Market Assessment of
Housing Options
for Older People

A report for Shelter and the Joseph Rowntree Foundation

By Jenny Pannell, Hannah Aldridge and Peter Kenway

New Policy Institute

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INTRODUCTION AND SUMMARY

AIMS AND SCOPE
1. Shelter and the Joseph Rowntree Foundation asked us to carry out a market assessment of older people’s housing in England: both specialist retirement developments and mainstream housing suitable for people aged 55 and above. In response, this study addresses three broad groups of questions:

   - **Choice, availability and affordability:** If an older person or couple is thinking about moving, do they have a wide enough choice of suitable housing? Are developers and providers offering what older people want (and if not, why not)? Is lack of choice the main reason that older people stay put?

   - **Quality of life:** What is the impact on older people’s wellbeing and quality of life if they move house or not? How does a wider choice of housing options relate to quality of life?

   - **Market impacts:** What are the impacts on the wider housing market of older people moving home? Does an older person down-sizing free up family-sized housing for families?

We look not only at the current situation, but also at **projections forward to 2033**.

DEFINITIONS
2. This study focuses on what we call **older people only households**. An ‘older person’ is someone aged 55 and over, as this is the lower age limits for the majority of housing developments specifically for older people. An **older person only household** is one that contains only older people (that is, all members of the household are aged 55 and over). Older people living in households that also contain younger people are thereby excluded. Older person households are further broken down according to the age of the ‘household reference person’ (HRP) who is the household member with the highest income.

3. There are broadly two types of **housing** lived in by older people, whether as owner-occupiers or as tenants in either the social rented or private rented sectors. They are: mainstream ‘general needs’ housing; and specialist housing for older people.

4. **Mainstream housing** includes:

   - ‘ordinary’ housing – often the family home – in which most older people choose to ‘stay put’, even if it becomes less suitable in later life because of a range of factors including location, size, stairs, garden, maintenance and heating costs;
• housing for people of any age, but considered (and sometimes marketed) as especially suitable for older people, either because of the dwelling type (e.g. bungalows), specific design features (including ‘lifetime homes’) or because of adaptations to suit older people’s needs (e.g. with a stair-lift or a level access shower room etc).

5. **Specialist housing** is restricted to (or designated for) older people aged 55/60/65+ (usually through conditions in the lease or tenancy agreement). It often has special design features/facilities, and usually some visiting or on-site support/care. The Elderly Accommodation Counsel (EAC) directory of specialist housing has five broad categories:

• age-exclusive (i.e. designated for older people, but with no specific support or care provision);

• housing with support (including sheltered housing for rent, retirement housing for sale, and some shared housing models such as Abbeyfield houses);

• housing with care (also known as very sheltered housing, and assisted living; both care and support are available);

• extra care housing (both care and support are available);

• close care (usually a few dwellings attached to, or in the grounds of, a care or nursing home).

6. In this report, we will use the broad terms **housing with support** (to cover the first two EAC categories above) and **housing with care** (to cover the last three). Retirement villages cut across the five EAC categories and can offer housing in any one.

---

1 ‘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. Lifetime homes make life easier for everyone else too, especially families (e.g. level access for pushchairs and prams; more spacious bathrooms make for easier bath-times with young children). More information can be found at [www.lifetimehomes.org.uk](http://www.lifetimehomes.org.uk)

2 The distinction between “care” and “support” is complex, not always clear-cut and linked to different funding sources and regulatory frameworks. “Care” refers to direct help provided by a carer to the older person, such as assistance with getting up, getting dressed/undressed, going to bed, washing/showering/bathing, as well as minor medical matters which do not require a qualified nurse. “Support” covers practical help with a wide range of tasks which can include accompanying the older person, dealing with post and bills, meal preparation, shopping. It also includes reminders/prompts (but not direct help) for an older person to manage their own personal care.

3 Villages are usually larger (up to 300 dwellings) and with more facilities. Some offer no specific support or care on-site (although of course residents are free to make their own support or care arrangements). Others provide support and care. Some villages also provide residential care or nursing homes on the same site.
7. To these three housing categories can be another category of accommodation, namely, care homes. This is not 'housing' because it neither is self-contained nor offers security of tenure through tenancy or ownership rights. Care home residents are licensees and are only entitled to minimal notice to leave. They pay an inclusive charge for accommodation, care, food and other services. Those placed by local authorities (adult social care) and on state benefits are left with very little disposable income. Moving to a care home is rarely a positive choice but made necessary because of health. Whilst not a core interest of this study, the EAC estimates that there are around 350,000 care home beds in England. The subject of care homes is dealt with briefly in section 1 of the report.

KEY POINTS AND CONCLUSIONS

Choice

8. There is very limited choice for older person households moving home to accommodate their support needs (in terms of tenure, location, size, affordability and type of care/support). There is a limited range of models of specialist housing; most of the focus has been on specialist provision, including an increase in retirement villages and housing with care. Compared with older people’s existing housing tenure (around 70% owner-occupation), there is much less specialist housing available for purchase (around 30%) than for social rent. Retirement housing models carry extra costs, such as service charges, and re-sales are not always easy.

9. Interest in developing a wider range of housing options for older people in recent years is yet to produce a broader range of housing choices. There has been little progress in integrating a housing ‘offer’ for older people within mainstream new developments. A wider choice and availability of mainstream housing might reduce the need for more specialist housing. For example, some older people prefer to have larger mainstream dwellings with no communal space and lower costs.

10. The current climate is challenging: market conditions remain difficult for developers of housing for sale, and there is likely to be little public money for new social rented housing. Recent reports and our interviews do show a growing interest in developing a wider range of choice and partnerships between private, public and voluntary sector organisations. There is also a desire for a clear lead from central government and from local government strategies for planning, housing, health and social care.

11. Lack of choice is only one of many reasons why older people move home less often than younger people; another key reason is that many older person households do not want to and have no need to move.

Quality of life

12. Moving to specialist retirement housing can improve quality of life in terms of physical health and social well-being. However, it is important that older people can choose whether to move or not. It is equally important that older people who prefer to remain living in mixed-age housing and communities are able to do so (whether in their existing housing or in alternative mainstream housing). Older people contribute to society and want to feel valued members of their local communities; many do not want to move into retirement housing because they do not feel ‘old’ and this applies regardless of people’s actual age.

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4 A small minority of older people live in other accommodation, whether by necessity or choice: with relatives or as lodgers; or in a range of collective settings and institutions including hospitals, hospices, prisons, homeless hostels. These categories of accommodation and the people living in them are not considered in this report.
13. Factors that contribute to well-being and quality of life include feeling in control and being able to manage uncertainty. Many owner-occupiers stay put because they are reluctant to move from the known to the unknown or at least to an alternative where they risk having less control. This applies especially to moving from freehold to leasehold, or to a property with service charges or exit fees.

14. There is extensive evidence of what older people want. Both previous research and our own data analysis confirm that two bedrooms is the minimum that most older people would consider. Some may compromise and accept one-bedroom retirement housing if that is all they are offered or can afford.

15. There are broadly three types of 'movers' among older person households:

   - ‘lifestyle’ movers (typically the younger age range) may move to the coast or countryside, to a vibrant city centre, or even abroad, seeking a better quality of life;
   - ‘planners’ (typically the middle age range) move before they need to, and while they still have the energy: factors influencing the planners include the onset of health problems and a realisation that their existing housing will become less suitable; in terms of quality of life, what is important is that they remain in control; and
   - ‘crisis movers’ (often the older age range) typically hang on in their existing housing as long as possible, until they have to move, often because of accident or ill-health. They are less likely to have any choice, and more likely to end up in a care home even if that is not their preference and other housing (e.g. extra care) would have met their needs better.

16. There are trade-offs in terms of quality of life between the three groups: lifestyle movers make a choice based on (perceived) quality of life; crisis movers have been able to stay longer in their preferred housing and have in effect lost their ‘bet’ that they would not have to move; however if planners cannot find what they want, the risk is that they will have to move in a crisis.

17. There is some evidence (from our interviews and other consultations with older people) that the current discussion of downsizing and under-occupation (especially from the government) is upsetting, annoying and distressing, and reflects a lack of concern or understanding of wellbeing and quality of life issues from an older person’s perspective.

Under-occupation

18. According to the official definition, 5 57% of older person households under-occupy, compared to 27% of other households. Initially it appears that if under-occupancy levels were reduced by encouraging older person households to downsize, problems with the housing market such as over-crowding and the shortage of larger homes could be eased. However, the report shows that under-occupation is far more complex.

19. Firstly, when looking at the number of under-occupied dwellings the gap between older person household and other households is much smaller at 4.2 million and 3.8 million respectively. Whilst older person households are much more likely to under-occupy, they make up just over half (52%) of under-occupying households. Therefore, targeting older person households may be more efficient way of reducing under-occupation but will ignore a large proportion of issue.

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5 See section 1B for the full definition and wider discussion
20. Secondly, almost all older person households in three or more bedroom properties would be classed as under-occupied according to the official definition. This is because most older person households contain a couple or single adult which allows for one bedroom and a spare bedroom, anything more would be classified as under-occupation. As 63% of dwellings have three or more bedrooms and only 57% of older person households under-occupy, it appears that older person households are, to a degree, choosing homes that they think would be an appropriate size for them.

21. Finally, the report looked at the number of bedrooms older person households had by tenure, before and after moving and by age group. The data consistently showed that under-occupation was common among all older person households except those in social rent. For those in private tenures the proportion of older person households living in four bedroom homes fell with both age and following a move, but the proportion in three bedroom homes did not change. It appears as though the official definition of under-occupation is completely at odds with what older people who are free to choose actually choose to do.

22. Given that three bedroom homes are the most common dwelling type and that many older person households that are able to do so choose to live in one, brings the very idea of under-occupation into question.

**Market impacts and implications**

23. Older person households are much more likely to under-occupy than other households. Simultaneously, in the current housing market, many young families are struggling to secure housing that is large enough. This has prompted us to consider if a greater proportion of older people were to downsize would other families previously unable to move to larger homes be able to do so?

24. The analysis has shown that most of the housing released by older people comes from death, not downsizing (i.e. the death of the last person living in a household). The older someone is, the less difference (to others) downsizing makes. This is because their housing would be available for another household on death anyway, so through downsizing it is just becoming available a bit sooner. If the aim is to release housing for families, there would be more to gain from encouraging downsizing amongst younger age-groups.

25. The trends and impacts of older people moving vary significantly by tenure. Table 1 below draws on key figures in the report to illustrate our conclusions. Given the costs of moving home, it is only owner-occupiers in the largest homes or in the most expensive areas that are likely to be able to gain financially from downsizing. Other households would have to make bigger sacrifices, such as, moving to a smaller and lower quality dwelling. The 'owner-occupied' row of table 1 shows that the likelihood of under-occupation among older owner-occupiers falls by 20 percentage points following a move. Even so, half of owner-occupiers who do move continue to under-occupy. The majority of the non-older households that move into a three bedroom owner-occupied home themselves under-occupy. This demonstrates that under-occupation in owner-occupied housing is not going to be resolved by targeting older person households – the picture is much bigger.
26. The financial benefits of downsizing within the **private rented sector** are technically much clearer, as monthly housing costs should fall. Nonetheless, there is still the cost of moving and a new tenancy may have higher rates than a long-standing one. Moving tends to reduce under-occupation among older private renters from about 42% to 26% (the ‘private rent’ row of table 1). Of the non-older person households expected to move into a three bedroom private sector dwelling, around 34% would under-occupy. Finally, as older person households make up only a small proportion of private renters and the problem with families accessing larger homes primarily concerns the other tenure groups, there is little need, or benefit to be had, from intervention in the private rented sector.

27. Older person households in **social rented housing** are the least likely to under-occupy. Older people moving within social rented housing tends to eliminate under-occupation, both in terms of the older person households not under-occupying in their next home and in the very low proportion of the ‘replacement’ households that would be under-occupying (the ‘social rent’ row of table 1). This is because of the way that social housing is allocated: a moving household will not be entitled to a dwelling that they would be deemed to under-occupy.

### Table 1: Levels of under-occupation by different groups

<table>
<thead>
<tr>
<th></th>
<th>Non-moving older person households</th>
<th>Moving older person households</th>
<th>Older person households in three+ bedroom homes</th>
<th>Non-older households moving into three+ bedroom homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupied</td>
<td>70%</td>
<td>50%</td>
<td>97%</td>
<td>58%</td>
</tr>
<tr>
<td>Private rent</td>
<td>42%</td>
<td>26%</td>
<td>97%</td>
<td>34%</td>
</tr>
<tr>
<td>Social rent</td>
<td>24%</td>
<td>1%</td>
<td>97%</td>
<td>8%</td>
</tr>
</tbody>
</table>


28. Because it is subject to government regulation, the social rented sector is where efforts to reduce under-occupation would be the most efficient and would ‘free-up’ larger properties for families. Nonetheless such action is extremely controversial. Social renters have the lowest levels of under-occupation already, are often the poorest and more likely to contain someone with an illness or disability (thereby needing an extra room). Since under-occupation is the norm among older-person owner occupiers, the social justice of moves to reduce further the already very low levels of under-occupation among older person social tenants is very questionable.

### The future and implications

29. The number of households with an older HRP is expected to increase by around 40% by 2033, from 9.3 million to 13 million. The distribution of ages among these households will also change significantly with the proportion aged 85+ increasing and the proportion aged 55-64 decreasing. This will require a change in the housing stock so that more homes are suitable for older people be it specialist housing, lifetime homes or adapted homes.
30. Projecting how the demand for specialist housing will change with the growing number of older person households is subject to great uncertainty. Many ‘known unknowns’ enter including: how the length of stay in specialist housing will change; how the health and housing needs of older people will change; and how these needs could be met through alternatives to specialist housing such as assistive technology. Nonetheless the number of older person households will increase and a proportion of them will require specialist housing. The analysis suggests that the size of the specialist housing stock will need to increase by anything between 35% and 70%.

31. The housing market and constraints to public spending mean that it is unlikely that the growth in the specialist housing stock required will be achieved without some policy intervention. In addition, new developments need to diversify the specialist housing that is currently on offer, which does not reflect the housing trend or desires of older person households not currently living in specialist accommodation.
1. OLDER PERSON HOUSEHOLDS AND HOUSING

A) CHARACTERISTICS OF OLDER PEOPLE AND OLDER PERSON HOUSEHOLDS

Older person population

1.1. Around 28% of the population in England are aged 55 or above, 15 million people. Among older people around 42% are aged between 55-64, this is in part because of mortality making the older groups smaller (particularly from the age of 75) but also this age group contains the first wave of “baby boomers” and cause a bulge in the population.

1.2. Around a third of households in England are older person only households. Also unlike the population figures, there are as many older person households with a HRP aged 55-64 as aged 65-74. This is partly because a higher proportion of 55-64 year older live in households with younger people (and are therefore not an ‘older person household’), than older age groups (65+).

Table 1.1 Estimated population of older people in England

<table>
<thead>
<tr>
<th>Age group</th>
<th>Population (m)</th>
<th>As % of older people</th>
<th>As % all people</th>
<th>Older person h’hlds (m)</th>
<th>As % of older h’hlds</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64</td>
<td>6.1</td>
<td>42%</td>
<td>12%</td>
<td>2.3</td>
<td>32%</td>
</tr>
<tr>
<td>65-74</td>
<td>4.5</td>
<td>30%</td>
<td>9%</td>
<td>2.4</td>
<td>33%</td>
</tr>
<tr>
<td>75-84</td>
<td>2.9</td>
<td>20%</td>
<td>6%</td>
<td>1.9</td>
<td>26%</td>
</tr>
<tr>
<td>85+</td>
<td>1.2</td>
<td>8%</td>
<td>2%</td>
<td>0.7</td>
<td>9%</td>
</tr>
<tr>
<td>All older people/h’hlds</td>
<td>15</td>
<td>100%</td>
<td>28%</td>
<td>7.3</td>
<td>100%</td>
</tr>
<tr>
<td>All people/h’hlds</td>
<td>52</td>
<td>NA</td>
<td>100%</td>
<td>22</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: ONS 2010 mid-year population estimates and EHS 2008/09

Region

1.3. Clearly, the number of older person households ranges by region, largely with the size of the region. What is most interesting to consider at regional level is the proportion of households that are older person households. This ranges across the regions from 40% in South West to 22% in London (figure 1.2). In all other regions, older person households make up about 35% of households.

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6 The data here and throughout much of the report is drawn from the English Housing Survey (EHS), see appendix for more information.
Tenure

1.4. Around three quarters of older person households are owner-occupiers, the vast majority of whom own outright (65% own-outright and 11% own with a mortgage). Of the one quarter that rent, most are in the social-rented sector (18% are social renters and 6% private renters). By contrast, most other households that owner occupy have a mortgage (14% outright and 49% own with a mortgage). A third of non-older person households rent and the split between private and social is reasonably even (17% socially rent and 20% privately rent).

1.5. There are clear trends within older person households by the age of the HRP. Figure 1.3 shows that the largest change is the number of households with a mortgage between the ages of 55-64 to 65-74 which falls from around half a million to 150,000. This declining proportion of households with a mortgage continues more slowly into the older age groups.
1.6. A higher proportion of those aged 75+ are social sector tenants than among the younger age groups (22% compared to 16%). This will include some older people who found that their owner-occupied home was no longer suitable and became eligible for specialist social housing. However, it mainly represents the changing tenure patterns that have occurred over last 30 years and in particular, the decline in the size of the social rented sector. For example, in 1984, one quarter of those in the 45 to 64 age group were in this sector. By 2007, the proportion in the 45 to 64 age group had dropped to just over 10%.

Dwelling type

1.7. Table 1.4 shows that almost two thirds of older person households live in houses; 20% live in bungalows and 15% live in flats. There are few differences between the proportions of older person households living in each dwelling type compared to other households. However, older person households are less likely to live in a terraced house and much more likely to live in a bungalow.

1.8. The proportion of older person households living in a bungalow increases steadily from the ages of 55 (up to 75) whilst the proportion in low-rise flats increases between the ages of 65 and 85. This would reflect different factors including the need to move into smaller housing or specialist housing (commonly low-rise flats), and the type of buildings and tenures that were available for different generations.

1.9. The proportion of households living in detached homes also decreases with age – again this would reflect the different choices available to different generations (the oldest households having less housing choice and money); changes to the type of new-build housing (e.g. more detached houses built on newer developments compared to the preponderance of inter-war/post-war semi-detached houses); the choice of some older households to move from a detached house to a bungalow.

1.10. Older person households are less likely to live in both the oldest and the newest properties. Around 50% of older person households live in properties built between 1945 and 1980. Looking at the Decent Homes Standard, around a third of older person households lived in non-decent housing – the same as other households. When this was broken down by age and reason for non-decency (such as thermal comfort) there was no significant difference between the groups.

### Household size

1.11. Table 1.5 shows that almost all older person households contain fewer than three people; 97% are either couple households or single person households. At the age of 75 the likelihood that an older household will contain just one person increases (as people become widows/widowers). The table shows that the proportion of single women households more than doubles between the ages of 55-64 and 85+.

1.12. However, single person households are common across all age groups: 42% of 55-64 are single person households. Among the younger age groups only a small proportion of these will be widowers: they will be divorced or will have never married. Only 17% of non-older person households are single person households.
Table 1.5: The number of older person households by age and size (thousands)

<table>
<thead>
<tr>
<th>Household type</th>
<th>55-64</th>
<th>65-74</th>
<th>75-84</th>
<th>85+</th>
<th>All age groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single man</td>
<td>450</td>
<td>360</td>
<td>290</td>
<td>110</td>
<td>1,200</td>
</tr>
<tr>
<td></td>
<td>20%</td>
<td>15%</td>
<td>15%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Single woman</td>
<td>520</td>
<td>710</td>
<td>790</td>
<td>370</td>
<td>2,400</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>29%</td>
<td>42%</td>
<td>56%</td>
<td>33%</td>
</tr>
<tr>
<td>Couple household</td>
<td>1,300</td>
<td>1,300</td>
<td>780</td>
<td>140</td>
<td>3,500</td>
</tr>
<tr>
<td></td>
<td>54%</td>
<td>54%</td>
<td>41%</td>
<td>21%</td>
<td>48%</td>
</tr>
<tr>
<td>Other households</td>
<td>80</td>
<td>53</td>
<td>40</td>
<td>34</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>All older person</td>
<td>2,300</td>
<td>2,400</td>
<td>1,900</td>
<td>660</td>
<td>7,300</td>
</tr>
<tr>
<td>households</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

B) UNDER-OCCUPATION

Definition

1.13. ‘Under-occupation’ and its implications among older person households is a central issue for this study. It is therefore important to understand how it is defined and measured within the statistics. The Department for Communities and Local Government (CLG) defines under-occupation in relation to the ‘bedroom standard’. The bedroom standard allows one bedroom for every couple and one for every single adult (aged 21 or over) in a household. Further rules are applied to determine how many bedrooms are required for children and adults aged under 21. The resulting standard is then compared with the actual number of bedrooms declared to be available. A household that is more than one (i.e. two or more) above the standard is counted as under-occupied. One with fewer bedrooms than the standard is counted as overcrowded.

1.14. It is important to appreciate the crudity of this measure. For example, as the CLG explanation notes, “bedrooms converted to other uses are not counted as available unless they have been denoted as bedrooms by the informants”. This reflects the fact that the data is gathered via interview (for the EHS). So whether a study or dining-room counts towards determining ‘under-occupation’ simply depends on how the interviewee has described their situation. The standard takes no account of whether anyone in the household is disabled and whether, as a result, they have their own bedroom even if part of a couple. Neither does it take any account of room size.

---

8 This differs to the under-occupancy measure used in the 2001 census which took into account the number of rooms that were not bedrooms.

1.15. To observe in this way that the measure is crude is not to denigrate the statistic itself: most statistics of this sort have to be, else the cost of creating them would be prohibitive. It is, however, extremely important to bear in mind how unsophisticated it is – and indeed, how arbitrary it is too – when using it for policy purposes.

Extent

1.16. Table 1.6 showed that the vast majority of older person households contain one person or a couple. On the official definition, therefore, almost every older person household with more than two bedrooms is under-occupying. Table 1.6 shows that 57% of older person households (4.2 million) are under-occupying. The rate of under-occupation is 30 percentage points higher among older person households than other households. Although the level of under-occupation among older persons households peaks for the 55-64 age group and falls thereafter, under-occupation is still the norm for all but the over 85s.

