

Do the British Want to Live In Integrated Retirement Communities?

What would attract them to do so?

What is the size and shape of the opportunity for investors and stakeholders?

A nationally representative survey of UK Households not currently living in an Integrated Retirement Community (IRC) as conducted by ProMatura Europe in 2022.

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Introduction

This research looks at the general population not resident in an IRC and their likelihood of moving into one of them.

ProMatura has previously conducted research* of people seriously considering a move into an Integrated Retirement Community (IRC) as well as current residents of IRC's.

Over 38 years and now in 6 continents, ProMatura has identified the single biggest and consistent reason IRC's fail: not understanding (early enough) what potential residents want (all aspects) and what they will actually pay for it. Further details on ProMatura in Appendix B.

This report gives a generalised view of the state of the UK market. Further work would be required by ProMatura to deliver the actual, specific pattern of demand for any one site / concept for each project (with its own particular set of attributes) to have certainty of supply = demand at a particular price point. ProMatura sales forecasts can only be accurately calculated (at the 95% confidence level) when this specific research is conducted.

*In conjunction with ARCO (Associated Retirement Community Operators), ProMatura wrote the first large-scale report into UK IRC's: www.arcouk.org/promatura-report

To understand what an IRC is (and what it is not), please refer to the excellent guide recently published by ARCO, freely available via their website at: www.arcouk.org/resource/a-guide-to-integrated-retirement-communities-for-older-people

Our goals in this new study were to learn:

1. Proportion of households who would consider moving to an IRC
2. Demographic, economic, and psychographic profiles of potential residents
3. Estimated timeframe to move to an IRC

Respondent Groups

Respondent Criteria to Participate in Survey



- Survey respondents recruited from an internet survey panel of age - and income-qualified households residing in the UK.
- Each respondent answered screening questions to ensure they met the criteria to participate.
- Survey had 96 questions taking around 20 minutes to complete. Please see Appendix A for details on the Margin of Error.
- Respondents categorised into three groups based on their likelihood of moving to an IRC in the future:

Group 1 Probables	Group 2 Possibles	Group 3 Improbables
Respondents likely, or very likely to move to an IRC - completed entire survey	Respondents unsure if they would move to an IRC - completed entire survey	Respondents unlikely or very unlikely to move to an IRC - completed abbreviated survey.

- There was not a statistically significant difference in the likelihood of moving to an IRC relative to the age of respondents.
- Households headed by someone in their 50's were as likely to move as those in their 80's or older.
- Similarly, marital status did not have an impact on their likelihood of moving to an IRC.

Exhibit 1. Completion Rate Likelihood of Moving Groups and % Who Completed the Internet Survey

	Count	Percent	Survey Type
Probables	123	13%	Entire survey
Possibles	352	36%	Entire survey
Improbables	491	51%	Partial survey
Total	966	100%	

Annual Movers to an IRC

Estimate Among Households 55+ Years of Age

Based on Office of National Statistics (ONS) projections of households, ProMatura estimated 13,355 households headed by someone 55+ years of age with £60,000+ annual household income in the United Kingdom were Probable movers annually to an IRC in 2021.

With a margin of error of +/- 3% at the 95% confidence level, this estimate may range from 12,954 to 13,774. This number is projected to increase to 18,102 households by 2027, however with the 3% margin of error, it may range from 17,559 to 18,645.

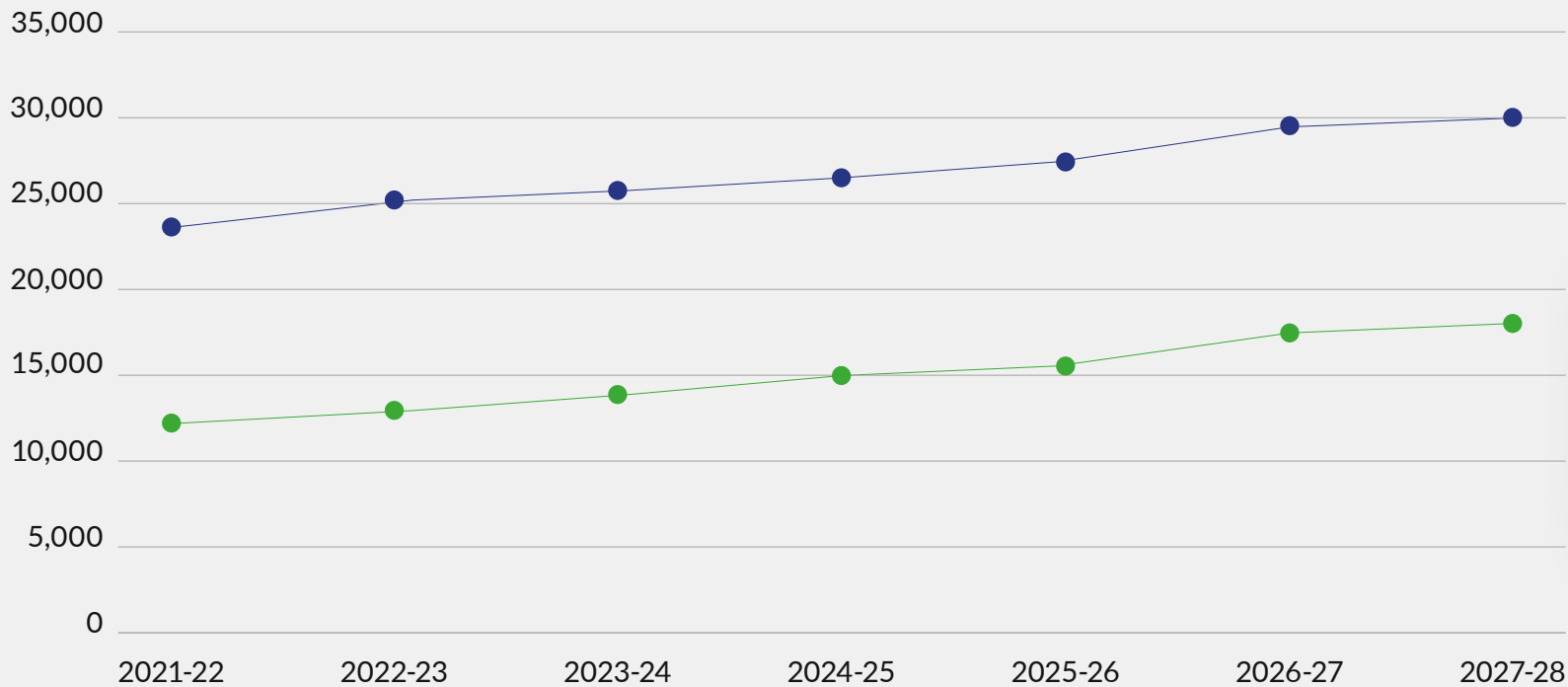


Exhibit 2. Annual Estimate of Age 55+ Probable Movers to an IRC in the United Kingdom (Probables Who Would Move per Year) by Income Segment, Projections for Years 2021 - 2027

Key

- £40,000 - £59,999
- More than £60,000

Annual Movers to an IRC

Estimate Among Households 75+ Years of Age

ProMatura estimated that a total of 5,463 (range from 5,299 to 5,627) households headed by someone 75+ years of age with £60,000+ annual household income in the United Kingdom were Probable movers to an IRC

in 2021. This number is projected to increase to 9,749 (range from 9,456 to 10,041) households by 2027.

