



# Understanding the housing-with-care market

Mel Knight, Chief Executive, Castleoak  
Michael Voges, Executive Director, ARCO

Housing LIN Extra Care Housing Annual Conference  
17<sup>th</sup> February 2015



Setting Standards for  
Retirement Communities



# Overview

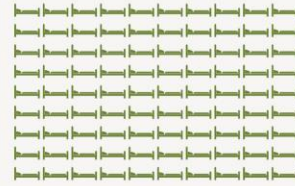


- The current size of the market
- Composition
- Business models
- Who is moving into the sector
- Trends
- Question time

# About Castleoak



200  
Care homes



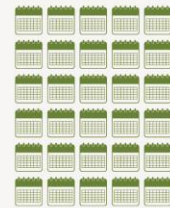
9,000  
Care beds



3,000  
Extra Care apartments



£80 million  
turnover



Established  
30 years



160  
colleagues

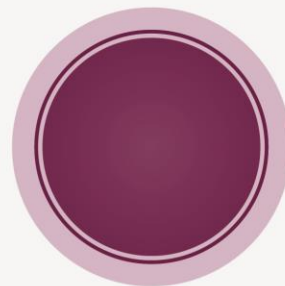


UK-wide project reach,  
with a southern focus



74%  
of customers return to  
commission new projects

Customer loyalty figures from projects  
over the period 2000 to 2014.



84%  
of current projects in June 2014  
are from returning customers

# About ARCO



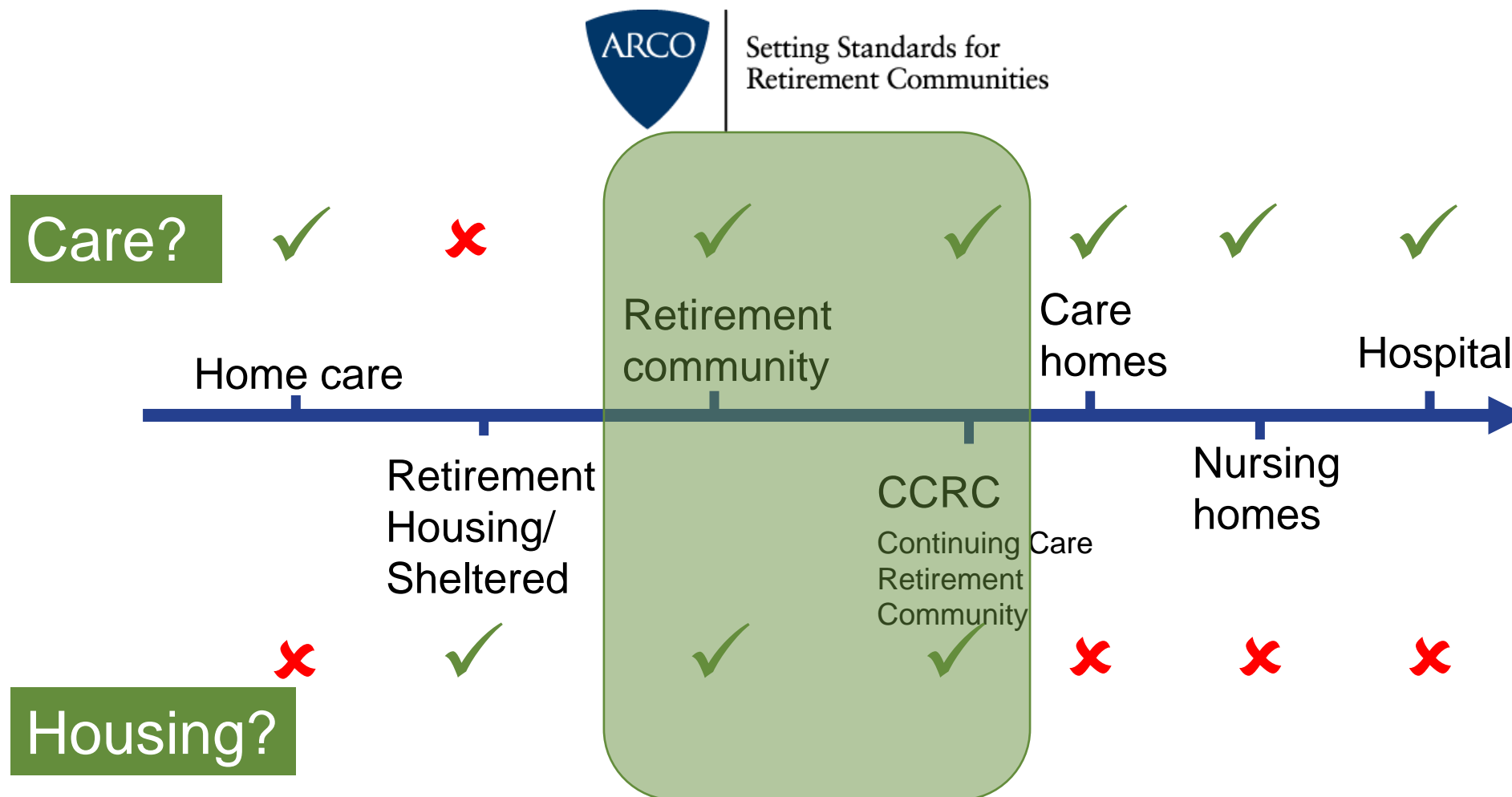
- ARCO - the main trade bodies for housing-with-care providers in the UK
- Representing approx. 50% of the market
- 24 (private and not for profit) members