1.17. There are several further points that can be seen in this table:

- On the official definition, 70% of owner-occupiers (3.8 million), 35% of private sector tenants (150,000) and 20% of social sector tenants under-occupy (260,000) under-occupy.

- The rate of under-occupying falls with age, for example from 73% (55 to 64) to 52% (85+) among owner-occupiers and from 28% to 7% among social sector tenants.

- Although older person households are much more likely to under-occupy the difference in the number of under-occupied dwellings is not as great: 4.2 million older person households under-occupy compared to 3.8 million other households.

Table 1.6: The number and proportion of older person households that under-occupy by age group and tenure

<table>
<thead>
<tr>
<th>Age of HRP</th>
<th>Owner-occupiers</th>
<th>Private renters</th>
<th>Social renters</th>
<th>All tenures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count (000s)</td>
<td>%</td>
<td>Count (000s)</td>
<td>%</td>
</tr>
<tr>
<td>55-64</td>
<td>1,300</td>
<td>73%</td>
<td>58</td>
<td>35%</td>
</tr>
<tr>
<td>65-74</td>
<td>1,400</td>
<td>71%</td>
<td>41</td>
<td>40%</td>
</tr>
<tr>
<td>75-84</td>
<td>860</td>
<td>62%</td>
<td>33</td>
<td>37%</td>
</tr>
<tr>
<td>85+</td>
<td>240</td>
<td>52%</td>
<td>13</td>
<td>30%</td>
</tr>
<tr>
<td>All older</td>
<td>3,800</td>
<td>68%</td>
<td>150</td>
<td>36%</td>
</tr>
<tr>
<td>person</td>
<td>households</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,300</td>
<td>36%</td>
<td>410</td>
<td>14%</td>
</tr>
<tr>
<td>households</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

10 Only 37% of dwellings contain 2 or fewer bedrooms.
1.18. Further information on the extent and pattern of under-occupation is provided in table 1.7 which looks at the same issue but by considering both tenure and number of bedrooms by age group. In interpreting the table, the main point to bear in mind is that all but a handful of those with three or more bedrooms are under-occupying. The key point here is that although under-occupation falls with age in both tenures, there is a key difference: among owner occupiers, the fall is confined to those with four or more bedrooms (the proportion with three bedrooms remaining very close to 50% across the age range); among social sector tenants (almost none of whom have four or more bedrooms), the fall is in the proportion with three bedrooms. Among private sector tenants, the proportions change little over the age range.

1.19. In our view, these statistics show that the official definition of under-occupation is completely at odds with what older people who are free to choose actually choose to do. The single most important piece of evidence is of the proportion of owner occupiers with three bedrooms. Not only is this 50% overall but it remains at that level across the older person age groups (as opposed to being higher at younger ages and lower at older ones). A similar stability at a lower level (around 30%) is to be seen among private sector tenants. By contrast, the steady fall with age in the proportion of owner occupiers with four bedrooms or more shows that this is a dwelling size that many older people eventually do indeed decide to leave; higher values may also make it easier to afford alternative smaller housing (including retirement housing).

Table 1.7: The proportion of older person households by age and number of bedrooms

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Bedrooms</th>
<th>55 to 64 (%)</th>
<th>65 to 74 (%)</th>
<th>75 to 84 (%)</th>
<th>85+ (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner occupiers</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>22</td>
<td>25</td>
<td>33</td>
<td>37</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>49</td>
<td>52</td>
<td>49</td>
<td>47</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>4 or more</td>
<td>26</td>
<td>20</td>
<td>14</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Private sector tenants</td>
<td>1</td>
<td>23</td>
<td>24</td>
<td>23</td>
<td>27</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>40</td>
<td>34</td>
<td>40</td>
<td>41</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>28</td>
<td>36</td>
<td>31</td>
<td>27</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>4 or more</td>
<td>10</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Social sector tenants</td>
<td>1</td>
<td>38</td>
<td>47</td>
<td>50</td>
<td>61</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>34</td>
<td>35</td>
<td>31</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>27</td>
<td>18</td>
<td>19</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>4 or more</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: English Housing Survey. Average for 2008-09 to 2009-10.
1.20. In the remainder of this paper, and in particular in section 3, we will continue to work with the official definition of under-occupation. However, if 'under-occupation' among older person households were to be restricted to those with four or more bedrooms, it would have major effects. First, the extent of 'under-occupation' would be reduced by three quarters, from around 60% on the official definition, to just 15% (1.1 million). Second, 'under-occupation' would be even more concentrated among the younger old (about 80% among those aged under 75) than on the official definition (70%).

C) OLDER PERSON HOUSEHOLDS WITH SUPPORT NEEDS

Sickness and disability

1.21. Older person households that contain someone with an illness or disability are much more likely to require specific housing for example, level access housing, or housing requiring a ‘floating’ support service. The data here looks at illness and disability as reported in the English Housing Survey\(^\text{11}\).

1.22. As shown in figure 1.8, the proportion of older person households that contain someone who is sick or disabled is higher than other households (42% compared to 22%). Whilst not all illnesses and disabilities are age-related, the risk of becoming ill or disabled does increase with age. By the age group 75-84 half of older person households contain someone with a disability and at the age group 85 plus this reaches 55%.

*Figure 1.8: The proportion of older person households containing someone with an illness or disability by age*

1.23. Table 1.9 summaries the main differences in the housing characteristics between older person households containing someone who is sick or disabled and other older person households. The main differences occur in tenure distribution and dwelling type.

---

\(^{11}\) Illness and disability in the English Housing Survey is derived from the interview component of the survey, it includes all households where at least one person in the household has a long-term illness or disability (as reported by household members). It will differ from other definitions of illness and disability.
Table 1.9: characteristics of older person households containing someone who is sick or disabled compared to other older person households

<table>
<thead>
<tr>
<th></th>
<th>Sick or disabled older person households</th>
<th>Other older person households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of households</td>
<td>3.0 million</td>
<td>4.2 million</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live in social rented housing</td>
<td>26%</td>
<td>13%</td>
</tr>
<tr>
<td>Live in owner-occupied housing</td>
<td>69%</td>
<td>81%</td>
</tr>
<tr>
<td>Live in a flat*</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Live in a bungalow*</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>Live in a detached house*</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>Are single person households</td>
<td>46%</td>
<td>52%</td>
</tr>
<tr>
<td>Under-occupy</td>
<td>49%</td>
<td>63%</td>
</tr>
</tbody>
</table>


1.24. Sick or disabled older person households are notably more likely to live in social rented accommodation than other older person households. This could reflect limited financial capacity or, less likely, that it is better equipped to suit their needs. They are also less likely to be an owner-occupier. However owner-occupiers still make up the majority of sick or disabled older person households.

1.25. Compared with other older person households, sick or disabled people are more likely to live in a flat or bungalow and less likely to live in detached houses. However, when comparing this across the age groups it appears that the higher proportion of sick or disabled households living in flats is related to the higher proportion of households in the older aged groups living in flats. This is not the case though for bungalows and detached houses, where the difference persists across the age groups. The higher proportion in bungalows probably reflects a conscious decision by the household to find housing that is more suited to their housing needs.

Poverty

1.26. Official statistics show there are around 1.5 million pensioners in England in poverty in 2009/10. Rates of pensioner poverty have fallen substantially over the last decade and are now, at 17%, less likely than any other group to be in poverty. A further 1.2 million pensioners are on the edge of poverty. Alongside this the number of pensioners with no income other than state retirement pension and state benefits has remained largely unchanged at around 1.1m.

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12 Households Below Average Income 1994/95 to 2009/10, DWP, via Monitoring Poverty and Social Exclusion 2011, Joseph Rowntree Foundation. Poverty is measure as having less income than 60% of the median equivalised income after housing costs.

13 People with income above 60% of the median equivalised income but below 70% of the median equivalised income. UK data

14 UK data
1.27. Whilst the risk of poverty is lower among owner-occupiers (14%) compared to renters (22%), there are more owner-occupying pensioners and therefore 67% of pensioners in poverty are owner-occupiers (1.1m people). The risk of poverty is also higher for single women pensioners (21%) and non-white British pensioners (26%), and is very slightly higher for pensioners aged over 75 (18%).

1.28. Among older households in particular it is important to consider the levels of savings in the households. Around 9.2m households with an older HRP had less than £1,500 in savings, three quarters of which were living in owner occupied accommodation.

1.29. On the face of it, the falling level of pensioner poverty is one of the success stories of the last 15 years. However, a significant number of pensioners remain in or very close to the poverty line across all tenures. And those not in poverty are certainly not necessarily wealthy – many pensioner incomes come solely from Social Security Benefits and quite a large number of people in households with an older HRP have minimal savings, even among owner-occupiers.

1.30. Clearly we cannot assume that an absence of poverty means an abundance of wealth, in particular when considering older peoples housing options either to improve/adapt their current home or to move home. Many older people will find that their housing options are limited by low incomes and savings and by their ability and willingness to release their equity.

D) HOUSING FOR OLDER PEOPLE

Specialist housing units

1.31. According to a survey by the EAC, the number of units of specialist housing in England in 2012 was 533,000. Table 1.10 shows how this is broken down by tenure and whether offering support or care (much of housing with support is commonly known as sheltered housing). Of the total, around 77% is for rent and 23% for sale (the opposite tenure pattern as seen among older person households). In terms of whether care is provided, 90% is classified as housing with support and 10% is housing with care. There are around 7.3 million older person only households in England, therefore the current supply of specialist housing amounts to about 73 units per 1,000 older households.

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15 UK data
16 The EAC (Elderly Accommodation Counsel) is the best source of data on this topic but is not an official government survey and not 100% reliable or up-to-date because it is relies on information given to EAC by housing providers.
17 Specialist housing units without an on-site scheme manager service are excluded (including those with only an on-call / emergency visiting service). There may be up to 100,000 other specialist dwellings in this category but there is insufficient data to reliably discuss them. Also the extent to which such housing can be classified as ‘specialist’ is debatable. A unit is housing that can contain one household, similar to dwelling but some dwellings contain more than one household. For information on the meaning and types of specialist accommodation see definitions section in the introduction
Table 1.10: The number of specialist housing units by tenure and level of support/care

<table>
<thead>
<tr>
<th></th>
<th>Housing with support</th>
<th>Housing with care</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>For rent</td>
<td>369,000</td>
<td>40,000</td>
<td>409,000</td>
</tr>
<tr>
<td>For purchase</td>
<td>109,000</td>
<td>15,000</td>
<td>124,000</td>
</tr>
<tr>
<td>Total</td>
<td>478,000</td>
<td>56,000</td>
<td>533,000</td>
</tr>
</tbody>
</table>


1.32. Table 1.11 shows the number of units in each region as compared to the number of older person only households. The South East has almost 100,000 units of specialist housing compared to the North East with quarter of that. The table also shows the ratio of specialist housing units for every 1,000 older person households and that the spread of specialist units largely mirrors households. Yorkshire and the Humber is an outlier with the lowest supply at 59 per 1,000. London has a particularly high supply but this is because of the nature of the measure. Generally the southern regions have a larger supply than the northern and midland regions.

1.33. As stated previously, housing with support accounts for around 90% of specialist housing and the remaining 10% is housing with care. This split of 90:10 is reasonably consistent across the regions. What varies much more by region is the proportion of specialist housing that is available to buy and that to rent. Across England the average is for 77% of specialist housing units are rented. However, by region, this varies from 90% in the North East to 62% in the South East.

Table 1.11: Supply of specialist housing units by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of specialist units (000s)</th>
<th>Number of older person h'holds (000s)</th>
<th>Specialist units per 1,000 older h'holds</th>
<th>% of specialist for rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>25</td>
<td>400</td>
<td>63</td>
<td>90%</td>
</tr>
<tr>
<td>North West</td>
<td>74</td>
<td>1,000</td>
<td>74</td>
<td>83%</td>
</tr>
<tr>
<td>Yorkshire and The Humber</td>
<td>45</td>
<td>770</td>
<td>59</td>
<td>86%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>46</td>
<td>660</td>
<td>70</td>
<td>88%</td>
</tr>
<tr>
<td>West Midlands</td>
<td>55</td>
<td>780</td>
<td>71</td>
<td>79%</td>
</tr>
<tr>
<td>East of England</td>
<td>65</td>
<td>870</td>
<td>74</td>
<td>75%</td>
</tr>
<tr>
<td>London</td>
<td>59</td>
<td>690</td>
<td>86</td>
<td>82%</td>
</tr>
<tr>
<td>South East</td>
<td>97</td>
<td>1,200</td>
<td>79</td>
<td>62%</td>
</tr>
<tr>
<td>South West</td>
<td>66</td>
<td>880</td>
<td>76</td>
<td>68%</td>
</tr>
<tr>
<td>England</td>
<td>533</td>
<td>7,300</td>
<td>73</td>
<td>77%</td>
</tr>
</tbody>
</table>

(Source: Total number of specialist units from EAC, *Statistics on specialist housing provision for older people in England*, 2012; total number of older person households from English Housing Survey Household data. Average for 2008-09 to 2009-10.)

18 In London older people are slightly more likely to live in a household containing younger people. When the supply of specialist housing is compared to the proportion of households with an older HRP the level tends to fall in line with the East of England. Yorkshire and the Humber consistently has the lowest supply regardless of the measure.
Specialist housing schemes

1.34. Figure 1.12 shows the number of specialist housing schemes by the sector of the manager. A scheme is one ‘site’ and includes more than one specialist housing unit. This data was drawn from the EAC directory of specialist housing in January 2012. It is clear that housing associations dominate the field managing 60% of the schemes in England. A quarter is provided by local authorities. Only 10% of schemes are provided by private companies. The other 7% of schemes are mostly provided by charities.

1.35. There is no published data on the average number of units on each scheme by type of provider. On the basis of a random sample of 50 schemes for each of the three main managers\(^{19}\) using the EAC directory, we estimate the average number of units on a specialist housing scheme by manager to be:

- Housing associations: 25
- Private companies: 40
- Local authorities: 25

1.36. Despite private sector schemes having a wider range in the number of units (two in our sample contained over 100 units) they were still generally larger on average\(^{20}\). The higher number of units per scheme in the private sector, implies that private managers represent a slightly greater proportion of the units, (around 15%), than schemes (10%).

Figure 1.12: Proportion of specialist housing schemes by manager provider type

![Figure 1.12: Proportion of specialist housing schemes by manager provider type](http://www.housingcare.org/service/search.aspx)

Source: data extracted from the EAC specialist housing directory (http://www.housingcare.org/service/search.aspx), January 2012

1.37. The majority of the specialist housing schemes tends to share a set of common characteristics:

- provider type – housing associations (60%)
- tenure – rent (81%)
- dwelling size – one bedroom (55%)
- dwelling type – flat (67%)
- Support type – ‘with support’ (68%)

\(^{19}\) Here the term ‘managers’ refers to the organisation/company that run or provides the housing scheme.

\(^{20}\) The differences between the private sector sample mean and the other two is statistically significant.
1.38. This suggests that people who want something different from the norm (in effect, a one-bedroom flat, for rent, with support only, from a housing association) may have few options, especially if they want to live in a particular area (close to their former home, or near relatives, etc).  

1.39. There is a definite split in the tenure groups offered by provider: the private sector schemes almost exclusively offer owner-occupied housing whilst local authority and housing association schemes are dominantly rented housing. However, housing associations are the only provider with a significant number of schemes offering shared ownership.  

1.40. Fewer than 10% of schemes, irrespective of dwelling type and tenure, provide more than just ‘support’. Schemes including bungalows are especially unlikely to offer more than support. Schemes that offer properties for ownership are slightly more likely to provide care than those that offer properties for rent. Bungalows are the least likely to be available for ownership (10%).

Ordinary housing stock (including lifetime homes)  
1.41. Most older people will not be limited in the kind of housing that is available to them beyond the supply of what they want and can afford. However, arguably some dwellings would be more suited to older person households. A key example of this is in the risk of falls. Falls are a particular concern for older people as they can result in deteriorating health and hospital visits. Over 80% of homes pass the hazards category of the decency standards which assesses, among other things, if a dwelling presents a hazard in terms of the risk of falls. Therefore the majority of the housing stock would be suitable in this sense and should not restrict choice for older people.  

1.42. Older people are more likely to suffer from an illness or disability that may limit their use of their home. “Illness/disability” is a large umbrella and the extent to which a household’s needs change as a result will depend on each case. The ‘lifetime homes’ model identifies 16 design criteria that would make housing more accessible and suitable for individuals with particular housing needs.  

1.43. The most comprehensive assessment of the stock of lifetime homes comes from the 2007 English House Condition Survey. It looked at existence of 11 accessibility features in dwellings based, where possible, on the ‘lifetime homes’ specification. Seven of the 11 are particularly relevant for older person households. They are either concerned with having facilities at the entry level or being able to enter and leave the home. The four criteria that are less age-related concern wheelchair users and lighting and covering of the home entrance (the former would only be applicable to a small proportion of older person households and the latter for all households).

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21 In terms of size of the dwellings, almost all schemes offer one and/or two bedrooms dwellings. Private providers, in contrast to local authorities and housing associations, have slightly more schemes with two bedrooms than one.  

22 As people become frailer they may find using the stairs much harder, particularly if they are temporarily unwell. Therefore it would be desirable to live in a home where is it possible to do most daily activities at the entry level of the dwelling. Frail older people may struggle with obstacles at the entrance of their home which could limit their ability to go outside and therefore their quality of life.
1.44. Table 1.13 shows the proportion of dwellings with each of the seven features, the proportion that could contain these features if the property underwent either minor or moderate amends and the proportion where it would not be feasible to contain the feature even if extension work could be done. Minor amends would cost up to £1000, a moderate re-plan could cost between £1,000 and £15,000 and would require some rearrangement of the internal space. For making facilities available at entrance level minor amends were not sufficient for most dwellings so moderate re-plan has been included instead.

1.45. The table shows that other than having a shower/bathroom at the ground level, most homes have all the features and with moderate amends the proportion with a WC and shower at entry level could reach about 90%. Bungalows (unsurprisingly) do very well here with 99% having all of these features. Homes in rural areas also have high levels of all four of these features. Smaller houses (excluding flats) tended to be less likely to have these features. Homes in the Northern regions also had low levels of properties with an entry level shower and WC.

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

English House Conditions Survey (report), 2007. *Dwellings with three or more bedrooms (not required by lifetime homes for 1 or 2 bedroom dwellings). **For flats no account was made of whether there was a lift in the block.

1.46. Whist newer homes tended to be more likely to have a WC downstairs than older homes, around 35% of the oldest homes (pre-1919) has a shower on the entry level compared to 15% post 1990 dwellings. The report noted that this was partly because entry level living space in many modern homes had been sacrificed for garages.

1.47. The proportion of properties with easy access to the home was lower than the previous category but the requirements to add these features are much easier, only minor amends could make the majority of homes accessible at entry.

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23 The threshold to the main entrance door has no obstruction greater than 15mm. This prevents the threshold from being a trip hazard and allows a wheelchair user to easily enter through the main door.
1.48. In terms of parking availability larger and newer homes and those in more rural areas tended to fair better than flats, older homes and those in urban areas. In terms of level access newer properties and purpose built flats perform better than older and owner-occupied home, but it should be noted that the survey was unable to assess if flats not on the ground floor contained a working lift. Bungalows do surprisingly averagely here with 18% with a flush threshold, and 17% on level access, to the main entrance. This suggests that a bungalow is not necessarily the ideal home for someone that is frail or has mobility needs. The report demonstrated that whilst much of the housing stock was not suitable for those with very particular housing needs, most have a few of the accessibility features (between four and seven).

E) OLDER PEOPLE IN CARE HOMES

1.49. People that live in care homes are not included in the English Housing Survey as a ‘care home’ is not considered as ‘housing’. The vast majority of residents in care homes will be there because of care needs and medical problems. Those permanently resident in care homes are largely beyond the scope of this study, except that many could live in housing with care were it to be available to them (Netten et al 2011).

1.50. EAC data from 2009 estimates that the number of care home beds in England was around 355,000 (about 41 for every 1,000 people aged 65 and over). The EAC breaks care homes into two types: residential care homes and care homes with nursing (or nursing homes). Both are for people who require 24 hour support and offer meals and personal care (e.g. help with dressing). In both residential care homes and nursing homes, residents will usually have their own room and share communal facilities. Residential care homes account for 60% of all care home beds (214,000 in 2009). The remaining 40% (141,000 in 2009) are nursing home beds with nursing as well as care staff. Some provision specialises in caring for people with dementia.

1.51. Most residential care home beds (70%) are provided by private companies; around 20% are supplied by voluntary organisations and 10% by local authorities. Private companies supply around 90% of nursing home beds, and voluntary organisations 10%. Table 1.14 shows the regional breakdown of these numbers. London is an outlier with the lowest supply of care homes at 31 beds per 1,000 people aged 65+ (all other regions have between 36 and 47 beds). This is primarily due to having a much lower supply of privately run residential care homes.

1.52. The CQC reported that number of residential care services fell by 10% between 2004 and 2010. This is a result of increased effort to provide care for people in their own homes, with the number of home care agencies increasing by more than a third over a similar period. This highlights the point that ensuring older person households live or are able to move to accommodation that is suited to their needs now and in the future is as pertinent as ever.