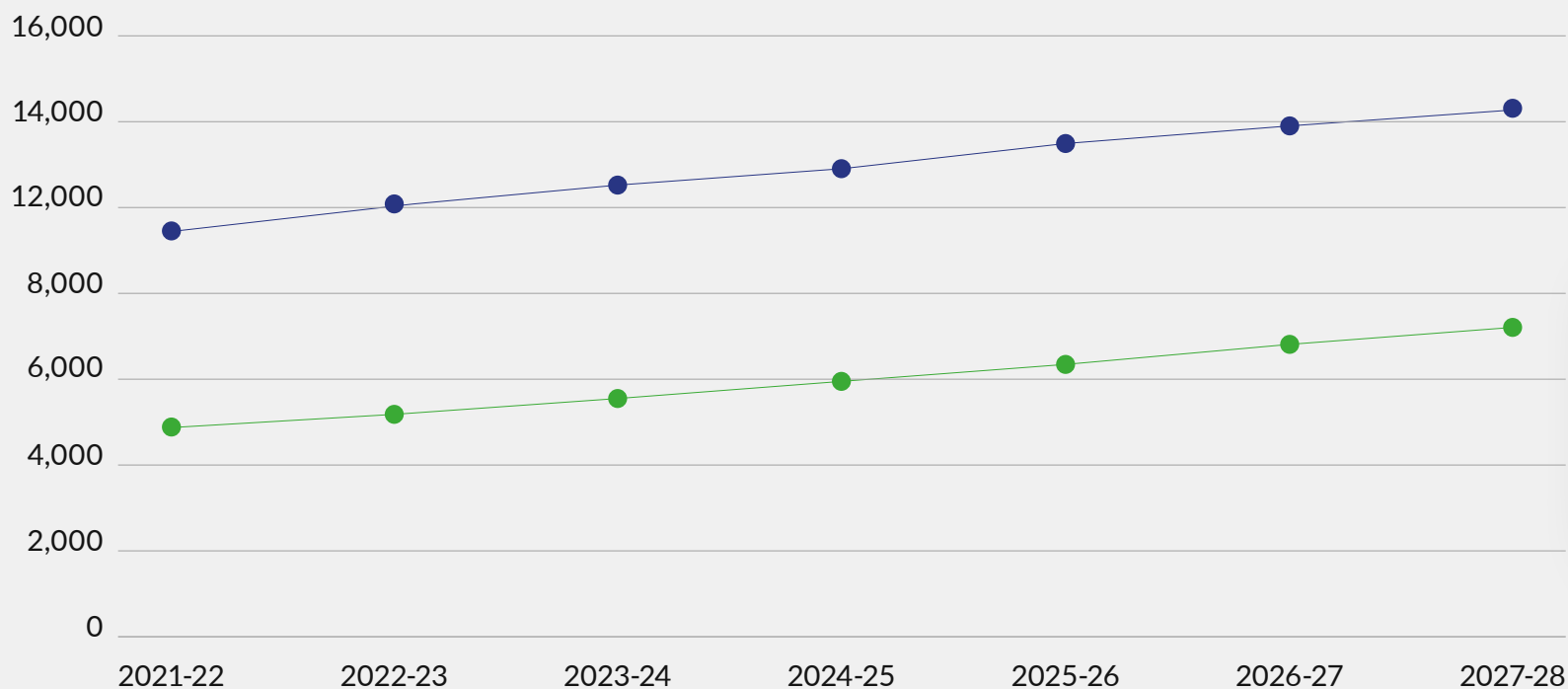


Exhibit 3. Age 75+ Probable Movers to Age-Qualified Housing in United Kingdom Annually (Probables Who Would Move per Year) by Income Segment, Projections for Years 2021 - 2027

Key

- £40,000 - £59,999
- More than £60,000

Sources: ONS and ProMatura

Annual Household Income

Roughly 93% of the respondents in all three likelihood of moving groups had annual household incomes of less than £100,000.

There was not a statistically significant difference between the three groups. This is unusual, but has a logical explanation. We did not test the price respondents were willing to pay. When price is included, those

with higher incomes typically make up the Probables Group for a private for-profit community. We routinely test price when conducting consumer research for a proposed community to determine what prospective residents want and the price they are willing to pay. The average home price in the UK was £273,762 in December 2021.

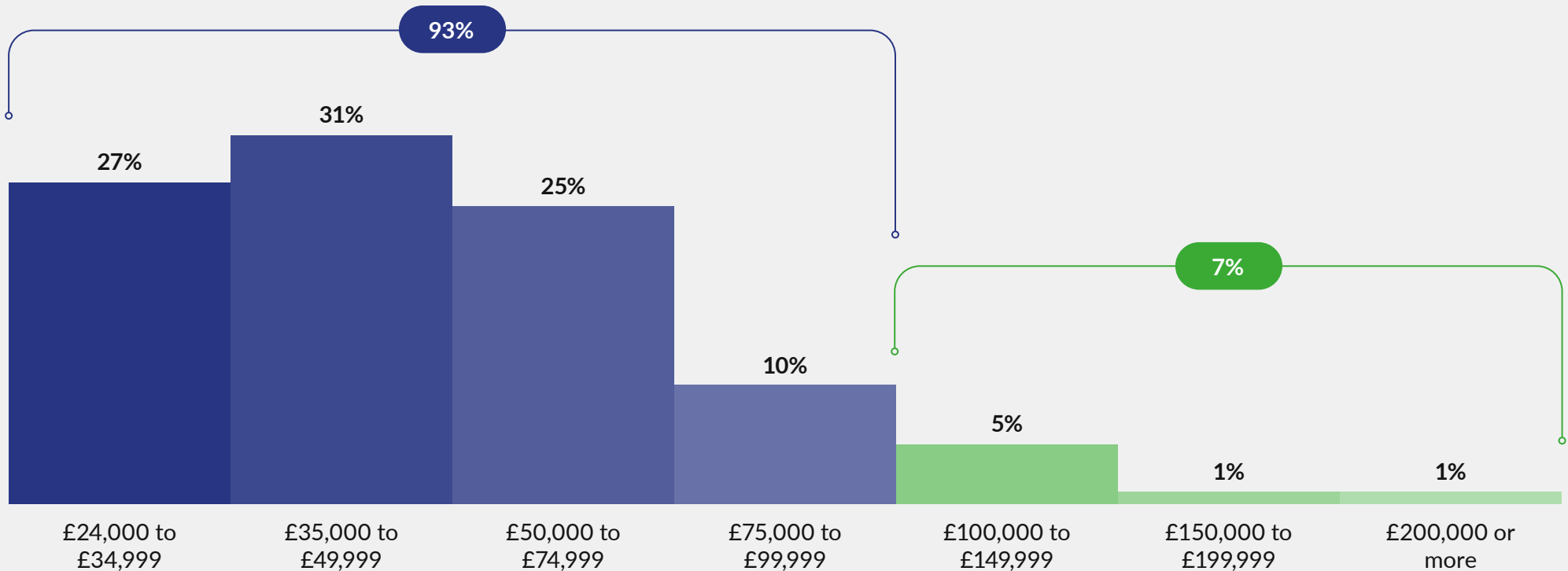


Exhibit 4. Distribution of All Respondents by Annual Household Income

Total Net Worth

There was not a statistically significant difference in the respondents estimate of their total net worth that included all of their financial holdings, including the estimated value of their home and any other properties they own. Fifty-two percent of all respondents reported a net

worth of £500,000 or more: 53% of Probables, 57% of Possibles, and 48 % of Improbables. Those who reported a net worth of £1,000,000 or more were 18% of both Probables and Possibles, and 21% of Improbables.

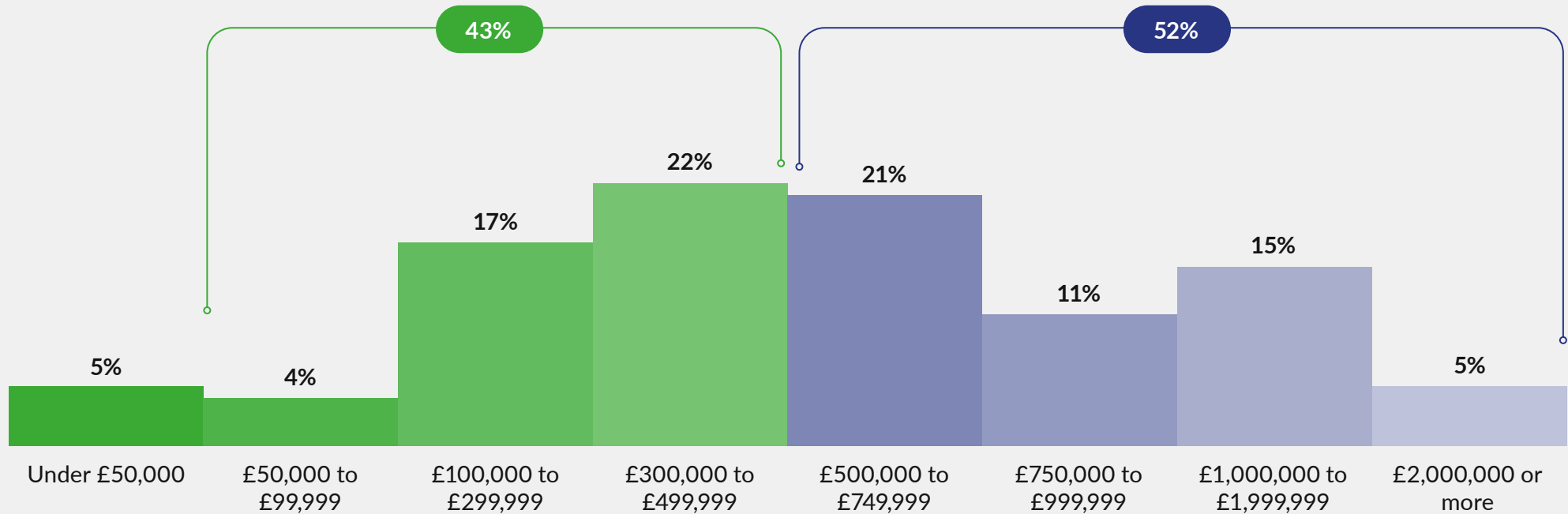


Exhibit 5. Distribution of Respondents Households by Net Worth Among Those Who Reported Their Household Net Worth

Tenure, Home Ownership, and Home Value of Respondents

Eighty-one percent of respondents owned their home outright, 13% had a mortgage, and 6% rent. Thirty-five percent estimated the value of their home, if sold today, would be between £51,000 and £299,999; another

52% estimated between £300,000 and 749,999; the remaining 13% estimated their home would sell for £750,000 to £1,500,000 or more.

