater incentives for developers.

68 New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012.

69 England. Around 50,000 households move into specialist accommodation each year. Data from CORE (the Continuous Recording of Lettings and Sales in Social Housing in England) shows that among households headed by someone aged 55–84, around 0.6% move into specialist accommodation each year. For those with a household reference person aged 85+ it is around 1.1%. Applying these proportions to the projected number of households in each age group, in 2033, this would amount to an annual demand of around 86,000 units of specialist accommodation. This is an increase of 70%. New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012.

70 *ibid.*

# Chapter 4: Why expand housing options for older people?

Our research has shown that housing options for older people are limited and that there is latent demand for a wider range of more appropriate homes across different tenures. What would be the benefits of improving the housing offer for the burgeoning population of older people, and why should developers and planners pay attention to this market?

## What are the potential benefits of housing for older people?

Assessments of existing housing schemes for older people have generally shown positive socio-economic outcomes for those who move into them.<sup>71</sup> A positive choice to move into more suitable

accommodation can help people to maintain healthy, independent lives in a variety of ways. The following table outlines the estimated benefits of one model – owner occupied retirement housing – based on a survey for the specialist developer McCarthy and Stone<sup>72</sup>:

	Evidence	Potential wider benefits
<b>Health and well-being aspects</b>	<ul style="list-style-type: none"> <li>More than eight in ten residents report that they generally feel happier in their new home.</li> <li>Almost 45 per cent of residents reported having better or much better contact with family and friends, a further 48 per cent reported no change.</li> </ul>	<ul style="list-style-type: none"> <li>Greater mental well-being and less isolation for older people.</li> </ul>
<b>Financial aspects</b>	<ul style="list-style-type: none"> <li>Half of residents thought that their energy bills were lower.</li> </ul>	<ul style="list-style-type: none"> <li>Older people save energy, which has environmental benefits and are able to heat the whole home, which has health and safety benefits.</li> </ul>
<b>Housing market aspects</b>	<ul style="list-style-type: none"> <li>Two thirds of residents had moved from three- or four-bedroom homes.</li> </ul>	<ul style="list-style-type: none"> <li>More family-sized homes are released to the market, bringing liquidity and more opportunity for younger buyers to trade up or buy their first home.</li> </ul>
<b>Economic aspects</b>	<ul style="list-style-type: none"> <li>Residents were frequent users of local shops, cafes, restaurants, libraries and post offices.</li> <li>Residents reported spending less time in hospital and nearly a third felt that their health had improved since moving.</li> </ul>	<ul style="list-style-type: none"> <li>Local business and jobs are supported.</li> <li>Costs to the public purse are saved through reduced hospital use.</li> </ul>

71 Porteus, J, *Housing, prevention and early intervention at work: a summary of the evidence base*, Housing Learning & Improvement Network, 2011.

72 Ball, M, *Housing Markets and independence in old age: expanding the opportunities*, Henley Business School, 2011.



Developments for older people that include communal areas can help isolated older people to have more interaction with other people and many developments offer facilities such as leisure or learning activities which can increase older people's well-being and help them to stay mentally and physically active. A review of retirement villages on behalf of the Joseph Rowntree Foundation noted further benefits of larger scale sites<sup>73</sup>:

- Services such as finance and benefits advice and healthcare facilities are available, made possible through economies of scale. Additional services also provide employment opportunities for the wider community. Some retirement villages provide on-site care homes so people don't have to move again later in their life.
- As homes are purpose built, decent and accessible, they are safer and warmer; particularly beneficial if people develop mobility problems or ill health.
- Residents tend to feel safer and have less fear of crime.
- There are self reported improvements in health and well-being.

However, there have been criticisms of some aspects of specialist housing from residents – particularly around the transparency of the housing offer and the fee and charges schedules. Older people want to know exactly what they will be getting for their money, for example if care or support will be available onsite all the time or whether they can be certain that warden services will not be withdrawn to cut costs. Following campaigns by Age UK and others, an investigation is being carried out into the nature and level of exit fees charged to retirement housing leaseholders.<sup>74</sup>

Specialist older people's housing can also generate savings for society as a whole. A study for the Homes and Communities Agency analysed the net cost benefits of investment into specialist accommodation for vulnerable and older people. These benefits mainly arise from reduced reliance on health and social care services and were estimated to be around £219 million for nearly 12,400 older people.<sup>75</sup> At a time

when Government is seriously concerned about the costs of providing health care and social care, it is vital to recognise the role that housing can play both in improving older people's health and well-being, and in meeting wider policy objectives.