24 Based on the ONS mid-year population estimates 2010
25 The data here and in Table 1.14 comes from the EAC, data from the CQC find that the supply is slightly higher than reported here (http://archive.cqc.org.uk/_db/_documents/Adult_social_care_market_and_quality_TECH_REPORT.pdf) at about 46 beds per 1,000 people aged 65+, generally the differences between the regions is the same.
26 CQC. The state of health care and adult social care in England: An overview of key themes in care in 2010/11, September 2011
Table 1.14: Places in care homes, by region and privately provided

<table>
<thead>
<tr>
<th>Region</th>
<th>Nursing care (000s)</th>
<th>Residential care (000s)</th>
<th>Total care homes (000s)</th>
<th>Care homes per 1,000 aged 65+*</th>
<th>% care homes run privately</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>8</td>
<td>12</td>
<td>20</td>
<td>45</td>
<td>86%</td>
</tr>
<tr>
<td>North West</td>
<td>2</td>
<td>31</td>
<td>54</td>
<td>47</td>
<td>80%</td>
</tr>
<tr>
<td>Yorkshire &amp; The Humber</td>
<td>16</td>
<td>24</td>
<td>40</td>
<td>46</td>
<td>83%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>13</td>
<td>20</td>
<td>33</td>
<td>43</td>
<td>82%</td>
</tr>
<tr>
<td>West Midlands</td>
<td>15</td>
<td>21</td>
<td>35</td>
<td>37</td>
<td>75%</td>
</tr>
<tr>
<td>East of England</td>
<td>12</td>
<td>26</td>
<td>37</td>
<td>36</td>
<td>82%</td>
</tr>
<tr>
<td>London</td>
<td>13</td>
<td>15</td>
<td>28</td>
<td>31</td>
<td>66%</td>
</tr>
<tr>
<td>South East</td>
<td>24</td>
<td>38</td>
<td>62</td>
<td>42</td>
<td>78%</td>
</tr>
<tr>
<td>South West</td>
<td>17</td>
<td>28</td>
<td>46</td>
<td>44</td>
<td>79%</td>
</tr>
<tr>
<td>England</td>
<td>141</td>
<td>214</td>
<td>355</td>
<td>41</td>
<td>79%</td>
</tr>
</tbody>
</table>

Source: Elderly Accommodation Counsel, Key Data report 2010, table 7, * ONS mid-year population estimated 2010-based

F) MOVING OLDER PERSON HOUSEHOLDS

1.53. This section briefly summaries the number of older person households that move and their reasons for moving, both within the general needs housing stock and to the specialist housing stock. The discussion that is introduced here will be later expanded on in the context of downsizing.

1.54. Older person households are much less likely to have moved in the last ten years than other households (28% compared with 66%). Table 1.15 shows that around 2 million older person households have moved at least once within the last 10 years. Among older person households the proportion that have been resident for less than 10 years decreases with age, from a third in the age group 55-64 to 18% in 85+.

Table 1.15: The number of older person households that have moved within the last 10 years by age

<table>
<thead>
<tr>
<th>Age of HRP</th>
<th>Households resident &lt; 10 yrs (000s)</th>
<th>% of age group resident &lt; 10 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64</td>
<td>760</td>
<td>33%</td>
</tr>
<tr>
<td>65-74</td>
<td>700</td>
<td>29%</td>
</tr>
<tr>
<td>75-84</td>
<td>430</td>
<td>23%</td>
</tr>
<tr>
<td>85+</td>
<td>120</td>
<td>18%</td>
</tr>
<tr>
<td>Total</td>
<td>2,000</td>
<td>28%</td>
</tr>
</tbody>
</table>

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

1.55. Overall, 60% of all older person households with a HRP aged 75+ have been resident for less than 20 years, implying that these households would have moved into their current home when the HRP was an older person. The number of households resident for less than a year is reasonably similar to the number resident for 1 to 2 and so on up to 4 to 5 years. This suggests that around 200,000 older person households move home each year, around 3% of all older person households.
Reasons for moving

1.56. The 2009-10 English Housing survey was the first to include questions that asked participants who had moved in the last 2 years their reason for moving home. The total number of older person households that were eligible to respond to this was 530; this would be the equivalent of half a million households. Clearly this sample is insufficient for detailed analysis and any findings should be treated with extreme caution but could shed valuable light on our understanding of why older people decide to move home.

1.57. Figure 1.16 shows a selection of the answers from both older person and other households. The reasons shown have been selected either because of the high proportion of older person households giving that reason or because of the strength of the contrast. It should be noted that households could give more than one reason.

**Figure 1.16: Reason for moving of households that moved within the last two years by age group**

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

1.58. Key points to note here are:

- the importance of the neighbourhood in motivating a household to move home regardless of age group;

- that (unsurprisingly) older person households are much more likely to want to downsize than other households – although this was still only a reason for 20% of older person households;

- that the most common answer was ‘other family/personal reasons’, which highlights the complex factors that influence an older person household’s decision to move. This seems obvious in a way, if you already have enough space and have paid off your mortgage there is arguably no need to move, and other factors therefore come into play.
Moves to specialist housing

1.59. CORE\textsuperscript{27} lettings data provides information, for schemes run by housing associations, on why households move into specialist older person housing. This can be presented by their reason for leaving their previous home. Table 1.17 summarises these findings. The most common reasons for moving are to receive support and because of ill health. It also shows how the housing decisions of older people change with age. It shows that those that require support because of illness are reasonably consistent across the age groups but those that move for greater support are in general more likely to do so as they get older, from 19% for HRPs aged 55-64 to 42% for HRPs aged 85+.

Table 1.17: Reasons households in specialist housing for older people gave for leaving their previous home

<table>
<thead>
<tr>
<th>Reason for move</th>
<th>% of lets by reason</th>
<th>Age group most likely to give reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Move to accommodation with support</td>
<td>27%</td>
<td>Older</td>
</tr>
<tr>
<td>Move because of ill health</td>
<td>24%</td>
<td>No difference</td>
</tr>
<tr>
<td>Forced to move\textsuperscript{28}</td>
<td>10%</td>
<td>Younger</td>
</tr>
<tr>
<td>Problem with home/area</td>
<td>10%</td>
<td>Younger</td>
</tr>
<tr>
<td>Nearer to people</td>
<td>10%</td>
<td>No difference</td>
</tr>
<tr>
<td>Other</td>
<td>19%</td>
<td>Younger</td>
</tr>
</tbody>
</table>

Source: NPI analysis of CORE lettings data via the TSA. Lettings to older person housing schemes where the HRP is aged 55+ from 2005 to 2010.

1.60. CORE also produces data on the previous tenure of households that have moved into specialist older person housing. Table 1.18 shows that around a fifth of households moved from housing that was supported and a third moved from general needs social rent. Whilst the majority of older person households are owner-occupiers, only 13% of lets in specialist housing for older people was to households belonging to this tenure. Lets were more likely to be to previous owner-occupiers in the older age groups. Households that were previously privately renting and living with family and friends (arguably less secure tenures) were more common among younger age groups.

Table 1.18: Previous tenure of households in specialist housing for older people

<table>
<thead>
<tr>
<th>Previous tenure</th>
<th>% of lets by previous tenure</th>
<th>Age group most likely to belong to tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>General need social rent</td>
<td>33%</td>
<td>No difference</td>
</tr>
<tr>
<td>Supported housing</td>
<td>19%</td>
<td>Older</td>
</tr>
<tr>
<td>Owner-occupied</td>
<td>13%</td>
<td>Older</td>
</tr>
<tr>
<td>Private rent</td>
<td>15%</td>
<td>Younger</td>
</tr>
<tr>
<td>Family/friends</td>
<td>10%</td>
<td>Younger</td>
</tr>
<tr>
<td>Other housing</td>
<td>6%</td>
<td>No difference</td>
</tr>
<tr>
<td>Institutional</td>
<td>3%</td>
<td>No difference</td>
</tr>
</tbody>
</table>

Source: NPI analysis of CORE lettings data via the TSA. Lettings to older person housing schemes where the HRP is aged 55+ from 2005 to 2010.

\textsuperscript{27} Continuous REcording of Lettings and Sales in Social Housing in England via the Tenant Services Authority

\textsuperscript{28} Includes categories where the individual did not really have a choice in the move such as eviction, moving to the country as a refuge, not being able to afford previous home
2. OLDER PEOPLE’S HOUSING: OPTIONS AND IMPACTS

2.1. In this section, we consider the options for older people’s housing and the impacts upon them of more suitable housing and the potential benefits of more suitable housing choices. This covers:

- the options available for older people by age and level of care and support needs;
- the developers and providers that are active in this market, or could move into it;
- alternative housing options that may promote greater levels of downsizing and the extent to which these are being developed by private developers;
- housing options that might offer choices that promote positive outcomes for wellbeing and quality of life.

2.2. In addition to reports and research, we draw on our interviews with eight private sector organisations and seven public and third sector organisations and individuals (see Appendix for a detailed description of the research methods).

2.3. What do older people want? If an older person or couple is thinking about moving, do they have a wide enough choice of suitable housing – to buy, or to rent? To answer this we must first look at what older people themselves say they want, together with other evidence.

- What housing choices are available? We then consider the choices currently available, according to different tenures and providers.
- Why do older people move – or stay put? We also look at reasons for moving at different life-stages and different levels of support and care.
- What are the impacts on older people’s quality of life if they move house – or stay put? Are there other reasons (other than the housing “offer”) why older people don’t want to move? Here we draw mainly on research but also from our interviews.
- Are developers and providers (private and not-for-profit) offering what older people want? If not, why not? What would make a difference? Are there alternatives that are being developed to better suit the needs and demands of older people? For this we draw mainly on our interviews with some reference to research.

OPTIONS FOR OLDER PEOPLE

A) WHAT DO OLDER PEOPLE WANT?

“Just like everyone else, older people want great homes in great places where they can lead active and fulfilling lives … For older people private space becomes more important rather than less …” (Levitt Bernstein 2011)
2.4. There seems to be an assumption that most older people – if they move at all – will move into retirement housing.\textsuperscript{29} However, many older people reject the idea of age-specific housing and are adamant that they want to stay living in a mixed-age community.\textsuperscript{30} There is a much broader range of housing that older people could – and do – move into: as ‘empty nesters’, on retirement, or because of other changes of circumstances (e.g. to be closer to families, or after death of a spouse):

- a bungalow, town house, apartment, or to another ‘family’-size house;
- a new-build development or older housing stock;
- in all locations: typically moves out of Greater London/large cities to coastal and smaller towns/villages, but also moves into city centre and waterfront developments.

2.5. Overall, owner-occupiers may have more chance of moving than social or private tenants (DCLG 2010). There are fewer opportunities for tenants in social housing to move: older people are often only offered (or assumed to want) sheltered housing, although they may be able to move through an exchange, or through a scheme like that for people to move out of London through the ‘Seaside & Country Homes’ scheme.\textsuperscript{31} Private tenants may have problems with security of tenure, rent levels, availability and Local Housing Allowance unless they are very wealthy (Carlton, Pannell et al 2003; Rugg and Croucher 2010). However, owner-occupiers will also be constrained by the state of the housing market, and those with low-value housing or in poor condition may have no choice at all unless they can access social rented housing or a shared ownership option (Sheffield Hallam University 2005; Shelter 2008; DCLG 2010).

2.6. Regardless of the type of housing, whether mainstream or specialist, there is a lot of information about:

- what older people say they want;
- what older people say they \emph{don’t} want;
- what is difficult to let or to sell (including quite a lot of existing stock – not just sheltered housing bedsits, but also – for example – some one-bed retirement apartments for sale);
- what private and social sector providers and developers think that older people want – and don’t want.

\textsuperscript{29} See for example ADASS/LIN 2011; Ball 2011; APPG 2011 Foreword
\textsuperscript{30} See for example NHFc,d: Sheffield Hallam University 2005.
\textsuperscript{31} This London scheme built 3,500 units of social rented housing (bungalows and flats) in rural and seaside locations to encourage Londoners to downsize from their council houses: it is now administered by the Greater London Authority and around 250 households aged over 60 leave council and housing association properties in London each year, often to be closer to family, as two case studies show (see www.housingmoves.org.uk). There are similar schemes in other areas, such as Kent (Sutherland 2010). Schemes like this show that investing in more suitable social rented housing for older people can give older social tenants more choice, meet their needs and aspirations, and free up family housing (for occupation 100\% by families with children) – a win-win solution.
2.7. There is extensive data on what older people want, and a high level of agreement between different studies and also from our interviews for this project.\textsuperscript{32} We also draw on our own experience (including unpublished consultations with older people and with providers through the consultancy work of the Housing and Support Partnership (see Appendix). If what older people want is not on offer, they are far less likely to be willing to move out of their existing home (Shelter 2010). However, even if greater choice were to be provided, there are other barriers (discussed below).

2.8. From both the literature and our interviews (including with private sector developers and providers), most older people want as a minimum:

- a property that is not too small with enough living space to sit, to eat, for hobbies and to have friends round;
- at least two reasonable sized bedrooms – or if not, at least an equivalent large enough flexible open-plan space; second (and third) bedrooms are often used for hobbies, as a study or dining area, for a couple to sleep separately (and not just for health reasons) and for family visitors (especially if family live at a distance) or for a carer to stay overnight; therefore many older people (especially couples) will prefer to have three bedrooms, especially if the living room is not large;
- storage space that is accessible;
- a reasonable sized kitchen with room for dishwasher and washing machine;
- a good size and attractive (not ‘hospital-style’) bathroom (and many will still prefer a bath to a shower – or want both);
- easy-to-manage and economical central heating system;
- pleasant outlook and some outside green space (private balcony or terrace, private garden or access to communal gardens);
- housing that looks nice from outside, and if there are communal areas (e.g. apartment blocks) they should be welcoming, well cared for and not institutional (this applies especially to purpose-built older people’s housing: see for example, Levitt Bernstein 2011);
- housing that is well-located in terms of nearby green space, public transport, shops and leisure facilities, in a safe and secure location and with good road and pedestrian access (e.g. not up steep hills; with parking nearby).

2.9. Many older people who are thinking of moving will also choose housing that will be suitable as they get older (especially level access, and ground-floor or lift to upper-floor apartments). However, not all will want to plan for this in their 50s or 60s! (APPG 2011; HCA 2009). Some will prefer to move again, rather than compromise too much on what they want and feel comfortable in. However, some of the lifetime homes factors may still be considered, even by ‘early movers’ (e.g. possibility of a stair-lift in the future; possibility of adding a shower) and this could be a selling point for new housing.

\textsuperscript{32} For literature summaries, see NHF 2010b; Croucher et all; for housing research see especially Heywood et al 2002; for older people’s views see especially NHFc, Baumker et al 2011a; Croucher et al 2003; Evans and Means 2007; King, Pannell and Copeman 2009, SERFA 2010; for design aspects, see especially HCA 2009, Lewis et al 2010, Levitt Bernstein 2011, PRP 2010, PRP undated
2.10. As with housing choices at any age, some older people will be prepared to compromise, but others will not – it will depend on how much they need to move (e.g. because of ill-health) and what the alternatives are. If an older person cannot afford the rent/purchase price/service charges of the housing that they would prefer, then they may or may not be prepared to accept something else (e.g. smaller or in a cheaper area – DCLG 2010). It has also been suggested to us that if older people cannot find affordable housing to move to, they prefer to adapt their own (or their children’s) property, including inter-generational solutions (as discussed in more detail below): a planning officer we interviewed referred to an increasing number of “more simple planning applications, where for example people might be adding a downstairs bathroom extension to their existing property or ‘granny annexes’. It does clearly demonstrate that there is a demand for housing that can cater better for older people.”

Dwelling types: bungalows, houses and apartments

2.11. As well as the discussion above on size and space, there is the question of built form (dwelling type). There is an assumption that older people only want bungalows. Certainly there is high demand from both younger and older households, acknowledged scarcity and higher values than for the equivalent size apartment or house. In the social rented sector, many local authorities built bungalows in the 1950s and 1960, but they are often small (sometimes only bedsits) and not always well-located or with level access. More recently, bungalows have occasionally been included in new retirement developments for rent or sale. A qualitative longitudinal study of older people in the East Midlands looked at a range of issues, including downsizing, and found that respondents complained of the lack of affordable bungalows (Hill et al 2009).

2.12. Developers rarely build bungalows in new developments because they use more land, although both new and re-sale bungalows are often in high demand by older people, as long as they do not have disadvantages such as poor access (hills or lots of steps). This links to later discussions on planning density (see below). In some high-value areas, small bungalows on large sites are bought up, demolished and one (or more) larger houses built on the site – reducing the supply still further.

2.13. Smaller town houses (often with a small courtyard garden) can provide an attractive alternative for younger older people downsizing from a larger family house and larger garden, especially if also nearer to facilities and transport.

2.14. Although most older people classed as under-occupying are living in houses, older people also move into both mainstream and retirement apartments, as discussed further below.

33 Information from interviews with mainstream and retirement developers and with estate agent.
34 Information from interview with estate agent; examples include Channel 4 Grand Designs 1 December 2005: two large houses on site of one small bungalow.
35 Information from interview with estate agent.
Tenure: rent or ownership, freehold or leasehold

2.15. Older tenants in social rented housing are likely to want to remain social tenants and are unlikely to be able to afford ownership. Local authority tenants may also prefer to stay with the local authority if possible, because rents are often lower, there is some mistrust of housing associations being “private”, and they can find service charges onerous.\(^{36}\)

2.16. It is often assumed that owner-occupiers wish to remain so to the end of their life. It is likely that early movers (e.g. empty nesters, those who move soon after retirement) will want to keep their housing equity and remain as home-owners. The same is often assumed for those buying into specialised retirement housing. The advantages quoted in academic literature and also in the marketing of retirement apartments for sale include the social status of home-ownership, having something to leave the children/grandchildren, and a wider choice (Saunders 1990, DCLG 2010, Ball 2011). In many cases, buying is the only option if no rented retirement housing is available; many providers (especially local authorities, almshouses and some charities) restrict or bar older home-owners from applying (DCLG 2010), and with choice-based lettings schemes, such restrictions may apply effectively across most or all social rented housing in the area.

2.17. However, home-ownership is not always the preferred option. For example, among the interviews for the Joseph Rowntree Foundation Housing with Care projects (Blood, Pannell and Copeman 2012a, b, forthcoming), a number of former owner-occupiers were very happy (and much better off) in social rented housing with care. One home-owner was renting out his family house and was privately renting a housing with care apartment. Some were renting from the developer/provider because they could not sell their house, with an option to buy later when their house was sold.

2.18. The form of legal ownership is relevant because it could be a significant factor putting older people off downsizing from a freehold house into a leasehold apartment (whether retirement or mainstream) and this was confirmed in our interview with an estate agent.

2.19. If older people remain in the family home, this will probably be a freehold house (and most will own outright and mortgage-free). Future costs will be largely under the control of the owner: for example repairs and maintenance spending will be largely discretionary (in terms of timing, extent of works, choice of contractor etc). Home-owners are familiar with the concept of “freehold”. However, a move to an apartment (whether a retirement development or mainstream housing) will mean a change to leasehold ownership. Shared ownership is also leasehold.

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36 This has been raised by respondents in sheltered housing in the Help the Aged study Nobody’s Listening (King et al 2009), and in the current JRF HWC research (Blood et al 2012a,b). Private tenants are more likely to move into specialised social rented housing and are very unlikely to be able to buy. There is much less availability (and knowledge) of private rented specialised housing, although it does exist.
2.20. Overall, the owner of a leasehold flat has much less control over the management of the property and over spending than the owner of a freehold house. Leases can be onerous, and many leaseholders (of all ages) probably don’t understand the full implications. England’s leasehold system for ownership of apartments/flats is different from many other countries (including Scotland, parts of continental Europe, North America).  

Additional issues concerning specialist housing

2.21. Most if not all of the things that older people look for in housing generally apply equally to specialist housing, but there are additional factors concerning different models:

- retirement housing (for sale);
- sheltered housing (for rent);
- housing with care (for rent or sale);
- retirement villages (for sale or mixed tenure)
- almshouses, Abbeyfields and other models

2.22. Retirement housing (for sale) is the term generally used for developments of owner-occupied apartments with a scheme/house manager but no other services, such as much of the retirement housing from the market leader McCarthy & Stone. Some units are also available for private rent either from family who inherit or through agents (see below) but none is built specifically for private rent and there is no data to show the extent of private renting overall. Some private sector providers we spoke to were keen to stress how their product is quite different from social rented sheltered housing and that the image of traditional sheltered housing is off-putting to older owner-occupiers (see further discussion below on marketing). In terms of what older people want from this model, there is an issue in terms of space standards (especially in older developments) where most apartments have only one bedroom. This is evidenced in Ball (2011) which includes a survey of new residents: although residents were generally happy with their new apartments, when asked what they missed compared with their previous home, 23% said ‘space’ (30% missed ‘nothing’ but for the rest, ‘space’ was the most frequent response).

2.23. Despite the comments above, most social landlords have sheltered housing (for rent) schemes that are very popular. At the same time, there are also schemes that are hard to let and which have not been upgraded or otherwise dealt with. The problem of hard-to-let sheltered housing was identified by housing professionals back in the 1980s and had become a major issue by the 1990s, with 92% of local authorities and 79% of large housing associations having some hard to let schemes (Tinker et al 1995). Popular schemes are well-located and reputed in the local area, have an active social life and offer flats with at least one bedroom. Unpopular schemes include those with bedsits, no lift to first floor flats, and in areas perceived to be less safe (Sutherland 2011). Where there have been lettings to people under pension age (to fill vacancies), this has sometimes exacerbated tensions and increased the dissatisfaction of existing older tenants (King et al 2009).

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37 In England, the freehold is owned by someone else, and can be bought and sold by different companies; sometimes they impose unattractive conditions on leaseholders (e.g. having to use their chosen insurance company). In some cases a resident management company owns the freehold, but the ownership is still shared with all the other owners. Someone has to run the company and manage the property: although some apartment blocks self-manage, most employ a managing agent. There will be service charges for both regular expenditure and major works. There is some legal protection (including collective rights to buy the freehold, and to change the managing agent) but this needs a majority in favour and someone to take the lead. All this applies to any form of leasehold apartment, whether ordinary mainstream or retirement developments.
2.24. A major issue within sheltered housing over recent years has been the withdrawal or reduction in the scheme manager/warden service at the same time as increasing rents and charges. Older people who moved in with the expectation of a dedicated warden service resent the changes in many areas. Recent consultation with residents for a London Borough (HSP unpublished, 2011) confirmed earlier findings (Nobody’s Listening, King et al 2009). Tenants who had downsized (e.g. 3-bed council house to a small 1-bed flat) also complained that their rent and council tax was nearly as high, even though they had much less space.

2.25. There is extensive literature on older people and their views on housing with care; generally, feedback has been very positive. However, in schemes for leasehold sale, with the downturn in the housing market the rate of sales has been much slower than anticipated. There are adverse effects for both the developer and for older people, because the benefits of a range of facilities and social interaction are diminished if the development is half empty.

2.26. Almshouses can be popular if they are well-located and designed; some are located in expensive areas or in historic buildings with more character than sheltered housing usually has. The weekly charges are often less than equivalent local authority or housing association properties, and the almshouse charity may provide extras like free heating. This can outweigh the possible disadvantages of being a ‘beneficiary of a charity’ with no housing rights (e.g. to consultation) or legal security of tenure.