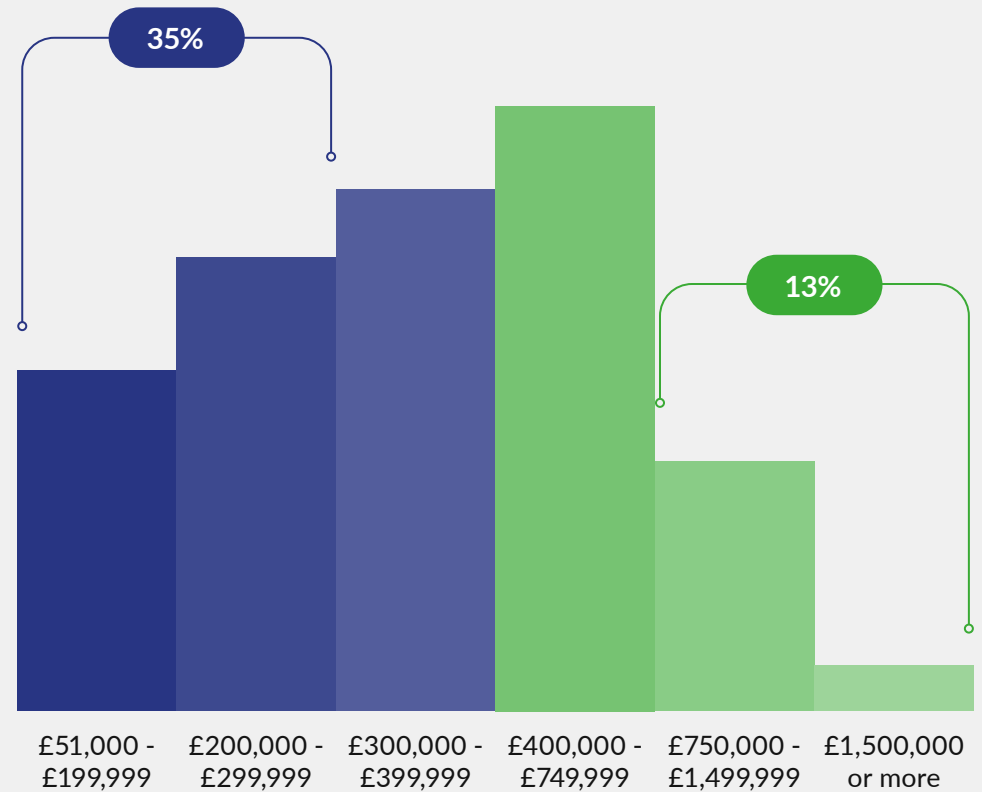
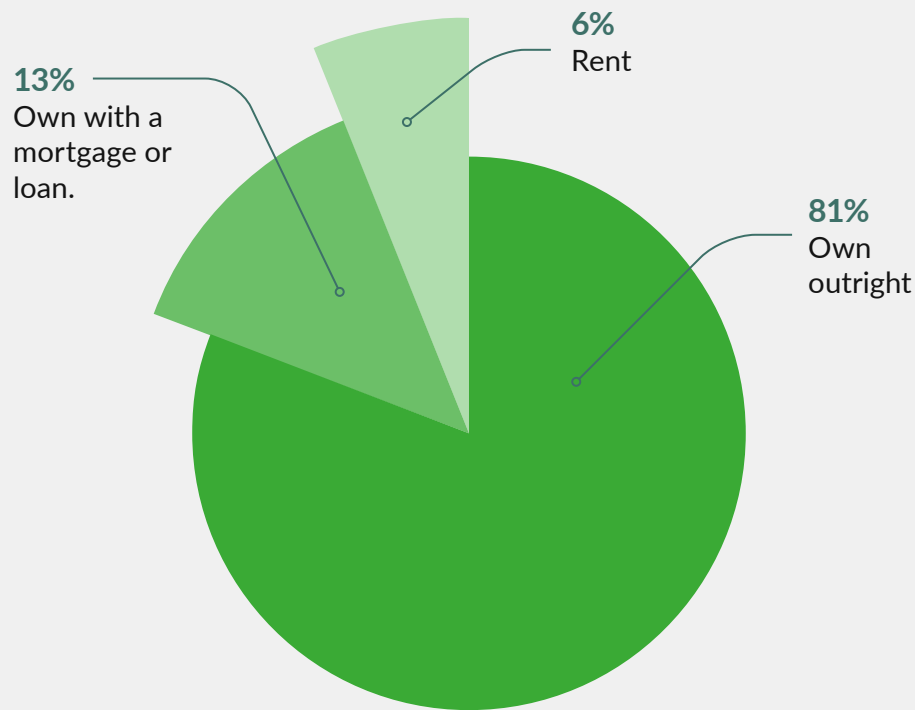


Exhibit 6. Home Ownership of Respondents

Exhibit 7. Home Value of Respondents

Current Primary Residence

Ninety-one percent of respondents lived in a detached, semi-detached or terraced house or bungalow and nine percent lived in a flat, maisonette or other structure.

Exhibit 8. Distribution of Primary Residence Types

Exhibit 8. Distribution of Primary Residence Types		
	Residence Type	Total
Whole house or bungalow	Detached	52%
	Semi-Detached	26%
	Terraced	13%
Flat, maisonette or apartment	Purpose Built Block of Flats or Tenement	7%
	Part of a converted building	2%
	Other	1%
Total		100%



Location of Current Residence

Seventy-five percent of respondents lived in urban city and town areas. Approximately one-fourth lived in rural areas. Twenty-five percent of the Probables lived in rural areas. Improbables were slightly more likely to live in rural areas.