St Monica Trust



# What is housing with care?



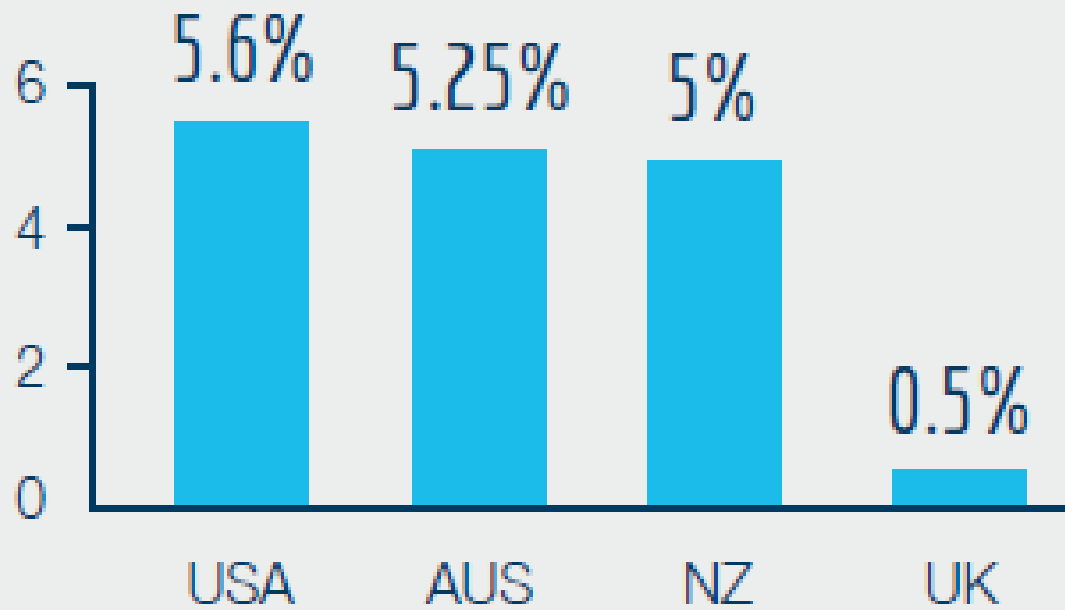
# The current size of the sector



# Current size of sector



Population over 65 living in retirement communities



# Growth over the past 12 months

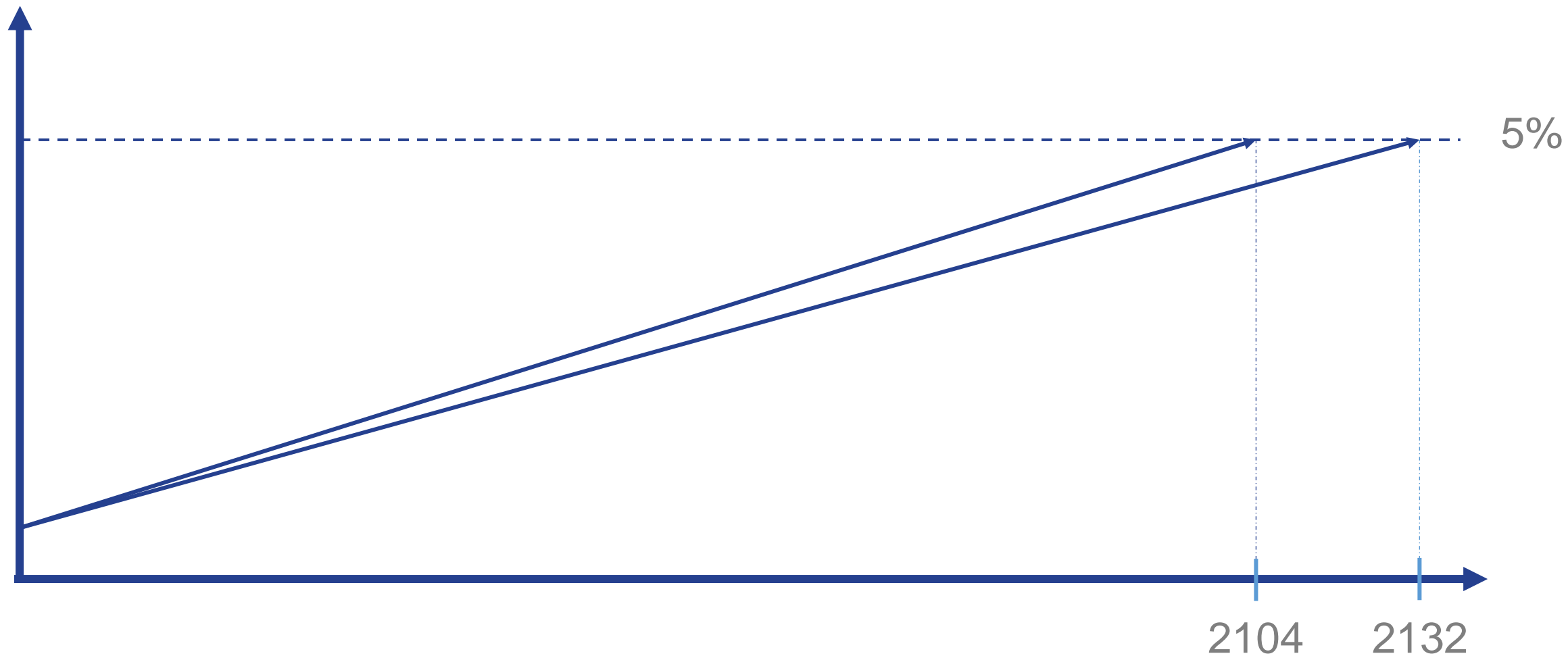


- 50% growth was leasehold
  - 1/3 of this shared ownership,  
2/3 outright ownership
- 50% growth was affordable rent