2.27. Larger almshouse charities have been creative in redeveloping their existing almshouses, some providing extra care housing and even some leasehold apartments to meet the needs of owner-occupiers (PRP 2010). Wealthier almshouse charities can subsidise their housing (so making HCA grant go further) and may be able to afford to build to a higher standard (Pannell 2012 forthcoming).

2.28. Abbeyfields offer both shared living (supported housing) and newer extra care models. The traditional shared house with a housekeeper, a daily midday meal and a bedsit with en-suite bathroom but no kitchen is increasingly less popular. Some Abbeyfields schemes have developed high quality housing with care schemes, often with the active engagement of older people in the local area.

39 See for example Bray 2012 on Buckshaw Retirement Village, Lancashire
40 See Pannell 1999: a few almshouses are restricted to (or mainly inhabited by) people retired from a particular employment (eg Chelsea Pensioners) or church members (some have chapels; a few are restricted to people of a particular faith/denomination); some older people especially value such a link to their past employment or faith, and the likelihood of a common link with other residents.
41 For example the Abbeyfield Girton, Cambridge scheme due for completion Spring 2012 comprises 76 apartments (most with 2-bedrooms, en-suite shower and separate bathroom) on a new development site on the edge of town (see Blood and Pannell 2012).
2.29. Very few retirement developments are freehold, although there are a few exceptions such as small groups of close care bungalows in the grounds of care or nursing homes. There are particular issues concerning leasehold retirement apartments and any bad publicity tarnishes the image overall.42

“There were concerns about getting good and impartial advice before purchasing a home in a private leasehold scheme. The obligations for maintenance and service charges and conditions of resale were issues that people felt should be examined very carefully.”
(Lewisham Pensioners Forum, Care & Repair England 2010)

B) POTENTIAL BENEFITS OF MORE SUITABLE HOUSING CHOICES ON OLDER PEOPLE

2.30. This section discusses two questions: first, what are the potential benefits of more suitable housing choices for older people on their wellbeing; and second, what are the advantages/disadvantages of the alternatives discussed in section 3.2 on the wellbeing of older people?

“Why is it that the choices available to us seem to diminish with age? Choice is not something we put on the shelf when we retire. But in policy and practice, perhaps we are all guilty of making too many assumptions about people in the third age.” (Caroline Hawkings, National Housing Federation, Guardian Professional 20/10/11)

Why older people do, or do not move

2.31. We begin by summarising the reasons why older people do, or do not, move and how this changes across the period of older people’s lives. There has been extensive research and consultation with older people on both the reasons for moving house in later life, and the barriers. Most are academic research and qualitative studies.43

42 Problems have been exposed by the report Putting Retirement Housing in Order (Age UK 2010) and by the campaigning group CARLEX (Campaign against Retirement Lease Exploitation) where the voice of relatives as well as older owners is noticeable. There is an ongoing Office of Fair Trading investigation into exit fees charged by some retirement housing providers. At least one large managing agent has had serious problems. Some retirement housing leaseholders are using the Right to Manage to change agents and to buy their freehold (see discussion in Blood and Pannell 2012). An agent who specialises in re-sales told us that there is a more limited market because of the lower age limit, and restrictions/other obstacles to letting in some developments. Exit fees are often charged when the leaseholder leaves or dies: typical examples quoted were 10% of sale price in a scheme owned by a private company, and 1% per year of occupation in a leasehold scheme owned by a large specialist housing association. In many schemes, high service charges (compared with similar non-retirement properties) have to be paid till the property is sold. Mainstream equity release is not available on retirement apartments (although some retirement housing providers have their own variations). Any of these factors can affect the attitude of older people - and their families, who will inherit – to buying new or re-sale leasehold retirement properties rather than staying put.

43 See for example Heywood et al 2002 for an overview, DCLG 2008 for the previous government’s policy agenda, Sheffield Hallam University 2005 evaluation of the Should I Stay or Should I Go pilot projects supporting older people to move if they chose to do so, Ford and Rhodes 2008 on reasons for moves into Hanover Housing Association retirement housing, as well as various studies for the PSSRU evaluation of housing with care and the range of studies from York University referred to in Appendix 1.
2.32. The Living Well at Home Inquiry report (APPG) reproduces a useful table (from Housing Forum 2011) showing some basic reasons for moving and how this changes according to age, life-stage and health. However the Table suggests that older people will only move once, and that most moves will be into specialist housing. Tables 2.1 and 2.2 are adapted to take account of the possibility of moving to other mainstream housing. We have also added more detail on flexible help, support and care and on adaptations and telecare/assistive technology. These are relevant for older people who want to 'stay put', but they are just as important for those who move, whether to mainstream or to specialist retirement housing.

2.33. It is ageist to make assumptions about an individual older person because any reason can apply across the full age range and very old people can still be living independently in mainstream housing. Nevertheless, it is more likely that the younger age-group will move for lifestyle reasons, convenience or downsizing. Conversely, factors like bereavement, care needs or disability become more prevalent as people age.

### Table 2.1: Changing reasons for moving according to age

<table>
<thead>
<tr>
<th>Reason for moving</th>
<th>50s</th>
<th>60s</th>
<th>70s</th>
<th>80s</th>
<th>90s, 100+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifestyle choice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenience/downsizing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity release/saving money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security and safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bereavement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Isolation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care and support needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health needs, disability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident (e.g. falls)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dementia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key: darker colour indicates age range within which reason for move is more likely

2.34. Table 2.2 also indicates that older people can choose any combination of housing, support and care options, and this can meet their needs, across the full age range, including 'staying put' with visiting support/care and perhaps aids and adaptations. However, moving to specialist housing and perhaps on-site care becomes more likely for the older age groups. A continuing care community may offer the full range on one site.44

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44 This is the case for some retirement villages: see for example Croucher et al 2003, Evans and Means 2008.
### Table 2.2: Changing accommodation, support and care models by age

<table>
<thead>
<tr>
<th>Accommodation</th>
<th>Help, support and care models</th>
<th>50s</th>
<th>60s</th>
<th>70s</th>
<th>80s</th>
<th>90s</th>
<th>100+</th>
<th>Accommodation typologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staying put in existing housing</td>
<td>Flexible help, support and</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Mainstream housing with adaptations</td>
</tr>
<tr>
<td></td>
<td>care as needed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent living</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent living or supported</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mainstream housing with adaptations</td>
</tr>
<tr>
<td>housing</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supported housing</td>
<td>Flexible help, support and</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sheltered housing/retirement villages</td>
</tr>
<tr>
<td></td>
<td>care on site as needed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care/Nursing/24-hour care</td>
<td>24/7 care/nursing on site</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Assisted living.extra care</td>
</tr>
<tr>
<td>Continuing care community</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Continuing care community</td>
</tr>
</tbody>
</table>

2.35. The Resources in Later Life longitudinal qualitative research project in the Midlands (Hill et al 2009) interviewed 91 older people households (aged 65–84) in 2005 and 78 of the same households in 2007; the full report includes a chapter on housing, although there is no data on numbers. Many households were thinking about moving and some did move within the two-year period. The authors describe moving home as “an incremental decision-making process” with many respondents finding the process “extremely daunting”. Respondents considering a move also had some “resistance to living in property especially designed for older people”, even though many of those who ended up in sheltered housing were not unhappy with it. A later chapter on perceptions of old age gives some clues to this resistance: regardless of their age (60s, 70s, 80s), respondents did not think of themselves as old (even if they were getting slower or had less energy): ‘other people’ were old but not them.

2.36. This was confirmed by our respondents: a large developer of retirement housing for sale, told us that feedback from focus groups and other market research evidence suggests that most people think of themselves as being younger than they actually are, so their products and marketing need to be in tune with that self perception.

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45 The original table from which this is derived uses the term “independent living” to describe retirement housing with no support except a house manager, but the same term can be applied to someone living independently in their own home that has been adapted. “Supported housing” is another way of saying “housing with support” as discussed in the Introduction.
“Suitability”

2.37. There is extensive research evidence that living in ‘more suitable’ housing can improve an older person’s well-being, whether the housing is specialist or mainstream, and that the converse is also true: living in unsuitable housing can exacerbate or cause ill-health, disability and earlier death (for example through falls because of poor internal layout; excess winter deaths through poor heating; isolation, loneliness and depression) (DH 2010, APPG 2011, Porteus 2011, DCLG 2008).

2.38. However there is a question as to who defines what is ‘more suitable’. There can be a greater emphasis on savings to the public purse (for example the cost of treating injuries caused by falls; ‘bed-blocking’ of hospital beds if older people cannot return home) than on the older person’s well-being.46 More recent discussion on older people under-occupying family housing suggests that what is ‘more suitable’ for older people can sometimes be defined more by the needs of other (younger) people, rather than by older people themselves (see for example The Daily Telegraph 2012a, b). It is difficult to imagine that older people’s well-being will be improved if they feel pressured into moving.

2.39. Older people have lived a long time and are used to ‘trade-offs’, but may prefer to stay in what others (especially professionals, and sometimes family members) deem to be ‘less suitable’ accommodation. They may want to stay put for lots of reasons including familiarity, keeping a pet, good neighbours … rather than moving to housing deemed ‘more suitable’ by someone else. People from minority communities may have particular reasons for staying within their community. For an older person with cognitive impairment (including dementia or learning disability), a move away from familiar surroundings can be especially difficult.47 This is why it is essential that the older person is at the centre, in control (with appropriate support if needed) and not pressured into moving, as emphasised by the evaluation of the Should I Stay or Should I Go project (Sheffield Hallam University 2005).

2.40. A greater choice of affordable and attractive mainstream and specialist housing options would help to widen the range of housing that is ‘more suitable’ to move to; the more the older person feels that they have choice and control, the better for their well-being. There is also an important issue concerning tenure choice, and that availability of both private and social rented housing, and of mixed tenure and shared ownership options.

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46 This is evidenced by the Housing and Support Partnership current housing with care research for the Joseph Rowntree Foundation (Blood and Pannell 2011; Blood et al 2012 forthcoming), in Adams 2011 and Cann and Dean 2009, and in reports cited in the Appendix.

47 This is evidenced by the recent Joseph Rowntree Foundation series of Perspectives on ageing, reflecting what older people themselves say: it includes the views of older people in South Asian and Gypsy families, older lesbians, gay men and bisexuals, and older people with a learning disability or with dementia; see also Blood 2010, Blood and Bamford 2010, King and Pannell 2010.
2.41. The advantages and disadvantages of different options will depend on the older person:

- their life-stage: whether it is an earlier lifestyle move, a planned move as awareness grows that this would be a good time to change, or a later crisis move following bereavement or ill-health
- affordability: how much of a compromise do they have to make between what they would like, and what they can afford (for purchase price/rent levels and for ongoing costs e.g. service charges, support/care costs)?
- Availability: especially for a crisis move, there may be little or no choice
- Their attitude to different tenures (especially if changing tenure)
- Flexibility of advice, support and care options

C) WHAT LIMITS OLDER PERSON HOUSEHOLDS IN THEIR DECISION TO MOVE?

Negative framing of the debate

“A person’s home is perhaps the most visible outward symbol of their wealth and social status, with the term ‘getting on the housing ladder’ indicating a culture based to a significant degree on measuring success in life by property acquisition. Thus, post retirement, when social status is already being eroded as a consequence of no longer being in employment …, the status that housing confers can become even more important.” (Cann and Dean (eds) 2009 Unequal Ageing)

“Home is a myriad of things … relationships … a statement about self-image and identity … a place of privacy and refuge … a set of memories … a social and physical space” (Benjamin and Stea 1995)

2.42. Respondents raised a number of issues which influence older people’s attitudes to moving house. Both private and third sector respondents commented on the use of language, not just in terms of marketing specialist housing (discussed below), but also more broadly its effect on policy and practice concerning housing and older people (see also Adams 2010). This is also reflected in feedback from older people on housing issues (see for example NHF 2011c, King et al 2009) and links to wider academic literature on ageing, identity and inequality and a recent study for the Joseph Rowntree Foundation (Katz et al 2011) which interviewed older people with high support needs to find out what they want.

2.43. There was concern about the negative image of words like ‘downsizing’, which emphasise loss of status and reduced importance, and ‘under-occupation’ which makes value judgements about how much space people need. This has to be set in the broader context of books like Willetts 2010 and Howker and Malik 2010 about older people stealing the future of the younger generation.

2.44. Respondents felt that to interest more people in moving, especially (but not only) the younger cohort, there is a need not only to have a wider choice of housing but to think carefully about how it is labelled, and to emphasise the lifestyle aspects of moving house. Descriptors like sheltered, very sheltered, extra-care housing, and even ‘care-ready’ (for mainstream housing) emphasise dependency and care needs.

2.45. As shown in the academic literature, most older people think of other people as being ‘old’ but not them, and this is true of people into their 80s, 90s and in the recent centenarians study (ILC-UK 2011). A study on perceptions of age for DWP (Sweing and Willetts 2012) confirms this. 49

Specific issues that put older people off moving

2.46. Moving house is known to be stressful for people whatever their age. Younger people move for a variety of reasons, often linked to their work, a growing family, or a new relationship, although sometimes just to have a better property or in a nicer area. Older people are less likely to have to move. Even if their housing is no longer ideally suited to changing needs, adaptations can be made, care can be provided, so staying put is often the most attractive option. The grapevine is also important: if someone knows that their older neighbour or friend had problems with their move, then it will put them off. Conversely, a successful ‘mover’ is the best advertisement for the benefits of moving and may encourage friends and neighbours to do the same.

2.47. This consideration of the issues which put older people off moving also links to the later discussion of specific services and projects to assist older people who want to move: see also discussion in Monk and Grant 2009 and Clarke et al 2010 and 2011. We discuss the extent to which these stresses affect people of all ages, and whether they are worse for older people, or are specific to older people. Some factors apply across the board, but others are tenure-specific or affected by levels of wealth or poverty.

2.48. As previously discussed, for older people in all tenures there is a lack of choice of suitable and affordable housing, especially concerning size, so if the housing isn’t available to meet people’s choices then they are more likely just to stay put.

2.49. There is a financial cost to moving, regardless of tenure (e.g. besides removals, often the need for new smaller furniture, and carpets and curtains). This is likely to bear more heavily on older people than on most working-age people; older people are less likely to be able to do things themselves (e.g. DIY, hiring a van) and many do not have relatives available to help: this is especially true of the very old, because even if they have adult children nearby, they may be unable to help because of age/disability. Even more important are the emotional costs of moving and clearing possessions, and for many the sense of loss and memories of past life especially after bereavement; the longer someone has lived in the same house, the more difficult it will be (see for example Heywood et al 2003).

49 The average age at which people were considered to be ‘old’ increased according to how old people were (so for those aged 80+, ‘old age’ didn’t start till you reached 86).
2.50. Moving also takes a lot of physical energy, which will impact more on older people, especially if they have any disability, so many will not even start the process. It also requires an understanding of financial issues which can be problematic (especially for widows where their husband used to deal with such matters, and for any older person with cognitive impairment) (see for example Sheffield Hallam University 2005, Vallely et al 2006). As discussed below, this is why ‘handholding’ services can be needed to assist older people who want to move.

2.51. Pets are often the reason older people will not move from their existing housing. Many flat/apartment developments (whether for rent or sale, general needs or specialist retirement housing) do not allow them. Even if new housing will accept pets, some older people won’t move because their pet is also old and could not adjust to a move (especially true for cats). This is likely to be especially important to single/widowed older people, as picked up in consultations like that with pensioners in Lewisham recently.

“The companionship offered by pets should not be overlooked. Restrictions on pets may influence whether people decide to move home.” (Lewisham Pensioners Forum, Care & Repair England 2010)

2.52. People of all ages on low incomes, or with limited/no savings, will struggle to meet the costs of moving, and will face difficulties and delays getting Community Care Grant (or alternative/additional help e.g. from charities) for removals, furniture, etc. For younger people this is especially an issue for their first home (e.g. for people who have been homeless). Even if moving to more suitable housing, older people may need certain aids and adaptations, so they will be adversely affected by delays in obtaining Disabled Facilities Grants and Occupational Therapist Visits. Another problem is the difficulty of getting a care assessment transferred from one local authority to another, and getting a new care contract in place, as picked up by the Dilnot Commission (Commission on Funding of Care and Support 2011)

2.53. In the social rented sector (for both existing tenants transferring, and new tenant moving from other sectors), older people are known to find choice-based lettings systems hard to use (Appleton and Molyneux 2009). They will often miss opportunities to move under the computerised bidding systems now in place in most areas. Even if they succeed in being offered a property, they risk having to make a quick decision or lose the offer, and they are less likely to be willing to make a quick decision than a younger person. As for people of all ages, there can be problems with benefits, especially over Housing Benefit caps and paying double rent to allow enough time for move: this will probably become more problematic with proposed changes to benefits (Sutherland 2010, 2011).

2.54. For social rented housing transfers, there is likely to be little choice other than sheltered housing, despite reports calling for a wider choice over the past decade (Brenton et al 2002). Another off-putting factor is that the rent may not be much less, even for a much smaller property; because of service charges in sheltered and extra care housing they may even end up paying more than for their previous three-bedroom family house, and with moves to higher rents for social housing, could even pay more unless measures are taken to protect older people who are downsizing (see Sutherland 2010, 2011). Of course, there may be other savings (especially utility bills) but this is more of an ‘unknown’ for the future, whereas the headline figure is the rent difference. There can be similar issues with council tax and council tax benefit. This will especially affect the very many older people who have small occupational pensions so do not receive full benefits.
2.55. For home-owners, as well as the general problems above, the other major issue is whether or not a move will stack up financially, as discussed in a recent article in The Independent (Downsize or equity release – which is better for retirees? 4 December 2011) which explained why they may not save money by moving to a smaller/cheaper property with anticipated lower running costs. This also picks up the point that older people will be in competition with younger owner-occupiers and buy-to-let landlords for many smaller properties (especially two-bedroom flats and smaller houses):

First and foremost, you might not sell your home for as much as you hope. Even if you do, all the costs associated with selling property, such as estate agency fees, valuation fees, stamp duty, legal fees and general moving costs, will take a large chunk out of any profit.

"You need to be sufficiently high on the property ladder to be able to downsize, while also being aware that in a falling market a larger house will tend to have fallen in value more than a smaller house," says Vanessa Owen, the head of LV= equity release.

"A large percentage of my clients are looking to downsize from, say, a four or five-bed house to a more manageable and cheaper to run property," says Trevor Kent, a Gerrards Cross estate agent and former head of the National Association of Estate Agents. “There are fees, of course, and stamp duty to factor in, and economic slowdowns can be a real stress on buying chains. Also, the prices of smaller properties such as bungalows are robust – in part buoyed by buy-to-let – which is the type of property downsizers are looking at," he said.

And the general economic woes can also potentially throw a spanner in the downsizer works. "We could be in a recession for a number of years, or at least very slow growth, and in that environment the number of buyers will diminish. When you're uncertain about job prospects you're less inclined to upscale and move to a better property," says Minesh Patel from IFA EA Financial Solutions.

THE SUPPLY OF HOUSING FOR OLDER PEOPLE

2.56. In this section, to complement the statistical data in Section 1, we consider the following questions:

- Who is developing new housing for older people – and who isn’t?
- What types of housing are they developing?
- What are the barriers to more development (and to new entrants to these markets) and what would help to overcome barriers?
- What effect does turnover of existing older people’s housing have (ie re-lets and re-sales)?
- Are there alternative approaches to housing for older people that are being developed?

2.57. To answer these questions, we need to distinguish between the specialist retirement housing market, the mainstream housing market and the potential for new products; and between housing for sale, for rent and alternative models. This section draws primarily on our interviews, with some reference to relevant research and reports.
2.58. Overall, what has been striking is the degree of agreement across a range of interview respondents (private, public and voluntary sector); the main area of disagreement concerns some aspects of the planning system. There is also a high level of interest in more cross-sector partnerships and in providing a wider choice not only for ‘older old’ in current forms of retirement housing, but also for the upcoming generation of baby boomers.

A) WHO IS DEVELOPING HOUSING FOR OLDER PEOPLE

2.59. We are unable to say conclusively which developers are currently developing specialist housing. Laing & Buisson (2011, via forthcoming NPI 2012) publish a list of developers of private retirement housing that were known to have recently or currently been developing specialist housing. The EAC also publish a list of managers of retirement housing for sale.

2.60. Table 2.3 is the result of our research into over 50 different organisations from these two lists (all of the developers, and the managers of more than 10 schemes) to verify who is currently developing and/or expanding their stock, and some details of their plans. However, because of uncertainties and competition, providers and developers are not always open about their plans for future developments.

**Table 2.3 Current developers of specialist retirement housing**

<table>
<thead>
<tr>
<th>Developers/managers</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aldwyck Housing Association</td>
<td>Aims to grow portfolio of properties by 200 homes in 2012</td>
</tr>
<tr>
<td>Audley Court</td>
<td>Three schemes in development: Berkshire 2013, West Midlands &amp; Leamington Spa (planning permission granted). Two schemes awaiting planning permission in West Midlands and Buckinghamshire.</td>
</tr>
<tr>
<td>Beechcroft Trust</td>
<td>Three new housing schemes due to be available in 2012 in the South East</td>
</tr>
<tr>
<td>Environ Country Homes</td>
<td>One scheme awaiting planning permission in Devon</td>
</tr>
<tr>
<td>Hanover Housing Association</td>
<td>13 schemes/units becoming available soon nationwide</td>
</tr>
<tr>
<td>Housing 21</td>
<td>In 2011 934 new units were delivered and 741 new units are in development</td>
</tr>
<tr>
<td>McCarthy &amp; Stone Retirement Lifestyles</td>
<td>Numerous schemes listed as coming soon, nationwide</td>
</tr>
<tr>
<td>Midland Heart</td>
<td>Two extra-care schemes in Birmingham and Dudley became available in 2010-11</td>
</tr>
<tr>
<td>Pegasus Retirement Homes</td>
<td>Two new housing schemes proposed in Cornwall and Suffolk</td>
</tr>
<tr>
<td>Renaissance LifeCare</td>
<td>Developing 3 schemes in London and 1 in Hampshire</td>
</tr>
<tr>
<td>Retirement Security</td>
<td>New development planned in Stratford upon Avon</td>
</tr>
<tr>
<td>Retirement Villages</td>
<td>Three future housing schemes planned in Sussex and Somerset</td>
</tr>
<tr>
<td>Signature Senior Lifestyle</td>
<td>Currently preparing a planning application for a scheme in Buckinghamshire and one in Hertfordshire</td>
</tr>
<tr>
<td>Stepnell</td>
<td>One scheme being developed in Gloucestershire</td>
</tr>
</tbody>
</table>
2.61. Researching this is also complicated by the different players involved in commissioning, building and managing retirement housing (especially housing with care schemes and larger retirement villages) and the long lead-in times. We know that there are other large voluntary sector providers (for example the Extra Care Charitable Trust) with significant development programmes, but these are often in partnership with other organisations (for example ECCT and Midland Heart in Birmingham). ECCT is currently developing a second retirement village in Milton Keynes and five large retirement villages in Birmingham (with 150-300+ units) (information from their website; see also Kneale 2011).