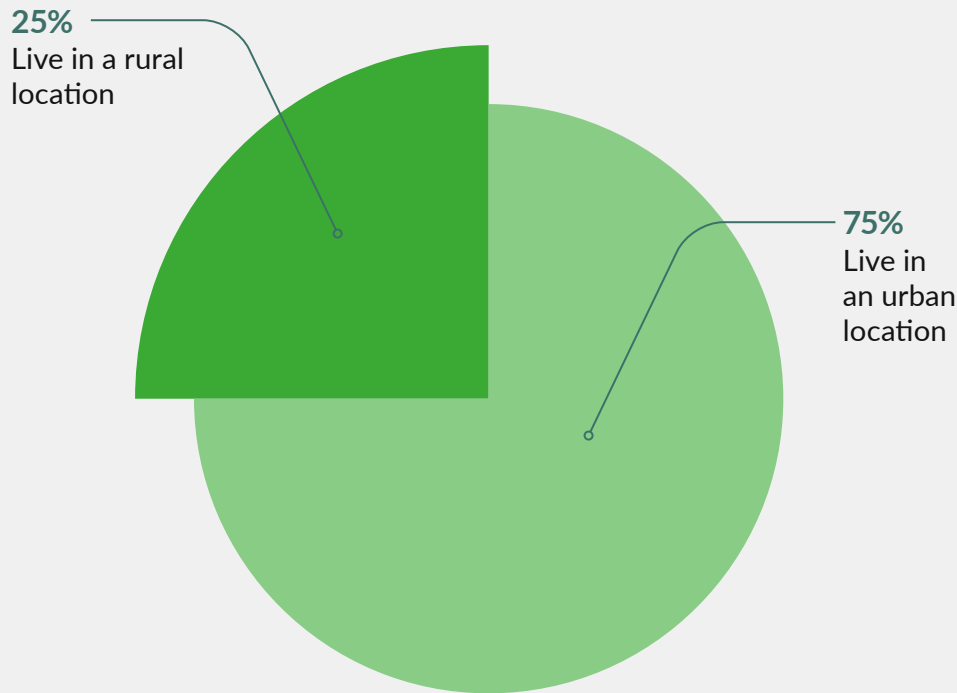


Exhibit 9. Percent of Respondents Who live in Rural and Urban Locations

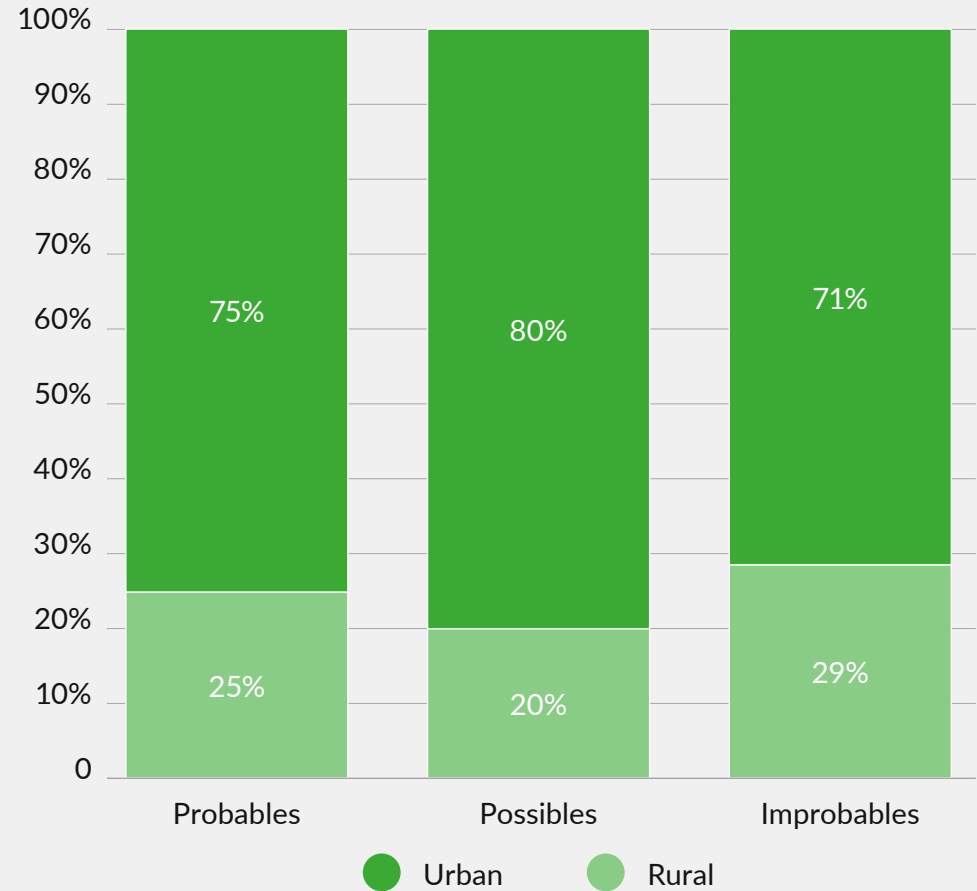


Exhibit 10. Distribution of Respondents by Primary Residence Location Classification for Each Likelihood of Moving Group ($p < .05$)

Likelihood of Moving and Age

The likelihood of moving to an IRC was evenly distributed across the six age groups from 55 to 59 years of age to 80+ years of age.

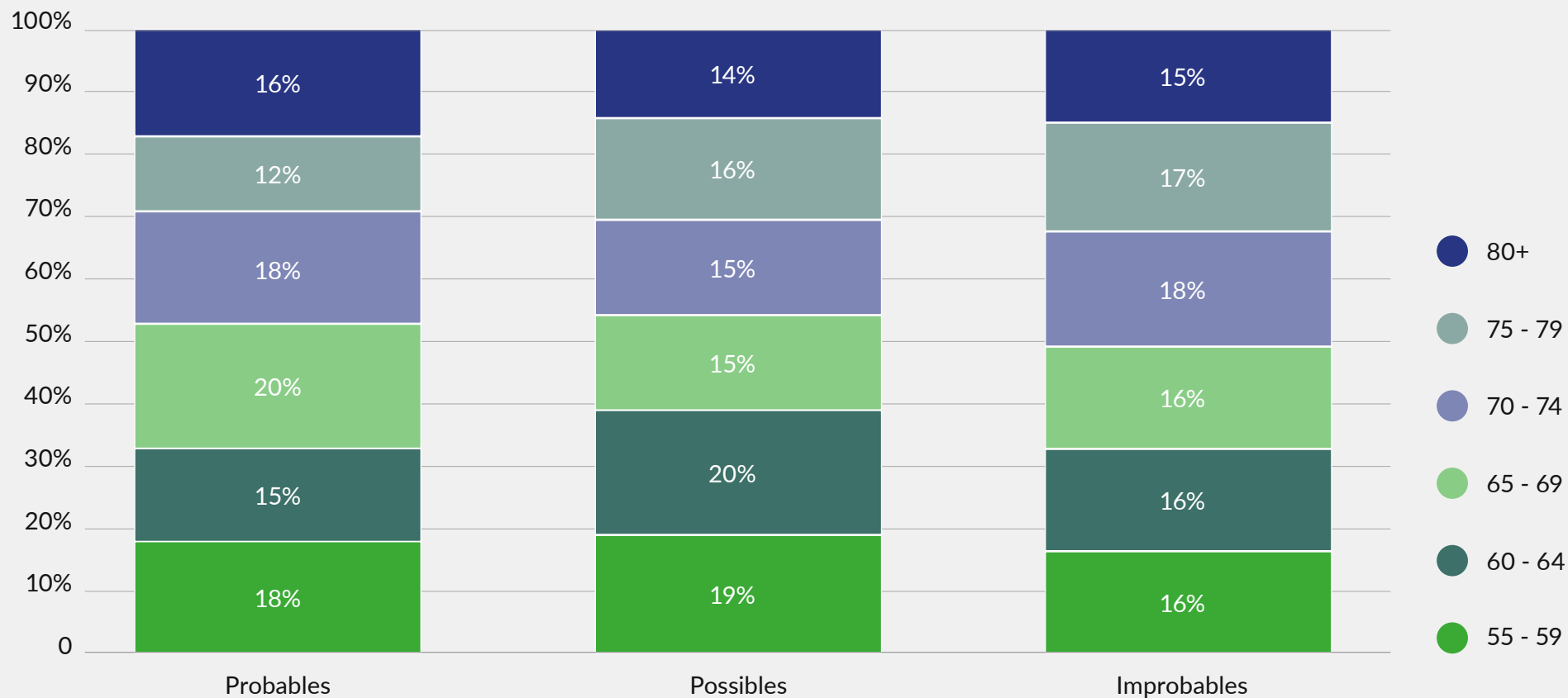


Exhibit 11. Distribution of Respondents by Age Segment From Oldest to Youngest for Each Likelihood of Moving Group (not sig.)

Likelihood of Moving and Marital Status

Marital status did not have an impact on the likelihood of moving to an IRC. The differences in marital status between Probables, Possibles, and Improbables was not statistically significant. The majority, slightly more than 75% of each group, were married and approximately 25% were single because they were a surviving partner, divorced or separated, or never married.

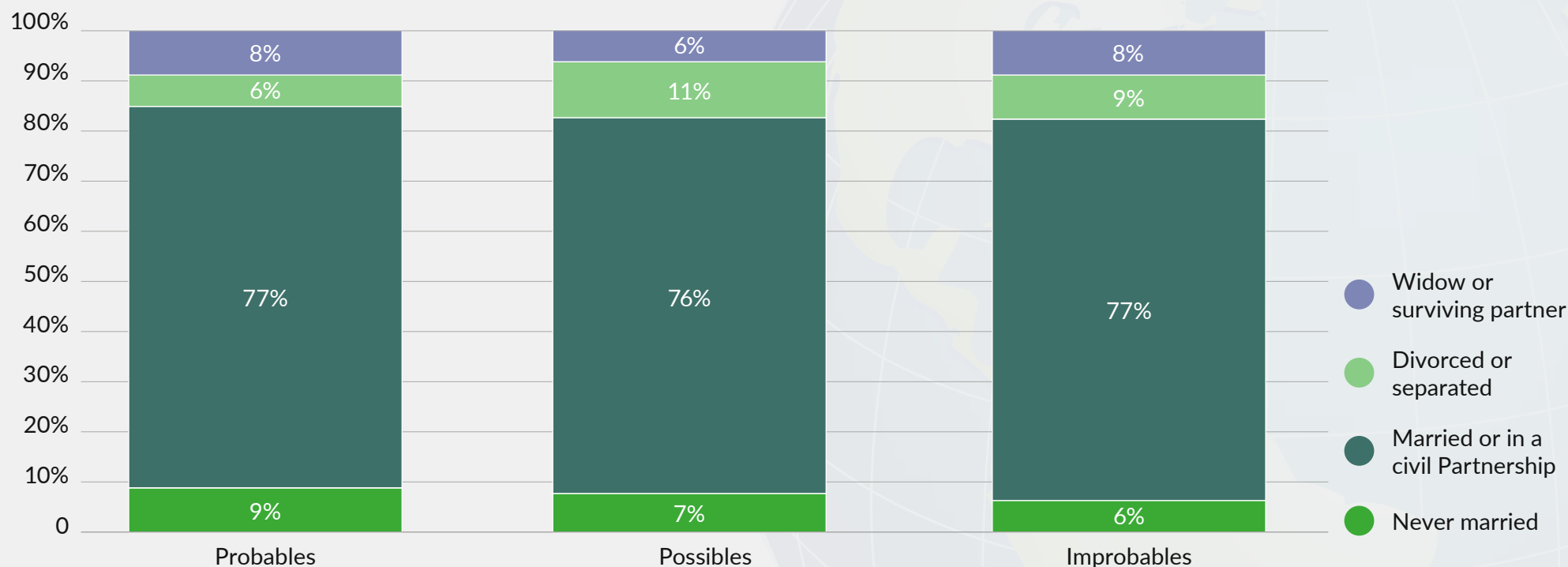


Exhibit 12. Distribution of Respondents by Marital Status for Each Likelihood of Moving Group (not sig.)