**11%**



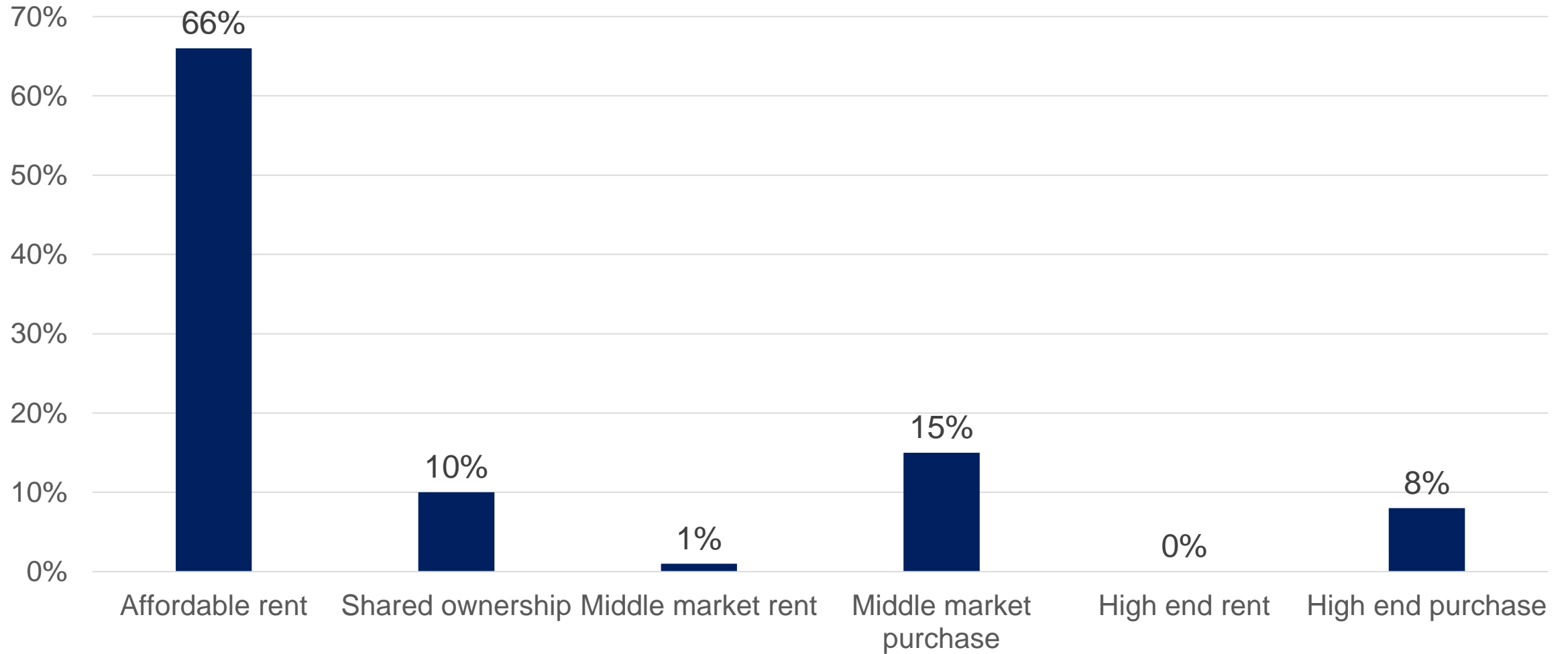
# Projections



# The shape of the sector



# The shape of the sector



Affordable rent

Extra care living at Leggyfield Court for Saxon Weald



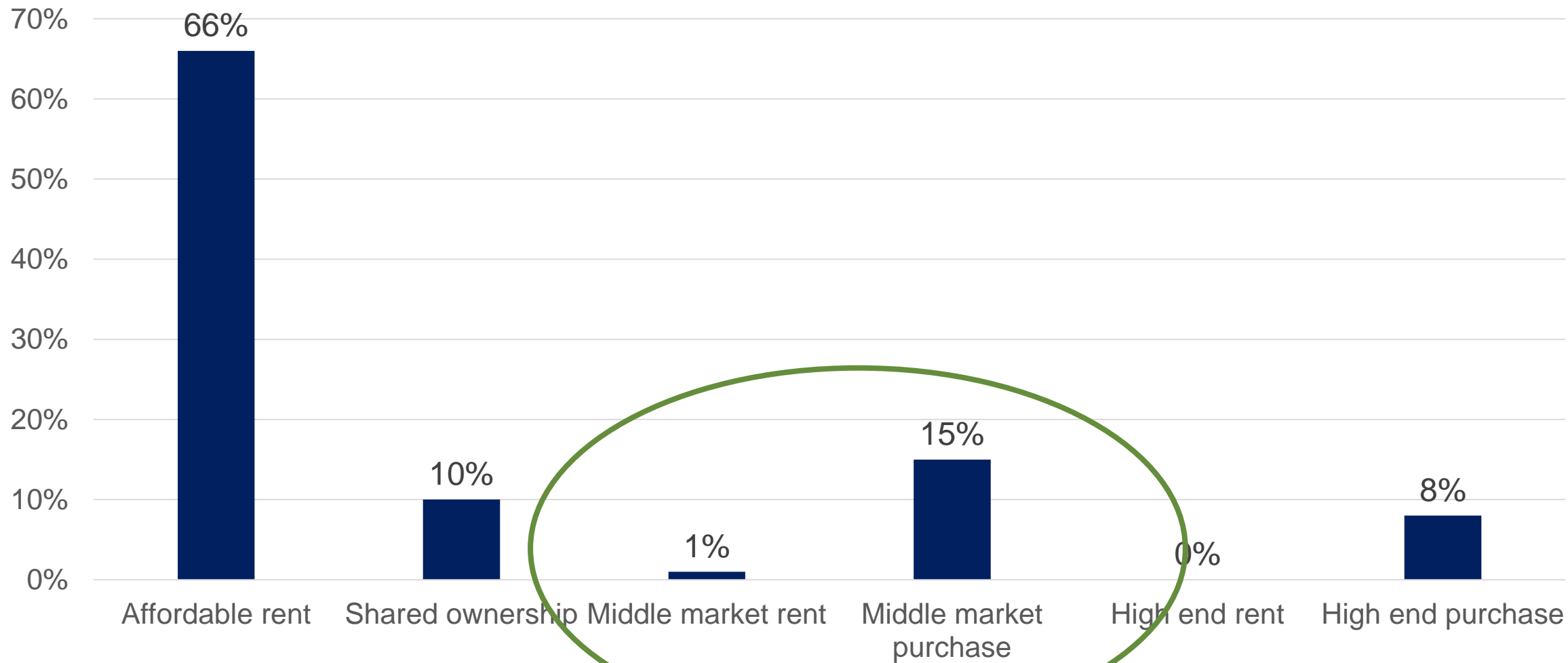


Shared  
ownership /  
Affordable rent

New extra care  
apartments for  
Fortis Living  
in Worcester  
completed  
January 2015

Designed  
and built by  
Castleoak