2.62. Some of the largest specialist and general needs housing association providers do not have information on forthcoming developments on their websites (for example Anchor, Guinness). Regional or local housing associations (both for older people and for all ages) may have less than ten retirement housing schemes in management. There are also some smaller providers with innovative schemes in development, some of whom are referred to in this section of the report (for example Abbeyfields and almshouse charities) who would not feature because they do not manage more than ten schemes.

2.63. However, Laing and Buisson (2011, via forthcoming NPI 2012) comment that stagnation of the housing market has been paramount in the recent stalling in the number of new developments. The reasons for not developing more specialist housing are expanded on below.

**B) WHAT IS BEING DEVELOPED?**

**Private sector**

2.64. In the private new-build sector, all our respondents agreed that up to now, there has been a clear divide between the markets of specialist retirement housing providers and general housebuilders, although that is starting to change.

2.65. Specialist private developers are still building retirement housing for sale, as shown in Table 2.3. However interviewees told us that the volume coming through now is significantly reduced on previous years (30% and 50% less, according to two developers). The reasons include difficulties raising capital funding from banks, a lack of suitable sites (and competition with other land uses including commercial or town centre sites), a lack of turnover in the general housing market (so that prospective owners cannot sell) and planning issues. Some respondents felt that the situation is starting to improve.

2.66. The consensus was that without significant changes and incentives, any private sector growth over the next five years will be modest/stable, but when market conditions eventually improve, more schemes will come forward over a five to ten year period. Respondents explained that rationalisation in the retirement housing sector has occurred. Some providers have refocused geographically to concentrate only on locations which are more attractive to them in terms of the potential to make sales and generate turnover and profit (so generally in wealthier areas where house sales remain more buoyant). At the moment bank lending is constraining the pace of any growth and is leading some providers to focus more exclusively on the higher income older people’s market, which clearly doesn't help to address wider affordability issues.
2.67. Mainstream housebuilders have shown little interest in building housing that is likely to appeal to older people, although some are now becoming more interested because older people have more equity so need smaller (or no) mortgages: this was the view of all our respondents.

2.68. A web-search of the ‘big five’ volume housebuilders found little reference to housing and older people. The main emphasis is on first-time buyers (including recent government incentives) and buy-to-let investors. There is information on new developments by location, by house type (apartments, houses, number of bedrooms) with no mention of bungalows or apartment blocks with a lift (nor the ability to search for them). The main focus of information on local facilities is on schools, reflecting their interest in housing for families. Only one website (Barrett Homes) included any reference to older people: a few Testimonials (with photos of older people), including a widow who moved from a larger house into a 3-bed bungalow on a new development near to her daughter and grand-daughter, and a couple who moved to a town-centre flat.

2.69. Most respondents didn’t think that general housebuilders would want to move into the specialist retirement market (this included the volume housebuilder) and they gave the same reasons, which are also confirmed in Ball 2011:

- Some general builders have previously tried building retirement housing but had difficulties selling properties in the previous housing market downturn, so that has put them off; some have closed down retirement housing subsidiary companies
- Retirement developments take much longer from inception to completion than mainstream housing, sales may be slow, and finance is tied up for longer. 50
- It is harder to find suitable sites for retirement housing and they may be brownfield sites (near to town centres and shopping, leisure and transport facilities) whereas the landbank sites of volume housebuilders are often on the edge of town.
- Mainstream builders just want to build and sell – they have no experience of the range of services that have to be provided and do not want these extra complications (from employing a house manager and furnishing common areas for basic retirement housing, through to running a restaurant and contracting for care and support in housing with care models)
- Complex planning issues (discussed in detail below)

2.70. However, most respondents thought that there may be scope for general housebuilders partnering up with the specialist retirement developers in order to secure the operational expertise required to deliver housing with care and other services.

50 As discussed in detail in Ball 2011 and in our interviews with specialist developers, this is because of planning delays, the range of facilities, services and staff needed, and older people wanting to see what they are buying. The result is that money tends to be locked up for longer periods than for mainstream housing developments. Even for a basic retirement development it will take longer because of the need to recruit staff and provide services as discussed below; larger retirement villages or extra-care schemes are more complex. The more difficult the housing market, the longer it will take for would-be purchasers to sell their houses and move in: see Bray 2012 for further discussion. In the experience of one of our specialist developer respondents, a 50-unit scheme would currently take a minimum of 36 months from design and planning through to all units being sold. As a consequence many house builders and other more mainstream developers have steered away from the older people market for (negative) cash flow reasons.
2.71. Volume providers were reported to be aware of the demographics but find it easier to sell to younger people. A local authority planning officer echoed this:

“We never get development applications which include bungalows which might be attractive to some parts of the local older population despite members and officers repeatedly putting this message across to developers. The reality is that even in the current economic climate, off-the-shelf housing does still sell in our area so there is less of a motivation for general house builders to change their approach.”

2.72. One respondent with a broad knowledge of private sector housebuilders suggested that growing interest in the ‘third age’ market including among companies that are new to the retirement housing sector:

“This interest is sales driven, it’s where some companies expect the market and the money to be; constraints in the mortgage lending market are also making older people look a more attractive proposition to some developers; we have already seen a move away from first time buyers towards the family/middle market by companies.”

2.73. Interviews across the range of private sector developers and consultants indicate that in their experience, older people are more likely to be attracted to smaller scale new-builds which are deliverable as a finished development in a relatively short timescale, rather than very large building sites that will take years to become complete/mature. Older people are much less willing to buy off-plan and tend to want to see the product in the flesh.

2.74. Private sector respondents indicated that at the moment, from a sales perspective, mainstream housing units that sell well to older people are at the ‘premium’ end of the market as they tend to have the right mix of good location, more space and higher specifications. Respondents spoke of a cohort of older people making a ‘lifestyle’ choice to move, before they are forced to move due to health, care or other reasons: this includes city centre developments (such as water fronts) as well as the more traditional seaside and rural/market town locations. However, such developments are rarely marketed with older people in mind: the usual emphasis is on young professionals and buy-to-let landlords.

2.75. One respondent questioned whether volume builders understand the need to negotiate successfully the emotional/financial trade off that an older person will need to make – the offer will need to be good enough to tip this in favour of financial over emotional factors, i.e. it needs to make sense financially in terms of downsizing and releasing equity but it must also be a positive move emotionally.

2.76. The volume house builder we interviewed was clear that they have not specifically researched the older persons market as a cohort: their overall approach is to make a general offer to all potential customers and they would not want to specifically segment their offer towards older people. Nevertheless, as a result of general market conditions and demographic changes, they are starting to see an older age profile emerging amongst buyers. They find that what older people are looking for is low maintenance good quality accommodation with the advantage of a new-build guarantee, and space for children and grandchildren to stay.
2.77. This also reflects changes in the profile of developments. Based on their land bank, over the next few years 85% of new development will be for houses, with no apartments outside of London. The average price of a property is currently approximately £200,000 compared with about £170,000 two to three years ago: this average increase of 15% without price inflation generally in the marketplace reflects the shift from apartments to houses, and many developments being smaller in scale.

2.78. For this volume builder, the affordability of any new development is assessed across a broader population base: in the past, this was driven by access to mortgage lending, but currently it is much more closely linked to the value of a property that a buyer is selling, so this model of affordability might favour buyers with higher equity levels, including some older buyers. They see outright sale being the dominant model and are not convinced that older people are interested in shared equity models.

**Housing associations and charities**

2.79. Housing associations and charities have always provided both mainstream and specialist housing for older people, but national and local housing and planning policies and the availability of funding resulted in the provision of a limited range: bungalows in the pre- and post-war years, sheltered housing from the 1950s to the 1980s, and housing with care since the 1990s (Brenton et al 2002; HCA 2008; Sutherland 2011).

2.80. As seen in table 2.3 they are continuing to build retirement housing, but there is a growing consensus (both from our interviews and from recent reports) that the ‘boom’ in public-funded extra-care housing over the past decade, spearheaded by funding from the Department of Health, is coming to an end (ADASS/Housing LIN 2011). A commissioner told us:

“We’ve reached a hiatus in relation to extra care housing and we’re not looking to commission more of the same – we’re looking to avoid schemes that require high revenue commitments. Up to now, almost all activity and interest has been focused on the social housing sector. In relation to selling units to older people, housing associations will need to think a bit differently and imaginatively – for many the focus has been on extra care housing and they will need to look more broadly at the lifestyles of older people and the ‘feel’ of a development. We’re now looking to work with both social and private retirement housing providers, to deliver a range of housing choices but without any block contracts from the county council. But we haven’t yet built the relationships with private sector developers that we will need to deliver a wider mix of options for older people and for them to see ourselves and housing associations as delivery partners.”

2.81. Public and voluntary sector respondents expressed concerns about those existing social housing tenants who may want to move, if there is not enough suitable housing for them to move to, whether in the general or the specialist housing stock. They also raised the question of the future of poor quality social rented sheltered housing.

51 The recent SHOP (Strategic Housing for Older People) publication (ADASS/Housing LIN 2011) includes advice for local authorities on carrying out a cross-tenure, cross-provider assessment of the contribution that sheltered and owner-occupied retirement housing could make to delivering strategic outcomes for their older population; there is also detailed advice on researching the overall housing market for older people of all tenures. One local authority respondent told us about a new development of housing for older people in a rural area which has been provided by a housing association to encourage older social tenants to move out of family houses. However, it is unclear whether there will be future funding available for such housing for social rent.
C) WHAT ARE THE BARRIERS AND WHAT WOULD OVERCOME THEM?

2.82. This section summarises key barriers and possible steps to mitigate or overcome them. Note that any suggestions for change come from our respondents and from research reports; they are not our recommendations (although we do add a few comments). The main issues are:

- The economy and the overall housing market
- Government policy
- Planning
- Affordability
- Marketing, public relations
- Possible incentives – carrot or stick?

The economy and the overall housing market

2.83. This is a key barrier for both public and private sector providers, developers and housebuilders in terms of developing more housing for older people. Respondents commented that the new build general housing market is depressed, certainly outside of London; one respondent suggested that a move to new-build isn’t a “particularly helpful route for older people looking to meet their housing and other requirements. The affordability issue means that many lower to middle income older people are simply going to be stuck where they are until economic conditions improve. Many general developers will probably ignore this cohort of the older population until economic conditions improve significantly. Realistically it will take macro-economic conditions to improve, partly to address the hard supply-side issues such as access to lending for developers, but it will also probably take some modest house price inflation to bring about an increase in equity for lower/middle income older people.”

2.84. A specialist provider/developer commented that although macroeconomic factors are suppressing development, they are not removing demand: capital is very hard to access at the moment, but he expects this to change, partly as economic conditions improve but also due to the overwhelming demographic pressures. Development proposals are being lined up at the moment in anticipation of an improvement in economic conditions. Taking a positive view, as development continues over the next 10 to 20 years, once a critical mass is achieved, he expects that specialist retirement housing will become a mainstream choice.

Government policy

2.85. All our respondents wanted more of a lead from central government and one key player suggested the new Scottish strategy as a model (Scottish Government 2012). There were, perhaps surprisingly, strong views on this from our private sector interviews, and disappointment that there is still so little attention to the “grey deal” in recent housing strategy and planning guidance for England (DCLG 2011a, b).

2.86. There was widespread concern that despite the number of research reports, conferences and meetings, as one respondent put it “at a wider level the overall awareness and understanding of the potential housing and services options that are needed or may be needed by older people is at a much lower level, amongst older people, their families, policy makers and politicians.”
2.87. There was concern that localism is not enough: as another respondent said, “We do see a role for government here in both encouraging people to think about their changing housing requirements as they age but also in more tangible ways such as having an explicit national housing strategy in relation to older people. We think this would provide a clear framework to encourage local authorities to be more proactive in supporting the development of a mix of housing aimed at older people.” A major provider has submitted proposals to government and called for a cross-department working group to develop a policy response to housing and older people.

Planning

2.88. Echoing the findings of a number of recent reports (including Ball 2011; ADASS/Housing LIN 2011), respondents emphasised that a key barrier for older people’s housing developers is planning. This was the biggest single topic for many respondents: some of it is quite technical but it is such an important aspect that it is an essential part of this report. Some aspects link back to the need for a clearer lead from central government, others are more to do with local government (including the role of housing, health and social care as well as planning). The key issues are:

- a lack of interest and vision concerning older people’s housing in local strategies (and not only planning strategies, but also strategies for older people, housing, health and social care)
- planning classes and requirements
- greenfield/greenbelt sites
- over-regulation and different standards (including Lifetime Homes).

2.89. Most respondents said that local authorities need to have much clearer policies and strategies in relation to housing and older people, and unless local authorities are more specific in wanting to see more development that is likely to be attractive to older people, it typically results in a lower level of approvals for both retirement housing and other forms of housing that may be attractive to older people.

2.90. A county council older people’s commissioner emphasised the need for a clear vision:

“Our thinking currently is constrained by what we know and what we are familiar with ...the starting point needs to be a much more ambitious future vision for housing and older people that can address the current range of barriers including planning constraints, lack of political will, nimbyism ... including versions of retirement housing that we are familiar with but also other models of housing for example from continental Europe and from the HAPPI report.”

2.91. Respondents agreed that Strategic Housing Market Assessments (SHMAs) are crucially important but that many are weak concerning older people. As one respondent said, “SHMAs should lead to a clear policy vision for different types and affordability levels of housing, including for older people, as a means of getting the developer market to respond appropriately.” Specialist developers told us that local authorities need to have much better analyses of local need and demand for housing and associated care, support and other services and the different types of products and services that are required to meet the identified need: “Too many authorities just don’t have this data available or available in a way that can support housing developments aimed at older people”.

51
2.92. The volume housebuilder we spoke to pointed out that local authorities are not generally asking them to develop housing for older people. However, there are circumstances (particularly in London) where as part of the affordable housing requirements (discussed below), local authorities are seeking to develop extra care housing through a housing association on volume housebuilding sites, alongside developers such as themselves. Other respondents quoted similar examples in the London area. Whilst this is interesting, it does appear to confirm that local authorities think of housing for older people through the narrow focus of extra care models, and not more broadly.

2.93. SHMAs should also be a vehicle for the planning process to negotiate delivery at specific sites which could include specific provision for older people depending on the data within a specific SHMA. One respondent suggested that local authorities could link the provision of housing aimed at older people (specialist or non-specialist) to many planning agreements, and thought that this could even drive down the overall valuation of land assets. The local authority planning officer made a similar point:

“As a local authority we may need to specify the percentage of housing on any site either specifically for older people or in such a way that is more attractive to older people; however this does need to be balanced reasonably against a scheme’s viability.”

2.94. Developers and consultancies commented that planning agreements for current development may have been negotiated two or three years ago but current market conditions may now make some schemes unviable. The planning system currently drives developers to intensify density and this can make new housing less appealing to older people (e.g. in terms of space standards); however density may not be a barrier if the quality is right, and some of the premium urban apartment developments are attracting a growing number of older buyers.

2.95. Developers and consultancies told us that local authorities need to have a clearer position in relation to the their housing and planning polices and how they apply to housing for older people so it is clear to developers at the outset what the planning obligations will be; too many local authorities don’t have a clear position and this leads to them placing obligations on developers during the planning consent/negotiations stage. One said that “The skill of most developers now is not construction, it is negotiating planning consents.”

2.96. These respondents were of course speaking generally about local authorities across the country. The planning officer challenged this view (at least for his authority):

“We are keen to ensure that housing is designed so that it’s future proofed for use by older people. Within our published residential design standards we make it clear that we expect lifetime homes standards, but many developers see this as an additional and unwelcome cost. There is a widespread perception that new housing is built solely for younger people but this perception needs to change; this may just mean some modest design and layout changes that will be attractive to a mix of buyers but may particularly suit older people, for example allowing sufficient space for a downstairs bathroom. Maybe we need a simple system to show that new housing has been designed to better reflect the needs of older people. The retirement housing sector does bring strengths; you are dealing with people who know how to meet the housing needs of older people … there is room for general house builders to learn from specialist retirement developers in this regard.”
2.97. Developers and consultancies suggested that local authorities and other public bodies could take a broader definition of ‘best value’ for their land assets/sites; this could reduce one of the ‘input’ costs for developers, although they accepted that this would need to be managed to ensure that the reduction was passed on to customers, rather than being absorbed into additional profit.52

2.98. A local authority social services commissioner made a similar suggestion:

“We will need to see much more flexible use of assets particularly by the public sector. In the case of the local authorities this might mean using land assets in partnership with for example private sector developers to deliver housing schemes for older people that will include lower cost home ownership units aimed at lower and middle income older people. I think finding a way of developing effective private/public housing delivery partnerships is what will make the difference in terms of delivering the widest range of housing choices with the right mix of affordability. In our view personalisation is loosening up the current models of extra care housing and the role of the local social care authority and we think this will help to drive a much more flexible model in the future.”

Planning classes and requirements

2.99. A recent LIN report (King 2011) discussed the complex issues around planning consents for retirement and extra care housing and retirement villages. The basic issue is whether it is classed as housing or as a care home (or both) because this is a key aspect affecting the requirement for affordable housing. There is no consistency between planning authorities; a number of developers/providers are currently lobbying over this and other related aspects of planning. Not all developers agree what should change, but there is certainly a problem because at present, specialist developers are spending typically up to a year per scheme over planning disputes.

2.100. Ball (2011) also argues for the requirements for affordable housing to be lifted from retirement developments. The argument goes that this becomes in effect a levy added to the purchase price of retirement apartments. The older owner-occupiers who buy the apartments are not wealthy – many are the so-called ‘squeezed middle’ who struggle to afford retirement housing. They have to pay more but the benefits (ie additional affordable housing for social rent and shared ownership) go to younger people. The theory is that lifting the requirement would enable prices to be lower, more older owner-occupiers could afford to move, and their housing would be available to younger families.

2.101. One of our retirement developer interviewees pointed out that the affordability of what they can deliver is closely linked to land value as well as the banks’ assessment in relation to risk and deliverability, so when a local authority seeks affordable (housing association) properties on a new retirement development, they can’t compete for a site as the numbers of ‘for sale’ units reduces, and they can’t generate sufficient revenues to make the purchase of the land viable. A better alternative (see below) is partnerships for planned mixed tenure developments.

2.102. The planning officer commented:

52 In our view, this is an interesting suggestion: there have been rural low-cost home ownership schemes in the past where the land was held in trust so that home-owners did not profit from the land value when they sold.
“The fundamental question is whether specialist retirement housing developers should be contributing to the general social costs of development, as we would expect contributions from general housing developers, but we do accept that this specialist housing does have additional costs. In the future the community infrastructure levy may reduce this as an issue … this needs to be introduced by April 2014.”

2.103. The above debate focuses on specific planning categories for retirement housing, but there is a broader issue here. If housing for older people featured more in SHMAs, perhaps this could be part of the way in which developers meet their obligations for affordable housing on mainstream new developments, perhaps including shared ownership or private rented options.

Green field /greenbelt development and planning exceptions

2.104. One consultancy acknowledged that this is “politically unpalatable” but it needs to be addressed more intelligently and less emotively; the blanket refusal to consider green field/belt development is a far too simplistic constraint on appropriate development, describing the legislation as “antiquated”, not reflecting the current housing needs of a more mobile and diverse population, including the older population. The interviewee gave examples where current local authority policies mitigate against redevelopment even of redundant former industrial sites in rural areas/green belt, thus reducing (appropriate) housing development, affordability and housing choice in more rural areas.

2.105. Planning exceptions (including building outside normal boundaries) have been used in the past (for example for affordable low-cost housing for rent or sale in villages). There are a number of LIN case studies of rural developments: for example, (Evans 2008) describes a private leasehold retirement village on the edge of the Gloucestershire village of Painswick, built on a greenfield site in 2005-7; this was after a village survey which showed demand for such facilities in the village so that people did not have to move away.

2.106. The planning officer told us that his authority has

“done some work on rural exception sites, where we would normally require 100 per cent affordable rented housing, but we have started to allow some elements of market housing in order to make these types of schemes financially viable. I think we possibly need to extend this principle to other sites and I could see this working in terms of some lower cost for sale units which could be designed to attract older buyers.”
2.107. Some private sector respondents thought that a requirement for lifetime homes standards was not necessarily a problem as long as it was made clear from the outset and not ‘bolted on’ later; however they did point out the additional cost implications of this and other standards (such as environmental and security standards). A specialist developer was concerned that mainstream housing for sale was not ‘future-proofed’ for older people’s needs, unlike their specialist housing. Local authority interviewees said that lifetime homes standards were important; voluntary sector respondents appreciated that not all developments would meet the standards, but hoped that at least the most important standards would remain in place. It was pointed out without Lifetime Homes standards, in timber-frame new-build mainstream housing it can be difficult even to fit something as simple as a grab rail in a bathroom.  

Affordability

2.108. Everyone we spoke to was sensitive to the question of affordability, acknowledging that it is a key issue and barrier for many older people who may want to move to different housing, both specialist and non-specialist. This applies particularly for the majority of the older population, those above benefit thresholds but who are not ‘wealthy’, the ‘squeezed middle’ who cannot afford the prime developments.