Likelihood of Moving and Health Status

Just over 20% (206 respondents) were likely or very likely to move if their current health status remains the same. Among the remaining 79% of respondents 194 (26%) said they would be likely or very likely to move if their or their spouse or partner's health were compromised. Roughly 50% of potential movers may be motivated to move because of an adverse health event.

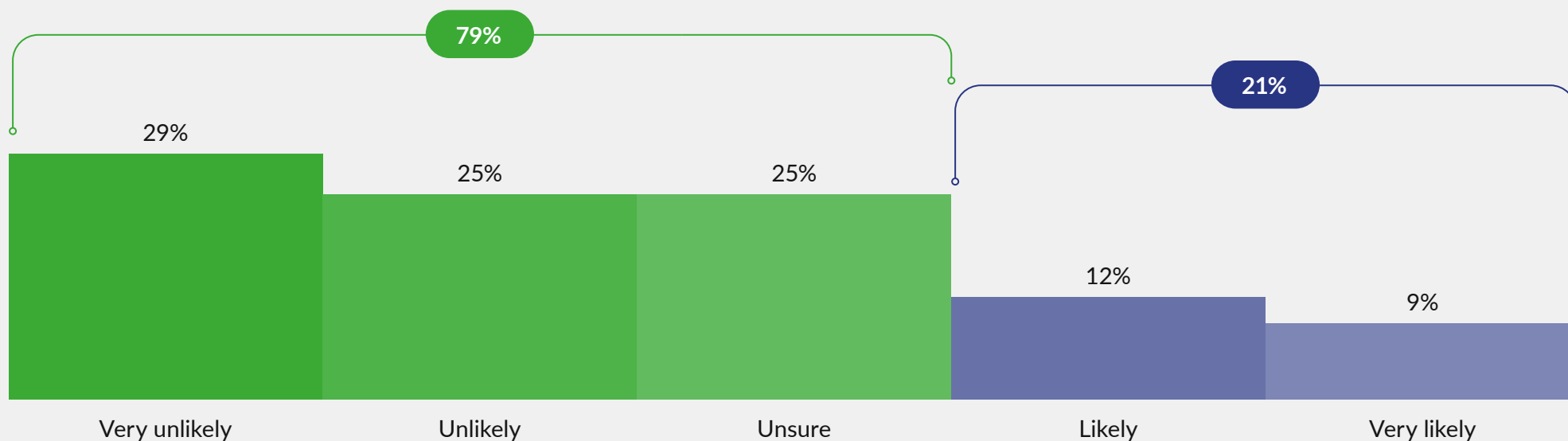


Exhibit 13. Distribution of Respondents by Likelihood of Moving from Current Residence Assuming Current Health Status of Self and of Spouse/Partner (If Applicable) Remains the Same

Likelihood of Moving to a Community with a Minimum Age Requirement

Twenty-seven percent of respondents who were considering a move from their home were likely or very likely to move to a community with a minimum age requirement of 55 or 65 years. Among Probables, 6% plan to move within one year, 23% would move within two years, and 43% would move within three years.

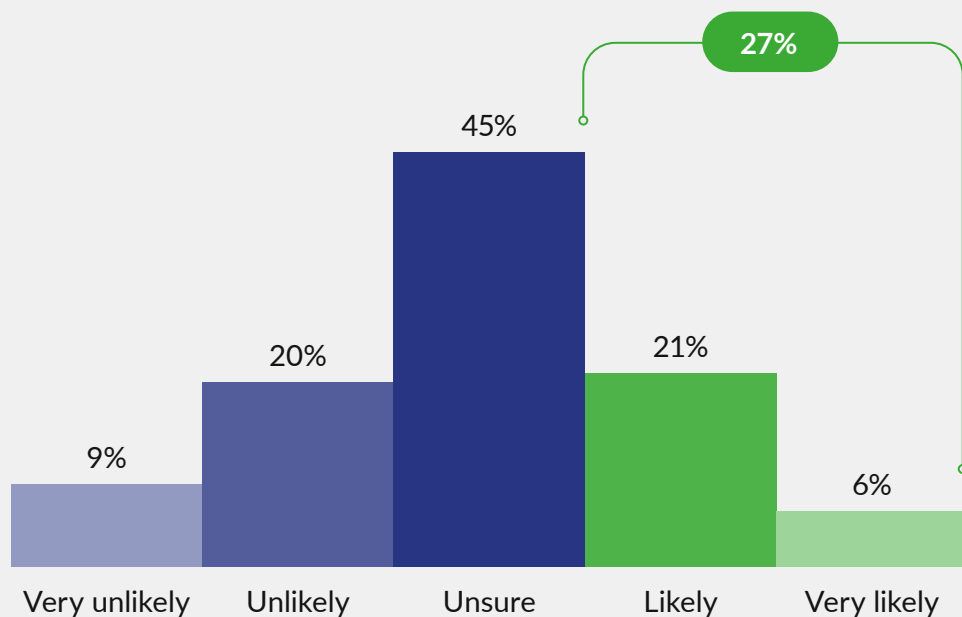


Exhibit 14. Distribution of Respondents Who are Considering Moving from Their Current Residence by Likelihood of Moving to a Community with a Minimum Age Requirement of 55 or 65 years.

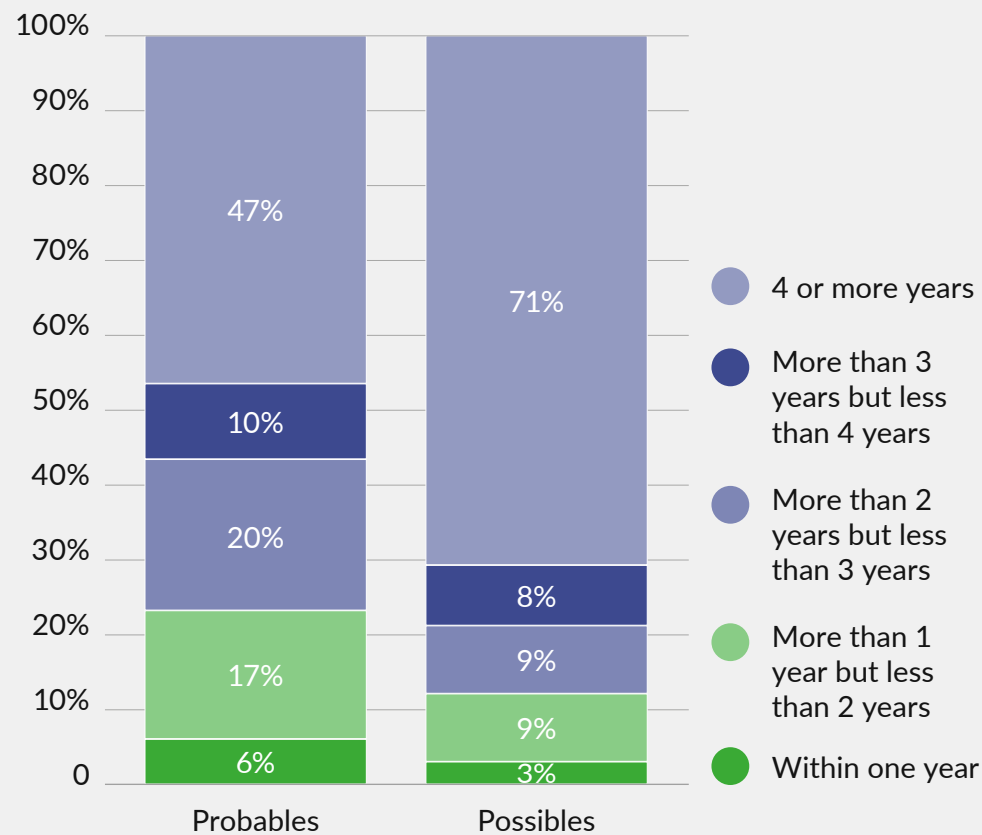


Exhibit 15. Distribution of Respondents by Timeframe of Moving from Primary Residence for Each Likelihood of Moving Group ($p < .001$)

Distance to Nearest Family and Impact on Likely to Move

Distance of Respondents' Current Home From Family

A larger proportion of Improbables (42%) than Possibles or Probables lived within four miles of a family member.