# The shape of the sector



# Mid Market – for rent

## The Maples, Peterborough Assisted Living for MHA

New 37 one and two-bed  
apartments plus  
13 studio apartments

The development  
solution:

- Site acquisition
- Feasibility analysis
- Securing planning



Design and build by Castleoak  
Opens Summer 2015



Mid Market  
– for sale

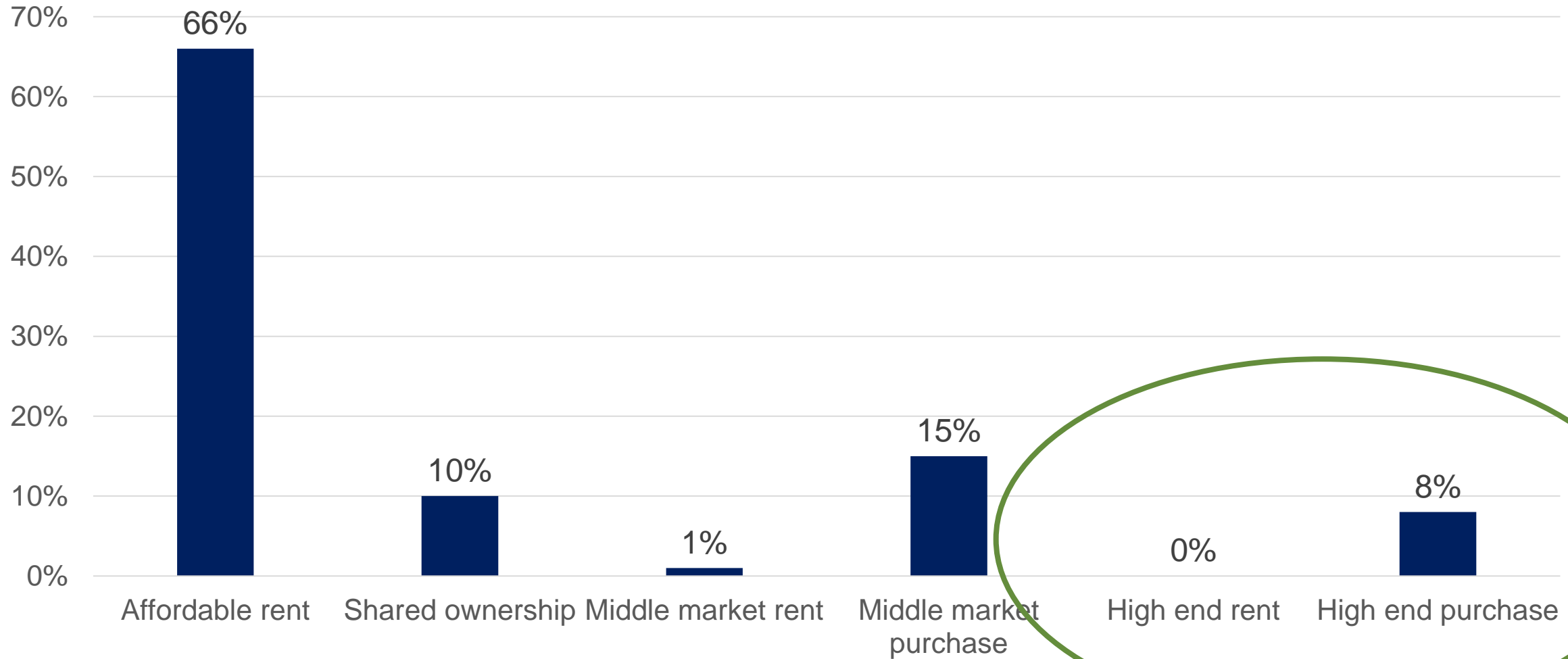
Fitzwarren Court  
Assisted Living  
for MHA