One consultancy/estate agency calculates that for individual clients downsizing, it is prudent to release equity of between £50,000 and £100,000 to allow for future non housing costs (eg care needs) as well as expenses such as service charges, thus making it unaffordable for many older people. (Source: interview)

An upmarket retirement housing developer works out the sales price of their two-bedroom apartments based on the sales price of a three-bedroom house in the same area: clearly this would leave no spare equity so the older person/couple would need other savings to make the move stack up. (Source: Kneale 2011)

2.109. Private sector developer respondents all stressed that the key issue to address affordability is to plan for and deliver higher volumes of housing across the board as a means of generating a wider mix of price and housing options. If the housing market is constrained, supply is likely to be restricted across all sectors, limiting affordability particularly at the lower and middle levels of housing affordability. They made the clear link with planning, releasing more land for older people’s housing (see planning discussions above).

2.110. Clearly mixed tenure development is another way of addressing affordability issues but for some house builders, the provision/contribution of affordable housing continues to be a major concern. There needs to be a sensible discussion between the private and social housing sectors about how best to deliver mixed tenure development in practice. Respondents referred to housing associations and private developers moving closer together in terms of outlook driven by the current economic climate and reductions in capital funding for social housing, which may generate more lower cost housing options for sale (including shared ownership models) alongside housing offers from the private sector.

53 A new Housing LIN Viewpoint (Park 2012) proposes a way forward to deliver accessible housing without necessarily using the full lifetime homes standard on all developments. Lifetime neighbourhoods are equally important, otherwise older residents risk being marooned inside their ‘accessible’ housing, unable to access local facilities, transport and so on: see DCLG 2008, Bevan and Croucher 2011.
2.111. Both the local authority respondents were very concerned about affordability, particularly for middle-income older people.

“It’s the middle income group of older people that we are most concerned about in terms of affordable housing options … the issue will be how to persuade this group of older people that equity release and downsizing can be a positive lifestyle option … especially in the rural areas, the vast majority of older people are homeowners. An interesting development in a large village is a new social housing scheme which is specifically aimed at older people currently living in three bed social family housing to persuade them to move/downsize. Although this is a social sector example a key issue is how to do this for the much larger middle income private sector market. In rural areas I think these types of private development will need to be smaller than we’re used to with extra care housing, perhaps using ‘hub and spoke’ development models to make the provision of care and support services viable. The bottom line is that these private developments will need to have the right mix of quality and affordability to attract middle income older people.” (Commissioner, County Council)

Incentives – carrot or stick?

2.112. Both specialist and mainstream developers emphasised the importance of incentives to attract buyers. They report a lot of interest in part-exchange in the current housing market, as a means to purchase a new house, and see part-exchange as an incentive likely to be particularly attractive to older people looking to downsize. A volume builder referred to their successful part-exchange mode, using two independent valuations to offer a market based price to prospective buyers: they don’t expect to make any money on the sale (and in some cases take a modest loss). Other incentives include packages to include removals and legal and estate agents fees (on sale as well as purchase).

2.113. Private sector respondents felt that there needs to be more financial incentives to encourage older people to downsize; “we think it has to be about incentives and not ‘sticks’ - the issue of downsizing is a sensitive one and there can’t be seen to be any move to ‘force’ people into downsizing. Many people hang on in their ‘oversized’ houses but we will need to see sensitive financial incentives to make these moves work in practice, and detailed research with older people to assess what will work in terms of incentives to downsize, and perhaps some kind of income benefit for older people to make a move away from existing family housing – but it’s important that any incentives have very clear objectives otherwise they will probably not work in practice.”

2.114. One specialist developer thought that up to 25% of older people currently might be willing to downsize if the right product is available and it works for them financially.54 Proposals from our interview respondents (the reporting of which here should not be taken as endorsement) included:

- stamp duty free sales
- stamp duty holiday periods
- council tax reductions or ‘holidays’.
- encouraging older people to put money aside to fund future care needs, perhaps through some type of bonds that also offer a return until they need to be used to fund future care.

54 A Viewpoint on downsizing quotes a study suggesting that 80% of older people who received housing options advice wanted to stay put as long as possible, but around 20% were willing to consider moving (Sutherland 2010).
Marketing, the PR image of retirement housing and downsizing

2.115. One specialist provider felt that in terms of awareness of the option and possibilities, the (specialist) market has matured over the last few years and there is no lack of marketing by providers, so that for those older people who are actively interested in the retirement housing sector, it is relatively easy to find out what is available. However, McCarthy (2009) and Strategic Housing for Older People (ADASS/LIN 2011) agree with another specialist developer that there is still a PR issue to address:

“The whole sector, private and social, needs a complete PR job in order to shift this perception; in our experience traditional sheltered housing has a relatively poor reputation amongst the public and this affects the whole sector. In the future all forms of retirement housing and other forms of housing need to be seen as aspirational by private and social developers otherwise it just won’t appeal to the widest number of older people.”

2.116. A specialist provider/developer dislikes the term “downsizing”, preferring “rightsizing”. A local authority interviewee asked for “much deeper involvement by older people themselves and groups that represent their interests, breathing fresh life into possible solutions, for example particularly in relation to equity release and downsizing.” One specialist provider commented that “We need to take all the ‘research’ that is done about older people and housing beyond the initial audience and one or two Government departments: we need to create a wider forum that can properly address both the wider public as well as fixing some of the supply-side problems”.

2.117. A number of respondents and recent comment in the press agree that we need to be careful about the language we use. For example, One Housing Group (a large housing association) commented that the term “asset-rich” is unhelpful, and the National Housing Federation’s focus on wealthy baby boomers detracts from the fact that most UK homeowners will one day need retirement housing. “I think words like ‘asset-rich’ are not appropriate’ - I'd just say ordinary people with some assets. Joe Bloggs in the UK owns a home.” (Guardian Professional, 12/4/11)

D) ALTERNATIVE APPROACHES

2.118. This sub-section considers how alternative models, tenures and services could widen the choices available and assist older people who may wish to move:

- Specialist housing: new models
- Flexible tenures in retirement housing
- Alternative models for the future
- New public and private sector services: advice, hand-holding, help to move
- The role of the private rented sector: specialist and mainstream housing.

Specialist housing: new models

2.119. Much of the literature focuses on specialist housing for older people, rather than mainstream housing, and especially on housing with care. As well as continuing to develop their core market of retirement/extra care housing, specialist developers/providers we spoke to were also interested in developing new products to widen the range and mix of housing options available to older people. They pointed out that much of the specialist market is focusing on the 70+ cohort but not paying attention to the 55/60+ cohort; at present their main customer base is the 75-85 cohort.
2.120. Respondents anticipate that the baby boomer generation’s requirements and expectations will be significantly different (and greater) than the current generation of older people in the 70+ cohort. Various initiatives were mentioned in interviews:

- We were told of one upmarket provider aiming to develop a ‘courtyard’ model of housing aimed at the younger retired group (though prices tend to be high).

- Another provider is following the housing association ‘hub and spoke’ model with a form of extra care as the ‘hub’ but possibly including non-specialist housing aimed at older people as part of the ‘spokes’, as well as care services ‘outreaching’ from the hub. They see this as offering older people an easier choice to move as it does not necessarily mean having to opt into a retirement housing model. 55

- The largest provider of retirement housing for sale has brought all their management services and care services in house; they are also intending to provide a much wider range of services in ‘ordinary’ retirement housing schemes, as well as looking to develop some larger unit sizes

- They have also launched their own equity release model “for both care and lifestyle needs as an important strand of the offer to older people in the future”.

2.121. Most respondents agreed that much new-build general housing is too small for what older people want and need, and a significant proportion is not sufficiently attractive, particularly in terms of space standards, for ‘downsizing’. There was also concern that it is not ‘future-proofed in terms of design and build quality: this links to the planning officer’s concerns and Lifetime Homes discussion above.

2.122. A consultancy told us that they are starting to see some interest from the larger housing associations in moving into the private sector market (for sale) both for more specialist older people’s housing and general housing (although not necessarily aimed at older people), as well as some private equity funders and banks getting more interested in this market for specialised housing aimed at older people.

Flexible tenures in retirement housing

2.123. A number of reports have called for and explored more flexible models of ownership, especially for older owner-occupiers with too little equity to buy outright (see discussions in ONE Housing Group (2008); King et al 2008; Sutherland 2010, 2011). Private sector respondents were generally supportive in principle of partnerships to deliver mixed tenure but concerned that this could affect sale-ability; some referred to models that seem to work, including the Extra Care Charitable Trust model of very large (150-300 unit) retirement villages on urban sites in the Midlands, and the Joseph Rowntree Housing Trust villages in Yorkshire and the North East.

2.124. Private specialist providers said that they are happy to explore shared ownership to promote affordability: one medium sized developer commented that they are aiming some of their properties at older people with properties with £150,000 - £200,000 and trying to deliver lower cost model though shared ownership, but this requires the economies of scale you get with larger developments.

55 For more details of such a model, see Blood and Pannell 2012.
2.125. However, others commented that options like shared ownership may work in some circumstances but this will be probably be an option for only a minority of older people. There has been interest in developing models that would allow older people to “staircase downwards” (ie reduce the equity they hold) whereas the normal model for younger households assumes that they will “staircase upwards” and increase their equity, often to full 100% ownership.

**Equity release variations**

*One Housing in London told The Guardian (12 April 2011) that they are "looking to appeal to the general private market which is more discerning than the affordable market … we're still a trusted, not-for-profit organisation … older people trust housing associations".*

At that time, One Housing was considering a programme to build up to 600 units with 65% for private sale, priced at around £400,000 for a two-bed flat, targeted at people aged 60-85, both downizers and those looking for an alternative to care homes and linked to an equity release product with linked insurance intermediaries which will allow a "drawdown" equity release that dripeeds money into a care pot to pay for care. "And at the end of it, you have a situation where when your family sells that estate, they get 60% back on what you paid for the property and the other 40% pays off the equity release loan. It means families can help older relatives buy really high end accommodation and insure themselves against the cost of care in the future.*

**Alternative models for the future**

2.126. The HAPPI report (HCA 2008) explores alternative models in detail, including co-housing and there is more recent discussion in Blood and Pannell 2012.

2.127. There have been moves to promote co-housing since the 1990s (Brenton 2001, 2002, 2008) for small groups of older people who want to purchase or build properties where they can live together (models exist with different amounts of private or communal space). Hanover Housing Association will be developing a handful of co-housing schemes with existing groups of older people. Some older people do of course live in all-age housing co-ops, including those who moved in when they were younger, and the co-operative housing movement is also interested in the needs of older people (Thomas 2008, Co-ops UK/DH 2010).

2.128. There is also academic interest in what are called Naturally Occurring Retirement Communities (NORCs) in the US and the Netherlands (see Brown 2011 for a discussion of the UK relevance). A NORC is a locality where older people have already chosen to live. In a NORC it is likely that businesses will also grow up in the locality to service the needs of high numbers of older people; the suggestion is that NORCs should also be acknowledged and included within local strategies for housing, health and social care. Some coastal towns would be obvious examples in England: there may be blocks of apartments for sale which attract older people even if not specifically designed for them, so that they can become a form of ‘do-it-yourself’ retirement housing.

56 From interview with estate agent.
2.129. Another alternative approach is inter-generational models of extended families, shared housing and mutual support. Such models have not been as ‘traditional’ in England as elsewhere in some parts of Europe, except in some (though not all) minority communities: see for example Perspectives on Gypsy elders and South Asian elders (JRF 2012). Examples include ‘granny flats’ (often a converted garage) or a “granny annexe” bungalow in the garden (see Sutherland 2011), and two (or more) families/generations living together, perhaps in housing they have jointly bought (ie family-based co-housing). Such arrangements can work well (eg sharing childcare or elder-care) but there can be drawbacks, especially if circumstances change and the housing or care arrangements no longer meet the needs of older or younger family members. It remains to be seen whether economic and social circumstances (eg unemployment, cost of care and housing, expectations of the role of women, views on future inheritance) will make such arrangements more or less common in the future.

2.130. It is very difficult to predict the effect of these and other changes over the next twenty years. It is also worth remembering that housing with care models, and most retirement villages and retirement housing for sale hardly existed if we go back twenty years.

**New public and private sector services: advice, handholding, help to move**

2.131. There has been an increasing interest in providing better housing information and advice to older people, their families and professionals, over the past decade (Pannell and Blood 2003, Shelter 2008). However it is acknowledged that advice is often not enough, especially if people are thinking of moving (Sheffield Hallam University 2005, Sutherland 2010, 2011).

2.132. The need for, and offer of, more practical help was a key feature of Should I Stay or Should I Go - a service provided free of charge. Some local councils and social landlords offer a range of both financial and practical help to their own tenants as part of strategies to encourage social housing tenants to move from larger family housing into smaller (often sheltered) flats (see Clarke et al 2010 case studies for Shelter including Oldham, Shelter 2010, Clarke et al 2011 and Monk et al 2009). The recent publication Helping older people choose the right home for them (EAC FirstStop 2012) looks in some detail at the costs and benefits of different service models. It features the FirstStop Advice service and other initiatives for older people who want to stay put, and also for those who want to move.

2.133. These are important new initiatives which deserve to be better known and promoted and they are of central importance to any discussion on downsizing. The EAC report features the London Borough of Redbridge’s FreeSpace pilot project, Redbridge Social Tenants Service and Seamless Relocation, one of the FirstStop partners, which provides an individually tailored and paid-for relocation service in both private and social sector.  

57 The free national advice service for older people’s housing and care options  
58 The Redbridge FreeSpace project has helped a handful of owner-occupiers to move into rented housing in return for the council letting their house, on a variation of the private leasing schemes often used for homeless families. The FreeSpace project (still a pilot) grew out of the council’s existing scheme to facilitate moves by their own tenants: . The council’s own press release is more circumspect on the transferability of the FreeSpace model than The Daily Telegraph headline (2012a) , pointing out both snags and complexity (London Borough of Redbridge 2012).
The role of the private rented sector: specialist and mainstream housing

2.134. There may be scope for extending the availability of private renting for older people in both mainstream and specialist retirement housing. There have always been older people in the private rented sector, through necessity or choice. As discussed in Carlton, Pannell et al (2003), many single people were unable to access council housing or owner-occupation when younger, and have remained into old age as a declining number of longstanding regulated tenants (the old protected pre-1989 tenancies), often in poor quality housing (Shelter 2002). Older people also choose to move into the private rented sector for ease of access, and because it can offer a wider choice of property size and style than the social rented sector, although affordability can be a problem (Rugg and Croucher 2010).

2.135. After a decline throughout the twentieth century, the number of older people in private rented housing is now increasing (Rugg and Rhodes 2007, 2008).

2.136. A recent report (Miller 2010) considered the possibility of developing extra care housing for rent. There is a small market of private renting by owners of retirement and extra care housing (usually by relatives following the owner’s death, or a move to nursing or residential care). Numbers are unknown and we must assume that most are let on assured shorthold tenancies with no long-term security of tenure. Some providers will also rent a retirement or extra care property whilst the resident sells their home, sometimes for months or even years.

2.137. The main national provider of retirement rented housing is Girlings Retirement Rentals, a family firm which offers private properties to rent for the over 55s, and mainly with assured (life-long) tenancy agreements. Rents include service charges and may be eligible for Local Housing Allowance (subject to income and savings). They currently have over 2,500 properties in over 500 developments in England, Scotland and Wales, and have seen a threefold increase in demand for rented property in the past few years. Girlings comments that:

“Our tenants say that security of tenure is their number one priority because it provides the security and peace of mind that is so essential in later life. …they don’t want to have to move at the whim of a landlord. Currently, the private rental market offers very little security of tenure and this needs to change, both to accommodate the needs of older renters and to attract others.”

59 In the first five years of the new century, private renters aged75+ increased from 4 to 6%, and private renters aged 65-74 increased from 4 to 5%. This trend appears to be continuing: the Homelet rental index (1/6/11) showed a 16% rise in older home-owners (1,074 people aged 66-70) who had sold up and moved to private rentals in the previous year.

60 As well as letting properties for landlords and having a stock of retirement housing bought previously, Girlings also offers ‘Bespoke Rentals’. An older person or couple tells them what they want, where they would like to live and which retirement development appeals. If there is a property for sale, and provided the property meets Girlings’ criteria for quality and price etc., and is in a professionally managed development, they may be able to negotiate the purchase of the property and rent it on a life time tenancy. Information from Girlings website: www.girlings.co.uk.
3. MARKET ASSESSMENT

3.1. This third section of the report examines the wider market impacts of possible changes in older people’s housing. They are grouped under two headings:

- the market impacts (including impacts on other parts of the housing market) associated with downsizing among older households;
- projections of future demand for, and future supply of specialist housing for older people.

MARKET IMPACTS OF OPTIONS ASSOCIATED WITH DOWNSIZING

A) HOUSEHOLD MORTALITY

Definition

3.2. An analysis of options that might alter the pace of downsizing by older person households must take account of mortality. In this case, the relevant concept is household mortality, something which occurs when the last surviving member dies. Household mortality is important here because it a source not just of housing supply in the aggregate but also because it is source of housing that had previously been occupied by one person. This is because household mortality is almost always something that happens to what were (immediately prior to death) single adult households.

3.3. The scale and pattern of household mortality is also something that is, perhaps surprisingly, fairly straightforward to estimate: in essence, a matter of applying to each record in the EHS dataset the appropriate age-specific mortality rates, for men and women separately, as published by the ONS.¹

Results

3.4. Table 3.1 reports our modelled estimate of the number of household deaths per year, with the results tabulated by the number of bedrooms. The results are shown separately for each of the three tenures.² In total, 271,000 older persons households are shown as dying in a year. It should be noted that, reflecting the scope of the EHS, this number includes households in specialist housing but excludes those in care homes.

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¹ The resulting model necessarily has a probabilistic element to it (the individual mortality rates being interpreted as the chance of someone of that age and sex dying in the year). Each time the model is run, a different selection of individuals – and therefore households – ‘dies’. The model is then run many times. The average of the results from those runs provides the answer (along, too, with an estimate of its statistical reliability). We have developed such a computer model specifically for this study.

² The results shown here are generated from 50 runs of the model. Although this is not a very large number, the resulting degree of accuracy, as shown by the estimate standard errors, is surely sufficient for the purposes here. Further information on the model is available on request.
Table 3.1 Estimate annual number of older person household deaths (thousands)\(^{63}\)

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Owner-occupied</th>
<th>Private rent</th>
<th>Social rent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 or 1</td>
<td>5</td>
<td>3</td>
<td>24</td>
<td>32</td>
</tr>
<tr>
<td>2</td>
<td>61</td>
<td>4</td>
<td>21</td>
<td>86</td>
</tr>
<tr>
<td>3</td>
<td>101</td>
<td>9</td>
<td>17</td>
<td>127</td>
</tr>
<tr>
<td>4 or more</td>
<td>21</td>
<td>2</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>17</td>
<td>65</td>
<td>271(^{64})</td>
</tr>
</tbody>
</table>

Source: NPI analysis (via Household Mortality model) of EHS

3.5. Of this 271,000, 189,000 were in the owner-occupied sector, 17,000 in the private rented sector and 65,000 in the social rented sector. As a share of all older person households in each sector, these numbers represent 3.3%, 4.3% and 4.7% respectively. Measured by the number of bedrooms, 152,000 households (four fifths of them owner-occupied) had three or more bedrooms while 118,000 (just over half them owner-occupied) had two or fewer. These numbers, which provide a background against which to compare the data on moves by older person households, will be returned to below (sub-section c).

B) MOVING AND UNDER-OCCUPATION

Tenure

3.6. We now turn to an analysis of the moves by older person households, asking two questions. First, how many older person households move each year? Second, does tenure matter in terms of moving and how?

3.7. Analysis of the EHS suggests that in an average of around 200,000 older person households move each year (3% of all older person households). Around 56% (110,000) moved to owner-occupation, 14% (28,000) to private rented and 30% (60,000) to social rented. By tenure group, this amounts to a turnover of 2% in the owner-occupied households, 7% in private rented and 4% in social rented among older person households.

3.8. This data classifies older person households that have recently moved according to their current tenure not their former. Although the sample on this is quite small, analysis of the EHS suggest that around 75% of moves by older person households within the last three years were to the same tenure. This proportion is highest (90%) for current owner-occupiers, 50% for private renters and 60% for social renters.

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63 Individual entries do not always sum to totals due to rounding
64 The estimate standard error on the total is about 1,400 implying that the true average lies (with 95% probability) between 268,000 and 274,000.(that is, about +/- 1% of the point estimate of 271,000). The estimated accuracy of the other estimates (expressed as a percentage) varies inversely with the size. So the largest estimates (for example, for two or three bedroom owner-occupied households) are accurate subject to about +/-1½%. At the other end, accuracy is no more than +/-12%. 

63
3.9. It is also important to recall the contrast in the freedom in both parts of the private sector with the much more restricted situation of those in the social rented sector. With both owner-occupation and private rent, households are free to choose any accommodation that is available and that they can afford. In the social-rented sector on the other hand, rules governing entitlement would be unlikely to allow a household to move to a home that it was then under-occupying. For all these reasons – that is, the different scales involved, the small crossover between tenures and the different levels of freedom – our analysis of the market impacts will treat the three tenures separately.

**Number of bedrooms**

3.10. Table 3.2 shows the proportion of movers (measured by those who have been resident less than five years) and non-movers (resident for five or more years) by number of bedrooms, separated by tenure. This is a very important table with three key messages.

*Table 3.2: Proportion of older person household movers and non-movers, by number of bedrooms and tenure*

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Movers</th>
<th>Non-movers</th>
<th>Movers</th>
<th>Non-movers</th>
<th>Movers</th>
<th>Non-movers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8%</td>
<td>3%</td>
<td>31%</td>
<td>19%</td>
<td>72%</td>
<td>26%</td>
</tr>
<tr>
<td>2</td>
<td>41%</td>
<td>25%</td>
<td>43%</td>
<td>36%</td>
<td>27%</td>
<td>38%</td>
</tr>
<tr>
<td>3</td>
<td>37%</td>
<td>51%</td>
<td>21%</td>
<td>36%</td>
<td>1%</td>
<td>35%</td>
</tr>
<tr>
<td>4 or more</td>
<td>14%</td>
<td>20%</td>
<td>5%</td>
<td>9%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>(110,000 pa)</td>
<td>(28,000 pa)</td>
<td>(60,000 pa)</td>
<td>(60,000 pa)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average no. of bedrooms</td>
<td>2.59</td>
<td>2.93</td>
<td>2.04</td>
<td>2.37</td>
<td>1.30</td>
<td>1.87</td>
</tr>
</tbody>
</table>


3.11. First, there is a clear tendency for older person households to downsize when they move. The simplest way of seeing this is to note that the average number of bedrooms among recent movers (2.59, 2.04 and 1.30 according to tenure) is always less than the corresponding figure for non-movers (2.93, 2.37 and 1.87 respectively). It can also be seen in the way that the proportions with three or more bedrooms (51%, 26% and 1% by tenure) among movers are always lower than among non-movers (71%, 45% and 36% respectively).