This was acknowledged in the recent work of the NHS Future Forum:

'We have heard that there is little understanding of the dependencies between health, social care, housing and other services, especially in relation to the effectiveness of housing in preventing, delaying, reducing or diverting demand on more costly health and social care services. For example, the NHS spends £600m treating people every year because of 'category 1' (the most severe) hazards in poor housing, the vast majority being associated with falls.'<sup>76</sup>

The benefits of moving to mainstream or non-specialist housing are harder to quantify; although one benefit to moving owner-occupiers is the release of equity. Moving from a detached home to a smaller one – a flat or semi-detached home for example – would release around £100,000 on average<sup>77</sup>, although this will vary regionally. There is less potential to release sufficient capital for those moving to more expensive types of housing, such as in-demand bungalows, and any capital released will be offset to some extent by transaction costs.

Those moving to a smaller mainstream home may also find that it is easier to heat and keep warm, which itself has positive health implications<sup>78</sup>, and easier to take care of and clean. In turn, these effects feed through to lower fuel, maintenance and tax bills for down-sizers.

Finally, better provision for older people may have cumulative effects on social attitudes towards new house building, though these will necessarily be diffuse and difficult to measure.

Older, more affluent people are among the most likely to oppose new housing development<sup>79</sup>, perhaps because they see themselves as having little to gain from the supply of new homes. The provision of high quality, attractive homes for older people could help

73 Croucher K, *Making the case for retirement villages*, Joseph Rowntree Foundation, 2006.

74 Age UK, *Putting Retirement Housing in Order*, 2010.

75 Frontier Economics, *Financial benefits of investment in Specialist housing for vulnerable and Older people: A report for the homes & communities agency*, Homes and Communities Agency, 2010.

76 Department of Health, *Integration – A report from the NHS Future Forum*, 2012.

77 New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012.

78 Staying warm is important for older people's health: 'There is a strong relationship between poor insulation and heating of houses, low indoor temperature and excess winter deaths of older people...there were 24,430 excess winter deaths of people aged 65 or over in the UK in 2010/11.' Age UK, *December 2011 Factsheet: Later Life in the United Kingdom*, 2011.

79 Shelter Housing Insights for Communities, see [england.shelter.org.uk/professional\\_resources/housing\\_insights](http://england.shelter.org.uk/professional_resources/housing_insights)

overcome this perception by demonstrating that development can be directly beneficial to people like them, and so lessen this group's propensity to oppose planning applications.

### How would better housing options for older people affect the housing market?

While few older people move every year, for reasons outlined in the first chapter, data shows that those who do move have fewer bedrooms than those who have not moved within the last five years.<sup>80</sup> Given the large number of under-occupying older households, even a small proportion moving would have impacts on the housing market. Freeing up three- or four-bedroom owner-occupied homes does not directly benefit new households or low income households in housing need. Around two-thirds of all moves are from within the same tenure<sup>81</sup> and those buying larger homes are likely to be established owner-occupier households with sufficient equity to trade up.

Owner-occupied housing is traded in the open market and it is possible that those who moved into vacated homes would themselves be under-occupying. Based on current trends, over half of younger owner-occupiers who have moved into a three- (or more) bedroom home within the last three years have children. Ninety-one per cent of younger movers to three-bed homes have at least one spare room and 58 per cent of them under-occupy (ie they have two spare rooms or more).<sup>82</sup> However, many younger families buy a larger property in anticipation of having more children in the future. There could also be a trickle-down effect from enabling more downsizing at the top of the market; the housing