New 33 one and two-bed  
apartments and 4 studio  
apartments

Design and build by Castleoak  
Opens Spring 2015



# The shape of the sector



# High end – for sale



## Richmond Letcombe Regis, South Oxfordshire

A luxury retirement village including a 51 bed care home, 63 care suites and 74 apartments for independent and assisted living. Completed in 2010 by Castleoak.





Retirement living at its best at Letcombe Regis, Oxfordshire

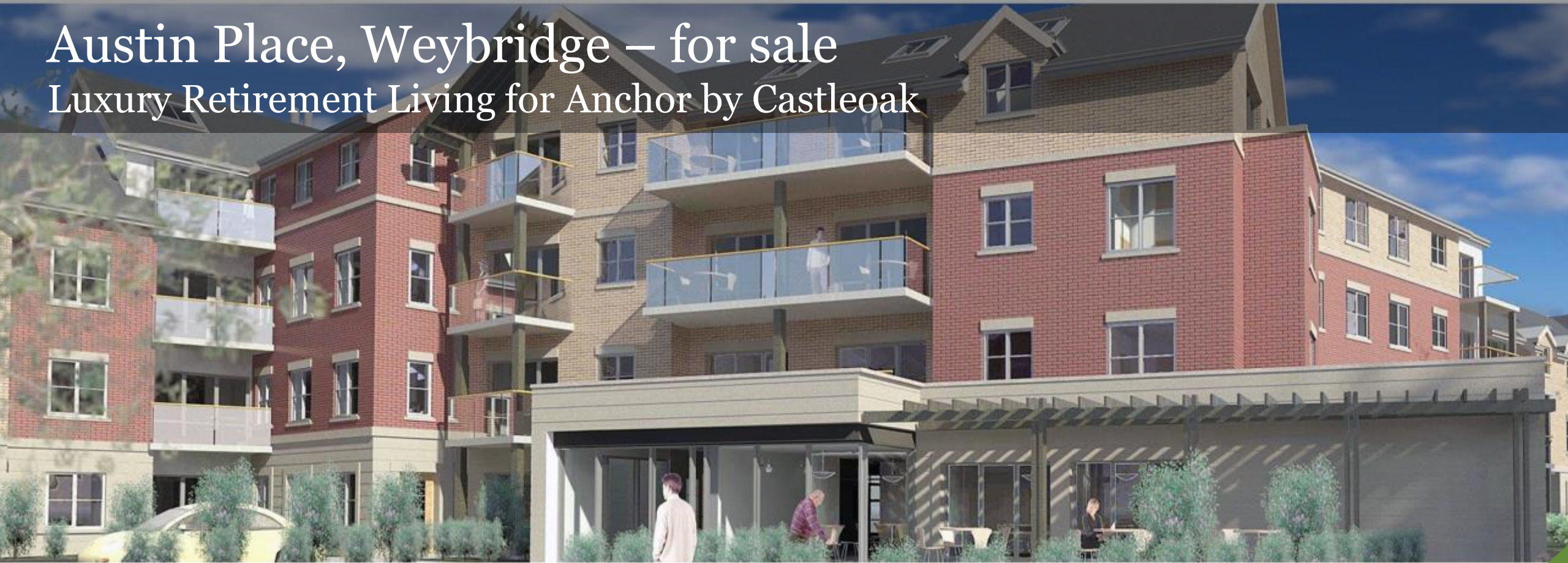