3.12. Second, the extent of the downsizing is much greater amongst social sector tenants. Again, this can be seen both in the fall in the average number of bedrooms (down about 0.33 in both private tenures but down 0.57 in the social sector) and in the fall in the proportions with 3 or more beds (down about 20% in both private tenures but down 35% in the social sector).
3.13. Third, whereas under-occupation (as measured by those with three or more bedrooms) is almost non-existent among movers in the social rented sector, half of all owner-occupiers who have moved do so to properties with at least three bedrooms. The tenure disparities, which are wide enough among those who have not moved in the last five years, widen yet further among movers. When one bears in mind the point (first made in table 1.5) that 3 bedrooms is effectively the norm for older owner-occupiers, it is really striking that older people in the social sector stand no chance of achieving that norm if they move.

3.14. But how far is this just a matter of age? Put another way, how far are the high levels of under-occupation (as measured by those with three or more bedrooms) a reflection of a lower average age among owner-occupiers? Table 3.3, which shows the proportion under-occupying in each tenure by age, confirms that while age is a factor, it only modifies the conclusion. There is almost no under-occupation among moving older person households in the social rented sector, regardless of age group. By contrast, one third of moving owner-occupiers age 75 and above, moved into properties that they were not under-occupying. In the much smaller private sector, levels of under-occupation are lower than among owner-occupied households: over a quarter of moving households under-occupy. So taking account of age narrows what is still a very wide gap among the over 75s whilst actually widening it further between the younger old. For someone, say, approaching retirement and thinking of moving, there is a gulf in housing prospects depending on whether they are owners or social tenants.

<table>
<thead>
<tr>
<th>Age of HRP</th>
<th>Owner-occupied</th>
<th>Private rent</th>
<th>Social rent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Movers</td>
<td>Non-movers</td>
<td>Movers</td>
</tr>
<tr>
<td>55-74</td>
<td>56%</td>
<td>75%</td>
<td>28%</td>
</tr>
<tr>
<td>75+</td>
<td>31%</td>
<td>62%</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>50%</td>
<td>70%</td>
<td>26%</td>
</tr>
</tbody>
</table>


3.15. One further point from table 3.3 is that it suggests that there might be trade-off in targeting under-occupancy (among owner occupiers) by encouraging older people to move when they are younger (late 50s, 60s) than when they are older (75 and above). That is because while early movers are less likely to downsize than late movers, those younger ones who do downsize will cease to under-occupy for longer. Given that 70% of under-occupiers are aged under 75 (paragraph 1.15), the merits of addressing under-occupation among the younger old is that much the greater.

C) IMPACTS

Mortality and moving combined

3.16. How does the pattern of moves (table 3.2) combine with the underlying picture of households deaths (table 3.1)? Putting these together allows us to estimate the supply of housing which the older population as whole makes available in a year to the rest of the population. The pattern of moves does not alter the total of 271,000 which comes from the households deaths. But it does affect the distribution as measured by the number of bedrooms.
3.17. In order to combine these different pieces of information properly, we need to make assumptions about the characteristics of the properties that older people have moved from. Table 3.4 shows the results. In this table, a negative number indicates a fall (and a positive number an increase) in the number of older person households in the particular type of housing. So for example, as a result of household mortality, 61,000 two bedroom properties become available. Of these, however, 18,000 are taken by older person households who move. As a result, there is a net supply to younger person households of 43,000 two bedroom properties.

Table 3.4 Estimate annual change in the use of the housing stock by older person households due to mortality and moves (thousands)

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Owner-occupied</th>
<th></th>
<th>Private rent</th>
<th></th>
<th>Social rent</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mortality</td>
<td>Moves</td>
<td>Net</td>
<td>Mortality</td>
<td>Moves</td>
<td>Net</td>
</tr>
<tr>
<td>0 or 1</td>
<td>-5</td>
<td>6</td>
<td>0</td>
<td>-3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>-61</td>
<td>18</td>
<td>-43</td>
<td>-4</td>
<td>2</td>
<td>-2</td>
</tr>
<tr>
<td>3</td>
<td>-101</td>
<td>-15</td>
<td>-117</td>
<td>-9</td>
<td>-4</td>
<td>-13</td>
</tr>
<tr>
<td>4 or more</td>
<td>-21</td>
<td>-7</td>
<td>-28</td>
<td>-2</td>
<td>-1</td>
<td>-3</td>
</tr>
<tr>
<td>Total</td>
<td>-189</td>
<td>-189</td>
<td>-17</td>
<td>-17</td>
<td>-65</td>
<td>-65</td>
</tr>
</tbody>
</table>


3.18. The main point here is that taking account of moves increases the number of both three and four bedroom properties that become available (due to mortality) for younger households whilst reducing the number of one and two bedroom properties. At a more detailed level, two points stand out.

3.19. First, almost no 0/1 bedroom properties become available for younger person households. Those that do become available as a result of mortality are almost all absorbed by other older person households moving in. By contrast, there is net supply (surplus) of two bedroom properties in both the owner-occupied and social rent. Interpretation of these highly aggregated numbers can only be very tentative. At face value, they suggest that while there is an absolute shortage of the smallest properties (all that is available being taken up by older people), any shortage of two bedroom properties is a matter of quality (including price) rather than quantity alone.

3.20. Second, and perhaps most importantly, 85% of the three and four bedroom owner-occupied properties that become available do so as a result of mortality (122,000) rather than moves (21,000). Even more surprisingly, a very similar result even applies to the four bedroom properties, mortality accounting for three quarters of what become available. This is despite the downsizing with age seen among four bedroom owner-occupied properties (table 1.5).

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65 The most obvious assumption to make is that the pattern of movers prior to moving was the same as that of the current non-movers. As well as this explicit assumption, there are several other implicit ones, including that all moves are within tenure and that all other forms of household formation and death among older people (e.g. divorce, marriage, moving in with relatives etc) are negligible.

66 It should be stressed that this neither means nor assumes that the specific properties previously owned by the now-deceased households have all gone to other older person households, only that the net effect, after a whole series of moves by both younger and older person households, is of this size.

67 Individual entries do not always sum to totals due to rounding.
3.21. This points to two different but connected conclusions. On the one hand, it underlines (again) the considerable potential for earlier, more rapid downsizing if that could somehow be realised. On the other, however, even what looks like a large increase in the rate of downsizing – when ‘large’ is measured in relation to the downsizing that is already taking place – does not make anywhere near as big a proportional difference to the overall amount of larger property becoming available for younger households. For example, a 50% increase in the number of 3 and 4 bedroom properties made available through more older person households downsizing would mean 156,000 such properties becoming available in a year instead of the current 145,000 (table 3.4).

Vacancy chains

3.22. If older person households move out of larger properties, how would this affect levels of under-occupation across the population as a whole? How far too would it help reduce levels of over-crowding among younger households? In order to look at the type of households that are likely to replace downsizing older person households, we look at the characteristics of younger households that have recently moved to 3+ bedroom properties. As before, figure 3.5 separates its results by tenure.

Figure 3.5: The previous tenure of non-older person households that have moved into three+ bedroom homes within the last three years, by their current tenure^68

![Graph showing previous tenure of non-older person households](image)


3.23. Figure 3.5 shows that most moves are within the same tenure (68% for owner-occupiers, 60% for private renting, and 66% for social renting). This implies that older people downsizing will have a limited impact on allowing new households to enter the owner-occupied sector. Many households may find it easier to enter the tenure with in a smaller dwelling and build up more equity.

3.24. Table 3.6 looks at the same group of households (non-older person households that have moved within the last three years to a home with three or more bedrooms i.e. the ones that would replace down-sizing older person households). It looks at the proportion of these households that contain children, have a spare bedroom and are under-occupied.

---

68 Note that a household with "no previous tenure" is referred to as a new household. In other words, the household only came into existence when the householder(s) moved into their current accommodation. Technically this is the first accommodation that has been in their name - i.e. as an owner or as a tenant.
### Table 3.6: The proportion of “non-older person households that have moved within the last three years to a home with three or more bedrooms”

<table>
<thead>
<tr>
<th>% of households that</th>
<th>Current owner-occupier</th>
<th>Current private renter</th>
<th>Current social renter</th>
</tr>
</thead>
<tbody>
<tr>
<td>…contain children</td>
<td>51%</td>
<td>43%</td>
<td>86%</td>
</tr>
<tr>
<td>… have at least one spare room</td>
<td>91%</td>
<td>72%</td>
<td>46%</td>
</tr>
<tr>
<td>… are under-occupied</td>
<td>58%</td>
<td>34%</td>
<td>8%</td>
</tr>
</tbody>
</table>


3.25. Turning to overcrowding first, the table shows to what extent larger properties vacated by older person households will be occupied by households containing children: 86% in the social rented sector and 51% in the owner-occupied sector. Would these households previously have been overcrowded? The significance of the next row (the proportion of these households with a spare room) is that households with a spare room now would have had to have had at least two rooms fewer in their previous home to stand a chance of being counted as overcrowded. With 91% of owner-occupiers now having a spare room, only a few would likely previously have been overcrowded. So the contribution of downsizing by older person households to reduced overcrowding is, at least among owner occupiers, is likely to be small.

3.26. The final row on table 3.6 shows the proportion of these households that are under-occupying after having moved. Under-occupation among the social rented sector is close to nil. But 58% of owner-occupied and 34% of private rented sector households continue to under-occupy. In other words, half the older under-occupiers would have been replaced by younger under-occupiers.⁶⁹

### Financial incentive to downsize

3.27. In thinking about the impact of downsizing on household finance, it is important to distinguish two different effects.

- Downsizing saves money if moving to a new property reduces ongoing costs, such as rental or mortgage interest payments, maintenance costs, council tax, energy and water charges and so on.

- Downsizing frees up capital, or equity, for an owner-occupier if the selling price exceeds the buying price by an amount larger than the sometimes considerable one-off costs of moving. Freeing up capital adds to ‘cash in the bank’ but is not in itself saving. It also creates a problem of where such money can be put, so as to keep its value, or to earn some interest.

---

⁶⁹ Arguably a younger under-occupying family could be planning to have children and would cease under-occupying. But the data provides a snapshot of who is under-occupying at any one time. Just as a younger family could have a child in the following year and older family could have seen their last child move out within the last year. Either way both households are under-occupying for a certain amount of time and neither is more or less entitled to do so.
3.28. In assessing the financial effects of a move, a householder, whether an owner-occupier or a tenant, will also be concerned about uncertainty. Simple point-in-time or near-term calculations about, say, reduced running costs, will be tempered by concerns about hidden or unexpected costs, especially if it is feared that these may not be under the household’s control (e.g. service charges). Like buying a used car, buying a used house entails a risk. Even though what the household has now is a used house, it is to a much greater degree a known quantity. Saving a few pounds a week now, or even releasing a few thousands of pounds in capital, may not, quite rationally, not be enough to offset increased uncertainty. The balance between the financial gains and losses of a move differ as between tenures, but they certainly apply to all.70

3.29. Table 3.7 provides a very crude indication of the amount of equity that could be released from a property by moving from one type of dwelling to another. Using Land Registry data, the table shows the average sale price of the main dwelling types by region in 2010. The price of the same type will depend on the condition and the area, leading to huge variations and overlaps in the cost of each dwelling types. Even so, these average at least give some indication of the orders of magnitude of what is involved.

Table 3.7: The average property price in 2010 by region and dwelling type (thousands)

<table>
<thead>
<tr>
<th>Region</th>
<th>Detached</th>
<th>Semi-detached</th>
<th>Terraced</th>
<th>Flat</th>
<th>Bungalow</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>£238</td>
<td>£163</td>
<td>£129</td>
<td>£116</td>
<td>£175</td>
</tr>
<tr>
<td>North West</td>
<td>£279</td>
<td>£193</td>
<td>£132</td>
<td>£123</td>
<td>£189</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>£270</td>
<td>£180</td>
<td>£140</td>
<td>£123</td>
<td>£180</td>
</tr>
<tr>
<td>East Midlands</td>
<td>£250</td>
<td>£167</td>
<td>£128</td>
<td>£96</td>
<td>£177</td>
</tr>
<tr>
<td>West Midlands</td>
<td>£293</td>
<td>£190</td>
<td>£145</td>
<td>£117</td>
<td>£210</td>
</tr>
<tr>
<td>East</td>
<td>£366</td>
<td>£261</td>
<td>£202</td>
<td>£145</td>
<td>£232</td>
</tr>
<tr>
<td>London</td>
<td>£601</td>
<td>£472</td>
<td>£403</td>
<td>£290</td>
<td>£317</td>
</tr>
<tr>
<td>South East</td>
<td>£458</td>
<td>£311</td>
<td>£226</td>
<td>£165</td>
<td>£289</td>
</tr>
<tr>
<td>South West</td>
<td>£334</td>
<td>£237</td>
<td>£186</td>
<td>£155</td>
<td>£240</td>
</tr>
</tbody>
</table>

Source: Land Registry via CLG

3.30. In section 2, it was suggested that for moving home to be profitable for a household (and mitigate the hassle and transaction costs of moving house with enough money remaining to justify the effort), there would have to be around £50,000 of equity released. Table 3.8 shows that across each region detached homes clearly have a premium value to them, and someone moving from the average detached home to an average smaller dwelling will stand to release on average around £100,000 regardless of region.

70 For households belonging to the rented tenure, it may seem as if the financial advantages of moving to a smaller dwelling is relatively simple: moving to a smaller dwelling tends to mean that the rent level falls and therefore monthly housing costs will also drop. However, if the dwelling was smaller but in better condition the drop in rent may not be as substantial. For households that do not have their rent subsidised this will have a constant financial return as there will be less money required for housing costs each month. For households where the rent is subsidised/paid for through benefits (i.e. housing benefit or local housing allowance) there may be no additional disposable income.
3.31. By contrast, the gaps between the other dwelling types are much smaller and the capital gains varies hugely by region. In London, prices are so high that any move in the order of semi-detached – terraced – flat will yield at least £50,000 in capital. A similar amount could also be released by moving from a semi-detached to a terraced house or flat in the southern regions and the North West. Otherwise, most other moves between dwelling types and within the same region would not release more than £50,000.

3.32. The prices presented in table 3.7 are averages and there will be considerable variation within the same dwelling type and region. Therefore there may be wider scope to release greater sums of capital by downsizing, but only by compromising on the quality of the home (as reflected in the lower price) as well.

3.33. The variation in property prices by region offers some the prospect of releasing capital by moving between them, especially those owner-occupiers moving out of London. Owner-occupied households in the south (outside of London) would realise capital by moving to the Midlands or the north. Against this must be set the analysis in the previous two chapters which underlined the importance of location for all households. Financial effects are only one factor.

3.34. Bungalows tend to occupy the top of the middle of the market in terms of prices, being just above or below the price of a semi-detached in most regions. This shows that in terms of releasing equity bungalows are the only really ‘affordable’ for owners of detached properties or those moving from a more expensive area to a cheaper one.

3.35. It should be noted that the rents charged to private renting households will be somewhat based on the value of the property. So whilst the equity values that apply to owner-occupiers will not apply to private renters, the areas and dwelling types that are cheaper to buy will also be cheaper to rent and will influence private renting households’ decisions to move.

3.36. In summary, except for households in the largest dwellings or higher priced areas, there is not a substantial amount to gain from downsizing in terms of releasing capital. Some households may need to release capital and for them down-sizing, assuming they drop enough, will make a difference. For those who don’t need the capital, downsizing may even be illogical, being time-consuming and costly whilst yielding a ‘gain’ that is not valued. Even for those who do need the money to spend, releasing capital creates a lump sum. If income is not enough to cover costs, that lump sum will not be enough unless costs too can be reduced. Releasing capital by downsizing is not a long-term solution for this group.

What would significant down-sizing really entail?

3.37. Finally, we return to the point in section 1 about the supposed scale of under-occupation among older person households. If we take the definition underlying that as our starting point, what would be required in order to make a really big difference to it? Putting this another way, how would the overall pattern of tenure among older persons need to look, given the housing stock? Since there is no over-crowding among older person households, older person, under-occupying households would have to move into properties currently occupied by younger households.

71 Furthermore, many older owner-occupiers look on their house as an insurance against costs in later life (including care costs): see discussion in section 2.
3.38. The first column of table 3.8 shows the number of older person households that are currently under-occupying. The second column shows the number of dwellings occupied by other households with less than three bedrooms (i.e. the number dwellings that under-occupied older person households could move into to no longer under-occupy).

**Table 3.8: Levels of under-occupation by tenure, length of residence and age group (millions)**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Older person households under-occupation</th>
<th>Other household with &lt; 3 bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tenure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner-occupied</td>
<td>3.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Private rented</td>
<td>0.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Social rented</td>
<td>0.3</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Dwelling type</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detached</td>
<td>1.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Semi-detached</td>
<td>1.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Terrace</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Bungalow</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Flat</td>
<td>0.1</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City/urban centre</td>
<td>0.5</td>
<td>1.7</td>
</tr>
<tr>
<td>Suburban residential</td>
<td>2.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Rural residential/village</td>
<td>1.1</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.3</td>
<td>4.6</td>
</tr>
</tbody>
</table>

3.39. There are two overall messages from this table. First, there are enough 1 and 2 bedroom dwelling occupied by younger households (4.6 million) to accommodate 4.3 million under-occupying older person households. Second, any such ‘transfer’ would require huge changes of both tenure, dwelling type and area. More specifically:

- While there is substantial scope for older person households to move to smaller accommodation and continue to owner-occupy (an option for 2 million older person households), this only accounts for just over half of all under-occupying owners. If the remaining 1.8 million were to stop under-occupying they would have to change tenure.

- For semi-detached and detached households there are clearly more under-occupied older person households than there are dwellings with less than 3 bedrooms occupied by other households. If these older person households wanted to down-size and remain in the same dwelling type only 0.1m households could do for detached houses and 0.5 could for semi-detached houses; leaving 2.2 million under-occupied homes having to choose between remaining in their dwelling type and under-occupying, for example into flats or terrace homes where the supply is greater.
• In terms of area, the number of older under-occupiers is more closely matched to the number of non-elder 3 bedroom dwellings. But there are still slightly more under-occupiers than smaller dwellings in rural areas so balance requires shifting older person households into the urban centres.

3.40. Whilst there is enough smaller stock to accommodate older person households, substantial reductions in under-occupancy among older person households could not be achieved without drastic shifts in the housing situation for many older people, into cities and urban areas, rented tenures, and flats. Of course no one is suggesting anything like this. Nevertheless, even more modest ambitions towards downsizing need to take account of all that is at stake.

PROJECTIONS

A) FUTURE OLDER HOUSEHOLD DEMAND

Household projections

3.41. CLG publish household projections for 2033 by ONS. Table 3.9 shows how the number of households headed by an older person is expected to change. The key points are:

• The number of households with an older HRP is expected to increase by 3.7 million, an increase of 41%.

• The 85+ group will experience the largest percentage growth (more than doubling). Households with a HRP aged 65-74 will increase by the largest amount (1.3 million).

• There will be a shift in the age distribution among older households. Households with a HRP aged 85+ will go up from 8% of the total to 15%, whilst those with one aged 55-64 will fall from 39% to 30%.

Table 3.9: Number of households headed by an older person: 2008 and 2033 (millions)

<table>
<thead>
<tr>
<th>Age of HRP</th>
<th>2008</th>
<th>2033</th>
<th>Change</th>
<th>% 2008</th>
<th>% 2033</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64</td>
<td>3.6</td>
<td>4.0</td>
<td>0.3</td>
<td>39%</td>
<td>30%</td>
<td>-9%</td>
</tr>
<tr>
<td>65-74</td>
<td>2.8</td>
<td>4.1</td>
<td>1.3</td>
<td>30%</td>
<td>31%</td>
<td>1%</td>
</tr>
<tr>
<td>75-84</td>
<td>2.1</td>
<td>3.0</td>
<td>0.9</td>
<td>23%</td>
<td>23%</td>
<td>1%</td>
</tr>
<tr>
<td>85+</td>
<td>0.8</td>
<td>2.0</td>
<td>1.2</td>
<td>8%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>All older HRP h’holds</td>
<td>9.3</td>
<td>13</td>
<td>3.7</td>
<td>100%</td>
<td>100%</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: CLG household projections, 2008 based

3.42. In terms of households composition, the official projections estimate that the number of older single person households will increase from 4.1 million (in 2008) to 6.3 million by 2033. Table 3.10 shows that the age group with the largest increase in the number of single person households will be 85 and over but the proportion will remain at around the 70% level. The proportion of single person households in the 55-64 age group will increase from 30% to 39%.

---

72 Unable to look at older person only households and are confined to the years 2008 and 2033 because of what is published by CLG
Table 3.10: Number of older single person households: 2008 and 2033 (millions)

<table>
<thead>
<tr>
<th>Age of HRP</th>
<th>2008</th>
<th>2033</th>
<th>Change</th>
<th>% of age group that are single person households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>% 2008</td>
</tr>
<tr>
<td>55-64</td>
<td>1.1</td>
<td>1.5</td>
<td>0.4</td>
<td>30%</td>
</tr>
<tr>
<td>65-74</td>
<td>1.0</td>
<td>1.5</td>
<td>0.5</td>
<td>37%</td>
</tr>
<tr>
<td>75-84</td>
<td>1.4</td>
<td>1.9</td>
<td>0.5</td>
<td>66%</td>
</tr>
<tr>
<td>85+</td>
<td>0.6</td>
<td>1.4</td>
<td>0.8</td>
<td>72%</td>
</tr>
<tr>
<td>All older HRP h’hlds</td>
<td>4.1</td>
<td>6.3</td>
<td>2.2</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: CLG household projections, 2008 based

3.43. Single person households tend to have fewer bedrooms in their homes but the same ‘bedroom standard’ as couple households. As a result, since the proportion of single person households will increase by 2033, the rate of under-occupation among older households in 2033 is likely to be slightly lower than it is now. However, given the expected increase in the total number of households with an older HRP, the number of older under-occupiers will still be much higher. Changes in expectations, personal finances and the housing market will also have an impact on the future levels of under-occupation.