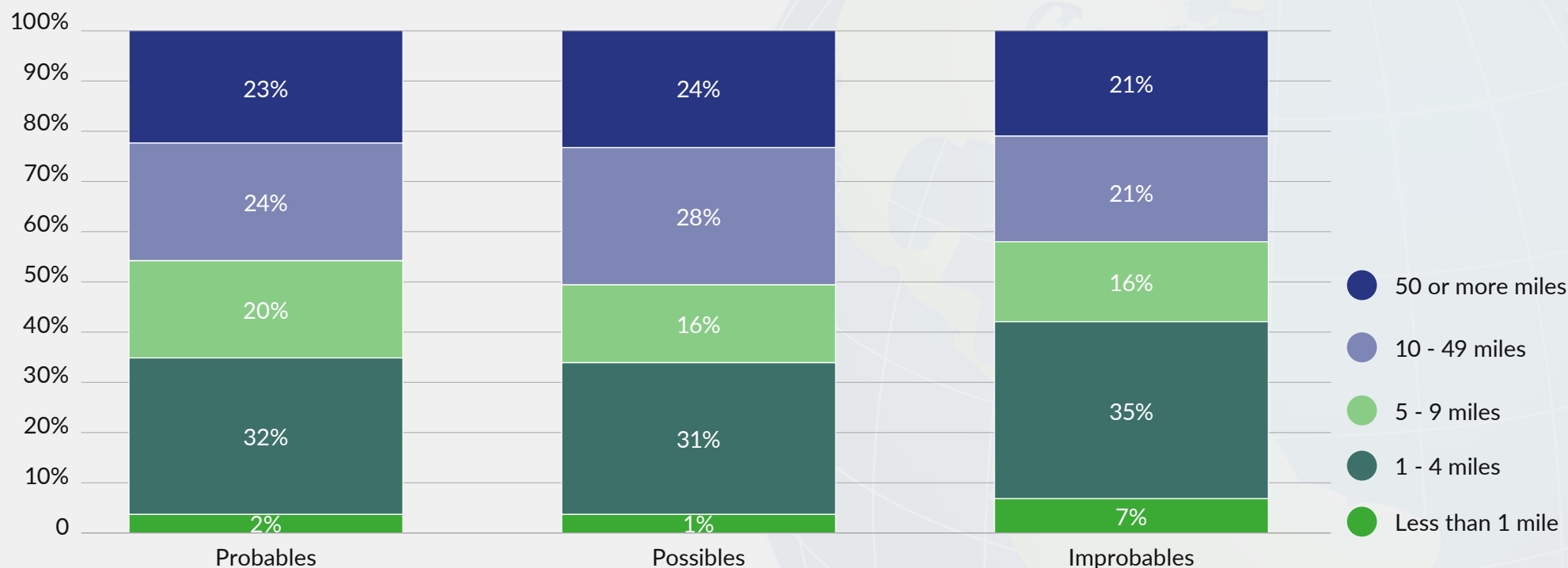


Exhibit 16. Distribution of Respondents by Distance to Nearest Family for Each Likelihood of Moving Group ($p < .005$)

Distance to Nearest Family and Impact on Likely to Move

Impact of Children and Grandchildren on Distance Likely to Move

Respondents who do not have any children (34%) were more likely than those who have children and grandchildren to move **50 or more miles**.

Number of children	Distance to nearest family					Total
	< 1 mile	1- 4 miles	5 - 9 miles	10 - 49 miles	> 50 miles	
No children	3%	23%	17%	23%	34%	100%
One child	4%	32%	19%	26%	19%	100%
Two children	5%	35%	17%	23%	20%	100%
3 children	5%	43%	13%	21%	17%	100%
> 4 children	6%	33%	14%	29%	17%	100%
Total	4%	33%	17%	24%	22%	100%

Exhibit 17. Distance to Nearest Family (Excluding Those in Same Residence) by Number of Children (p<.05)

Likelihood of Moving by Number of Limitations of Activities of Daily Living (ADL)

Probables (18%) were more likely than Possibles (8%) or Improbables (10%) to report they have difficulty with three or more activities of daily living.

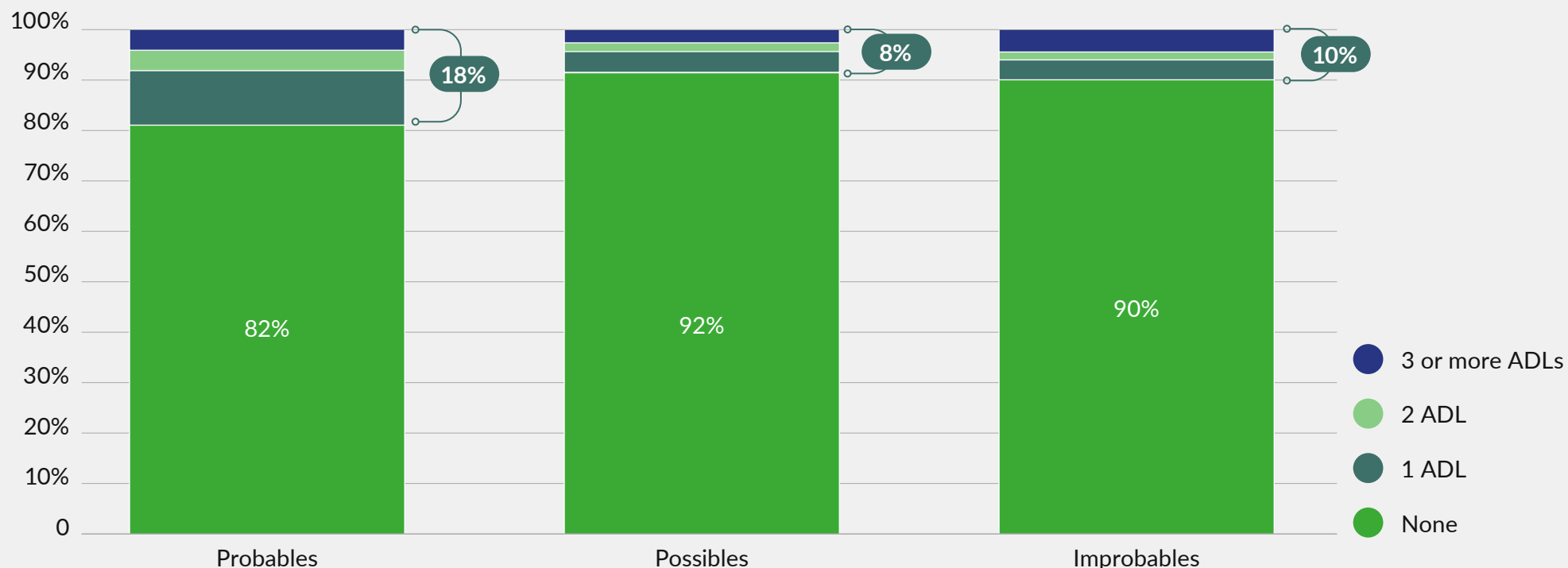


Exhibit 18. Distribution of Respondents by Number of Limitations of Activities of Daily Living for Each Likelihood of Moving Group ($p < .05$)

Preferred Location to Move

Where Respondents Who Would Consider Moving to an Integrated Retirement Community Prefer to Move

Twenty-five percent of Possibles and 33% of Probables prefer to move to a different location than where they live currently. Among these respondents, 35% preferred a small town or village, and 28% preferred suburban. The remaining 37% were almost evenly split between rural, outlying suburban, and urban. Seventeen percent would consider moving outside of the UK.