The Wellness Centre & Spa at Letcombe Regis

# Austin Place, Weybridge – for sale

## Luxury Retirement Living for Anchor by Castleoak

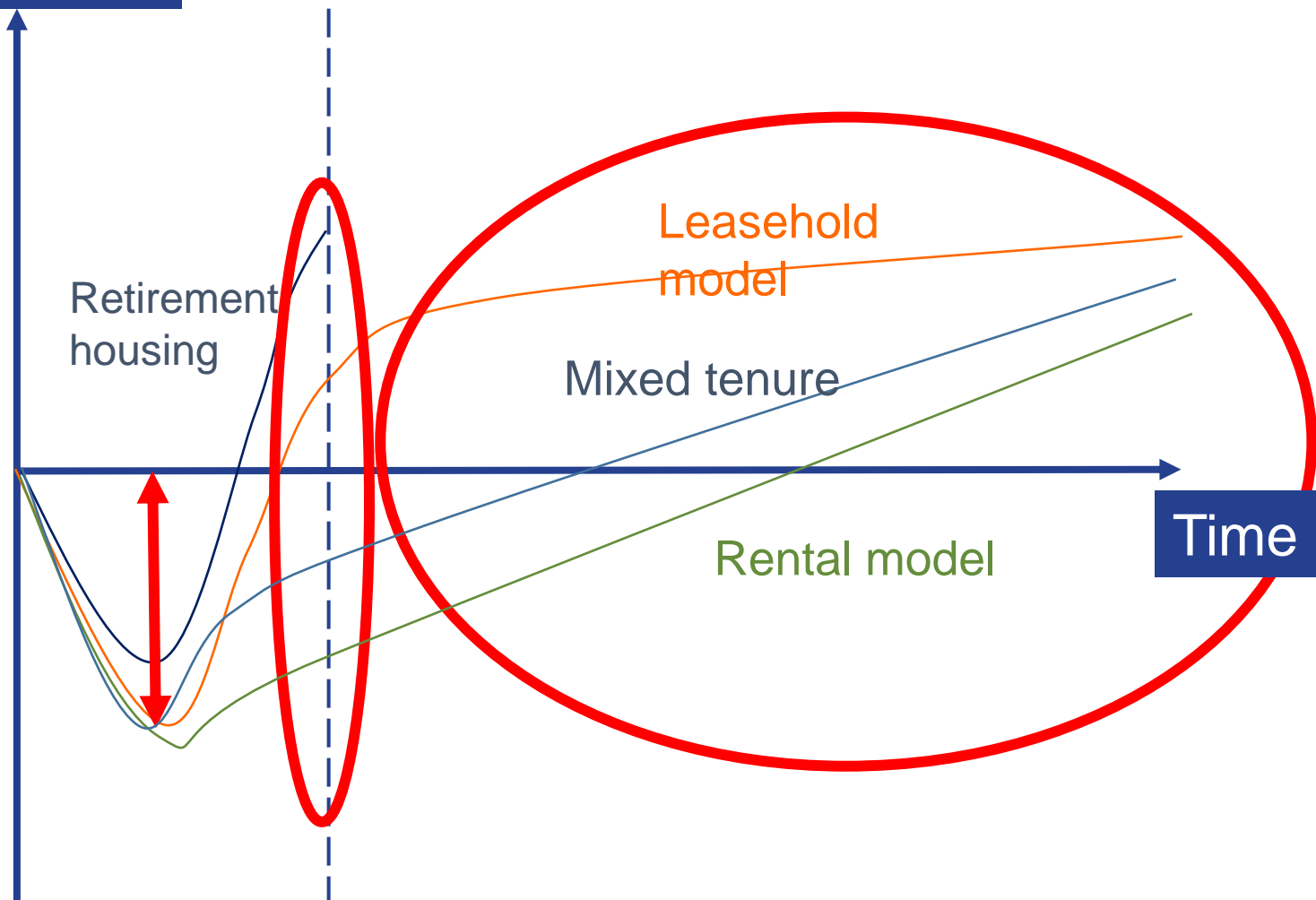


On schedule.....  
Completes Winter 2015

# Business models



Cashflow



Retirement housing

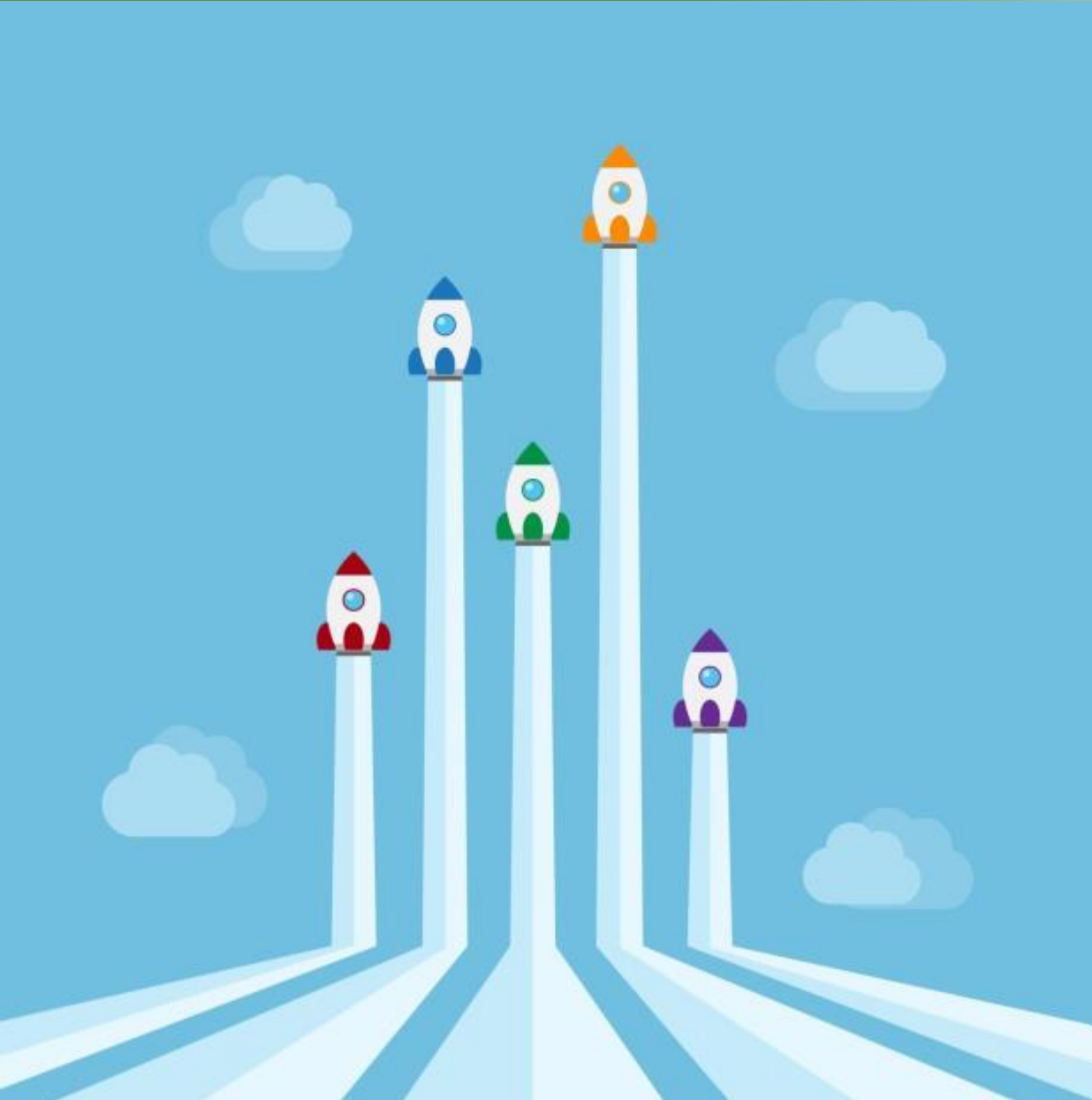
Leasehold model

Mixed tenure

Rental model

Time

# New entrants to the market



Retirement housing stepping up