3.44. Presently, around 3.8 million households with an older HRP contain someone with an illness or disability (around 42%). We can estimate how many households with an older HRP will contain someone with an illness or disability in 2033 by applying the current proportion to the projections in tables 3.9 and 3.10. This gives an estimate of 5.6 million households with an older HRP containing someone with an illness or disability in 2033—and an increase of almost 2 million. However, despite allowing for variations by age and household size, the proportion of older households containing someone with an illness or disability is expected to be 43%, only a slight change from the current level of 42%.

Tenure projections

3.45. Data from past censuses show that the tenure distribution in older age is largely fixed e.g. the proportion of owner-occupiers aged 65 in 1991 more closely resembles the proportion of owner-occupiers aged 75 in 2001 than those aged 65 in 2001. Table 3.11 shows the tenure distribution of households in the EHS that will become the older households in 2033. As discussed it is reasonable to assume that the spread of tenures among household aged 55+ now is unlikely to change.

---

73 The proportions have been split by the age group of the HRP and if the household contains only one person, as this changes the likelihood of the household containing someone with an illness or disability.

74 It is difficult to say at what age the tenure distribution becomes fixed (this doesn’t mean that people don’t change tenure but that as many people enter the tenure as leave it). Obviously, between the ages of 18 and 50 the tenure distribution changes with a general tenancy for people to move from private renting to owner-occupation. There is not sufficient data on the age groups 18-55 to determine when tenure tends to stop changing, for those aged 55+ the tenure distribution appears to be reasonably balanced.
Table 3.11 The tenure distribution of households with a HRP aged 35 to 74 (who will in 2033 make up the older person households)

<table>
<thead>
<tr>
<th>Age group now</th>
<th>Age group in 2033</th>
<th>Projected size of group in 2033 (millions)</th>
<th>% Owner-occupiers</th>
<th>% Private renters</th>
<th>% Social renters</th>
</tr>
</thead>
<tbody>
<tr>
<td>35-44</td>
<td>55-64</td>
<td>4.0</td>
<td>67%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Proj: 74%</td>
<td>Proj: 10%</td>
<td>Proj: 16%</td>
</tr>
<tr>
<td>45-54</td>
<td>65-74</td>
<td>4.1</td>
<td>79%</td>
<td>7%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Proj: 75%</td>
<td>Proj: 10-5%</td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td>75-84</td>
<td>3.0</td>
<td>78%</td>
<td>4%</td>
<td>18%</td>
</tr>
<tr>
<td>65-74 (+)</td>
<td>85+</td>
<td>2.0</td>
<td>79%</td>
<td>7%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Proj: 75%</td>
<td>Proj: 10-5%</td>
<td></td>
</tr>
</tbody>
</table>


3.46. The groups currently aged 35-54 are much harder to predict. Based on past trends one would expect the proportion of these households that owner-occupy to increase by 2033. However, at the moment the only tenure that is growing is the private rented sector. There will no longer be life-time tenancies in the social rented sector, meaning that those not yet within it won’t be able to consider it as a tenure that they would be able to remain in indefinitely. Deposit requirements for a mortgage are much higher than in the housing market boom making it difficult to enter the housing market. But some households may find they are able to enter the housing market later in life because of inheritance or financial support from the older generation of their family.

3.47. Data from the English Housing Survey 2010-11 shows that around 60% of private renters aspired to buy and around 20% of social renters aspired to buy. It is likely that the proportion households now aged 35-54 in private rented accommodation will fall slightly in favour of owner-occupation. We therefore assume that their projected tenure in 2033 is of 75% owner-occupation and 5-10% private renting. This allows for some movement from the private rented sector to the owner-occupied sector but not to the same levels as in older generations.

3.48. Applying the projected tenure distribution (table 3.11) to the household projections (table 3.9) the tenure requirements for older person households in 2033 are estimated as:

- 10 million owner-occupied dwellings (currently 7 million)
- 1 million private rented dwellings (currently 0.5 million)
- 2 million social rented dwellings (currently 1.5 million)

Future housing requirements

3.49. The increase in the number of households with an older HRP will result in a change in the requirements of the housing stock – more homes will be needed that are suitable for older people to live in. This could be specialist housing similar to today’s models, different forms of specialist housing, or mainstream housing (e.g. lifetime homes or adapted homes).
3.50. What is ‘suitable’ for an older household will vary case by case. Section 1 and 2 have shown that older people have a range of preferences in terms of housing, many of which do not differ from other households. With a larger number of older person households there will be a greater volume of moves among older person households. Therefore the demand for bungalows and the need for lifetime homes are likely to increase; bungalows because they are popular among older person households and lifetime-homes because they allow the older people that move to them to live there for longer despite changing health needs.

B) FUTURE SUPPLY OF HOUSING

3.51. According to the official household projections the number of all households in 2033 will reach 27.5 million, an increase of around 230,000 households a year. Data from Communities & Local Government (CLG) and the Survey of English Housing shows that in 2009-2010 and 2010-2011 the number of dwellings in England increased by 125,000 dwellings each year, the lowest level for at least 20 years. Clearly the number of homes being built is at the moment falling short of what is required. If this trend continues then all households, including older person households, will struggle to find homes that are suitable.

3.52. CLG data also shows that the number of owner-occupied dwellings peaked in 2007 at 15 million and has been falling since (in 2010 it stood at 14.8million). Even if the proportion of older households who are owner occupiers does not increase, the number of older person households wanting and able to own is likely to increase by 3 million (to 10 million). If that happens, and the total number of owner-occupied dwelling remains around its current level of 15 million, two thirds of all owner-occupiers will by 2033 be older person households.

3.53. The previous government’s Ageing Strategy set a target that by 2011 all dwellings built with public money would meet Lifetime Homes Standards and that this would be extended to all dwellings to 2013. This has not been renewed by the current government, whose approach is to support such developments but allow decisions to be made locally. Therefore the extent to which future new builds are built to Lifetime Home standards is unforeseeable.

3.54. The housing market has been stagnant since 2007 and as a result the number of dwellings being built and the number of owner-occupied dwellings has fallen. Simultaneously, the political momentum for lifetime homes has slowed. If these trends do not reverse, supply and demand will drift further apart and strains on the housing market will become acute.

C) FUTURE DEMAND FOR SPECIALIST HOUSING

Level of demand

3.55. In thinking about future need for specialist housing, we can look at either the stock of specialist housing required, or the size of the flow into it.

- The stock of 520,000 units of specialist housing is 5.6% of the 9.3 million households with a HRP aged 55. Applying this proportion to the number of households projected in 2033 (5.6% of 13m) there would need to be a stock of 730,000 specialist units by 2033 an increase of 40%, or 210,000 over 20 years (around 10,000 per year).

75 Based on EAC 2010 data which was the most recent data at the time of the analysis
Market Assessment of Housing Options for Older People

- Around 50,000 households move into specialist accommodation each year. Data from CORE shows that among households headed by someone aged 55-84, around 0.6% move into specialist accommodation each year. For those with a HRP aged 85+, it is around 1.1%. Applying these proportions to the projected number of households in each age group in 2033 (table 3.9) this would amount to an annual demand of around 86,000 units of specialist accommodation. This is an increase of 70%.

3.56. These two methods of projecting the increase in the required stock and flow of specialist accommodation in 2033 give different growth rates. One would not expect the two proportions to be the same, but the difference between the two highlights the uncertainty involved in projections. Other considerations add to the uncertainty. The proportion of households requiring specialist housing could fall if more homes are affordably adapted and/or if assistive technology and floating support services become more widely available. Supply could fall if people are living for longer in specialist housing, but demand may fall if people move into specialist housing later.

Tenure requirements: the situation now and in future

3.57. Around 70% of the specialist housing stock is social rented with 30% in private tenures (private rented or owner-occupation). Almost all of those moving into private specialist housing will have previously lived in a private tenure home (on the assumption that those living in social rented accommodation will usually be unable to afford a private move). Of those moving into social rented specialist housing, 30% are from private tenures and 70% move within the social rented sector. Therefore around 50% of moves into specialist accommodation are by former social renters and 50% by those in private tenures.

3.58. Around 80% of older person households belong to private tenures and 20% are social renters. Overall, there is an imbalance between this overall tenure mix among older person households and the previous tenure mix of those entering specialist housing. There could be a number of reasons for this.

1. People in social rented sector households are more likely to experience ill health and require specialist housing; likewise they are more likely known by the housing services. This would mean that the current situation reflects both need and demand.

2. Few older person households want to move into specialist housing but those in the social rented sector do not have a choice because of the limited housing available to them.

3. Many private tenure older person households want to move into specialist housing but are unable to because the stock available does not meet their requirements.

3.59. Evidence can be found in support of each reason.

76 NPI analysis of turnover within the specialist housing stock using CORE

77 It is interesting to note that Ball (2011) uses two different methods to calculate demand for new owner-occupied retirement housing (OORH) units (models with support and with care), using two sources: current market share and data on loss of mobility from the English Longitudinal Survey of Ageing's (ELSA) 2008 data set. Ball calculates that between 5,300 and 16,000 extra units would be needed per year using market share as a proxy for demand: 5,300 units to maintain the current market share of 2% of dwellings for 65+ households, 9,000 units (3% share), 12,600 units (4% share) and 16,200 units (5% share). He uses ELSA data on loss of mobility because this not only affects people’s ability to remain in existing housing but also links to a greater risk of social isolation. Not surprisingly, activity constraints rise with age (though there is no data for 85+); using activity constraints and certain other assumptions, he calculates that the higher figure of 16,200 units (5% market share) is realistic.

78 NPI analysis of turnover within the specialist housing stock using CORE
1. The English Housing Survey shows that around 60% of older person households in social rented tenures contain someone with an illness or disability, compared with around 40% of households in private tenures. Whilst this explains some of the difference, it is not sufficient to explain it all. It must also involve reasons 2 and/or 3 which implies an imbalance in the supply of, and demand for, the current stock.

2. Our interviews found that few older person households choose to move into specialist housing as a lifestyle choice, and most are the result a change in one’s situation (e.g. ill-health, bereavement). Owner-occupiers are more likely to be able to adapt their home to need their needs whilst this option may not be available to social renters and may be encouraged to move into specialist housing. This implies that the imbalance reflect this wide range of alternatives (to a move into specialist housing) open to owner occupiers.

3. People in the private sector who choose to move into specialist housing suggesting that it is preferable for some households. For those in private tenures the stock of specialist housing available to them is relatively limited. Many may choose to stay put if they do not want, or are not eligible, to move to social rent, or cannot afford the costs of the private alternatives. The discussion in sections 1 (on the limited type of specialist housing available in terms of tenure, support and size) and 2 (on what older people look for in a dwelling) suggest that this is likely to account for a considerable part of the imbalance observed.

3.60. In summary it’s likely that all three reasons are contributing to this imbalance: older people in the social rented sector having higher levels of ill-health and less choice in how to respond to it, other than moving to specialist housing, whilst those in the private sector who may benefit from specialist housing have few desirable options and instead choose to stay put. This is a far from desirable situation.

3.61. In order to correct the imbalances described above there would need to be an increase in the proportion, as well as the overall number of units, of specialist housing that is available to older people in private tenures. This could mean more development by private companies or by non-profit organisations. A diversification in the tenure products available is essential. What is needed is a broader range of tenure options to accommodate preferences and financial capacity of the older person households in private tenures that are not at the moment being met. This could include mixed tenure affordable developments or developments through private and public partnerships.

D) FUTURE SUPPLY OF SPECIALIST HOUSING

Possible scenarios

3.62. In terms of the future supply of specialist housing it is extremely difficult to predict what will happen. In theory there are four scenarios:

1. No change: a lack of public funding and a lack of confidence in the market continue to limit the expansion of the housing stock with the number of new dwellings falling short of 10,000 per year.

2. Housing market recovery: the return on investment in the housing market becomes more certain, giving private developers the incentive to build units for the growing numbers of older households in private tenures.
Market Assessment of Housing Options for Older People

3. Increased investment from the public sector: additional public funding is provided to boost building of specialist housing for older people, predominantly affordable housing.

4. Both 2 and 3: there is a marked increase in the number of affordable units and private units added to the specialist housing stock.

3.63. The housing market is not expected to make a sudden recovery and therefore there will be little incentive for private developers to develop on the scale discussed above. Likewise public sector funding is extremely constrained at least for the next few years, making a significant increase in the number of affordable developments unlikely. At the moment it seems that for the next five or so years, scenario 1 is the most likely. It is worth noting that for every year an assumed ‘target’ of 10,000 units is not met, the number that have to be built in subsequent years to meet need in 2033 increases.

3.64. Depending on which of the four scenarios is the most likely will determine what tenure of specialist stock is available for future older person households. In theory around 70+% of specialist housing units will need to be suited to households in private tenures: at the moment the level is 50%. There will either need to be an increase in the proportion of affordable housing that is accessible to those in private tenures or a significant increase in private sector specialist housing developments.

Alternative forms of housing?

3.65. Alternatively, there could also be a change in the supply of alternative forms of housing that attract older people, reducing any increase in demand for specialist housing. This is possible because of the high costs of specialist housing (purchase price for owner-occupiers, and running costs for everyone). In this scenario, existing retirement housing models would remain a niche market and growth would be mainly in non-specialist forms of housing (including housing suitable for older people in new mainstream developments, alternatives such as co-housing and inter-generational solutions). There would still be a need for housing where care could be delivered for those with high care needs and those that would otherwise be in a care homes (especially for the 85+ cohort). Section 2 discusses the range of approaches that alternative models could involve in more detail.
APPENDIX: RESEARCH METHODS

QUANTITATIVE METHODS
The quantitative data sources that have been used in this report include:

- English House Condition Survey (2006, 2007) CLG
- Online Directory of Specialist Housing, Elderly Accommodation Council
- COntinuous REcording of Lettings and Sales in Social Housing in England (CORE), TSA
- Mid-year population, ONS (2010-based)
- Household projections, ONS (2008-based)
- Households on Below Average Income 2009/10, DWP

The vast majority of the primary analysis in this report comes from the English Housing Survey. The survey is made up of two components: (1) an interview to 16,000 participants, of whom around 8,000 participate in (2) a dwelling survey.

Where possible the data has been drawn from the interview branch of the English Housing survey and this has a larger sample. Data from two years of the survey (2008 and 2009) has been used and an average taken – making the sample around 30,000 strong.

For some areas of interest (e.g. housing decency) the stock branch of the English Housing Survey is required. For this, four years’ worth of data has been used: 2006 and 2007 from the former English House Condition Survey and 2008 and 2009 from the current English Housing survey stock data. Again this gives us a sample of around 30,000 households.

To increase the reliability of the outputs, the data has been drawn from the four most recent English Housing Survey years that are available (2006 to 2009). Whilst the data may seem quite out of date, in terms of looking at household trends this should be reasonably reliable – changes in households tend to happen very slowly and the recent uncertainty in the housing market has substantially reduced the turnover of housing, suggesting that the data is even less likely to have dated.

Throughout the study report we refer to ‘older person households’. These are households that contain only older people (aged 55 or over). The aim of this study is look at housing options for people in later life. If we were to look at households containing both older and younger people their housing needs would be much broader than an older person only household e.g. proximity to a good school, large enough for a growing family. Our focus is on families that have retired or are approaching retirement and their children have left home. Therefore the housing options of households containing both older and younger people are not directly relevant to this study.
Around 34% of households in England are older person only households and 11% of households contain both older people and younger people. Looking at the 11% of households containing both older and younger people, figure A.1 shows that 3% are couples without children where one person is aged under 55, and 7% contain dependent or non-dependent children. An small proportion are older people living in a home with other families, or older people sharing with younger single people.

**Figure A.1: The proportion of households containing older people by household type**

Table A.2 below shows the number of households headed by an older person and the number of which are contained in the 'older person households' group. Overall 80% of households headed by an older person are contained in the older person only group. This level increases with the age of the HRP.

The second largest age group among older person households is 55-64. This is not because there are fewer households headed by someone aged 55-64, but because only 64% contain only older people, compared to over 80% in the other groups. Conversely, whilst 96% of households headed by someone aged 85+ are older person households, they make up only 9% of all older person households.

**Table A.2: Number of households headed by an older person and proportion of which are captured in the older person only group, by age of HRP**

<table>
<thead>
<tr>
<th>Age of HRP</th>
<th>Older person only hhlds</th>
<th>All hhlds</th>
<th>% in older person only hhlds</th>
<th>As % of all older person hhlds</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-64</td>
<td>2,300,000</td>
<td>3,570,000</td>
<td>64%</td>
<td>32%</td>
</tr>
<tr>
<td>65-74</td>
<td>2,430,000</td>
<td>2,790,000</td>
<td>87%</td>
<td>33%</td>
</tr>
<tr>
<td>75-84</td>
<td>1,890,000</td>
<td>2,040,000</td>
<td>93%</td>
<td>26%</td>
</tr>
<tr>
<td>85+</td>
<td>660,000</td>
<td>680,000</td>
<td>96%</td>
<td>9%</td>
</tr>
<tr>
<td>Total</td>
<td>7,280,000</td>
<td>9,080,000</td>
<td>80%</td>
<td>100%</td>
</tr>
</tbody>
</table>

QUALITATIVE METHODS

Interviews

We would like to thank our interview respondents for their time and interest. A total of 19 organisations and individuals were approached in early January 2012; 15 semi-structured telephone interviews took place between mid-January and early February 2012 with eight private sector organisations (including general house builders, specialist retirement housing developers, consultancies and agents) and seven key players from public and voluntary sector organisations. We targeted organisations and networks that would reflect as far as possible a broad range of views; interviewees had links with older people-led organisations, 1,200 housing associations, most house builders, the key charities and over 5,700 professionals involved in retirement housing.

Because of the very tight timeframe organisations/individuals were drawn mainly from existing contacts through Housing and Support Partnership consultancy (with retirement housing providers and local authority housing and social care commissioners), and previous and current research projects, especially two current Joseph Rowntree Foundation Housing with Care projects (Blood and Pannell 2011, Blood, Pannell and Copeman 2012a, b, forthcoming).

Interviews were carried out by Ian Copeman (Housing and Support Partnership) and Jenny Pannell (HSP and NPI). Respondents spoke to us on the basis that their comments would not be attributed to individuals or organisations. Where material is directly attributed, this reflects information already in the public domain (websites, publications).

Literature review

In parallel to the interviews, a limited review of relevant literature was undertaken to inform our research, again drawing on current and past research by team members. This focused on:

- key reports concerning older people, housing and care/support
- potential sources of statistical information to inform the quantitative research
- other studies and reports covering downsizing, under-occupation and vacancy chains
- specific data on what older people want from their housing, care and support (including as far as possible research reflecting the views of older people themselves)
- data on the advantages (and any drawbacks) for older people of moving to other housing, including retirement housing models.

In addition to the referencing of specific reports in the text, this section provides an overview of the wide range of research and publications on housing, care and support for older people drawn on for this report.

Key reports on older people’s housing over recent years include:

- the HAPPI Report (HCA 2009) recommends a wider range of models and design of housing for older people, based on the findings of the Housing our Ageing Population Panel for Innovation
• Living Well at Home Inquiry (APPG 2011): this report from the All Party Parliamentary Group on Housing and Care for Older People recommends an overarching vision and a fresh housing strategy from government, as well as specific recommendations on aspects including planning.

• Breaking the Mould (NHF 2011a,b,c): the National Housing Federation argues for a broader view of housing for older people by housing associations; in addition to the main report (a), there is a literature review (b) and a report on focus groups with older people (c).

• Lifetime Homes, Lifetime Neighbourhoods: A national strategy for housing in an ageing society (DCLG 2008): this joint policy framework from DCLG and Department of Health has not yet been updated or replaced by the Coalition Government.

Over the past decade, the main focus of research and good practice materials has been on specialist housing and especially housing with care models:

• detailed evaluations of Department of Health-funded extra care housing projects by PSSRU (Personal Social Services Research Unit) at the University of Kent, summarised in Netten et al 2011

• a number of studies for the Joseph Rowntree Foundation (mainly by the Centre for Housing Policy at the University of York), examining various aspects of social rent and mixed-tenure extra care schemes and retirement villages

• extensive case studies, viewpoints, reports and good practice examples from the Housing Learning and Improvement Network (LIN): formerly responsible for managing the Department of Health extra care housing capital programme, the Housing LIN is the leading ‘knowledge hub’ for over 5,700 professionals involved in housing with care

• extensive guidance on design (summarised in the recent HCA 2011 literature review).

Earlier studies on housing with care focused mainly on housing for rent and on residents who received State funding for their housing and care costs.

More recent and current research includes private retirement housing, older residents of owner-occupied retirement housing, and older people who are self-funding some or all of their housing and care costs, including:

• Establishing the extra in Extra Care (Kneale 2011): this ILC-UK report examines the benefits of extra-care housing, with detailed information from two private providers and a large charitable provider

• Housing markets and old age: expanding the opportunities (Ball 2011) on the role of owner-occupied retirement housing, with data from the largest private provider of retirement housing (McCarthy & Stone)

• Research on older people self-funding their care and support for ADASS (Association of Directors of Social Services), the Joseph Rowntree Foundation and others (ADASS et al 2011; Henwood and Hudson 2009a, b)
- Two current projects across both private sector and third sector providers of housing with care, examining affordability for self-funders, and boundaries of roles and responsibilities (the Housing and Support Partnership for the Joseph Rowntree Foundation, cited above).

There has also been increasing interest in older people and under-occupation, downsizing and vacancy chains, with case studies by Cambridge University Centre for Housing & Planning Research for Shelter, the National Housing Federation and local authorities (Clarke et al 2010, Clarke et al 2011, Monk and Grant 2009), and three Housing LIN reports (Davies and Craig 2011; Sutherland 2010 and 2011). The key UK research on vacancy chains created by new-build across the housing market (not just for older people) in Southern England was carried out in the 1990s (Forrest and Murie 1993).

There have been some regional studies of housing markets for older people, such as that in the South West of England (Housing LIN 2008a, b) and new guidance and resource materials from ADASS and the Housing LIN (2011).
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