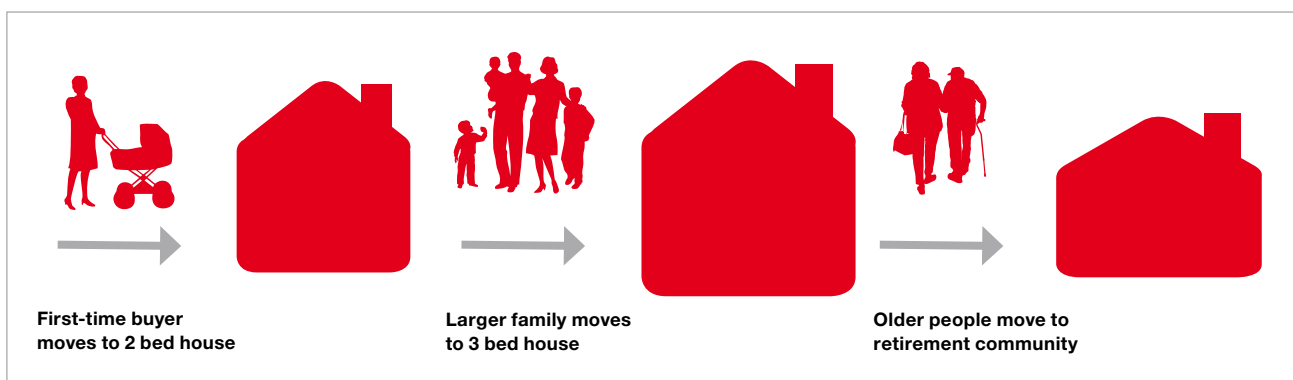
market is currently stagnant, but it operates on swaps, chains and cycles, with households trading up and so allowing others to enter at the bottom of the ladder.

If more households were to downsize they would obviously need somewhere to move to. While there are potentially enough smaller homes in the market<sup>83</sup>, they are not necessarily the right kind, in the right tenures or the right areas. Building more homes that are suitable for older people could help to stimulate the market by increasing their propensity to downsize.

If, for example, 20 per cent of older households who currently under-occupy were to move to new, more suitable, attractive, purpose-built accommodation, around 840,000 family-sized homes would be released, including 760,000 in the owner-occupied sector. This approach would potentially be at a lower cost than building the equivalent number of new family homes and would create family housing more quickly – it has taken eleven years for 828,000 new homes with three or more bedrooms to be built.<sup>84</sup> This is a big 'if', as we have seen that developers are not currently catering for the older market or building sufficient levels of new specialist housing. In Chapter 5, we explore how these problems might be overcome.

Housing built for older people can deliver excellent health and well-being benefits as well as helping to free up space in the housing market. However, market chains are complex, and are subject to multiple drivers, including older people's ability and willingness to move.

Figure 14: Illustration of a market chain effect



80 The average number of bedrooms among recent older movers (2.59 for owner-occupiers, 2.04 for private-renters and 1.30 for social-renters) is lower than the corresponding figure for non-movers (2.93, 2.37 and 1.87 respectively); New Policy Institute, *Market Assessment of Housing Options for Older People*, 2012.

81 *ibid.*

82 *ibid.*

83 ie those that would be made available by families moving up to larger homes.

84 The last eleven years for which data are available. Department for Communities and Local Government, *Live Table 254 Housebuilding: permanent dwellings completed, by house and flat, number of bedroom and tenure, England* (online).

# Chapter 5: How to expand housing options for older people

In this chapter we discuss how some of the barriers to providing better housing options for older people might be overcome and how to better encourage and support home moves.

## Encouraging development

Planning in England is to be radically reformed, localised and simplified following the passing of the Localism Act in 2011. The National Planning Policy Framework (NPPF) sets out the broad principles by which planners should assess housing development, among other things. In recognition of the coming demographic shift, the NPPF encourages planning authorities to ‘plan for a mix of housing based on current and future demographic trends’ and to consider a range of housing, including for older people, in local housing market assessments.<sup>85</sup>

It is questionable whether these broad statements fully recognise the centrality of demographic change or will encourage a step change in local authorities’ approaches to planning housing for older people. The planning framework might also be used to encourage local authorities to think about housing for older people in a more strategic, integrated way. Housing for older people, including mainstream developments, should be seen as part of local authorities’ wider strategies for their local housing markets, linking to local health care and social service strategies. Planners must recognise that new developments for older people, including mainstream or private developments, are socially useful and have knock-on market impacts – they are not just a means to more housing units.