A light blue downward-pointing arrow indicating a flow from the first box to the second.

Care homes

- changing business models
  - separating housing from care
- 
- A light blue downward-pointing arrow indicating a flow from the second box to the third.

HA's reproviding

A light blue downward-pointing arrow indicating a flow from the third box to the fourth.

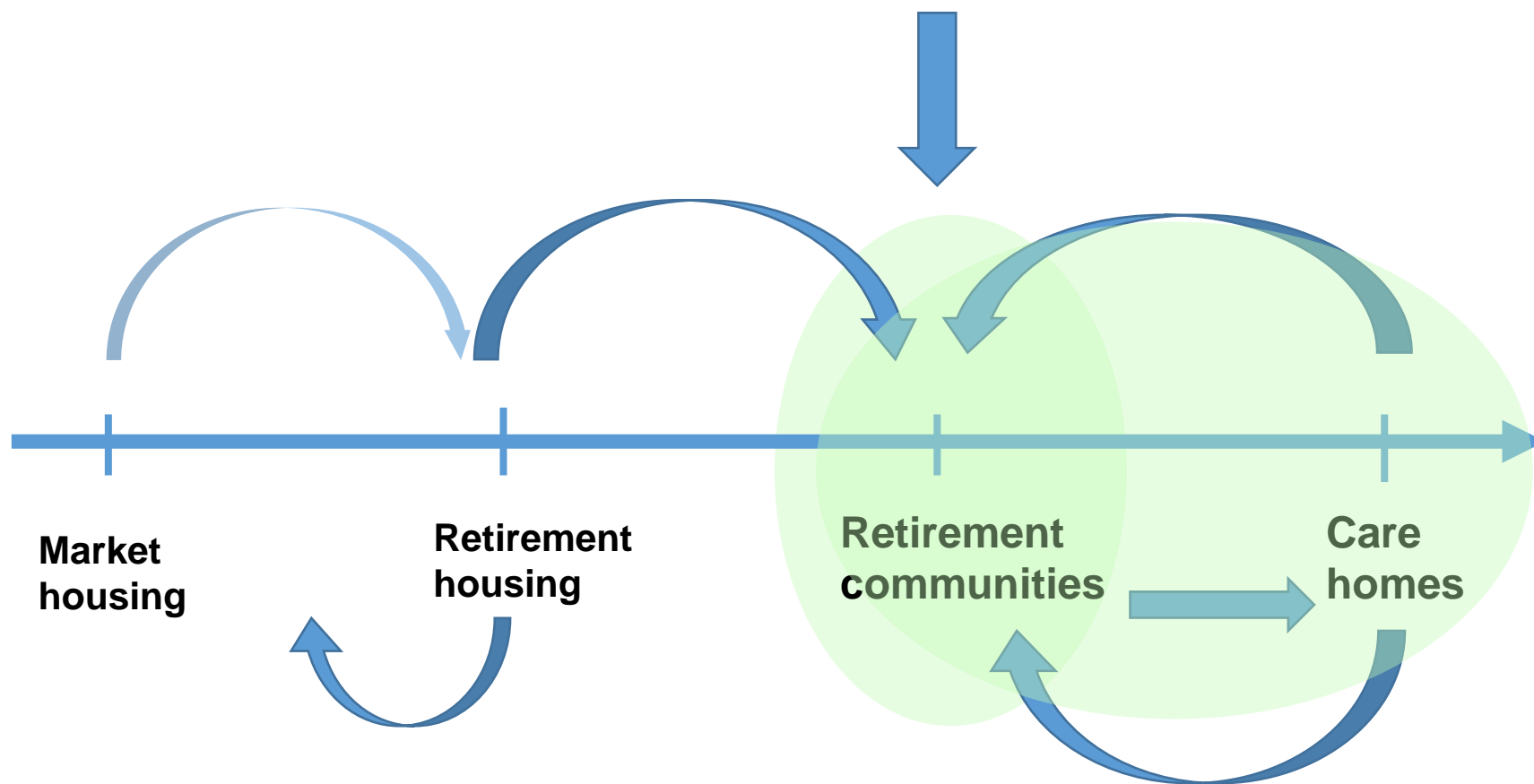
New entrants

A light blue downward-pointing arrow indicating a flow from the fourth box to the fifth.