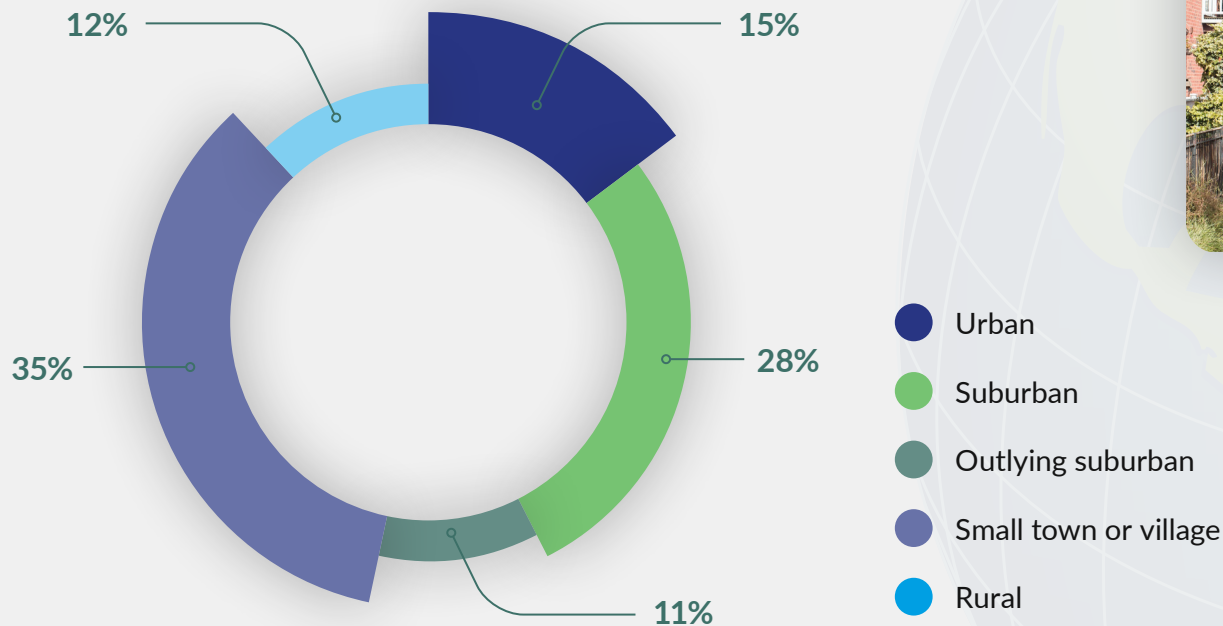


Exhibit 19. Type of Area Where Possibles and Probables Would Prefer to Move

Preferred Type of Residence Among Prospective Movers

Thirty-nine percent of Probables and 44% of Possibles prefer a bungalow. Thirty-four percent of Probables prefer a flat/maisonette or apartment. The second most preferred choice for 25% of Possibles was a detached house. Among respondents interested in multi-family housing, the majority of Probables (71%) and Possibles (51%) preferred a building with 2 to 4 stories.

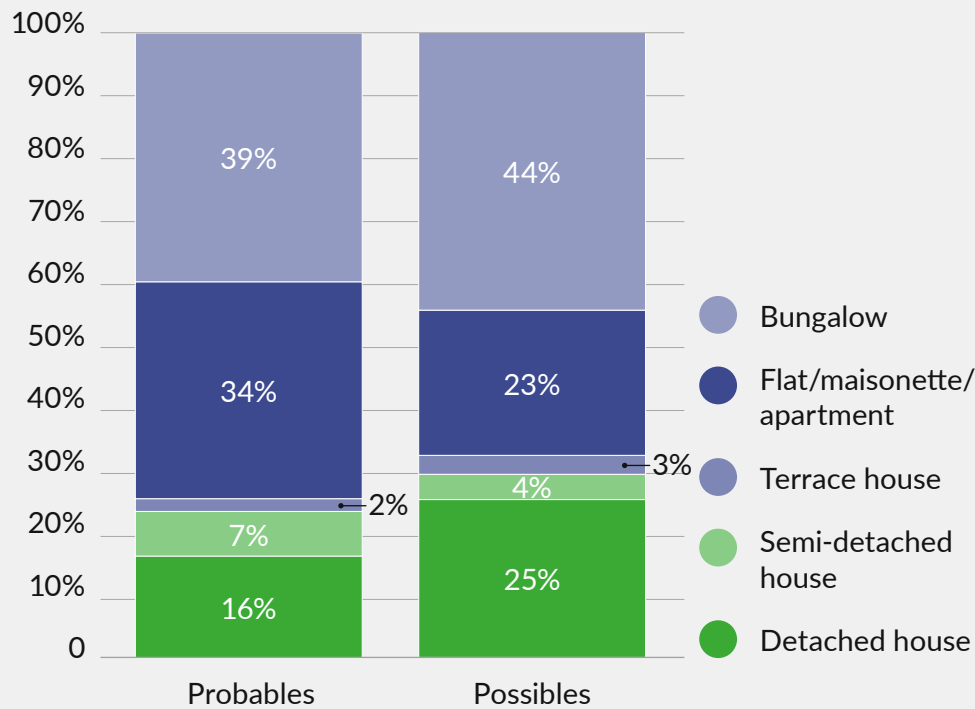


Exhibit 20. Distribution of Respondents by Preferred Residence Type for Each Likelihood of Moving Group ($p < .05$)

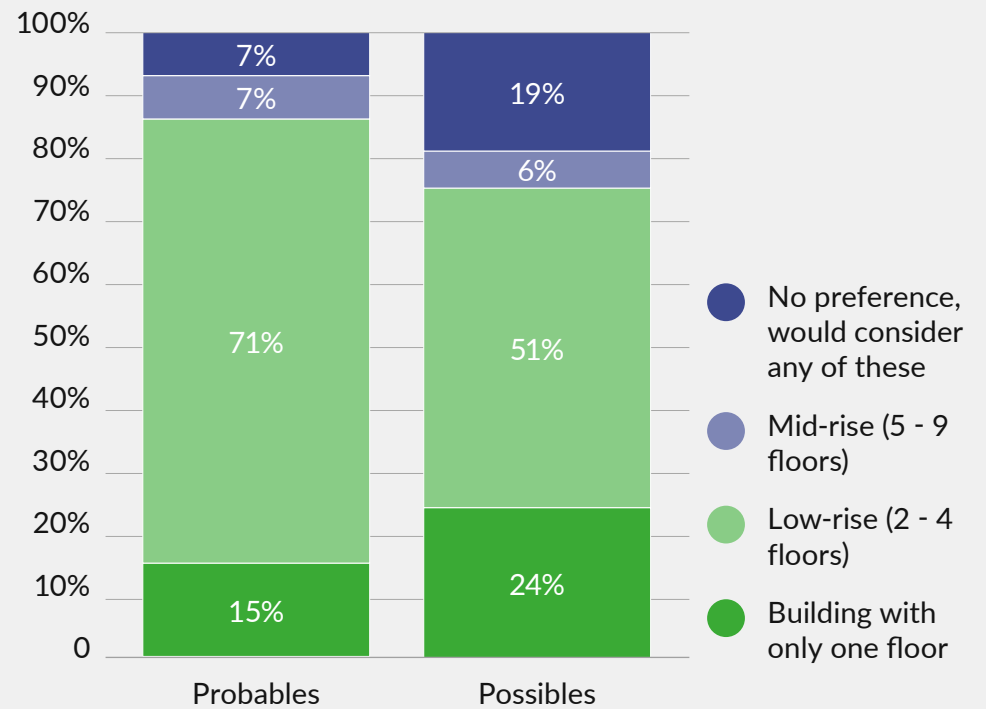


Exhibit 21. Distribution for Each Likelihood of Moving Group of Respondents who Selected a Preference for a Flat/Maisonette/Apartment by Their Most Preferred Residential Building (not sig.)

Preferred Floor Plan Among Prospective Movers

The top three choices out of 15 choices of Bedroom/Bathroom combinations in descending order were:

1. Two bedrooms, 1 ensuite bath, 1 family bath, 1 guest bath (28%), **2.** Three or more bedrooms, 1 ensuite bath, 1 family bath, 1 guest bath (12%), **3.** Two bedrooms, 1 ensuite bath, 1 family bath (10%).

Bedroom/Bath Mix	Percent of Total Respondents
Two bedrooms, 1 ensuite bath, 1 family bath, 1 guest bath	28%
Three or more bedrooms, 1 ensuite bath, 1 family bath, 1 guest bath	12%
Two bedrooms, 1 ensuite bath, 1 family bath	10%
Two bedrooms, 1 ensuite bath, 1 family bath	7%
Two bedrooms, 1 family bath	3%
Two bedrooms, 1 ensuite bath, 1 guest bath	3%
Two bedrooms, 1 family bath, 1 guest bath	3%
Three or more bedrooms, 2 ensuite baths, 1 family bath, 1 guest bath	2%
Three or more bedrooms, 1 ensuite bath, 1 family bath	2%



Exhibit 22. Bedroom/Bath Mix, Probables and Possibles, Top 10 Choices

Number of Cars Respondents Would Bring to the Community

by Preferred Residence Type

When asked how many cars they would bring to a community that will likely have personal or group transportation services, the majority of respondents will bring one car to the community, the next largest group would not bring any cars. The type of dwelling has an impact on the number of cars. Those who prefer a detached house are more likely to have two or more cars.