Developers are unlikely to enter the specialist market until there is greater clarity within the planning system, notably the inconsistent application of planning use classes for retirement homes. Developers also need to be confident that a planning application will not be an excessively costly and lengthy process.

The kinds of homes that older people really want to live in, that promote health, well-being, safety and independence are the ones that need to be built. The design principles and inspiring international examples set out in the HAPPI report should be more widely adopted. We need energy efficient homes that are well lit and ventilated, can be easily adapted to suit changing needs and have layouts that promote social interaction.

## Supporting home-movers

Many older people want to stay in their own homes and it is important that this is respected. But given the potential benefits of downsizing and particularly the social benefits associated with moves into specialist accommodation, how can we encourage more older people to move and support people through the process?

One way of encouraging downsizing is through incentives; some groups have suggested stamp duty tax breaks for downsizers<sup>86</sup>, although the likely effectiveness and cost benefits of such tax breaks are not entirely clear cut.

The private sector could potentially attract more demand by offering incentives to downsizers, such as part-exchange schemes, or ‘try before you buy’ schemes to help people overcome their fear of moving by spending time in a new development before they commit to it. Inclusive packages that offer older people practical support with moving would also be attractive. An offer that included, for example, help with removals, negotiating with energy suppliers, redirecting mail, selling unwanted goods, dealing with administrative and legal issues and post-

85 Department for Communities and Local Government, *National Planning Policy Framework*, 2012.

86 Griffith, M, *Hoarding of Housing: the intergenerational crisis in the housing market*, Intergenerational Foundation, 2011.

move support, would take much of the stress away from older people considering a move, particularly those who do not have any family support. Some independent firms are already offering these kinds of services for a fee.<sup>87</sup>

Developers can also help to incentivise moves by marketing their offers for older people in a more positive and appealing way. Awareness of retirement housing is fairly low, but our survey suggested that there is an underlying interest among older people that could be better exploited through marketing, PR and testimonials that highlight the positive benefits of moving. Government also has a role in communicating to older people and encouraging them to start planning their housing options for later life. Existing channels, such as the First Stop advice service and Direct Gov can be better used and promoted as useful hubs for information, but both local authorities and Central Government could be more active in promoting older people's housing and setting out a coherent, positive vision for its future.

Some councils have been taking innovative approaches to encourage downsizing. The Redbridge 'FreeSpace' pilot allows homeowners to lease their home to the local authority while they move to specialist accommodation. The rental income is used to fund the older person's space in specialist accommodation and the older person is able to hold onto their equity until they sell their home or die. This approach, while limited to some degree by administrative complexities<sup>88</sup>, has the potential to provide local authorities with a home that can be used to accommodate homeless families. It may also give the older person a new lease of life in suitable

accommodation and save them money. Councils could explore other variations on this such as buying homes from older people or helping them to sell on the open market.

### **Recognising the benefits of housing for older people**

Moving to more suitable accommodation can increase people's well-being. It is important that housing is not seen in isolation but is considered alongside other social strategies, something local authorities should consider as more power is devolved to them. To this end, a recent resource pack for an independent learning organisation, the Housing Learning and Improvement Network, and the Association of Directors of Adult Social Service recommends that local authorities should show active leadership and improve their understanding of the demand and supply of housing for older people across all tenures in their areas. It advocates the value of producing locally determined Market Position Statements that provide the intelligence to better inform, plan, design and deliver housing that older people want now and in the future.<sup>89</sup>

The new Health and Wellbeing Boards<sup>90</sup>, that have been set up as part of a more devolved health service provide an excellent opportunity for more strategic consideration of housing and health. They should consider housing issues and have strong links to housing providers and shaping investment in local communities.

87 Seamless Relocation: [www.seamlessrelocation.com](http://www.seamlessrelocation.com)

88 A dedicated team is needed to guide older people through the process and there may be some difficulties with the state of repair of the home etc.