'Downsizer' model



# Where are new entrants coming from?



# Trends in housing with care





Vertical living / high rise

Re-emergence of care villages

Community hubs

Health integration

'Middle market'

Rental model

Deferred charging models

All inclusive, including care

Increasing interest from capital providers

Increasing confidence in 'for sale' models

# High rise retirement living in Hong Kong



Cheerful Court



Jolly Court

Earlsdon Park  
Extra Care  
Retirement  
Village, Coventry  
from  
ExtraCare  
Charitable Trust



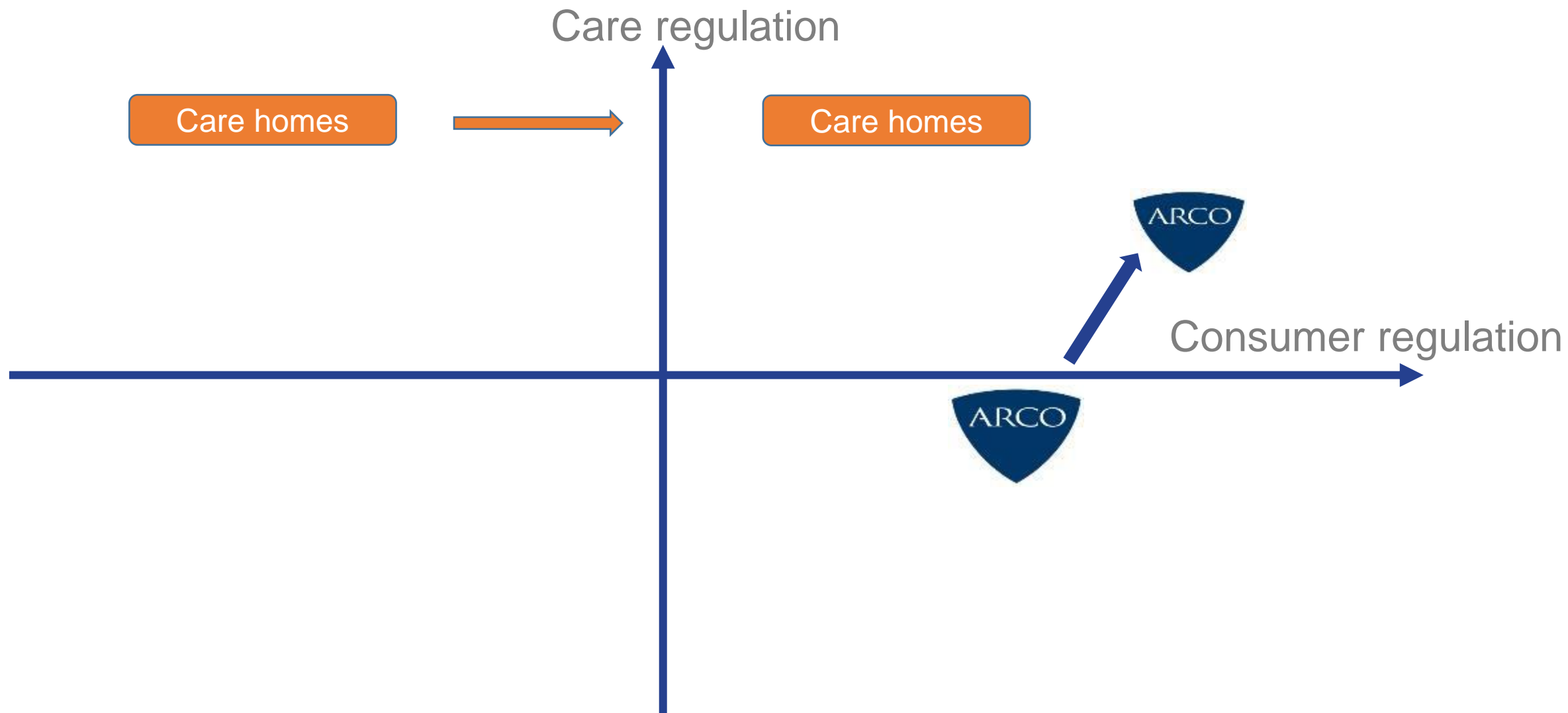


Battersea  
Place, London  
from  
LifeCare  
Residences

“London’s  
first luxury  
retirement  
community”

Completion due  
October 2015

# Sector regulation



# Sector regulation



- CMA study on Property Management Services
- Law Commission review of transfer fees
- CQC to review 'supported housing'
- ARCO and HousingLIN guidance





**TIME FOR  
QUESTIONS!**

Melville Knight  
Chief Executive  
Castleoak

Email: [mknight@castleoak.co.uk](mailto:mknight@castleoak.co.uk)

Tel: 029 2054 8800

Michael Voges  
Executive Director  
ARCO

Email: [michaelvoges@arcouk.org](mailto:michaelvoges@arcouk.org)

Tel 020 36971204

castleoak