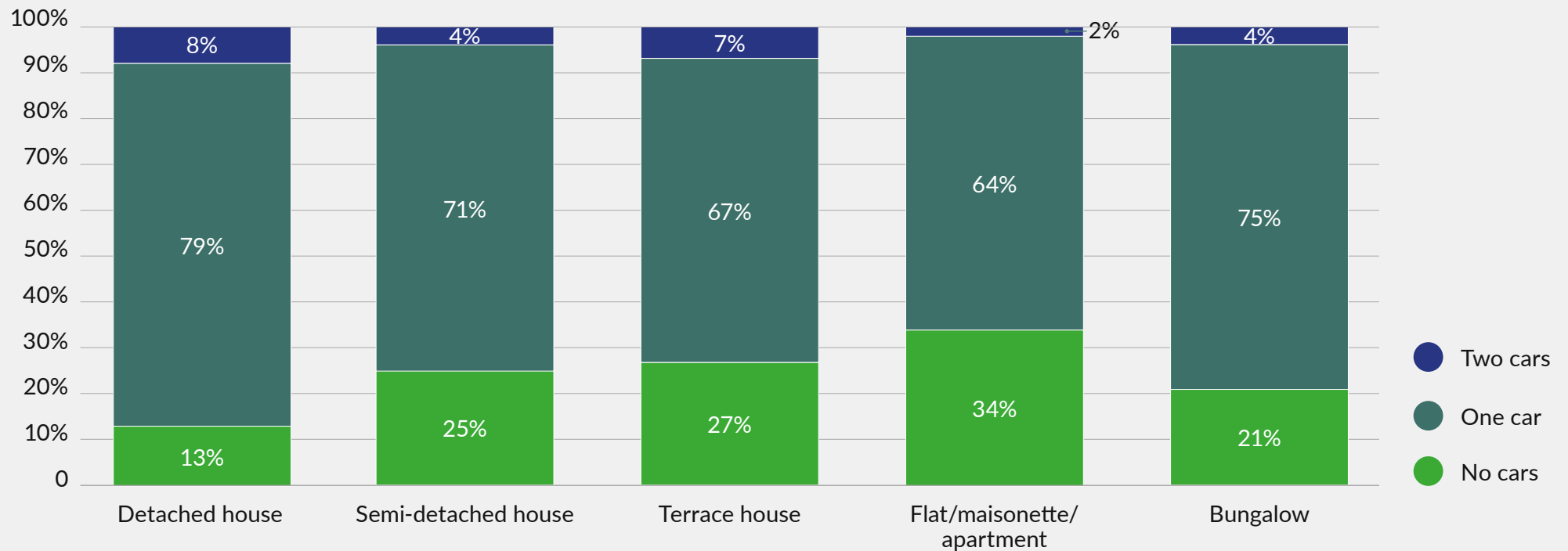


Exhibit 23. Number of Cars Respondent Would Bring to the Community, Even if Personal and/or Group Transportation Services are Provided by Preferred Residence Type Among Probables and Possibles ($p < .005$)

Proximity to Frequented Destinations

At least 33% of the respondents would like to live within walking distance of food shops, chemist, and park. The distance to an ocean or beach, river, lake, hills or mountains, cultural amenities, volunteer opportunities, or airport did not matter to 52% or more of the respondents. Ninety-one percent said the distance to a university did not matter.

	Walking Distance (Descending)	Car, Bus, or Train Ride					
		5 min	10 min	20 min	30 min	Over 30 min	Does not matter
Food Shops	35%	18%	24%	12%	2%	1%	8%
Chemist	35%	19%	23%	11%	2%	1%	9%
Park	33%	14%	22%	8%	4%	1%	19%
Doctor	29%	20%	27%	11%	3%	1%	8%
Pub	24%	14%	14%	6%	3%	1%	37%
Retail/Shops	23%	19%	25%	16%	5%	1%	12%
Restaurant	21%	13%	20%	13%	5%	1%	25%
Library	17%	12%	15%	10%	4%	1%	41%
Bank	16%	15%	20%	12%	6%	0%	32%
Current Home	7%	9%	11%	13%	10%	3%	48%
Ocean/Beach	7%	4%	7%	6%	11%	13%	52%
Spiritual Interests/ Church	6%	3%	8%	5%	5%	2%	71%
Friends	5%	7%	13%	17%	19%	10%	30%
River	5%	4%	9%	8%	10%	9%	56%
Family	4%	5%	16%	17%	18%	12%	27%
Cultural Interests	4%	4%	8%	12%	12%	8%	52%
Volunteer Connections	3%	4%	8%	8%	7%	4%	67%
Lake	3%	4%	6%	5%	10%	12%	61%
Uplands/Hills/ Mountains	2%	3%	7%	8%	10%	13%	57%
University	1%	1%	2%	1%	3%	1%	91%
Airport	1%	1%	4%	4%	10%	17%	64%

Exhibit 24. Desired Proximity to Public Amenities Required for Respondent to Move Among Probables and Possibles

Psychographic Characteristics of Respondents

Ninety-one percent agreed it is important to be independent and self-sufficient; 57% believe they have a safety-net among family and friends should they need help at some point in time, and just 13% would prefer a community exclusive to my socio-economic status. Some commented they wanted an integrated community.

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
It is important to remained independent and self-sufficient as I get older.	0%	1%	8%	48%	43%
I believe that I have a “safety net” in place in case I should become ill or frail and need help.	3%	9%	31%	45%	12%
I have sufficient financial means to last my lifetime.	2%	4%	23%	46%	24%

Exhibit 25. Psychographic Characteristics

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I would prefer a community exclusive to individuals of my socioeconomic status.	13%	15%	41%	12%	1%

Exhibit 26. Socioeconomic Preferences, Probables and Possibles (not sig.)

ProMatura's Top 5 Tips for Success from the 'People Perspective'

ProMatura has conducted this research on our own initiative to derive a market intelligence-based understanding to share with stakeholders interested in Integrated Retirement Communities (IRC).

1. Moving to an age-qualified community is a highly discretionary decision, not the default one of moving to a care home

Successful projects identify and very closely match the individual, local demand pattern for each community.

2. Supply-side planning of communities often consider people last, not first

Potential residents' specific requirements are often ignored at huge social cost & cost to capital.

Imperative to move from property-driven supply to people-driven demand.

3. Concept design and budget

Get your future residents to help design and plan the home and community they would like to live in, at a price they can afford and you can prove with great certainty what they are willing to pay.

4. Highly discretionary product: targeting 'Silent generation' or 'Baby Boomers'?

These two generations have different patterns of demand and price points, satisfying demand for the former usually means an unappealing offer to the latter.

5. Successful projects create and sell a lifestyle that perfectly meets the aspirations of a highly defined target market

The best way to know what prospective residents want is to ask them to participate in a structured Community Planning Research Seminar. Only individuals who would consider moving to the community if it were to be built on the designated location and opened within a specific time frame with residences, services and amenities that they want offered in a price range they would be able and willing to pay are invited to the seminar. The research results are statistically valid and reliable, and provide a detailed prospectus that describes the community and commercial enterprise to attract and inform prospective residents, buyers, or investors.

Appendix A: Margin of Error

Margin of Error – Full-Survey Sample (n=475):

The margin of error for the results on the traditional survey questions (Exhibit 2) for the 475 Probables and Possibles who completed the full survey is +/- 3.0% at the 95% confidence level for questions where the expected proportion is likely or very likely to move to an IRC is 13%.

This margin of error suggests that the probability that the true proportion for a question represented by the sample who completed the full survey should be within this margin of error 95% of the time.

Margin of Error – Total Sample (n=966):

The margin of error for the results on the traditional survey questions (shown in the adjacent table) for all 966 Probables, Possibles, and Improbables who completed questions included in both the full and abbreviated survey is +/- 2.3% at the 95% confidence level for questions where the expected proportion of Probables is 13%, if the expected proportion is 13% the margin of error is +/- 2.3% at the 95% confidence level.

This margin of error suggests that the probability the true proportion who would move to a retirement represented by the sample who completed the questions should be within this margin of error 95% of the time.

Margin of Error at a 95% Confidence Level				
Survey Type	Sample Group	Number of Surveys	Expected Proportion Likely to move	Margin of Error 95% Confidence Level
Full Survey	Probables + Possibles	475	13%	+/- 3.0%
Full Survey or Abbreviated Survey	Probables + Possibles + Improbables	966	13%	+/-2.3%

Appendix B: ProMatura Europe

ProMatura has been an international leader in market research for more than 38 years and has clients across North and South America, Europe, Australia, Japan and China. ProMatura has completed hundreds of market research, market and financial feasibility studies, industry-wide research and large scale, in-depth, statistically valid consumer research studies relative to every form of age-qualified and all-age housing.

ProMatura uses all forms of research tools and tailors our processes to best fit the objectives of our clients. We have significant breadth and depth of knowledge of the age-qualified housing industry that spans from empty nester (55+) housing to age-qualified, service enriched housing such as independent living, assisted living, care for persons with Alzheimer's disease or other forms of dementia, continuing care retirement communities, and nursing care.



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