89 Institute of Public Care, *Strategic Housing for Older People*, Housing Learning & Improvement Network/ADASS, 2011.

90 Fora for local health and social care commissioners as well as elected representatives.

# Conclusion

England has a rapidly growing population of older people, but few strategies exist that ensure they will all be able to live somewhere decent and affordable that meets their changing needs.

Many older people will want to remain in their family home for as long as possible, and should be supported to do so. Expansion of Homeshare schemes<sup>91</sup> or increases to the Rent a Room tax relief<sup>92</sup> could encourage more sharing of space while allowing older people to stay in their own homes.

The housing needs and aspirations of older people are diverse – from those in their 50s and 60s who are still working and active, to those in their late 80s who are more likely to have some support or care needs. While some choose to move for lifestyle reasons, others may have to move following a crisis, often reluctantly.

Making a positive, informed, planned choice to move to more suitable accommodation can improve older people's health and well-being, helping to deliver wider policy objectives and save reliance on institutional care. It can also help to free up much-needed family-sized homes, with positive impacts on the housing market. But there are barriers on both supply and demand sides which mean that few older people choose to downsize:

- Strong attachment to the home and fear of the unknown. Older people may struggle to find the right information and advice needed to help them make decisions and struggle to find practical support to move.
- A lack of suitable, attractive, affordable housing options to move to, hampered by low rates of new development for older people and poor recognition of the importance of housing for older people in planning policies.

In order to create an environment in which older people are encouraged to make positive choices about their housing, Shelter makes the following recommendations.

## Housing developers

- We need a **significant increase in supply and a greater range of housing that is suitable for older people, including private-rented and owner-occupied housing**. This will vary for different age groups and those with different preferences and care needs, but developers are not currently providing enough for this growing market and realising its potential.
- In order to raise competition and increase affordability of retirement housing, developers, including volume builders, should be encouraged to enter the older people's market, partnering with smaller specialist providers where they need additional expertise.
- In order to overcome some of the barriers that face older people considering whether or not to move, we need greater support and advice services. Developers should play a part here by **offering inclusive packages** that support people through the moving process. They could also take away some of the fear of moving through 'try before you buy' schemes.
- Providers of specialist housing must offer older people **transparency and certainty about their consumer rights**, setting out clear and fair schedules of fees and charges.
- Alongside much greater provision of specialist housing for older people, more suitable mainstream housing is needed – in particular well-designed, well-insulated homes and bungalows.

91 Homeshare schemes match people with spare rooms with people in housing need who are seeking a low-cost housing solution. Homeshare lodgers may provide some support and care for the older people they stay with. See [www.sharedlivesplus.org.uk](http://www.sharedlivesplus.org.uk) for further details.

92 The Rent a Room scheme provides a £4,250 tax exemption to households who take in a lodger. The threshold was set in the late 1990s and has not risen in line with rental inflation.

## National Government

- The **planning system should support development** of housing for older people and provide greater clarity about application of planning use classes.
- **Government should encourage and enable, but not push, people into downsizing**, communicating earlier and more clearly to people about their future housing and care needs and encouraging advance planning.
- **Advice and information services** and locally run schemes to support people through the moving process should be properly funded and promoted. This should include toolkits to help older people decide on and plan their housing for the future.

## Local government

- Local authorities **must show greater leadership and take a more strategic approach to housing for older people, taking into account the wider social and economic benefits** that older people's housing developments can have for the local community. This should be reflected in their housing market assessments.
- Local authorities could also facilitate or run innovative schemes such as **helping older people to sell or lease out their homes** while being supported into new, more suitable housing.
- Local authorities should base their requirements for homes to be built to the Lifetime Homes standard on detailed local demographic data and projections, and encourage developers towards more ambitious design criteria such as those set out in the HAPPI report. Planning applications for homes with these features should be favoured.



## Until there's a home for everyone

In our affluent nation, tens of thousands of people wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. The desperate lack of decent, affordable housing is robbing us of security, health, and a fair chance in life.

Shelter believes everyone should have a home.

More than one million people a year come to us for advice and support via our website, helplines and national network of services. We help people to find and keep a home in a place where they can thrive, and tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

Visit [shelter.org.uk](http://shelter.org.uk) to join our campaign, find housing advice, or make a donation.

**We need your help to continue our work.  
Please support us.**

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